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# The governance of activation in France: long-term reforms of public employment services

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# Introduction

- Context : accelerated process of reform
  - Substantial changes in activation
  - Activation policy looks for more closely connection between compensation and placement by using compensation benefit as a counterpart of job-search, and more widely in developing incentives to return to employment
- Reforms concern also the governance of PES
  - Main features of the renewed governance
- A diachronic and analytique methodology
  - Long history with ruptures and accelerated process
  - Governance Regimes (Considine, 2001)
- Purpose :
  - characterize the transformation of PES governance regime
  - Questionning the effects of this transformation

# outline

1. Brief go-back on the PES mains institutions evolution and transformation
1. Mains features of PES governance reforms
1. Discussion : the future of PES governance regime and main impacts of the reforms

# 1. Brief go-back on the PES mains institutions shifts

## 1.1. institutional governance of PES

3 periods

- Before 2005 : DGTEFP, ANPE, AFPA
  - Under authority of Ministry of labour (centralized governance and devolution different levels)
- 2005-2008 : A new extended PES : 3 circles (2005)
  - First : hard core PES Institutions
  - Second : local authorities, municipalities
  - Third : co-contractors and sub-contractors
- 2009->
  - Merging between placement institution and compensation institution : The Employment Bureau (2009)
  - Redesigned of Regional institution

# 1. Brief go-back on the PES mains institutions shifts

## 1.2. the institutional governance of compensation schemes

Unemployment compensation system		Social assistance	
<i>Insurance scheme</i>		<i>Solidarity scheme</i>	<i>Assistance against poverty</i>
UNEDIC Social partners	<b>Administration</b>	The State	CNAF Social partners
Insurance benefits are linked to previous occupational earnings and paid for a limited period of time	<b>Principles</b>	Solidarity benefits are fixed amounts, means tested, paid for a limited period of time	Assistance benefits are means tested according to the household's structure and income. The RSA is formatted to "make work pay"
Employers' and workers' contributions	<b>Financing</b>	State budget (Solidarity Fund)	Local taxes
Unemployed with sufficient employment references	<b>Beneficiaries</b>	Unemployed with sufficient employment references who have exhausted their rights to insurance benefits	Inactive or unemployed aged 25 years and more, below a minimum income (household's resources) or young parents under 25 years
Benefit-paying agency: Employment Centre			CNAF is the benefit- paying agency

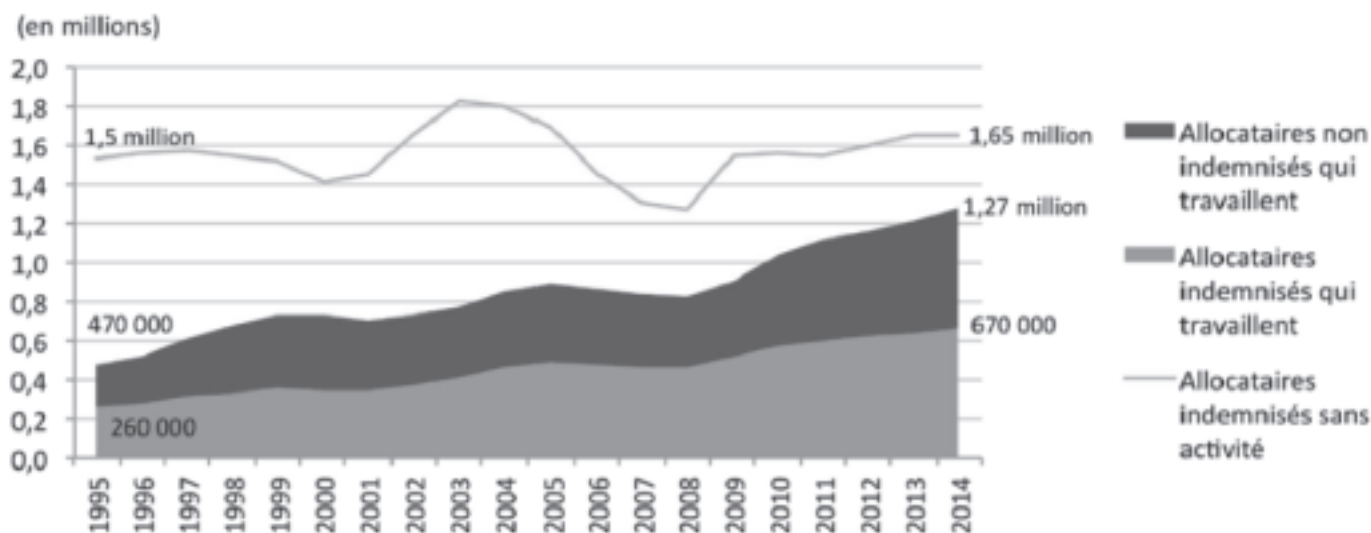
# 1. Brief go-back on the PES mains institutions shifts

## 1.2. The institutional governance of income protection schemes

- A segmented system who brings social partners to encouraged reduce activity (1984->) ; to use activating benefits for insured unemployed only (1998->2008)
- 2009 (merger) : social partners lose part of their prerogatives ;
- Unedic no longer have human and economic resources (Cleg, 2011)
- 2018 : towards the end of corporatism in the institutional governance of income protection schemes

# Increasing of « reduce activity »

Figure 3. Répartition des allocataires indemnisables (1995-2014)



Source : Fichier national des allocataires (Unédic/Pôle emploi, échantillon au 1/10<sup>e</sup> cité in (Unédic, 2016)

Champ : Allocataires indemnisables par l'Assurance chômage (ARE) en fin de mois, hors aides et formation

## 2. Mains features of PES governance reforms

### Analytical framework

- Since 1980s : many shifts to adapt PES to the rise of unemployment and aiming to support reinforcement of activation strategies
- an heuristic typology of Governance regimes (Considine 2001)
  - procedural/legal governance: regulated by rules, universal treatment
  - corporate/managerial governance: regulated by plans, focused on targets
  - market/competition governance: regulated by contracts, focused on prices
  - Network/relationships governance: regulated by co-production and partnership, focused on intermediation



## 2.1. From Disorganized and Unsynchronized De-centralization to re-centralization

Heidenreich and Rice (2016) : local level is the ideal level for re connection of social policies and services; it must be in the core of the social state based on services

### Disorganized and Unsynchronized De centralization

- Decentralization process concern firstly income support policies and vocational training and since mid 2005 it is extended to job-search supports
  - *'Régions'*: increasing competencies in vocational training since the mid 1980's
  - *'Départements'*: increasing competencies in income support (allowance payment, social integration & job-search support) in 2003 and 2009
  - Local level (communes, group of communes) : more en more encouraged to experiment
  - limited decentralization of the National employment agency (now the Employment bureau, *'Pôle emploi'*) :

## 2.1. From Disorganized and Unsynchronized De-centralization to re-centralization

- Still a dominant downward logic with central steering and local implementation
- 2018 : towards an underground/untold re-centralization ?

Hervé Morin, Dominique Bussereau, François Baroin, leaders of the 3 main associations of elected officials (Regions of France, Assembly of Départements of France, Association of french mayors)- avril 10 2018 :

*combine their efforts in order « to prevent public opinion on the assumption of a number of public policies by government, that it signs of a creeping and hidden re centralization, but extremely powerful »*

## 2.2. New Public Management and State Contractualism : Slowly, Softy, Paradoxically

NPM began in the late 1980's but long remained slow and ambivalent

- According recent research (Pillon, Vivès, 2016 ; Berthet, Bourgeois, 2017), last national (2013) plan for employment return offers more autonomy in work organization for counselors

A soft contractualism with the so called 'performance contracts' between the ANPE and the state

- Essentially formal
- Not honoured by either party

with the generalization of job-search support (2001)

- reinforcement of quantitative goals set for local offices and operators
- profiling of job-seekers also develop as a tool for orientation & resource allocation

From 2009 : new contractualism with the tripartite national agreement : Strategic orientations for the Employment Bureau still largely defined by state as employment policies

## 2.3. Contracting out and outsourcing, from partnership to quasi-market ?

Contracting-out began in the late 1980's and intensified in the late 1990's with the generalization of job-search support

Balmory report (2004) ; outsourced benefits + 759 % (1998-2002)

2005-2010 : Law of social cohesion

- end of the (formal) public monopoly for job-placement,
- Since 2006 not only outsource benefit but the whole trace support benefits
- increasing competition in the call for tender procedures regarding service provision

2009-2015 : a weak development of marketization and enhancement position of the Employment Bureau

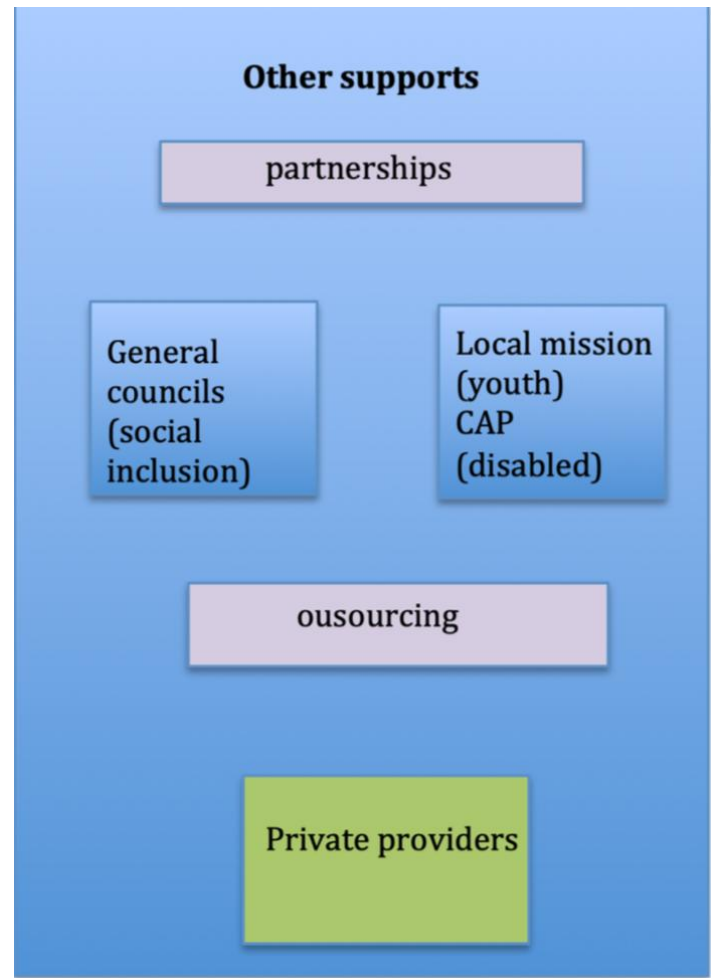
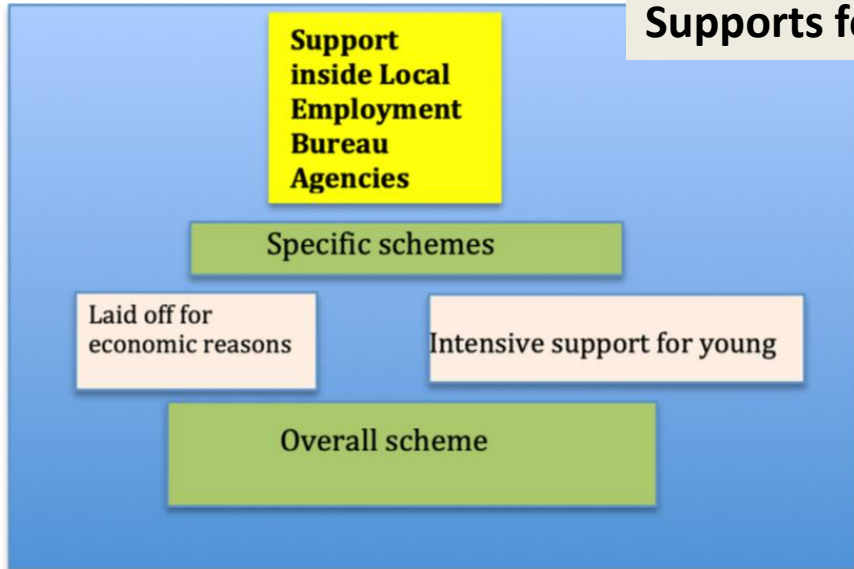
- end of competition between the ANPE and UNEDIC
- despite new benefits, outsourcing using decrease from 2011 : - 53,5% (2009-2013)
- the Employment Bureau choice to back in house benefits

The quasi-market remains limited ; competition mainly applies to subcontractors in territories where they are sufficiently numerous ; co-contractors escape from it

## 2.4. Network, inter agencies cooperation ; merger between compensation and placement operator

- **Employment House (2005)**
  - Promote of single local gateways
- **Active solidarity income (2008)**
  - Departement became leader for inclusion policies for active solidarity income recipients
  - The majority of recipients of the RSA will no obliged to register as job seekers and to sign a personal plan (PPAE)
  - contractualism still weak because financial issues for many departements
- **Global support implementation (2014) : aims to better coordinate social inclusion measures with profesional integration**
  - Fourth accompanying measure of support (follow-up/guided/intensive)
  - The employment Bureau have the leadership and play a major role
  - Financial Problem : no special fund for additional social workers

# Supports for unemployed



## jobseekers' support

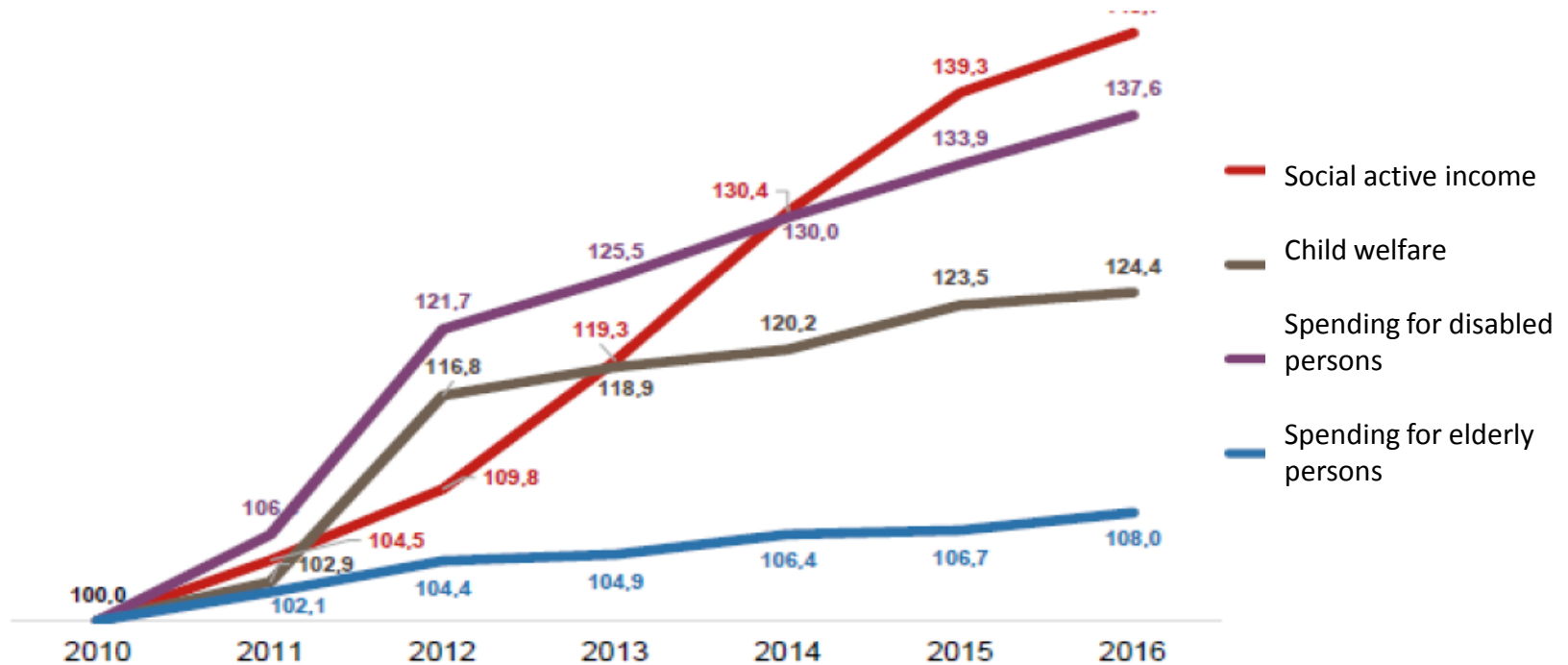


Diagnostic and orientation

Registration at the Employment Bureau

Situation at January 2015

## Evolution of social spending of départements between 2010 and 2015 (base 100 in 2010)



*Source : Cour des comptes d'après données DGFIP (rapport annuel 2017).*

*Note : Ensemble des départements hors Rhône, Guyane et Martinique.*

## 2.4. Network, inter agencies cooperation ; merger between compensation and placement operator

- Merger between ANPE and Assedics : The Employment Bureau (2009)
  - a constantly recurring issue (Pillon et Vivés, 2016) :
    - increase efficiency of PES ;
    - reduce segmentation between job-seekers
  - News opportunities to reinforce activation of the unemployed
  - Rational spending policy :
    - economies of scale
    - avoid duplication
    - reduce transactional costs
  - (2012->) Strategic refocusing on intensive support recipients ; abandoning the target of collecting job offers



### **3. Discussion : the future of PES governance regime and main impacts of the reforms**

- **3.1. How characterized the new PES governance ?**
  - Barbier (2007)
    - France qualified as an hybrid regim/system
  - Recent reforms : orientation toward more beveridgean model but not in all the axes :
    - Procedural/legal governance : central steering ; diminishing role of social partners ;
    - Reinforcement of the control of active job-search by
    - A relative commodification, outsourcing for mainly capacity reasons, a competitive subsidized regulation in a highly administered framework (Berthet Bourgeois, 2017)

### **3. Discussion : the future of PES governance regime and main impacts of the reforms**

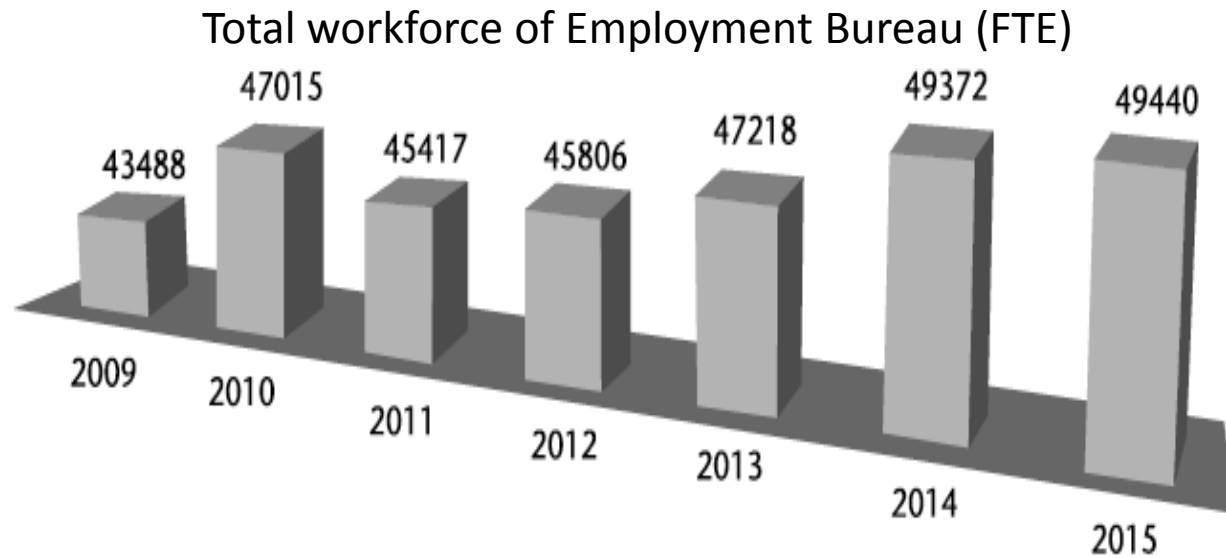
#### **3.2. Main impacts of the reforms**

- In the context of reinforcement of the activation policies (90's and 2000's), reforms aims to « modernize » PES in order to
  - improve rationality and efficiency,
  - encourage better coordination and simplification
  - reduce public spending
- Are these targets has been reached ?

### 3. Discussion : the future of PES governance regime and main impacts of the reforms

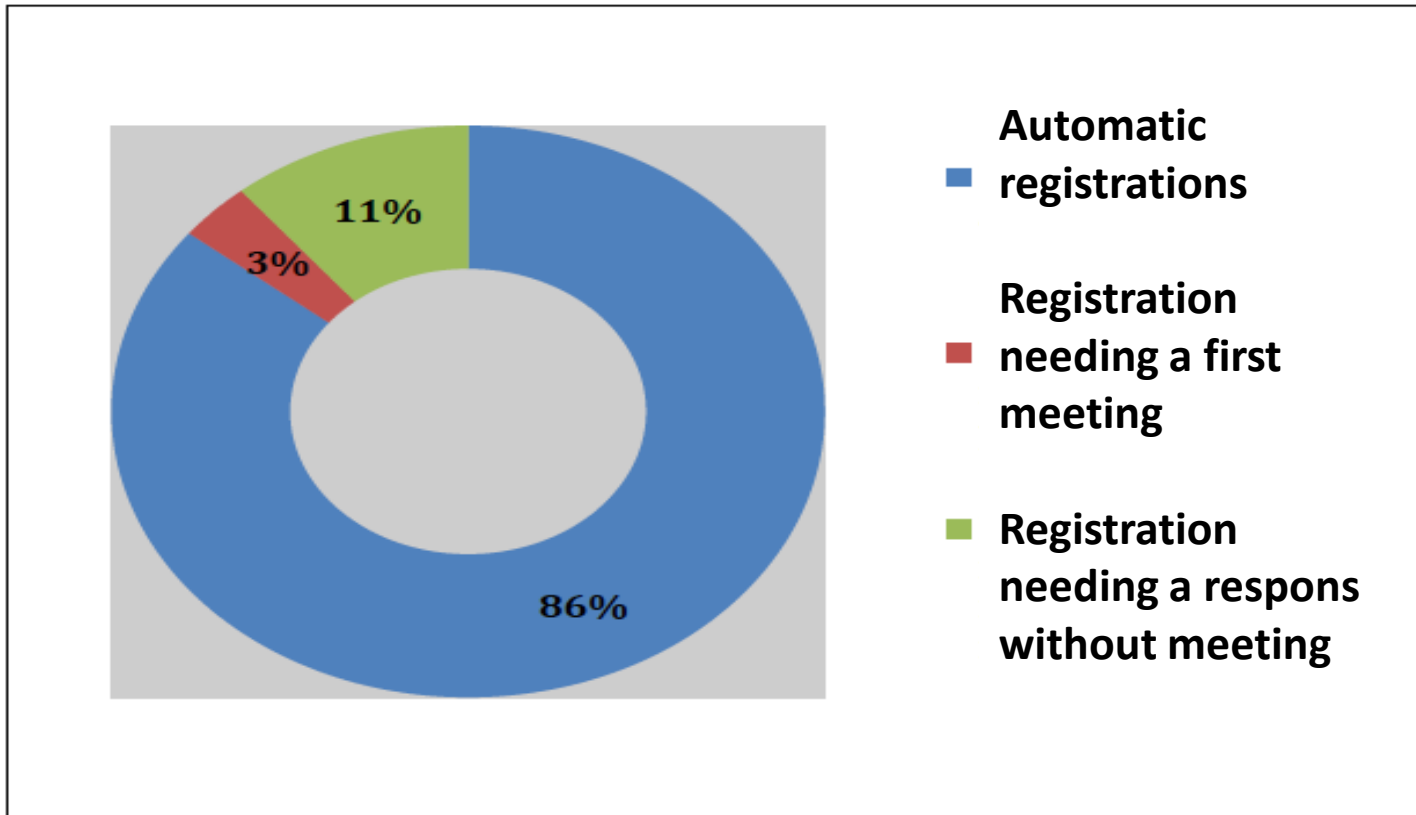
- Blurred impacts : PES governance have been evaluated/assessed much less than substantive activation reforms and employment programmes
  - Lack of indicators
- Increase Rationality and efficiency
  - Merger did not solve excessive workload induce by massive increase of unemployment
  - Dematerialization and plateformisation (2015->) : more time to support unemployed
  - In fact, councilors practices don't change anymore
  - Weakening councillors contacts with firms and employers

# Increasing of Employment Bureau workforce



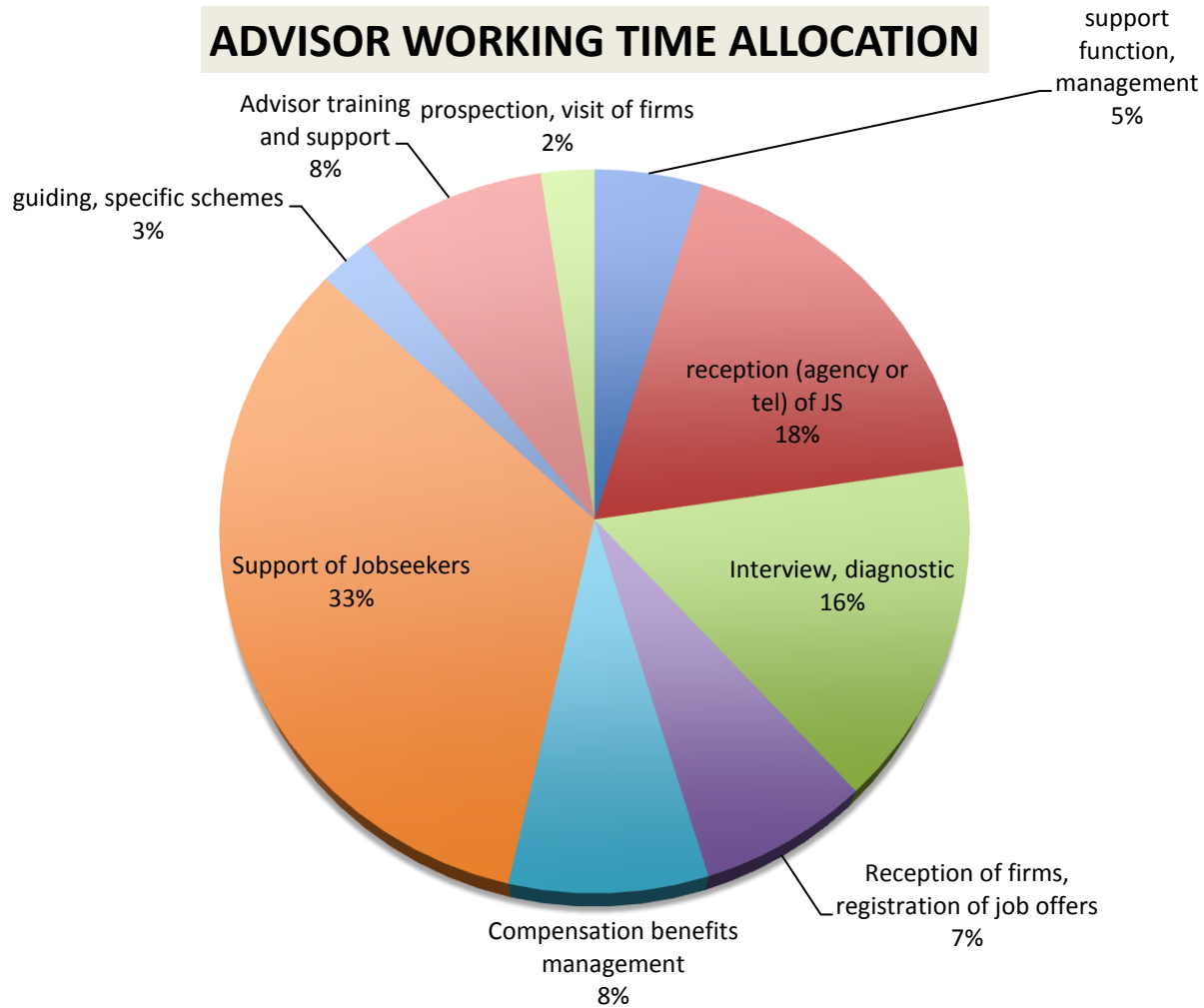
Source : Cour des comptes et Pôle emploi.

## Share of 'automatic' registrations since New path for Jobseekers (NPDE, 2015->



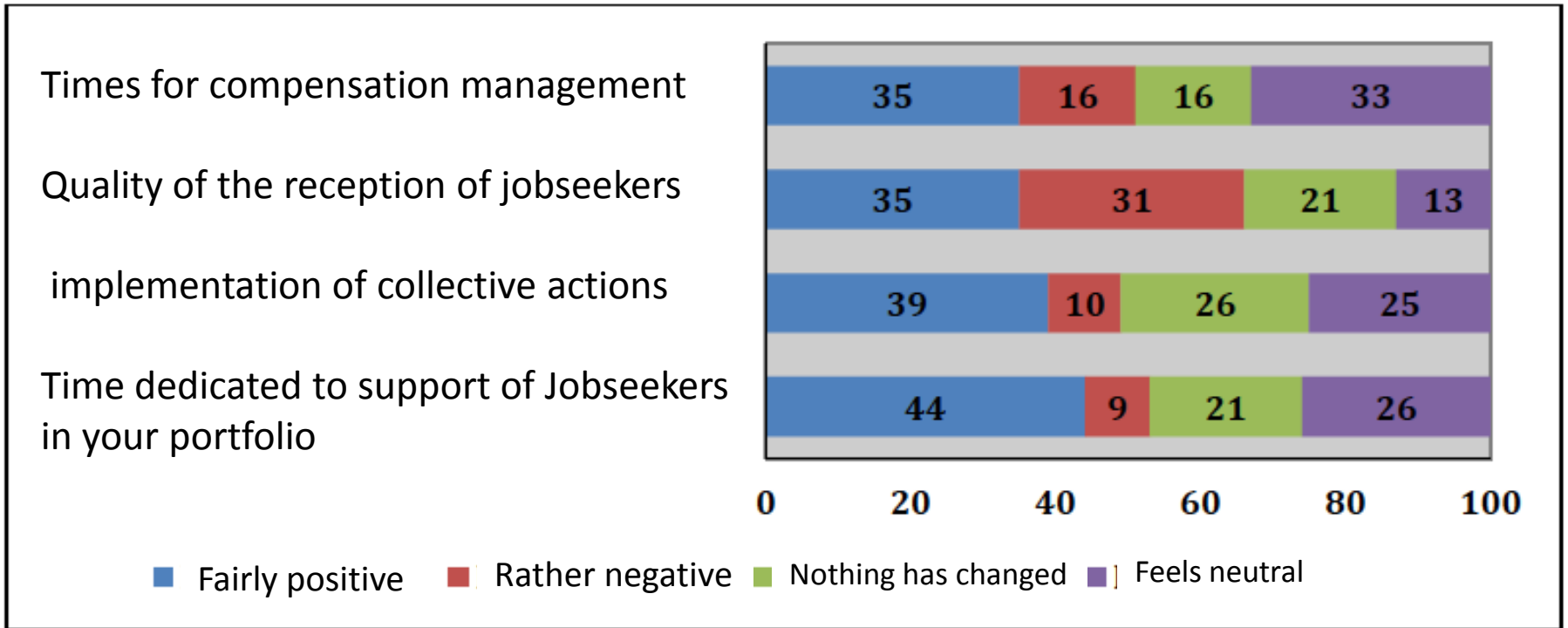
*Source : Données SISP, Pôle emploi, traitement mission.*

## ADVISOR WORKING TIME ALLOCATION



SOURCE : EMPLOYMENT BUREAU, 2013-2014

## The effects of new reception organization on...



Source : Baromètre social vague 6, IPSOS.

Source : Employment Bureau

## Job seekers distribution by support modality

	<b>Folow up</b>	<b>Guided</b>	<b>Intensive</b>	<b>Global</b>	<b>Total</b>
Number of Job seekers	925327 35 %	1483415 55%	283697 10 %	5018 0%	27017367 100 %
Number of referent advisors	4700 21 %	12693 58 %	4422 20 %	150 1 %	21965 100 %
Number of job seekers by advisor referent	199	116,9	64,2	33,5	123,3

Source : Pole emploi, January 1 2015

	<b>Folow up</b>	<b>Guided</b>	<b>Intensive</b>	<b>Total</b>
1 interview or contact	7 %	4 %	5 %	5 %
2 interviews or contacts	52 %	45 %	28 %	46 %
3 interviews or contacts	23 %	26 %	25 %	25 %
4 interviews or contacts	10 %	13 %	17 %	12 %
5 interviews or contacts	8 %	13 %	25 %	12 %
total	100 %	100 %	100 %	100 %

Source : Employment Bureau, Historic file –Sept 2013-Sept 2014 (collort follow up)

## Number of interviews and contacts with advisors by modality of support

## Job seekers without action proposal

Duration of registration as job seeker	<b>Folow up</b>	<b>Guided</b>	<b>Intensive</b>
Between 1 and 6 months	39 %	32 %	30 %
Between 7 and 12 months	72 %	63 %	56 %
Between 13 and 18 months	86 %	77 %	59 %

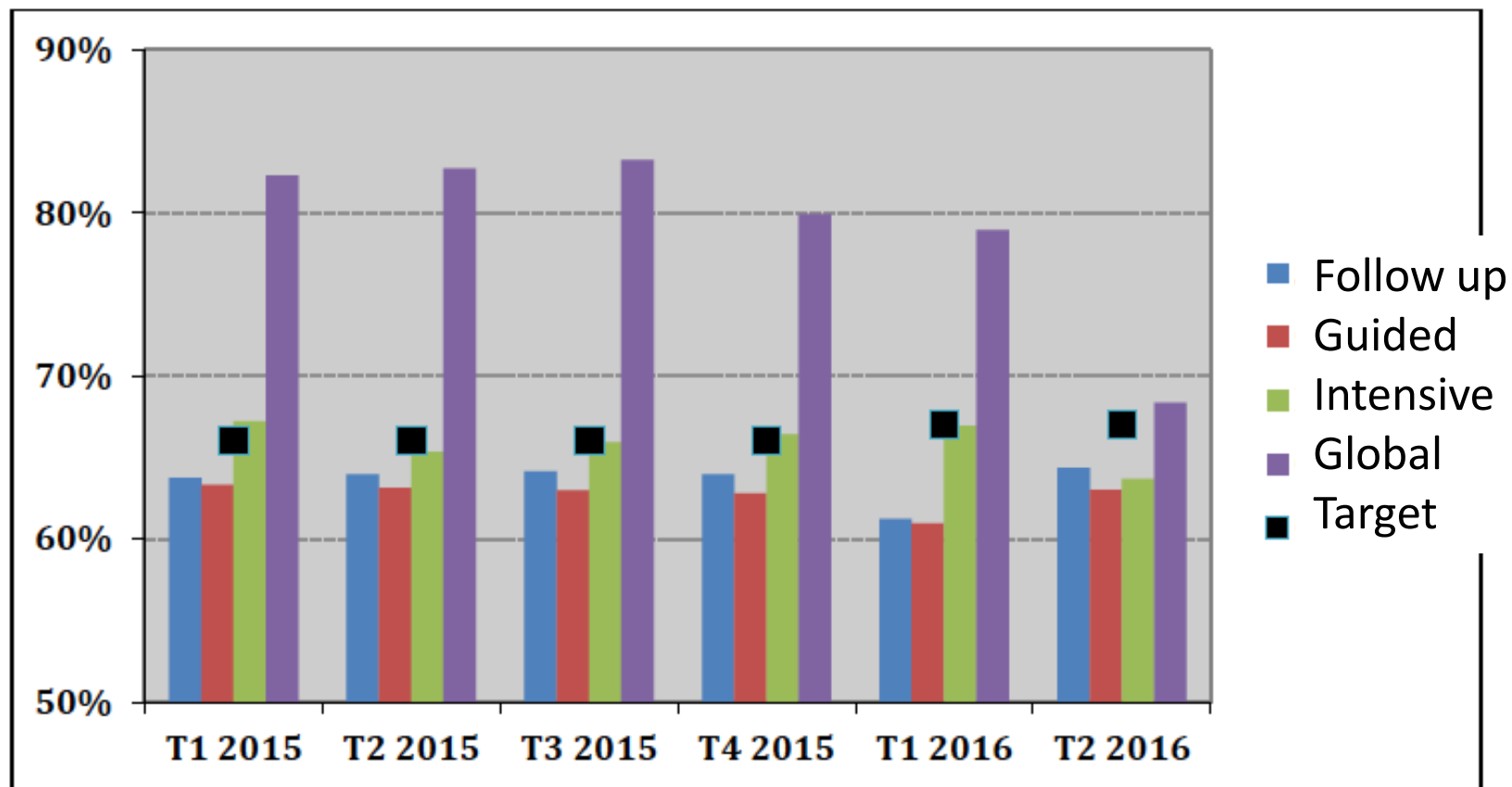
Source : Employment Bureau, Historic file –Sept 2013-Sept 2014 (collort follow up)



### 3. Discussion : the future of PES governance regime and main impacts of the reforms

- Improve Coordination and simplification
  - PES governance remains centralized with extend possibility to develop specific experimentation at decentralized level (Region, Departement, Commune)
  - Unemployed satisfaction is stable and less than the target
  - Less adversial context (Merger ; global support) ; and less competition, but standardization (the logic of volumetry)
- Reduce Public spending
  - Strict control of prices of ousourced benefits ;
  - crisis context ;large increase of unemployed registred since 2009
  - Large increasing of number Employment Bureau employees

## Satisfaction rate of job seekers concerning follow-up benefit and by support modality

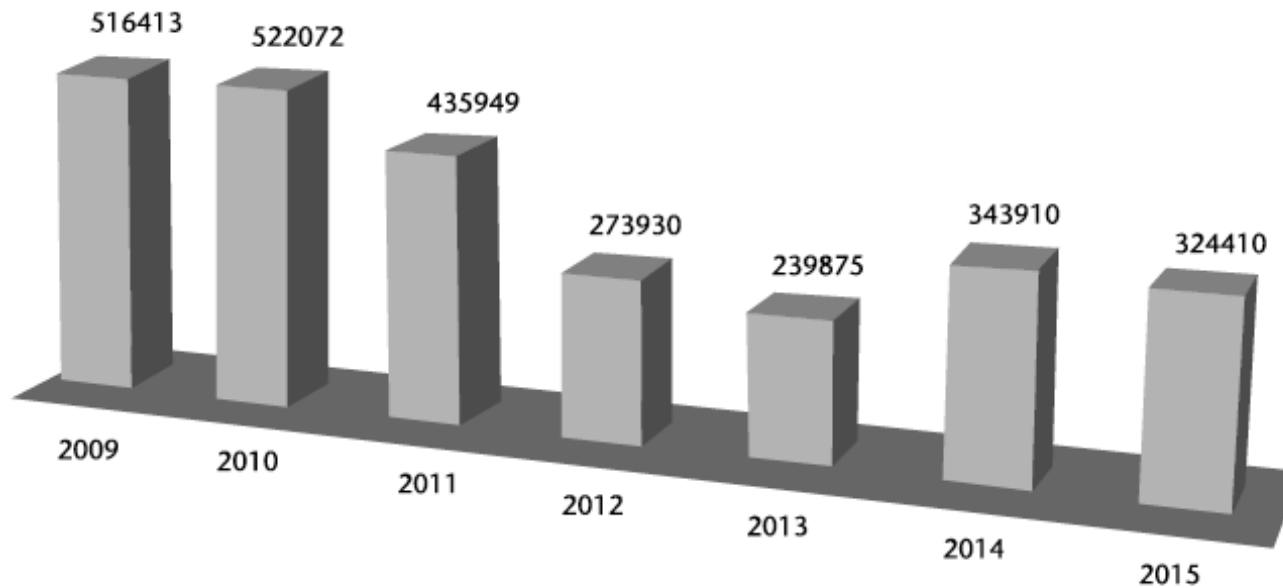


Source : Enquête qualité IPSOS.

Source : Employment Bureau

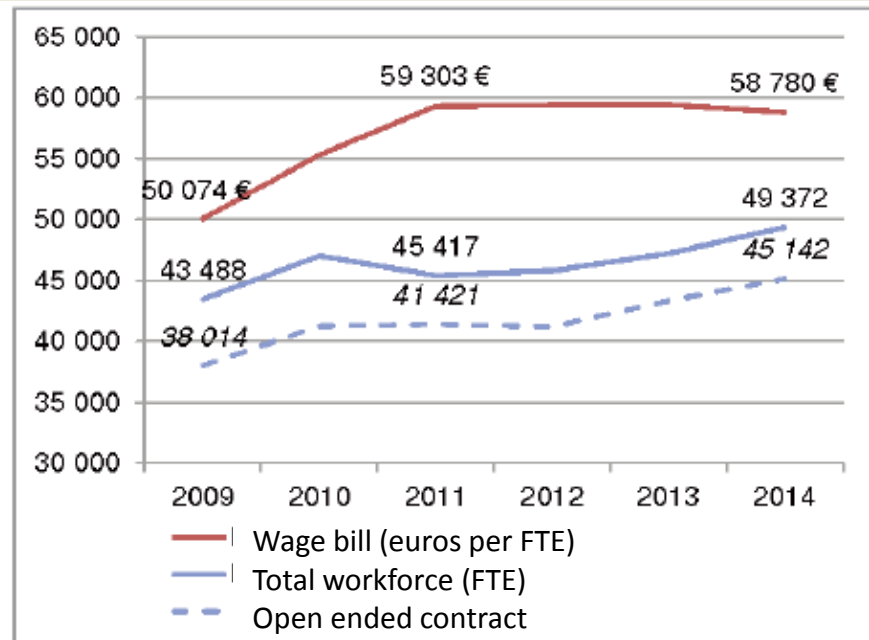
# Number of benefit support outsourced by Employment Bureau

**Graphique 3. Nombre de prestations d'accompagnement sous-traitées  
par Pôle emploi**



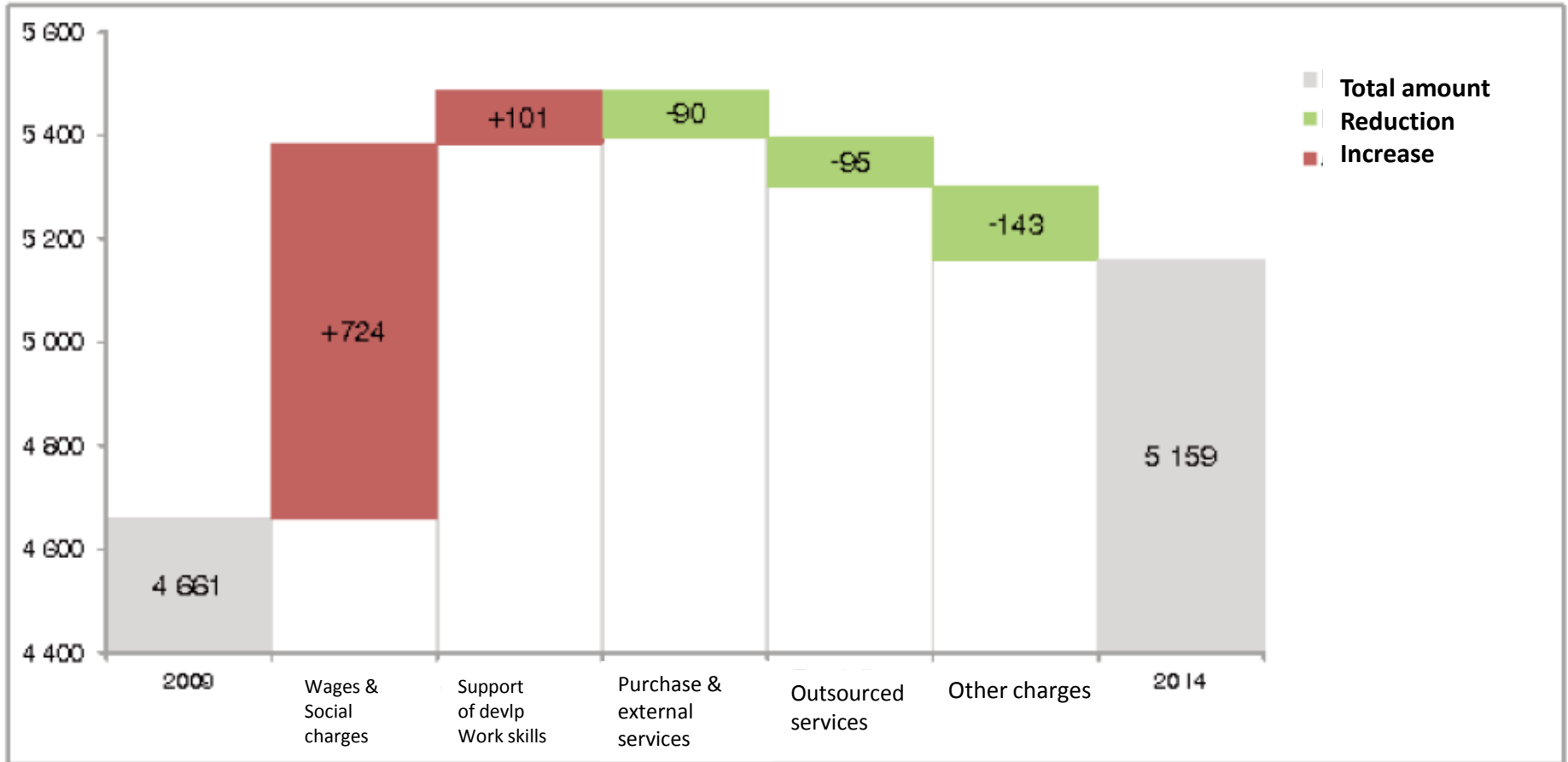
Sources : Cour des comptes (2009-2013) et rapports d'activités Pôle emploi (2014-2015).

## Evolution of Employment Bureau total workforce (full time equivalent) and evolution of the wage bill (by full time equivalent) between 2009 and 2014



Source : Court of Auditors, financial report of Employment Bureau 2009 to 2014,

## Evolution of operating expenses Employment Bureau 2009-2014, Billion Euro



Source : Employment Bureau, financial reports 2009 to 2014

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