



# Integrated approaches to active welfare and employment policies

## France

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# Chapter 1: Income-support thresholds in France

## Section 1: Background

The French social safety net comprises eight forms of income support, granted to some 3.3 million recipients (six million people if we include spouses, children and other dependants). It is a complex system, based on a combination of two principles:

- the *insurance principle*, applicable to those who have contributed to the welfare system in the past but whose resources are now insufficient to guarantee their subsistence;
- the *solidarity principle*, applicable to those who have not yet paid any contributions.

The system as a whole therefore responds to two concerns: the first and more traditional concern is to guarantee the subsistence of those sections of the population who are ineligible for social-security benefits, and the second is to combat poverty by granting monetary assistance to individuals while developing initiatives to promote their economic integration.

From 1945, in accordance with the prescriptions of the *Conseil national de la résistance* (National Resistance Council), the aim was to establish a system of social security in which people with no insurance entitlement were guaranteed a minimum income. Welfare provisions to guarantee this minimum income (the *minimum social*) were paid to each individual whose income remained below the official subsistence threshold over a lengthy period of time – irrespective of whether that individual had previously been economically active (as in the case of retirement, invalidity and unemployment). This was based on the assumption that, in a situation of growth and full employment, accidental occurrences and disabilities were the sole reasons for joblessness.

At the end of the seventies, worsening unemployment, longer periods out of work and widespread job insecurity changed the overall picture. It became necessary to take account of what were essentially temporary losses of income, to introduce linkage between the granting of benefits and the aim of economic integration and to establish a minimum benefit of last resort for which anyone could be eligible.

Because of these changes, the subsequent period has seen a thinning of the provisions that had gradually been superimposed on the basic welfare structure over the years in response to new social needs. Accordingly, the law as it now stands seeks to differentiate very clearly between the various target groups on the basis of their particular needs. This is the fruit of a political desire to respond to very specific situations with a different mode of operation for each situation.

However, the divisions between the target groups for the various types of benefit are not always as sharp as the legislators expected them to be. For example, there is some overlap between the circumstances of those who receive integration-related income support (*revenu minimum d'insertion*), lone-parent benefit (*allocation de parent isolé*), extended unemployment benefit (*allocation de solidarité spécifique*) and adult disability benefit (*allocation aux adultes handicapés*), even though each allowance is administered differently. For example, integration-related income support is paid to more single women with children than lone-parent benefit.

The number of recipients of these income-support benefits, which fluctuates in accordance with social, demographic and economic developments, has grown in recent years as a result of rising unemployment; large numbers of people receive integration-related income support (1.1 million), age-related income support (760 000), adult disability benefit (more than 600 000) and extended unemployment benefit (almost 500 000).

Given the wide range of situations and the differences between the various allowances in terms of eligibility criteria, ancillary rights, income-maintenance mechanisms, etc., the administration of this structure is not easy, especially as regards:

- full coverage of the relevant target groups, and
- monitoring these target groups during the transition from one scheme to another.

Income support is divided into two categories, depending on whether *the amount payable* is designed to *top up* an income which is below subsistence level or whether it is subject to a specific *ceiling*. In the first case, the maximum amount of benefit is equal to the guaranteed minimum income for each different family situation and is only payable in the total absence of other resources. All the resources of the beneficiary, or of his or her

household, are taken into account in calculating the amount payable and are deducted from the maximum amount of benefit. In the second case, the maximum amount of benefit is lower than the guaranteed minimum income, and the beneficiary's resources do not reduce the amount of benefit unless the sum of the maximum benefit and the recipient's other resources exceeds the guaranteed minimum income.<sup>1</sup>

Age-related income support, integration-related income support, lone-parent benefit and invalidity income support are strictly top-up allowances. The widows' and widowers' pre-pension scheme (*assurance veuvage*), extended unemployment benefit, adult disability benefit and integration-related allowance (*allocation d'insertion*) may be accumulated with other household income as long as the cumulative total does not exceed the guaranteed minimum income.

In the cases of the integration-related allowance and extended unemployment benefit, which are only available to jobseekers, and of integration-related income support, which is a strictly top-up allowance, work-incentive schemes have been put in place to permit the accumulation of these benefits with income obtained from economic activity under the incentive rule.<sup>2</sup>

The guaranteed amount of income therefore varies for each of the income-support schemes, the threshold being set on the basis of a prior evaluation, which may be schematised as follows: the first level is that at which the legislature has opted not to pay out income support but does guarantee the availability of a specific work-incentive scheme; this is the case with jobs under youth-employment schemes (*emplois-jeunes*), which are intended for young people who have never worked; the second level involves the payment of an income which is relatively low but is accompanied by a mechanism designed to absorb people into the labour force and integrate them into society, as well as according them a number of ancillary rights; this is the case, for example, with the integration-related income support; finally, at the third level, a more or less substantial income is payable, but it is not accompanied by an integration mechanism; this is the case with the other forms of income support. The benefits at the third level may be divided in turn into two tiers, higher amounts of income support being awarded to those who have little prospect of earning their own income by means of economic activity, such as the elderly, the disabled and invalids, and lower amounts being awarded to able-bodied persons of working age under the lone-parent, widows' and widowers' pensions and extended unemployment benefit schemes.

Unlike other European systems, the French welfare system does not require a *quid pro quo* from beneficiaries for their allowances, such as an adequate employment record or the obligation to seek work. The integration-related income support scheme alone involves the conclusion of a social and economic integration contract between the beneficiary and the awarding authorities, enabling the beneficiary to take part in employment schemes operated by the *département* in which he or she lives. This, however, is not a *quid pro quo* in the proper sense of the term because, in principle, the awarding of integration-related income support "is not contractual; it is neither negotiable nor can it be the subject of a transaction; it is a right".<sup>3</sup>

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<sup>1</sup> CSERC (National Council for Employment, Income and Costs - *Conseil supérieur de l'emploi, des revenus et des coûts*), *Minima sociaux entre protection et insertion*. La documentation française, Paris, 1997.

<sup>2</sup> The incentive rule is a mechanism designed to encourage people to return to work with the aid of the integration-related income support, lone-parent benefit and extended unemployment benefit schemes. Under this system, income accruing from economic activity or training is not included in the figure used as the basis for assessing the amount of benefit to be awarded to an individual. These earnings are therefore added, for a limited period, to the guaranteed minimum income.

<sup>3</sup> Tr. from Jean-Michel Belorgey, "Le droit à l'insertion et ses paradoxes", in *Informations sociales*, No 81, March 2000.

## Section 2: Description of the various forms of income support in France

The eight forms of income support in France are: age-related income support (*minimum vieillesse*), invalidity income support (*minimum invalidité*), adult disability benefit (*allocation adulte handicapé*), extended unemployment benefit (*allocation de solidarité spécifique*), integration-related allowance (*allocation d'insertion*), integration-related income support (*revenu minimum d'insertion*), lone-parent benefit (*allocation de parent isolé*) and the widows' and widowers' pre-pension scheme (*assurance veuvage*).

### Long-term forms of income support

#### **MINIMUM VIEILLESSE - AGE-RELATED INCOME SUPPORT**

Age-related income support was created in 1941 and revised in 1963. It is one of the oldest forms of income support and is an expression of solidarity between society and its elderly members.<sup>4</sup> The beneficiaries are persons aged 65 or over (60 in the case of incapacity for work) who are inadequately covered, or not covered at all, by the state pension scheme. This form of income support is intended for those who have never paid welfare contributions or whose contributions have been insufficient, and so it can function as a substitute or a supplement to the state retirement pension. The allowance thus makes up the recipients' monthly income to FFR 3 540 for single persons and FFR 6 351 for couples.<sup>5</sup> In order to calculate the shortfall, all income for the previous quarter is taken into account except family allowances, maintenance payments, supplementary allowances for the care of dependent persons and housing benefit. The FSV (*Fonds de solidarité vieillesse* - Old-Age Solidarity Fund) awards this benefit, which is granted solely to nationals of France, of other EU Member States and of countries which have signed a reciprocal agreement with France. There is no time limit for the payment of age-related income support as long as the prescribed criteria are satisfied.

**Established 1941, revised 1963**

**Number of recipients: 760 000**

**Maximum monthly amount: FFR 3 540 for a single person and FFR 6 351 per couple**

#### **MINIMUM INVALIDITÉ - INVALIDITY INCOME SUPPORT**

Since 1930, the health and retirement insurance schemes have guaranteed a minimal compensatory income for invalids whose working life has been cut short by a non-occupational accident or disease. It is granted to employees under the age of 60 whose invalidity is certified by a consultant physician designated by the Primary Health Insurance Fund (*Caisse primaire d'assurance maladie*). In addition, beneficiaries must also be in receipt of an invalidity pension, must have contributed to the general scheme for at least twelve months before invalidity forced them to stop working and must have worked for at least 800 hours in the course of the year prior to the year in which they ceased work through invalidity. The income thresholds for both single persons and couples are the same as for age-related income support. All the income of the beneficiary and his or her spouse is taken into account except family allowances, maintenance payments, supplementary allowances for the care of dependent persons and housing benefit. There is no time limit for the payment of invalidity income support as long as the prescribed criteria are satisfied. Beneficiaries need not be French nationals.

**Established 1930**

**Number of recipients: 87 000**

**Maximum monthly amount: FFR 3 540 for a single person and FFR 6 351 per couple**

<sup>4</sup> National Council for Employment, Income and Costs, *op. cit.*

<sup>5</sup> The amounts indicated for all forms of income support are quoted in National Family Allowances Fund (CNAF), "Les sorties du RMI : des motifs souvent multiples et imbriqués" (1 January 1999), published in *Etudes et Résultats*. DREES (*Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques* - Department for research, studies, evaluation and statistics), No 16, May 1999.

## ALLOCATION ADULTE HANDICAPÉ - ADULT DISABILITY BENEFIT

This form of income support is granted solely to nationals of France, of other countries of the European Union and of countries which have signed a reciprocal agreement with France. It was created in 1975 for invalids who had no income or were incapable of working and who were ineligible for invalidity income support. The prescribed criteria limit eligibility to persons within a precise age range: beneficiaries must be at least 20 and below the age of 60. There is no time limit on the receipt of adult disability benefit, but it is subject to a five-yearly review, when the degree of disability is reassessed. The reason for this is that the benefit is only awarded, subject to prior approval by the COTOREP (*Commission Technique d'Orientation et de Reclassement Professionnel* - Technical committee for occupational guidance and rehabilitation) to persons with a permanent disability of at least 80%; this threshold may be lowered to 50% if the nature of a person's disability prevents him or her from obtaining work. The investigations undertaken by the Committee are very lengthy, with at least five months elapsing between applications and awards, and the distribution of beneficiaries by age is relatively even, although the 20-24 age bracket is under-represented.

The funding body is the national government, which awards a maximum monthly allowance of FFR 3 433, with a possible supplement of FFR 549 for persons living in self-catering accommodation, through the Family Allowances Fund (CAF - *Caisse d'allocations familiales*). The revenue that is taken into account for assessment purposes is the disabled person's taxable income for the previous calendar year; family allowances and housing benefits are excluded from the assessment, but tax relief at 10 and 20% and the specific tax allowance for invalids are included in the calculation.

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**Established 1975**

**Number of recipients: 600 000**

**Maximum monthly amount: FFR 3 433**

Essentially temporary forms of income support

## ALLOCATION DE PARENT ISOLÉ - LONE-PARENT BENEFIT

160 000 beneficiaries are currently receiving this benefit, which is payable to lone parents who are actually and permanently responsible for the care of at least one child because of the death of their spouse or cohabitee, divorce or legal separation, the detention of their spouse or cohabitee for a period of at least one month or the hospitalisation of their spouse or cohabitee in the absence of indemnification. The condition of actual care of the child or children is still deemed to be fulfilled if the lone parent lives with his or her family. The benefit is payable for a twelve-month period or until the third birthday of the youngest child. The recipient population is young (55 000 are below the age of 25, and 38 000 are aged between 25 and 29), and the largest categories of beneficiary are divorcees and separated spouses. Created in 1976, lone-parent benefit has been funded by the state since 1999. It is administered by the offices of the Family Allowances Fund, which pays out a total of just over four billion French francs a year in lone-parent benefit. Both the recipient and the child or children must be habitually and lawfully resident in France. The benefit may be paid to foreign nationals who are lawfully resident in France for a total of at least nine months of the calendar year, provided they meet the prescribed criteria.

The maximum payment ceiling is FFR 4 293 per month for a lone parent with a child in his or her care, plus FFR 1 073 for each additional child, and FFR 3 220 for a pregnant woman. It is strictly a top-up allowance, because it is only paid if the applicant's total income is below the guaranteed minimum, which, as we have seen, increases with the number of dependent children. However, as a means of encouraging beneficiaries to return to work, the possibility of drawing this benefit while receiving income from employment was introduced by the Anti-Exclusion Act (*Loi contre les exclusions*) of 28 July 1998. Under the same law, single parents in custody are also entitled to lone-parent benefit..

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**Established 1976**

**Number of recipients: 160 000**

**Maximum monthly amount: FFR 4 293 for a lone parent with care of one child, plus FFR 1 073 for each additional child, and FFR 3 220 for a pregnant woman**

## ASSURANCE VEUVAGE - WIDOWS' AND WIDOWERS' PRE-PENSION SCHEME

This transitional payment is made to widows and widowers (surviving spouses of contributors to the national insurance scheme) below the age of 55. It is degressive and is payable for three years or until the recipient's 55th birthday in the case of recipients who are widowed when aged 50 or over. The widows' and widowers' pre-pension scheme was created in 1980 for surviving spouses who are not entitled to a surviving dependants' pension and who are or were responsible for the care of at least one child.

Like the lone-parent benefit, this scheme is funded from the social security budget and is administered by the retirement funds and the offices of the Agricultural Workers Social Insurance Fund (CMSA - *Caisse de la mutualité sociale agricole*). The maximum amount payable per month is FFR 3 144 in the first year, FFR 2 065 in the second year and FFR 1 573 in the third year. This amount is payable unless it would make the applicants' total quarterly income exceed 3.75 times the maximum monthly payment. The assessment is based on all income for the previous quarter, excluding family allowances and housing benefit.

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**Established 1980**

**Number of recipients: 15 000**

**Maximum monthly amount: FFR 3 144 in the first year, FFR 2 065 in the second year and FFR 1 573 in the third year**

## ALLOCATION D'INSERTION - INTEGRATION-RELATED ALLOWANCE

This allowance was established in 1979 and has subsequently been revised on two occasions, the first in 1984 and the second in 1992. When it was first created, the integration-related allowance was designed for all those who were not entitled to unemployment benefit: young people aged 16 to 25, first-time jobseekers, persons wishing to return to work, certain categories of released prisoners and persons awaiting occupational reintegration or redeployment (repatriates, refugees and stateless persons, expatriates and victims of occupational accidents). At the present time, only the last-named category of persons can still obtain integration-related allowance. The scheme is financed by the state and is paid from the welfare funds administered by the Association for Employment in Industry and Commerce (*Association pour l'emploi dans l'industrie et le commerce - ASSEDIC*). 17 500 persons benefit from this allowance.

Unlike most of the other forms of income support, the amount of this allowance is not affected by the recipients' family situation. It is fixed at FFR 1 742 per month for an individual. The income ceiling effectively allows jobseekers to obtain this allowance even if they have quite a reasonable income from other sources. Integration-related allowance is payable for period of six months and may be renewed once.

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**Established 1979, revised 1984 and 1992**

**Number of recipients: 17 500**

**Monthly amount: FFR 1 742 per month for an individual**

## ALLOCATION DE SOLIDARITÉ SPÉCIFIQUE - EXTENDED UNEMPLOYMENT BENEFIT

This benefit has existed since 1984 and is intended for unemployed persons who are registered with the National Employment Agency (ANPE - *Agence nationale de l'emploi*), whose entitlement under the unemployment-benefit scheme has expired and who furnish evidence of having worked for five of the ten years prior to the termination of their last employment.<sup>6</sup> Extended unemployment benefit is payable on condition that the recipient is seeking work; unemployed persons over 55 years of age are exempt from this requirement. The number of recipients remains very high (481 000), despite the fact that the rules governing applicants' previous employment records were tightened in 1997. Almost two-thirds of the recipients of this benefit have been unemployed for five years or longer. Half of them live with a spouse or other partner, and half of them have worked for at least eight years.

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<sup>6</sup> National Council for Employment, Income and Costs, *op. cit.*

The funding body and the administering body are the same as for integration-related allowance. The maximum monthly benefit is fixed at FFR 2 473, but a supplement of FFR 1 079 may be paid to unemployed persons over 55 years of age who have been in paid employment for a total of 20 years and to those aged 57½ or over who have been in paid employment for a total of 10 years. The income taken into account for the assessment of the top-up is the applicant's declared taxable income for the previous 12 months before deduction of tax relief at 10% and 20%; it does not include family allowances or housing benefit. Entitlement to this benefit is largely individual, and it is awarded even if the recipient's spouse has a sizeable income. Periods during which individuals have received extended unemployment benefit are regarded as qualifying periods in the assessment of retirement pensions. This is based on the principle that recipients of this benefit are more worthy of assistance than other unemployed persons because they have been paying contributions in the course of the past ten years.

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**Established 1984**

**Number of recipients: 481 000**

**Maximum monthly amount: FFR 2 473**

<i>REVENU MINIMUM D'INSERTION (RMI) - INTEGRATION-RELATED INCOME SUPPORT</i>
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Integration-related income support is payable to persons aged 25 or over; persons aged under 25 who have children in their care are also eligible. The French Government awards it, and the scheme is administered by the Family Allowances Fund and the Agricultural Workers Social Insurance Fund (*Caisse de la mutualité sociale agricole*). Unlike the other forms of income support, the integration-related income support scheme provides for an integration mechanism, which is administered by the *départements*. For that reason, applicants sign a social and economic integration contract (this is not compulsory) in which they undertake to participate in the activities and initiatives offered to them in the framework of the departmental integration mechanism. The integration-related income support scheme was launched in 1988 and was revised in 1992. It provides for a number of ancillary rights from which recipients can benefit, such as entitlements to accommodation and health care. All residents of France, irrespective of nationality, can benefit from the integration-related income support. The amount paid to the beneficiary tops up his or her household income to the following ceilings: FFR 2 502 for the beneficiary, FFR 1 251 for a second person in the household (spouse or child), FFR 750 for a third person in the household and FFR 1 001 for each additional dependant. The income is payable every month over an unlimited period of time, subject to submission by the recipient of a quarterly declaration of income, failing which the allowance and all ancillary rights are suspended.

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**Established 1988**

**Number of recipients: 1.1 million**

**Maximum monthly amount: FFR 2 502 for the recipient, FFR 1 251 for a second person in the recipient's household (spouse or child), FFR 750 for a third person in the household and FFR 1 001 for, each additional dependant**

## Forms of income support – summary

Type of income support	Conditions	Maximum monthly amount (as at 1 July 1997)	Term of award	Assessment basis
<b>INTEGRATION-RELATED INCOME SUPPORT</b>	Persons aged 25 or over (younger in the case of persons who have care of a child) whose income is below a certain threshold	FFR 2 403 for the beneficiary (FFR 2 502 from 1 January 1999); FFR 1 201 for the first dependant (spouse or child) (FFR 1 251 from 1 January 1999); FFR 721 for the second dependant (FFR 750 from 1 January 1999); FFR 961 for each additional dependant (FFR 1 001 from 1 January 1999)	No time limit, but declaration of income to be submitted quarterly	In principle, all household income except certain family allowances  Housing benefit is taken into account up to a certain fixed sum, which depends on the size of the family
<b>AGE-RELATED INCOME SUPPORT</b>	Persons aged 65 or over (60 in the case of invalidity)	FFR 3 433 for a single person (FFR 3 540 from 1 January 1999) FFR 6 158 for a couple (FFR 6 351 from 1 January 1999)	No time limit, provided the prescribed criteria are met	All household income except family allowances, housing benefits, maintenance payments and integration-related income support
<b>INVALIDITY INCOME SUPPORT</b>	Persons aged 65 or under who are at least 2/3 incapacitated			
<b>ADULT DISABILITY BENEFIT</b>	Persons with a disability. A supplement is payable to beneficiaries who live in self-catering accommodation	FFR 3 433 (FFR 3 540 from 1 January 1999) Supplement: FFR 549 (FFR 566 from 1 January 1999)	No time limit, but periodic checks on the degree of disability	All income except family allowances, housing benefit and integration-related income support
<b>LONE-PARENT BENEFIT</b>	Lone parents with exclusive care of at least one child	FFR 3 163 for a pregnant woman (FFR 3 220 from 1 January 1999) FFR 4 217 for a lone parent with charge of one child (FFR 4 293 from 1 January 1999) +FFR 1 054 per additional child (FFR 1 073 from 1 January 1999)	12 months or until the third birthday of the youngest child	All income, including family allowances, maintenance payments and a percentage of housing benefit
<b>LONG-TERM UNEMPLOYMENT BENEFIT</b>	Officially registered unemployed persons whose entitlement to benefits under the unemployment insurance scheme has expired, provided they have previously been in paid employment for a certain amount of time  Supplement for unemployed persons over the age of 55, subject to a greater amount of time in paid employment	FFR 2 220 (FFR 2 473 from 1 January 1999); supplement, where payable: FFR 969 (FFR 1 079 from 1 January 1999)	Renewable at six-monthly intervals	All income except family allowances and housing benefit
<b>WIDOWS' AND WIDOWERS' PRE-PENSION SCHEME</b>	Widows and widowers below 55 years of age who have brought up at least one child	FFR 3 073 in the first year (FFR 3 144 from 1 January 1999); FFR 2 019 in the second year (FFR 2 065 from 1 January 1999); FFR 1 537 in the third year (FFR 1 573 from 1 January 1999)	Three years or until the recipient reaches the age of 55 if he or she is widowed when aged 50 or over	All income
<b>INTEGRATION-RELATED ALLOWANCE</b>	Certain released detainees and persons awaiting occupational reintegration below the age of 60	FFR 1 311 for the beneficiary (FFR 1 742 from 1 January 1999)	Six months; renewable once	All household income except family allowances

The amounts indicated above represent the maximum benefit payable and not actual sum paid, because these benefits are provided in the form of top-up payments and are designed to bring beneficiaries' total income up to a prescribed threshold. Some of the allowances (extended unemployment benefit, integration-related allowance and widows' and widowers' pre-pension allowance) are not affected by the size of the recipient's family.



Source: CNAF (National Family Allowances Fund), *Etudes et Résultats*. DREES (Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques - Department for research, studies, evaluation and statistics), No 16, May 1999.

### Section 3: Integration-related income support (RMI)

Integration-related income support (*Revenu minimum d'insertion – RMI*) is the youngest of all the forms of income support. It was instituted by Act No 88-1088 of 1 December 1988.

#### *Four main characteristics:*

- *A safety net of last resort:* integration-related income support is not a substitute for other benefits. Eligibility for RMI depends on the applicant having claimed all other allowances for which he or she is eligible. The examining and disbursing authorities must help applicants to claim their rights.
- *An objective right:* no conditions may be imposed save those prescribed by the law. Goodwill and selectivity have no part to play in the procedure for awarding this allowance, which is governed purely by declared and verified satisfaction of objective criteria.
- *An instrument of anti-poverty and anti-exclusion policies:* the scheme is part of a comprehensive approach which is designed to deal directly with the whole range of difficulties that people can encounter, from housing, health and employment to training, occupational integration, etc.
- *A means of absorbing unemployed people into the labour market:* the scheme provides a personalised procedure for improving the job prospects of RMI recipients through the *social and economic integration contract*, which is linked to the receipt of financial assistance.

These characteristics make the integration-related income support a rather complex mechanism, but at the same time they are the source of its uniqueness. The original aims of the legislature will be fully achieved once the entire mechanism is coordinated and is successfully harnessed in the cause of social and occupational integration.

#### *Conditions of eligibility for RMI*

Entitlement to RMI is almost a universal right; only persons under 25 with no children in their care are ineligible. The scheme is designed to combat widespread poverty by trying to establish equivalence of incomes between individuals and households. That is why the key criterion of RMI is the beneficiary's income and not his or her job situation. Moreover, eligibility for RMI does not involve compulsory registration with the National Employment Agency. Nevertheless, Article 2 of the Act establishing the RMI scheme – Act No 88-1088 – lays down that the beneficiary must undertake to participate in initiatives and activities defined jointly with the National Employment Agency which are necessary for his or her social or occupational integration. It is not a *quid pro quo* but rather a *commitment freely entered into by means of the social and economic integration contract*.

Residents of France are eligible for RMI; foreign nationals become eligible after three years of lawful residence in France. Applicants must be at least 25 years old, unless they have charge of a child or are expecting a child.

The RMI guarantees that household income will not be lower than a minimum income, the amount of which, according to Articles 2 and 3 of the Act, will depend on the composition of the household and the number of dependants. The Act provides for supplementary payments for each of the beneficiary's dependants, but only if they are actually present in the household. The beneficiary's spouse or cohabitee may be a student or trainee (beneficiaries themselves may not normally be students or trainees) and be under 25 years of age. Children and other members of the household must be under 25 years of age, must be in the care of the beneficiary (but need not be his or her blood relation) and must not be in receipt of a monthly income which exceeds the amount of the RMI supplement.

The amount of the allowance is fixed by decree and is revised twice yearly on the basis of the price index. The reference table<sup>7</sup> allows for adjustments to take account of the living conditions of the beneficiaries. These conditions may vary as a result of people's financial and social difficulties. For people in highly inadequate accommodation, a flat-rate housing supplement is added as a means of guaranteeing equitable treatment of all beneficiaries.

The income taken into account for assessment purposes is that which has actually accrued to the person or household in the three calendar months preceding the date of application for RMI. The beneficiary submits a quarterly statement showing the income of his or her household for the past three months. The allocation for the following quarter is assessed on the basis of the household income for the quarter that has just ended.

### *Ancillary rights*

The ancillary rights which are automatically granted with RMI are designed on the one hand to ensure that major deductions do not reduce the final net income of beneficiaries and on the other hand to guarantee the beneficiaries' access to fundamental rights, such as health care and housing. In addition, the local authorities may also establish mechanisms enabling RMI recipients to enjoy other advantages, such as concessionary fares on public transport networks and concessionary rates for the use of public amenities, in addition to their national rights. These national ancillary rights relate to:

- tax liability and entitlement to family allowances and other welfare benefits,
- insurance cover for illness and maternity, and
- insurance for accidents at work.

### **The institutions involved: the three levels of coordination<sup>8</sup>**

The complexity of the objectives of the integration-related income support scheme necessitates the involvement of numerous institutions at the national, departmental and local levels.

- At the **national level**, the DIRMI (*Délégation interministérielle du RMI* - Interministerial Delegation on the Integration-related Income Support Scheme), which is attached to the Prime Minister's Office, is responsible for monitoring the implementation of the law, for coordinating the activities of the relevant government ministries and for making proposals for the improvement of the existing range of anti-poverty instruments. Since the adoption of the Anti-Exclusion Act in 1999, the interministerial delegation has been revising its duties and functions in preparation for its integration into the DAS (*Direction de l'Action Sociale* – Social Welfare Directorate).
- The **départements** are the main framework within which integration policies are organised and developed and the main administrators of the RMI scheme. At this level, the system is copiloted by the Prefect, representing central government, and the President of the General Council, representing the *département*; operating jointly and on a contractual basis, the Prefect and the Council President take the necessary measures to promote the social and occupational integration of RMI beneficiaries.
- The scheme is managed at the **local level** by the CLI (*Commissions locales d'insertion* - Local Integration Committees). In contrast to similar schemes in other European countries, the local authorities are not a key element in the French scheme.

### *The two components of the law: administration and integration*

The whole procedure laid down by the Act of 1988 establishing the RMI scheme may be summarised as follows:

- on the one hand, there is an **administrative component**, which relates to the recognition of the objective right of an applicant to RMI;

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<sup>7</sup> The table is used to calculate the amount to be allocated in respect of each person in the household. The authorities calculate the amount of RMI that needs to be added to the total household income from other sources in order to arrive at the target income shown in the table. Only persons or households with no other resources are eligible for the full amount indicated in the table for a person or household in their circumstances.

<sup>8</sup> The levels of coordination are dealt with in chapter 3 below.

- on the other hand, there is an **integrative component**, which provides an adaptable system of individualised case management, designed to ensure that the beneficiary is integrated into society and the labour market.

#### The administrative component: awards and payments

The first component is built around two key events: the submission of the application and the payment of the benefit. The interinstitutional coordination of this component takes place at the local level between local bodies (*examining agencies*) and national bodies (*disbursing agencies*), under the supervision of the Prefect, representing central government.

There are three types of **examining agency**:

- the CCAS [*Centres Communaux d'Action Sociale* - Communal Social Welfare Centres] (Communal and intercommunal social integration centres);
- the *Services d'Action Sociale* (Social Welfare Service) of the *département*; and
- the voluntary associations and other bodies which are authorised<sup>9</sup> to serve as examining agencies.

Applicants choose one of these three agencies for the area in which they reside.<sup>10</sup>

Examination comprises the following steps:

- verifying that applicants satisfy the conditions of eligibility for RMI;
- helping applicants to complete the application and transmitting it to the disbursing authorities;
- assessing the rights to which applicants might be entitled;
- assisting applicants in their efforts to claim their rights; and
- notifying the secretariat of the *Commission locale d'insertion* of awards, so that they can be entered in the records.

The responsibilities of the examining agencies are:

- to subject application forms and supporting documents to administrative examination; and
- to draw up the social and economic integration contract, cataloguing the projected measures for the occupational and social integration of the beneficiary after having assessed his or her skills and needs.

The **disbursing agencies** (the Family Allowances Fund or the *Mutualité Sociale Agricole* (Agricultural Mutual Benefit Fund)) are required to check the income declarations made by applicants and beneficiaries. They may ask the public authorities for any information they need on beneficiaries or on beneficiaries' households; while such information is subject to professional secrecy, it may be communicated in exceptional circumstances to the Prefect, the President of the General Council and to the co-chairmen of the Local Integration Committees. The disbursing agency's main function is to assess the amount of income after checking applicants' declarations. It then gives notice of the assessment to the beneficiary, the Local Integration Committee and the Prefect<sup>11</sup> and immediately draws up a list of provisional awards.

The disbursing agency then transmits the list of provisional awards to the Prefect, who approves the awards *en bloc* and takes the definitive decision to grant the benefit. The Prefect notifies the disbursing agency of these decisions. The disbursing agency then sends notice of the Prefect's decision to the interested party, to the examining agency and to the Local Integration Committee and the CPAM (*Caisse primaire d'assurance maladie* - Primary Health Insurance Fund).

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<sup>9</sup> The Prefect for the *département* may authorise voluntary associations or other non-profit bodies to collect applications for RMI. This service is provided free of charge, and the authorised body may implement any accompanying measures in order to assist interested parties.

<sup>10</sup> Only 5.5% of applicants approach voluntary associations; the others apply to the other institutional bodies, normally opting for the one which is perceived to be more effective in the local area.

<sup>11</sup> Prefects may delegate to a disbursing agency their power to decide on the establishment and renewal of a person's entitlement to RMI. However, they will always reserve the right to order a review of any situation.

Integration-related income support is paid to the beneficiary but may, in certain circumstances, be paid to a third party – an authorised person or organisation. In the latter case, the organisation may pay the beneficiary in instalments, subject to the agreement of the beneficiary, consultation of the Local Integration Committee and a final decision by the Prefect.

### The integration component: a holistic approach

Integration is an essential element of the right to integration-related income support, and it is at the very heart of the RMI scheme. When applying for RMI, every applicant undertakes to participate in designated measures of social and occupational integration, with the aid of his or her social worker, in the framework of a social and economic integration contract (*contrat d'insertion*). The contract is not signed by way of reciprocity for the payment of RMI, but it is a condition of continued receipt of RMI, because it is set in the context of a development programme for the individual supported by the public authority. For that reason, the contract must be signed by the beneficiary and the Local Integration Committee within three months of the award becoming payable. As we shall see below, however, the percentage of beneficiaries who actually sign this contract is not very high and varies considerably from one *département* to another. Since the contract is not intended as a *quid pro quo*, the beneficiary is under no compulsion whatsoever to sign it.

The CDI (*Conseil départemental d'insertion* - Departmental Integration Council) and the Local Integration Committees are the key institutions in the coordination of the integration mechanism and of the policies and procedures governing the RMI scheme. The Departmental Integration Council draws up the annual departmental integration programme, which sets out the a list of integration measures as well as the political objectives and budgetary allocations of the *département* in the domain of economic integration. At the local level, the Local Integration Committee forms partnerships and initiates neighbourhood integration schemes in the framework of a local integration programme.

### *The Departmental Integration Council*

The Departmental Integration Council is co-chaired by the Prefect and the President of the General Council (or persons delegated by them), who also preside over its Bureau. The Departmental Integration Council comprises representatives of the following bodies:

- central government and the *département*;
- the regional and communal authorities;
- the institutions, associations and other bodies involved in social welfare provision;
- the businesses, institutions, associations and other bodies involved in the economic aspects of the scheme or in the provision of vocational training; and
- the Local Integration Committees.

The co-chairmen of the Local Integration Committees are *ex officio* members of the Departmental Integration Council. The members of the Council are appointed or elected by means of various procedures. Their mandates last for three years.

*The tasks of the Departmental Integration Council.* The Council is responsible for compiling, adopting and monitoring the implementation of each year's departmental integration programme. This programme may be expanded to include all anti-poverty and pro-integration initiatives. The Departmental Integration Council therefore has a vital part to play in integration policy within the *départements*, which are the hub of the RMI mechanism.

The Council must also do the following:

- take account of local integration programmes or multiannual local plans for integration through economic activity produced in accordance with the Anti-Exclusion Act of 29 July 1998, with a view to ensuring that the integration measures to be taken in the *département* form a cohesive whole;
- communicate the results of its needs assessment in order to facilitate the integration of RMI beneficiaries;
- establish a mechanism for regular independent evaluation of integration measures;
- allocate funds for the implementation of the local integration programmes.

The Council meets at least twice a year – once to adopt the departmental integration programme and then, six months later, to review its implementation.

### *The Local Integration Committee*

There are about 650 local integration committees in France. There are wide variations in the number of beneficiaries covered by each committee.

The local integration committee comprises:

- representatives of the relevant government services, appointed by the Prefect, and the same number of representatives of the General Council, appointed by its President;
- representatives of the communes within the area covered by the local integration committee;
- representatives of the education system and of the institutions, businesses, associations and other bodies that are active in the economic and social domains or in the field of vocational training.

*The tasks of the local integration committees.* Besides making the committees responsible for validating the social and economic integration contracts, the legislature also assigned to them a broad role in the *development of the local integration measures*, a function that they are only beginning to perform. The tasks of the committees are as follows:

- assessing the needs of local RMI beneficiaries in terms of social and occupational integration;
- cataloguing the available range of integration measures and assessing the scope for development and diversification;
- submitting proposals to the Departmental Integration Council for inclusion in the departmental integration programme and the PDI (*Programmes départemental d'insertion* - departmental integration programme) or PLIE (*Plan local d'insertion par l'économique* - local plan for integration through economic activity);
- lending impetus to local integration policies;
- approving social and economic integration contracts.

The mandate of Local Integration Committee members is three years. The co-chairmen sign the social and economic integration contracts; the committee may delegate the power to approve social and economic integration contracts to its permanent office.

*The local integration programme.* This programme is the means by which integration policies are defined at grass-roots level on the basis of the needs of beneficiaries, the local environment and the objectives and instruments of departmental integration policy. The Local Integration Committee determines the amount of resources to be allocated to the implementation of the local integration programme. After adopting the local programme, the local integration committee transmits it to the Departmental Integration Council, which checks it for compatibility with the departmental integration programme.

The support units (*cellules d'appui*) are grass-roots bodies which may be established as part of a local integration committee or may cover several committees. The units are led by specialists who are firmly rooted in the local area, and their tasks are:

- to assist in the formulation of social and economic integration contracts, though not drawing up contracts themselves, and
- to encourage the establishment and development of integration measures at the local level.

### *The other players involved in the integration effort*

A host of people work at the local level to promote the social and occupational integration of RMI recipients. Those who work alongside or in direct contact with the social workers (case workers, local integration counsellors and local officers of the National Employment Agency) and, in more general terms, the examining agencies and the bodies established to encourage employment in particular areas of economic activity (intermediary associations, economic integration companies, temporary economic integration placement

companies and work projects for the unemployed) are directly affected by the RMI integration mechanism. They participate in the organisation of integration measures and on the monitoring and support of beneficiaries.

*Intermediary associations (associations intermédiaires)* are organisations whose purpose is to recruit jobseekers with a view to facilitating their economic integration by placing them, in return for payment, at the service of individuals, of voluntary associations, of public authorities or of businesses. These associations enjoy complete exemption from employers' welfare contributions for the first 750 hours' work performed by each recruit.

*Economic integration companies (entreprises d'insertion)* function like 'acclimatisation chambers' in that they prepare people with serious difficulties for mainstream employment. They recruit unemployed persons on temporary contracts not exceeding 24 months to produce marketable goods and services. These contracts are renewable for two further periods of up to 24 months each.

To qualify as a *temporary economic integration placement company (entreprise d'intérim et d'insertion)*, a firm must be exclusively dedicated to promoting the economic integration of people experiencing real difficulties by making them available to companies offering temporary work. Temporary employment contracts concluded for integration purposes are subject to all the rules that apply to temporary contracts in general.

## Section 4: The debate on income support in France

The system of income support was devised, as we have seen, to deal with any situation of hardship in a spirit of national solidarity by helping those who do not have the means of achieving an adequate standard of living by their own efforts alone. While the intention of the legislature is very plain to see, the implementation of the mechanism in its entirety remains difficult, and there is a need to address two issues, namely the intrinsic complexity of the income-support structure and the numerous ways in which the labour market is changing.

### *Complexity of the system of income support*

"The complexity deriving from the combination of benefits with diverse purposes and from the fluctuations in individual situations make things unbearable for the users of the system"<sup>12</sup> and raises questions about the homogenisation of measures which are often closely related, about the harmonisation of benefits with family situations and about the extension of ancillary rights to every form of income support.

Take-up rates, social repercussions, withdrawals from the mechanism, occupational and social integration and income levels all vary in accordance with *developments in the labour market*. The income-support schemes, however, still do not seem to be attuned to these changes, which are significantly rearranging the pattern of alternation between periods of activity and periods of unemployment in the working lives of individuals. Only a careful appraisal of these changes can help to bring the 'rejects' of the system, including young people, into the support mechanism and to establish more appropriate measures to assist unemployed people towards economic integration.

The complexity of the system is essentially a result of the desire to address a highly diverse set of situations in the interests of equity. *However, because of successive changes in one or other of the income-support schemes, identical situations are treated in different ways*, depending on the form of income support that people are receiving. For example, the target groups of extended unemployment benefit and integration-related income support (RMI) are very similar, but they are accorded different treatment. The widest disparities between the two relate to the standard of living they guarantee and the retirement rights they confer, which are more generous in the case of extended unemployment benefit than in the case of RMI. The amounts payable under the former scheme are five times higher than those awarded under the latter.

The fact is that the *recipient's other income* is not taken into account in the same way for each of the forms of income support.<sup>13</sup> The same applies to the beneficiary's *family circumstances*. Whereas this information is a key element in the assessment of the amount of lone-parent benefit and RMI, it is not taken into consideration at all in the case of extended unemployment benefit and integration-related allowance. With regard to spouses' income, for instance, extended unemployment benefit is awarded even if the beneficiary's spouse is earning a

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<sup>12</sup> Tr. from J.M. Belorgey, *Le Monde*, Tuesday, 20 March 2000.

<sup>13</sup> The period taken into account can vary from three months for integration-related income support to the previous twelve months for extended unemployment benefit or the last calendar year in the case of adult disability benefit.

sizeable wage. The same does not apply to RMI, for which all household income is taken into account, thereby limiting the amount of RMI to which beneficiaries are entitled.

*Ancillary rights*, especially those relating to tax, accommodation and health care, are very much a part of the RMI scheme. For recipients of the other forms of income support, access to ancillary is a more complex matter. People with an income comparable to the RMI ceiling might not be able to enjoy the same ancillary rights and would therefore end up with a smaller amount. In fact, welfare recipients are critical of these disparities, which continue to come under heavy fire from most specialists in the field. There is a need to devise a system in which the same level of income can give rise to the same ancillary rights, irrespective of the beneficiary's status.

These disparities, some of which have been cited as examples, pose various questions. One of these concerns the *choice of units of measurement on which the assessment of income is to be based*. In the case of household income, for example, it is easy to see how socio-economic changes can tend to distort assessments. There are, in fact, more and more unconventional cases of cohabitation which are not based on a family-type situation in which everyone contributes to the running of the household but rather on joint use of premises by unattached people as a means of coping with the ever-increasing cost of accommodation.

More must be done to harmonise the income-support schemes in order to escape the damaging effects of their complexity. This involves two basic steps, according to the recommendations made in the report of May 2000 by the *Commissariat du Plan* (Commission for the National Plan). The first is to standardise the amounts payable in income support, on the basis that "a franc is a franc, wherever it comes from", thereby ensuring that people with the same net income receive identical benefits. The second is to eliminate threshold effects by opting for degressive benefits.

### *Lack of attunement of income support to changes in the labour market*

Changes in the labour market strongly influence the ways in which beneficiaries can obtain work. It is true, for example, that a person returning to work no longer automatically receives a permanent contract, as was once the case. Such open-ended contracts are no longer the norm; on the contrary, the market demand for flexibility tends to induce jobseekers to accept *new forms of employment* – part-time work, fixed-term contracts, jobs with irregular hours, etc. Because of these changes, steady jobs are becoming increasingly difficult to find, the more so for recipients of income support. Welfare benefits have not been adapted to take account of the high degree of fragmentation and instability that characterises these new career patterns. The acquisition of rights is still linked to stable situations, even though alternation between brief periods of work and unemployment has become an ever more common feature of individuals' CVs. Instead of taking effective measures to adapt welfare allowances in the light of these changes, since 1992 the French Government has been tightening the conditions of access to unemployment benefit. The effects of this on income support are manifold: integration-related income support (RMI) has increasingly taken on the role of an unemployment benefit, which was not its original purpose, by serving as a refuge for legions of the long-term unemployed who no longer satisfy the conditions for the other benefit schemes. Returning to work has become more difficult as a result of a sort of disincentive effect which derives especially from the failure to adapt the rules governing the stakeholding system and access to ancillary rights. As a means of creating a *stakeholder effect* in the cases of RMI, lone-parent benefit and extended unemployment benefit as well as in the system of *reduced activities*<sup>14</sup> guaranteed by the UNEDIC (*Union Nationale Interprofessionnelle pour l'Emploi Dans l'Industrie et le Commerce* - National Interprofessional Union for Employment in Industry and Commerce), if welfare recipients return to work, they may continue to receive benefit for a certain period of time in order to satisfy themselves as to the stability of the new employment and in order to avoid a sudden drop in income. Nevertheless, the amount of supplementary benefit they receive is often too low, because of the aforementioned lack of adaptation, to serve as an incentive to work, and in most cases it is accompanied by the loss of the ancillary rights they had previously enjoyed as welfare recipients.

It is clear that, while a generalised reform of the income-support schemes is feasible, the fact that the problem has deeper roots suggests that a revision of the French Code of Labour Law (*Code du travail*) should be considered, as the Belorgey report has been doing. It is ultimately a matter of better adapting the system of welfare benefits and employment to individual career patterns, taking account of the transitions between periods of work and unemployment on the one hand and of the new forms of employment which now exist alongside the dominant conventional form of paid employment on the other. The achievement of this aim depends on better

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<sup>14</sup> UNEDIC (National Interprofessional Union for Employment in Industry and Commerce) has introduced more flexible rules regarding the concurrence of unemployment benefit and a return to work. Provided that the recipient works for less than 136 hours per month, which represents four-fifths of a full-time working month of 169 hours, such work can be combined with receipt of unemployment benefit. This concurrence may not exceed a duration of 18 months.

linkage between unemployment benefits, employment support and training entitlements with a view to guaranteeing individuals a more secure working life by neutralising the adverse effects of changes in working practices, changes of which the labour force are currently bearing the brunt.

*Young people* are suffering the impact of the changes in the job market, where more and more of the jobs on offer are precarious or are subject to atypical terms of employment, which compels these young people to alternate between insecure jobs and periods of unemployment. For this reason, and because of the structure of the training system, where lengthy courses remain the norm, the age at which young people obtain their first steady job has shifted to the 25-29 bracket and beyond. The unemployed percentage of the active population aged 16 to 25 is rising sharply - 24.3% in 1998 as against 6.7% in 1995 - and only one in three of those who are unemployed in this age group receives unemployment benefit. Moreover, their starting pay is very low. In 1998, the average starting pay was 45% lower than the average wage for all employees, compared with a 35% divergence in 1991.<sup>15</sup> One of the great weaknesses of the French system of income support, in fact, is the lack of cover for young people between the ages of 20 (end of family allowances) and 25 (qualifying age for integration-related income support (RMI)),<sup>16</sup> except for those who have care of a child, in which case lone-parent benefit and RMI may apply; whereas lone-parent benefit can be granted during pregnancy, eligibility for RMI does not begin until the child is born.

In 1998, a report on problems raised by the unemployed movement in France at the end of 1997 and the beginning of 1998<sup>17</sup> criticised this gap in the French social safety net and proposed the creation of a specific benefit for young people or a lowering of the age threshold for access to the RMI scheme, as well as a revision of the benefit system to cover brief periods of work or periods spent in jobs with atypical terms of employment. This is a necessary safeguard for the increasingly frequent cases in which young people's employment records qualify them for little or no unemployment benefit. A recent report on income support, income from employment and job insecurity<sup>18</sup> goes even further, proposing a three-pronged reform process, which would involve converting unemployment insurance into a system of *mobility insurance* as a means of promoting the employment of training of young school-leavers, improving unemployment benefit, as envisaged in the Join-Lambert report, and creating an exclusion benefit for young people living alone (*allocation jeunes isolés*) who suffer prolonged exclusion from the labour market and require an appropriate form of assistance.

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<sup>15</sup> Chantal Euzéby, 'L'indemnisation chômage : un système inadapté aux mutations du travail', in *Partage* magazine, No 142, June-July 2000.

<sup>16</sup> Until 1988, the unemployment-insurance scheme provided an integration allowance for young people. At the present time, the 20-25 age bracket is not covered at all.

<sup>17</sup> *Rapport de la Mission sur les problèmes soulevés par le mouvement des chômeurs en France fin 97, début 98*. Marie-Thérèse Join-Lambert was commissioned to produce this report by the Prime Minister, following the protest campaign waged by the unemployed and the trade unions towards the end of 1997. The purpose of the report, which appeared in the latter part of 1998, was to propose improvements to the system.

<sup>18</sup> *Minima sociaux, revenus d'activité, précarité*, report presented to the Prime Minister in February 2000 by the consultation group under the chairmanship of J.M. Belorgey; the principal rapporteur was A. Fouquet of the Commission for the National Plan.



## Chapter 2: Social and economic integration policies for recipients of income support in France

### Section 1: General information on employment policies

The purpose of public employment policies is to take action to improve the employment situation or to tackle the social and economic dysfunctions caused by unemployment.

In France, the first employment policies were adopted back in the years following World War One.<sup>19</sup> At that time, of course, different problems had to be addressed, namely specific manpower shortages resulting from the general mobilisation of the labour force. This situation, which lasted throughout the 1930s, began to change after the Second World War. During the period known in France as the 'Glorious Thirties', there was a need to manage the rapid economic growth which was demanding an ever larger labour force. For that reason, the main priorities in the four economic plans covering the period from 1945 to 1965 were to solve the limited unemployment problem and to create mechanisms that would serve to minimise any risk of a labour shortage. The entry of women into the labour market began to be encouraged, as was greater mobility of labour, and assistance schemes for vocational training were created. However, the modernisation of production facilities, the rationalisation of work processes and the opening of national borders transformed the general picture, and by the mid-sixties the increase in the active population was accompanied by rising unemployment. The establishment of the National Interprofessional Union for Employment in Industry and Commerce and the Association for Employment in Industry and Commerce, which were entrusted with the task of collecting contributions and paying out benefits, as well as the creation of the National Employment Agency and the National Employment Fund (FNE)<sup>20</sup> were specifically designed to set up a national unemployment insurance scheme to help the minority who were excluded from the labour market. The creation of the large employment institutions shifted the focus of employment policy in France, lending it a cyclical character and establishing mechanisms to cope with the effects of post-growth restructuring and, above all, with French membership of the Common Market.

The mid-seventies marked the start of a period of sluggish growth, interspersed with recessions which had an immediate impact on jobs. As a result of this new situation, employment policies began to gravitate towards the protection of excluded workers, and three political priorities were proclaimed: to save jobs by giving aid to companies, to protect employees against redundancies resulting from a slowdown in economic growth and to improve unemployment cover by the creation of a pre-pension scheme and supplementary benefits (1974-76).

Following the attempt to reflate the economy, partly through the creation of jobs in the public sector, between 1981 and 1983,<sup>21</sup> the French Government began to *redirect employment policies towards specific target groups*, namely young people and the long-term unemployed. This period saw the introduction of general employment and training contracts (*contrats d'adaptation*), initiation schemes, specific employment and training contracts (*contrats de qualification*), the community work projects (TUC<sup>22</sup>) scheme, which was created in 1984 to help young people, and the Business Start-up Assistance for the Unemployed (ACCRES<sup>23</sup>) scheme (1985) for the long-term unemployed. From the second half of the eighties down to the present day, the main thrust of employment policy has been focused on the rigidity of the labour market. Successive reforms in 1986, 1987 and 1992<sup>24</sup> helped to liberalise the labour market and to develop new forms of employment. The aim of these measures was to create conditions in which statutory regimes and institutions could gradually be adapted to business needs.

The main features of the current unemployment situation in France have been well documented: the third-highest unemployment rate in the European Union after Spain and Italy, an active population that is growing at a faster

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<sup>19</sup> For the entire historical background, see Norbert Holeblat, "La politique de l'emploi en perspective", in DARES (Directorate for the Promotion of Research, Studies and Statistics), *La politique de l'emploi*. La Découverte, Paris, 1997.

<sup>20</sup> ANPE = *Agence Nationale de l'Emploi*; FNE = *Fonds National pour l'Emploi*.

<sup>21</sup> 150 000 new jobs were created in public administrative bodies and hospitals.

<sup>22</sup> TUC = *Travaux d'utilité collective*.

<sup>23</sup> ACCRE = *Aide aux chômeurs créateurs d'entreprise*.

<sup>24</sup> The Act of 3 July 1986 abolished companies' obligation to seek official authorisation for economically motivated redundancies. In 1987, companies were given the right to alter the length of the working day, and in 1992, employers' contributions to the social security scheme in respect of part-time employees were reduced by 30%; this was increased to 50% in 1993.

rate than in most other countries of the EU and one of the lowest employment rates in the EU in both the 15-24 and over-55 age brackets.

In order to distribute work more fairly among the generations and to combat youth unemployment, the present Government is pursuing a three-pronged employment policy. The first element of this policy is a *collective reduction of working hours*. Without wishing to enter into the highly controversial debate on the number of jobs created by the Thirty-Five-Hour Week Act in France or its impact on the competitiveness of businesses, we should point out that the Act has an important social-integration dimension. The aim of the Act is to ensure that the reduction of working hours which is observable in most European countries should be regulated and negotiated collectively by the government and the 'social partners', i.e. the employers' organisations and trade union federations, and should not result from the development, through the free play of market forces, of part-time work, which is more often a matter of necessity than of preference today. The second element is the *pursuit of active policies targeted at specific groups*. The *Nouveaux services-emplois jeunes* ('New services - youth employment') programme is undoubtedly the most important measure taken by the Jospin Government, since it offers young people in the 18-26 age category a five-year employment contract, which the state subsidises to the tune of 80% of the national minimum wage with a view to developing new service activities in the public and non-profit sectors. These two flagship projects of the Socialist Government, combined with the third element of its policy, namely the *promotion of economic growth*, ought to pave the way for a sustainable reduction of unemployment. However, economic recovery and falling unemployment are not yet benefiting everyone; even more significant is the fact that they are not substantially altering the course of the structural changes that have been observable during the nineties.

Firstly, *the fall in unemployment is not yet reflected in a reduction in the percentage of insecure jobs and jobs with irregular hours*. In 1998, a total of 90% of all recruited staff received temporary contracts (fixed-term contracts, seasonal contracts and other types of temporary arrangement). According to the INSEE (*Institut National de la Statistique et des Etudes Economiques* - National Institute for Statistics and Economic Studies), fixed-term contracts accounted for more than half of the increase in employment that was registered in 1997 and 1998. "With agency staff in the equivalent of 447 000 full-time posts and fixed-term contracts covering the equivalent of a further 892 000 full-time posts, 9% of all employees are in insecure jobs".<sup>25</sup> Secondly, *long-term unemployment remains high*, even if it has likewise begun to fall, so much so that one might wonder whether, by failing to help those who are furthest removed from 'normal' employment, economic recovery will not actually accentuate the phenomenon of exclusion. Thus, *despite the economic upturn, the number of recipients of integration-related income support (RMI) did not diminish in 1998 or 1999*.

Given the persistence of these trends, the aim of a society in full employment is ambiguous in that it may evoke thoughts of a possible return to the labour society of the period of post-war expansion from 1945 to 1975, where the norm was a working life of full-time employment in a single branch of economic activity, sometimes even in the same company premises. The resumption of growth cannot obliterate the effects of the job crisis as analysed by Robert Castel.<sup>26</sup> The mass unemployment that keeps certain sections of the population (young people, women, immigrants and the semi-skilled and unskilled) out of work, the increasing percentage of jobs with atypical and insecure terms of employment, the legal derogations from obligations under labour law, the increase in the number of people on income support, the fall in the unionisation rate, the loss of legitimacy of the welfare state and the budgetary constraints on it are all factors that have undermined the integrating role of the labour society. Flexible and precarious terms of employment produce new forms of insecurity in the labour market, demonstrating that *job creation is not necessarily synonymous with social cohesion*.

The fragmentation of the labour market and the dilution of employee status are processes that are occurring in several countries of the European Union. Until now, France has refused to be a party to the liberal (in the continental sense) policy of dismantling labour legislation and social protection as a means of combating unemployment. But the desire to preserve the main elements of the social safety net has led to a proliferation of policies designed specifically for those sections of the population that are furthest removed from 'normal' employment. Such policies gamble on precisely targeted measures of economic integration serving to adapt the underskilled part of the labour force to the constraints of the production system and to prepare them for absorption into the labour market whenever economic growth begins to accelerate. The inherent risk, on the other hand, is that these policies will institutionalise a second labour market, thereby effectively enshrining the dualisation of the labour force. This inequality of status would then beget further divisions until a number of separate labour markets were in operation<sup>27</sup>: for executives who combine the advantages of employee and

<sup>25</sup> Tr. from *Alternatives économiques*, No 173, September 1999, p. 26.

<sup>26</sup> R. Castel, *Les métamorphoses de la question sociale*. Editions Fayard, Paris, 1995.

<sup>27</sup> As analysed in A. Supiot, "Du bon usage des lois en matière d'emploi", in *Droit Social*, No 3, March 1997, pp. 229-242.

shareholder status (access to share options), for ordinary employees with full-time open-ended contracts and for workers in insecure jobs who are frequently deprived of certain rights (vocational training, union representation, unemployment benefits and supplementary health-insurance cover) attaching to employee status.

If the erosion of collective labour rules and of the social safety net, two key elements of the European identity, are to be avoided, and if the division of the labour force into a secure and an insecure component is to be resisted, it will be necessary to find some other way of reconciling the imperative of flexibility which has spawned the new forms of work organisation with the need for security experienced by employees as they face an increasing number of occupational transitions in their working lives. It is a matter of devising new economic and social rights which will enable workers to switch from steady full-time employment to a more transitory form of activity, such as intermittent work, self-employment, voluntary work or a course of training) without forfeiting their rights or their social protection. This is the gist of the recommendations made by a European group coordinated by Alain Supiot in a report<sup>28</sup> that was recently presented to the European Commission. One of the main proposals made by this group of European researchers is "the adoption of a Community definition of the concept of an employee", which is still lacking today. In addition, in order to "protect workers in transitional phases between jobs", the researchers recommend the definition of a *European employment status* which would serve: (1) "to guarantee the continuity of a career rather than the stability of jobs", (2) to extend "social legislation to non-commercial forms of work" and (3) to integrate "various types of welfare entitlement" (training credits, parental leave, etc.) which would allow "individual management of flexibility".<sup>29</sup>

At the present time, the *prospect of sustainable growth* makes a general return to full employment in the very near future seem possible. This raises the question of the value or potential value of all the schemes that have been devised for the economic integration of jobseekers. In terms of the number of new jobs, the value of employment-support policies could certainly be questioned. In terms of quality, on the other hand, the whole set of mechanisms remains legitimate, because they have changed the system, which was often artificial and arbitrary, of categorising individuals as 'employable' or 'non-employable'. During the period of high unemployment, businesses have tightened their recruitment criteria on the basis of excessively selective parameters, which have automatically excluded an increasing number of people from the labour market. The systems of personalised support, temporary job schemes, back-to-work programmes and specific training schemes created by these integration mechanisms have helped to change recruitment practices and particularly to remove the stigmatisation of recurrent unemployment.

### *The Public Employment Service*

The *Service Public de l'Emploi* (Public Employment Service) is therefore founded on complementary efforts by central government and the departmental authorities to establish and administer employment policies. The linkage between the national and departmental employment authorities may be described as follows:<sup>30</sup>

Under the direction of the *Ministry of Employment and Solidarity* and of the *Prefects* in the *départements*, the Public Employment Service implements employment policies within the various territorial units. The main political aims in the realms of employment and continuing vocational training are laid down by the *DGEFP* (*Délégation Générale à l'Emploi et à Formation Professionnelle* - General Delegation for Labour, Employment and Vocational Training) and are pursued by the various divisions within the Ministry, by the *National Employment Agency* and by the *AFPA* (*Association de Formation Professionnelle pour Adultes* - Adult Vocational Training Association). The *Association for Employment in Industry and Commerce* as well as its umbrella body, the *National Interprofessional Union for Employment in Industry and Commerce*,<sup>31</sup> also have a part to play.

The *DDTEFP* (*Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle* - Departmental Directorate for Labour, Employment and Vocational Training) are the operational level at which employment and vocational-training policies are implemented. They administer the principle measures of employment policy, adapting them to their respective local circumstances and needs. Local priorities in the field

<sup>28</sup> A. Supiot (head of team), M.E. Casas, J. de Munck, P. Hanau, A. Johannson, P. Meadows, E. Mignione, R. Salais and P. van der Hijden, *Au-delà de l'emploi*. Editions Flammarion, Paris, 1999.

<sup>29</sup> *Ibid.*, pp. 298-299.

<sup>30</sup> Source: *Evaluation du programme Objectif 3 du FSE pour la France*. Working document, Centre d'études de l'emploi (Centre for Employment Studies), August 1999.

<sup>31</sup> Since 1958, UNEDIC (National Interprofessional Union for Employment in Industry and Commerce) and the ASSÉDIC (Association for Employment in Industry and Commerce) have been responsible, under a national agreement, for collecting contributions to the unemployment insurance scheme and paying out benefits.

of economic integration are set in the local economic integration plans and in the departmental integration programmes.<sup>32</sup>

*Associated mechanisms.* At the local level, *intermediary associations, economic integration companies, temporary economic integration placement companies, sheltered worksites and neighbourhood direct-labour services.*<sup>33</sup> These structures achieve the aim of integrating people into society through economic activity by performing various functions which can range from social and vocational retraining to the prevention of exclusion. Their role lies halfway between that of a service provider and that of an active promoter of social and economic integration schemes at the local level. For that reason, all of these organisations benefit from government aid, which consists in exemptions from welfare charges and in the power to conclude contracts for assisted employment in the form of job-creation contracts (*contrats emploi-solidarité*) and consolidated employment contracts (*contrat emploi consolidé*).

### **Assisted jobs**

The **main integration schemes** in the sphere of employment relate to:

- *Assisted jobs of a non-commercial nature*, through schemes which are largely administered jointly by the central and local services, namely the job-creation contract (CES) scheme, the consolidated employment contract (CEC) scheme and the municipal employment contract (*contrat emploi ville (CEV)*) and youth employment (*emplois jeunes*) schemes.<sup>34</sup>
- *Assisted jobs of a commercial nature*: reduction of public charges for part-time employees, exemption for the first employee, the employment-initiative scheme (*contrat initiative emploi*), the contract of apprenticeship (*contrat d'apprentissage*), the specific employment and training contract (*contrat de qualification*), the general employment and training contract (*contrat d'adaptation*) and Business Start-up Assistance for the Unemployed (*Aide aux chômeurs créateurs d'entreprise (ACCRE)*).<sup>35</sup>
- *Periods of work experience and training courses*: individual and collective short vocational integration and training courses and work-experience placements.

At the end of 1997, two million people were in jobs that were assisted in the framework of specific schemes. Almost 1.6 million of these jobs were in the commercial domain, while the other 400 000 were non-commercial. This means that, for every hundred members of the active labour force, ten are employed in the framework of one of the assisted employment schemes.<sup>36</sup>

### **Assisted jobs in the non-commercial domain**

#### *Job-creation contracts (CES)*

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<sup>32</sup> The departmental integration programme has already been described in chapter 1, section 3, of the present report.

<sup>33</sup> In 1998, the following bodies were active in the promotion of integration through economic activity: 780 jobstart companies, providing 7 315 starter jobs, 160 temporary jobstart placement companies, providing the equivalent of 3 780 full-time starter jobs and supported employment on a contractual basis for 315 beneficiaries, 1 100 intermediary associations, with 220 000 people available for an average period of five weeks, 1 500 construction training sites and 130 neighbourhood direct-labour services.

Source: Ministry of Employment and Solidarity, *Le programme et la loi de prévention et de lutte contre les exclusions*, April 1999.

<sup>34</sup> According to data from the Directorate for the Promotion of Research, Studies and Statistics (DARES), the year 1997 saw a stabilisation of the number of beneficiaries of assisted-job contract schemes in the non-commercial domain. 534 000 job-creation contracts (CES), 96 000 consolidated employment contracts (CEC) and 14 000 municipal employment contracts (CEV) were signed in 1997, while 22 000 young people benefited under the youth-employment programme. The female share of places on the CES and CEC schemes has remained stable since the schemes were first introduced, three out of every five contracts being awarded to women.

<sup>35</sup> The ACCRE scheme has been in existence since 1997. It is a public programme designed to help unemployed individuals who wish to start up a business or go back into business. It is available to jobseekers receiving unemployment benefit and to other jobseekers who have been registered for more than ten months out of the last eighteen. Jobseekers in receipt of extended unemployment benefit (ASS) receive the same amount in ACCRE as they receive in ASS for a six-month period. A similar scheme operates for recipients of integration-related income support (RMI).

<sup>36</sup> Les Dossiers de la DARES (Directorate for the Promotion of Research, Studies and Statistics), *Bilan de la politique de l'emploi en 1997*. La documentation française.

The CES is an integration mechanism with a wide target population. It was created in January 1990 to replace the TUC (*travaux d'utilité collective* - community work projects) scheme with a view to broadening the scope of that mechanism. The contract may be concluded by non-profit organisations and public bodies, and it exempts the employer from welfare contributions other than unemployment insurance premiums throughout the term of the contract. The state bears the following costs: 65% of the wage bill for CES employees who do not fall into the long-term unemployed category and 95% of the wage bill for CES employees who are classed as long-term unemployed, having been registered with the National Employment Agency for 12 of the 18 months preceding their recruitment, for RMI recipients and their partners, for disabled workers, for unemployed persons who have reached the age of 50 or who have been registered with the National Employment Agency for more than three years. The European Social Fund cofinances this scheme.

The CES offers part-time work for a fixed period, from a minimum of three months to a maximum of two years - three years in exceptional cases - to the long-term unemployed, to unemployed persons over the age of 50, to the disabled, to RMI recipients who have been out of work for a year and for young people aged 18 to 25 who are experiencing particular difficulty in finding work. The aim of the scheme is to make it easier for these people to enter mainstream employment by enabling them to acquire new skills and know-how by virtue of additional instruments annexed to their contracts. In fact, because they regard this contract as a form of integration support for 'hard to place' groups, the public authorities have provided for a system of free supplementary training, which can take place during the part-timers' non-working hours and is designed to give beneficiaries the opportunity to obtain qualifications. The state meets the cost of up to a total of 200 hours' training per CES employee. According to a study conducted in 1994 by the CEE (*Centre d'Etudes sur l'Emploi* - Centre for Employment Studies), 20% of respondents in the CES scheme had signed a contract to which a training agreement was annexed.

One of the foremost objectives of job-creation contracts, in the spirit of the law, is to encourage the development of activities which meet unsatisfied collective needs. In practice, however, most of the contracts that have been signed relate to administrative work or to jobs connected with the maintenance of public amenities. Only since 1997 has there also been an observable increase in activities relating to the protection of nature and care of the environment. The specific character of this type of job lies in the fact that it establishes a direct relationship between the employer and the employee. The former belongs to a non-profit organisation and is therefore expected to play a key role in the integration of his or her CES employees. However, only two years after the creation of the CES scheme, it had already become evident that it was difficult for employers to offer any real prospect of a return to steady work. There are two basic reasons for this:

- The first relates to the large number of beneficiaries: in 1997, job-creation contracts accounted for 70%<sup>37</sup> of the total number of people in all assisted employment schemes. This figure testifies to the very broad demand for job-creation contracts compared with the take-up for the other schemes, which are still targeted at priority groups (the very long-term unemployed or RMI recipients who have been out of work for a year).
- The second relates to the duration of the contract, which runs for a limited time and does not forge any links that lead beneficiaries on to longer-term employment. 1997 saw an increase in the number of six-monthly jobseekers' contracts, whereas twelve-monthly contracts had previously been the norm.

#### *Consolidated employment contracts (CEC – Act No 92-772 of 29 July 1992)*

The holders of job-creation contracts who are hardest to place may, when their contract expires, obtain a CEC (*Contrat Emploi Consolidé* - consolidated employment contract) if no other employment or training options are open to them. Since 1998, by virtue of the Anti-Exclusion Act, it is possible for jobseekers to obtain employment on a CEC even if they have not previously had a CES. The target group comprises people aged 50 or over who have been seeking employment for at least a year, RMI recipients who have been out of work for at least a year, other jobseekers who have been looking for work for at least three years, disabled workers and other beneficiaries of the employment quota instituted by Article L323-1 of the French Labour Code (*Code du travail*) and, since 1994, people who are victims of extreme forms of exclusion. The employing organisations are the same as for the CES, except in the case of young people in the 18-25 age bracket, with whom only the local authorities are empowered to conclude a CEC. The CEC is a full-time or part-time fixed-term or open-ended contract and is subject to private law. The state exempts employers from payment of contributions in respect of

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<sup>37</sup> This percentage, high though it may be, was lower in 1997 than it had been in previous years. A total of 534 000 new job-creation contracts were signed in 1997, as against 588 000 in 1996.

CEC beneficiaries.<sup>38</sup> It pays part of the remuneration due to them for a period not exceeding five years. The European Social Fund cofinances the CEC scheme. State aid is subject, even in the case of open-ended contracts, to the conclusion of an annual agreement between the employer and the Departmental Directorate for Labour, Employment and Vocational Training.<sup>39</sup> This annual obligation limits the term of the CEC, which, though it may theoretically run for five years, is not automatically renewed. More than 20% of the initial contracts signed in 1995 were not renewed at the end of the first year.<sup>40</sup> From the outset, the scheme had been envisaged as a contract reserved for people who had no other employment options when their CES expired. The target group was aged 50 or over and had been unemployed for a lengthy period or was receiving integration-related income support. Until the mid-nineties, indeed, the pursuit of this objective was justified by statistics which showed that the 50-plus age category had by far the highest unemployment rates (12.7% for men and 10.3% for women). But even though the percentage of CEC beneficiaries in this age group remains high, the jobs crisis has had a direct impact on the targeting of the CEC scheme. The number of young people with higher qualification levels was growing steadily in the mid-nineties. Between 1993 and 1996, the unemployment rate for young people under the age of 25 rose from 6% to 12%, while the percentage of young people with the CAP (*Certificat d'aptitude professionnelle* - upper secondary vocational aptitude certificate) or BEP (*Brevet d'Etudes Professionnelles* - Upper secondary vocational studies certificate) vocational training certificates increased from 43% in 1993 to 51% in 1996. According to data from the DARES (*Direction de l'Animation de la Recherche des Etudes et des Statistiques* - Directorate for the Promotion of Research, Studies and Statistics),<sup>41</sup> a quarter of all premature terminations of consolidated employment contracts were due to the recruitment of CEC holders by the employing organisation, while the remainder were due to the employee leaving the organisation.

### *Youth employment (Act No 97-940 of 16 October 1997)*

The *New Services – Youth Employment (Nouveau services-emplois jeunes)* programme has two aims:

- to respond to people's service needs in every domain of everyday life by initiating new activities or by developing trades and professions which, though they already exist, have few practitioners or would benefit from substantive updating; and
- to enable young people to obtain and keep a job, to acquire occupational experience and to build a career.<sup>42</sup>

The youth-employment contract is a fixed-term or open-ended contract under private law. In the case of fixed-term contracts, the programme is not renewable at the end of five years. This is due to the fact that the state grants assistance for a five-year period only, awarding the employer an annual grant of FFR 95 010 (amount as at 1 July 1999) for a full-time post (35 to 39 hours, depending on the applicable collective agreement). This grant represents 80% of the SMIC (*Salairé Minimum Interprofessionnel de Croissance* - national minimum wage) and is reassessed on 1 July every year during its five-year term to take account of changes in the SMIC. The aid is paid out monthly in advance to the employer. The Prefect is responsible, on behalf of the state, for signing the agreement with the employer which creates the young person's job.

The target group comprises unemployed young people in the 18-25 age bracket, disabled persons below the age of 30 and young adults aged 26 to 29 who are unemployed but are ineligible for certain unemployment benefits. The employers covered by this programme are private non-profit organisations and public service providers, i.e. local authorities and public enterprises and institutions. The French Government must not be the direct employer, except in the case of the special junior constables (*adjoints de sécurité*) recruited by the national police force.

By June 1999 this scheme had created 200 645 jobs, and 178 050 young people had been recruited. The largest category of employers (45%) are voluntary associations, but numerous young people have also been engaged by local authorities (36%) and by public institutions (15%). To find these recruits, many of the employers used the employment services (the National Employment Agency, the PAIO (*Permanence d'Accueil, d'Information et d'Orientation* - Reception, Information and Guidance Office for young jobseekers) and the local youth

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<sup>38</sup> The CES exempts employers from payroll tax, apprenticeship tax and employers' contributions to the vocational-training fund.

<sup>39</sup> DARES (Directorate for the Promotion of Research, Studies and Statistics), "Les contrats aidés du secteur non marchand en 1997", in *Premières informations, premières synthèses*, 98.08, N. 33.2, Box 3.

<sup>40</sup> DARES (Directorate for the Promotion of Research, Studies and Statistics), "Les CES, les CEC et les CEV en 1996", in *Premières informations, premières synthèses*, 97.08, N.34.2.

<sup>41</sup> DARES (Directorate for the Promotion of Research, Studies and Statistics), "Le devenir des personnes sorties par anticipation d'un contrat emploi consolidé", in *Premières informations, premières synthèses*, 99.04, N.13.1.

<sup>42</sup> Ministry of Employment and Solidarity, *Emplois jeunes, le guide du salarié*, special edition, 2000.

taskforces (*Missions locales*). The CES and CEC can be bridges leading to a youth-employment contract, as can the RMI scheme, if the activity involved satisfies the criteria that have been established for the scheme in question. In general, the activities must be new occupations or involve new practices. In that respect the scheme is regarded more as a programme for the development of new job-creating activities than simply as an integration and training programme. Responsibility for training provision rests with the employer.

## **Assisted jobs in the commercial domain**

### *Employment-initiative contracts (CIE)*

Established in 1995, the CIE (*Contrat initiative emploi* - employment-initiative contract) scheme underwent radical revision in 1996 to target the groups who are hardest to place. The aim of the revision was to facilitate the occupational integration of jobseekers who were subject to long-term exclusion from the labour market, young people with low qualification levels, recipients of integration-related income support (RMI), extended unemployment benefit (ASS) and widows' and widowers' pre-pension allowance (AV), unemployed people aged 50 or over, disabled workers and single women caring for families.

The CIE is a fixed-term or open-ended contract with a term of 12 to 24 months. It may be a full-time or part-time (16 hours a week) contract. It entitles the employer to exemption from welfare charges for a maximum of 24 months in respect of that part of the employee's pay which corresponds to the national minimum wage (SMIC). A government grant in the order of FFR 2 000 per month is payable to employers who recruit a person aged 50 or over who has been unemployed for more than 36 months, a recipient of integration-related income support (RMI) or extended unemployment benefit (ASS), a young person under the age of 26 or a disabled person. The wage is set in accordance with the collective agreement applicable to the company and must not be less than the SMIC. Most people recruited on CIEs belong to the last two categories (51% of all recruits). In 1997, RMI recipients accounted for 14.4% of CIE holders. As far as women are concerned, their rate of access to the CIE scheme continues to fall in the 26-49 age bracket. Of the women in the CIE scheme, 64% are classed as hard to place, compared with 71% of the men.<sup>43</sup>

About 70 000<sup>44</sup> people benefited from the CIE scheme in metropolitan France in 1999. While the scheme had little impact in its early days, recent surveys have signalled a change, highlighted by the employers' side. In fact, if one of the aims of employment policies is to counteract the selectivity of the labour market,<sup>45</sup> that aim appears to have been partly achieved when employers declare that the CIE has enabled them to widen their net and recruit people whom they would not otherwise have taken on and that the scheme has led to a change in the age, training and experience profile of recruited staff. The CIE scheme, which is relatively expensive for the government, might seem to be an aid mechanism which is designed to finance businesses rather than to promote employment, but it actually has varying effects on companies, which can use the aid they receive to recruit additional staff or to make new investments in their business.

## **Integration measures and training courses**

### *Short vocational integration and training courses*

Since 1993, SIFE (*Stages d'Insertion et de Formation à l'Emploi* - short vocational integration and training courses) have been available on a group or individual basis to jobseekers aged 26 or over.<sup>46</sup> They have been administered by the National Employment Agency since 1995.

The group retraining courses are intended primarily for the very long-term unemployed, for those who are over 50 and unemployed and for recipients of integration-related income support (RMI). The individual courses are designed to promote the reabsorption into employment of jobseekers by individualised consideration of their

<sup>43</sup> Marie-Odile Tesnière, "Les contrats initiative emploi", in DARES (Directorate for the Promotion of Research, Studies and Statistics), *Bilan de la politique de l'emploi en 1997*. Les dossiers de la DARES (Directorate for the Promotion of Research, Studies and Statistics), Nos 1-2, December 1998.

<sup>44</sup> DARES (Directorate for the Promotion of Research, Studies and Statistics), *Bulletin mensuel des statistiques du travail*, No 6. La Documentation française, Paris, June 1999.

<sup>45</sup> This expression was used by B. Simonin in the article entitled "Les politiques d'emploi restent légitimes", published in *Alternatives Economiques*, No 179, March 2000.

<sup>46</sup> The Five-yearly Labour, Employment and Vocational Training Act of 20 December 1993 merged the AIF (*Actions d'insertion et de Formation* - integration and training measures scheme) with the training courses offered by the FNE-FI (*Fonds National de l'Emploi pour les Femmes Isolées* - National Employment Fund for Single Women) to form the collective short vocational integration and training courses, while the SRP (*Stages de Reclassement Professionnel* - occupational retraining courses) were superseded by the individual short vocational integration and training courses.

training needs. Like the other mechanisms, the short vocational integration and training courses scheme has recently been modified to focus more sharply on priority target groups, which has resulted in a perceptible increase in the percentage of long-term unemployed persons (13.8% in 1997) and RMI recipients (28.5% in 1997) in the scheme. The training courses are most frequently provided by voluntary associations, and a majority of the trainees are women (57% in 1997). While the group courses are mechanisms through which the training of disadvantaged sections of society can be reactivated, the individual courses provide people with the opportunity to maintain, broaden or update their skills as a means of preventing long-term unemployment.

## Section 2: Policies designed to combat social exclusion and poverty

The Anti-Exclusion Act of 29 July 1998 hinges on four basic priorities: guaranteeing access to fundamental rights, preventing exclusion, addressing urgent social problems and coordinating anti-exclusion measures.

The first priority is essentially based on the idea that **all people must be able to exercise their fundamental rights**, and it is the duty of society to give everyone the opportunity to enjoy those rights. Access to employment, housing, health care, education and culture are among the paramount rights covered by the Anti-Exclusion Act. For example, the Act enables people with serious difficulties to obtain housing and, most importantly, to be able to keep it for as long as possible. By the same token, access to health care guarantees that everyone has the right to medical treatment, irrespective of his or her financial resources; in implementation of this provision, a new system of universal medical cover (*couverture maladie universelle*) was inaugurated in January 2000.

The right of access to work has a direct bearing on employment policy and implies the need to improve measures for the *coordination of employment schemes and broader access to them*, especially for people in danger of exclusion. The recommended innovations in this domain are characterised by new emphasis on the need to *provide individualised support for people with difficulties*. The *Nouveau départ* ("New Departure") and TRACE programmes in particular are based on comprehensive monitoring and support for programme participants. This involves close monitoring of their occupational progress and training as well as social back-up. The ***Nouveau départ programme***, administered by the National Employment Agency, is aimed at jobseekers who are close to the brink of long-term exclusion from the labour market or of marginalisation. The adviser assigned to the jobseeker is required to suggest appropriate measures to the jobseeker after identifying his or her needs in an assessment interview. The support must therefore be personalised and must extend to the medium and long term. In the same spirit, young people aged 16 to 25 who are hard to place and face the risk of exclusion can benefit from a programme of monitoring and support, which can last for up to 18 months, under the **TRACE programme**. Personalised monitoring continues throughout the support period. The young person always has the same adviser, who is expected to provide jobseekers with a comprehensive service designed to integrate them permanently into the labour market. The personal adviser works in partnership with all the internal and external structures, selected after examination by the Prefect of the *département*, which can facilitate the young person's integration process (training bodies, placement agencies, local youth taskforces and local employment agencies). As far as more direct efforts to *broaden access to measures of integration through economic activity* are concerned, the Anti-Exclusion Act has helped to refocus assisted job measures on priority target groups, such as recipients of integration-related income support or extended unemployment benefit and the long-term unemployed, and to improve the coordination between schemes which monitor and support the same target groups.

One of the vital elements of the Act lies in the creation of links between the various players who work to combat exclusion. The aim here is to establish *the essential linkage between the national and local institutions which help to implement the Act*. At the national level, two institutions ensure that government action to combat exclusion is coherent and comprehensible. The first of these is the *Comité Interministériel de Lutte contres les Exclusions* (Interministerial Anti-Exclusion Committee), chaired by the Prime Minister, which is supposed to meet once a year. The Committee, however, has not met since July 1998. The other national body is the *Observatoire de la Pauvreté et de l'Exclusion* (Poverty and Exclusion Observatory). This monitoring body is required to submit an annual summary report to the Prime Minister on its work, which entails collecting and analysing information on poverty and vulnerability within French society. The Observatory comprises 22 members and is regarded by operators in the field as a body which can help in a practical way to improve their knowledge of the nature and extent of poverty and exclusion by providing more comprehensive and reliable data and by its continuous monitoring. It is still too soon to pass judgement on its effectiveness.

At the local level, Article 156 of the Act provides for the *conclusion of specific agreements between the various players as a means of coordinating their interventions and ensuring that individual situations are treated on the*



*basis of universal principles and not in a compartmentalised manner.* Each agreement must identify the tier of government to which it applies in order to make it easier to bring the appropriate players into the network. This procedure leaves a wide discretionary margin for local administration and devolves decision-making on matters of exclusion to the local levels. Nevertheless, in all the coordination mechanisms the Prefect is designated as the vital link in the decision-making chain and is expected to act as a pilot with overall responsibility for local coordination. The Prefect's diagnosis of exclusion at the departmental level underlies the organisation and aims of all the work of the CDCs (*Comités Départementaux de Coordination* - Departmental Coordination Committees), whose chief tasks are to assess needs, coordinate measures and formulate proposals. The reassignment of administrative powers to the Prefect may be interpreted as reflecting the desire of central government to retain its control of local policies while giving some leeway to the local authorities for the sake of subsidiarity. The measures that have been enacted to reassign a major role to the National Employment Agency (compulsory registration and personalised monitoring) tend in the same direction. The Act gives the Agency a degree of control over employment issues that had slipped out of its hands, particularly with the advent of the integration-related income support (RMI) scheme. "*The proposed monitoring for three to six months is a major change for Agency staff, who were used to single contacts with jobseekers*".<sup>47</sup> For that reason, 2 500 new posts are to be created by the year 2002 in order to increase the manpower establishment of the National Employment Agency.

Despite the efforts of the past two years, the people affected by the Anti-Exclusion Act, including professionals in the field, are not yet sufficiently familiar with its provisions; this stems from a lack of appropriate information. Moreover, the institutional dysfunctions which affect coordination still seem to be insurmountable, since they derive from deep-seated differences between the cultures and professional practices of the various administrative bodies.<sup>48</sup>

### **Section 3: RMI recipients and integration policies**

The beneficiaries of integration-related income support (RMI) are one of the priority target groups of integration policies. This orientation has been reinforced by the refocusing of employment-support policies on 'hard-to-place' sections of the population, to which the recipients of RMI belong. The Anti-Exclusion Act has played a huge part in this change as well as in the development of measures of individualised social support (*accompagnement social individualisé*). This type of long-term monitoring had already been envisaged as part of the general RMI scheme to promote the all-round integration of beneficiaries, but it is true that the same service was denied to other jobseekers.

The average percentage of places on employment schemes to be reserved for RMI recipients has been the result of consultation between the General Delegation for Labour, Employment and Vocational Training and the Interministerial Commission on the RMI scheme. The Interministerial Delegation on the Integration-related Income Support Scheme<sup>49</sup> estimates that more than 30% of the beneficiaries of these measures are RMI recipients, which represents a 3% increase in the space of one year. In the same memorandum, despite an overall reduction of almost 9% in the volume of employment measures, the percentage of new entrants to targeted schemes (the job-creation contract (CES), consolidated employment contract (CEC), short vocational integration and training course and employment-initiative contract (CIE) schemes) who are in receipt of RMI grew by two per cent (from 85 655 to 87 299) between the first half of 1998 and the same period in 1999. This is due to a 47% increase in the number of RMI recipients employed on CECs and a 3% increase in those with CESs, a direct result of the Anti-Exclusion Act, which focused these contract schemes more sharply on disadvantaged groups such as RMI recipients.<sup>50</sup> The sharp rise in the number of RMI recipients on consolidated employment contracts is a result of the programme of action established under the 1998 Act to develop the CEC at the expense of the CES. The CEC, in fact, guarantees an income level of 75 to 120% of the national minimum wage (SMIC) for 30 to 35 hours' work, which is distinctly more satisfactory than half of the SMIC.<sup>51</sup> Jobseekers regard the CEC as a less insecure option than the CES, but the conditions for access to the former remain strict. The same applies to the CIE. The general restriction of access to the CIE scheme (-27%) has had a limited effect on recipients of RMI, whose participation in the scheme has fallen by only 8%.

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<sup>47</sup> Marie-Ange Dumenisnil du Buisson, Deputy Director-General of the National Employment Agency (ANPE), in a statement for *Alternatives Economiques*, No 182, June 2000

<sup>48</sup> "L'exclusion à la vie dure", article in the journal *Alternatives Economiques*, No 182, June 2000

<sup>49</sup> Memorandum issued by DIRMI on 8 October 1999, entitled *L'entrée des allocataires du RMI dans les mesures ciblées de la politique de l'emploi au premier semestre 1999*.

<sup>50</sup> RMI recipients accounted for almost 40% of all CES holders in 1999, as against 36.7% in 1998.

<sup>51</sup> ALERTE report on the Anti-Exclusion Act, June 2000.

These data clearly show that measures of employment policy are a determinant of the occupational integration of RMI recipients and that the broadening of the target population to include recipients of other forms of income support widens the scope for the absorption of jobseekers into employment. The access procedures, however, are becoming more complex for jobseekers as well as for those who work in the field of economic integration. In order to obtain an assisted job, RMI recipients and other jobseekers must seek the prior approval of their local branch of the National Employment Agency; in other words, they must go through the registration process. All of this amounts to longer delays and more red tape, which has a deterrent effect on those whose need is greatest. The same goes for access to training for young people or adults (under the specific employment and training contract for adults), which also requires funding approval by the Departmental Directorate for Labour, Employment and Vocational Training or by the relevant support funds. As far as the intermediary associations and economic integration companies are concerned, the registration requirement is an additional obstacle to their activity, because they perceive it as a superimposed form of control and an interference with their grass-roots work. A great deal of effort remains to be made before any real synergy can be generated between the public employment services and the bodies engaged in the task of economic integration.

In general terms, the impact of public employment policies on recipients of RMI and other forms of income support remains a moot point. There is certainly an *impact on the volume of employment*, but this is offset by considerable *windfall effects*. In other words, numerous jobs would have been created in any case, even without the aid of these support mechanisms. *Their impact on RMI recipients' access to employment* is not obvious, because the job programmes vary in efficiency, depending on how closely they relate to mainstream employment. The fact is that recipients' access to integration measures in mainstream businesses has more to do with their qualification levels and sociological profiles than with their status as RMI recipients. It is difficult to ascertain whether the targeting of employment policies on RMI recipients really does reduce the effects of the *selectivity of the labour market*. Lastly, the *effects of support measures on the quality of jobs* have also come in for criticism. These measures, it is claimed, have accelerated the growth of job insecurity by offering nothing but unstable career patterns. Moreover, they have done much to reduce the cost of labour and to bring down wage levels, especially in the non-commercial domain.

Beyond these observations of a general nature, it must also be borne in mind that job opportunities vary considerably from one *département* to another. The access of RMI recipients to integration schemes is subject to conspicuously wide geographical disparities. These disparities between *départements* are due to a variety of factors. First of all, there are considerable differences in the number of RMI beneficiaries. In December 1998, the percentage of the population receiving RMI was five times higher in the *département* at the top of the RMI league table than in the *département* with the lowest figure. According to the summary report presented by the Interministerial Delegation on the Integration-related Income Support Scheme in September 1999, larger concentrations of RMI recipients are to be found in the more highly urbanised *départements*, the highest densities being recorded in the *départements* along the Mediterranean coast, in the north of the country and in the Ile de France, the region in which Paris is situated. The selfsame pattern shows up on the unemployment map, which explains why it is difficult to widen the impact of integration policies. In addition, the state of the local job market is an important factor in economic integration. The probability of finding work is almost halved when local long-term unemployment rises from less than 3% to more than 7%.<sup>52</sup> In the most dynamic *départements*, the recipients of RMI have a 40% chance of obtaining an assisted job or a training course. These odds lengthen considerably in the *départements* with less vibrant economies, falling below 10% in certain cases.

Measures have been taken to reduce the present disparity between the *départements*. In particular, the departmental integration funds, which are administered by the prefects, are designed to strengthen local integration measures. The accent is placed on projects involving local players who operate in partnership within a given geographical area. In the same spirit, the local plans for integration through economic activity, which were officially initiated in 1993, have been given new scope by the Anti-Exclusion Law. The projects contained in these plans operate alongside those in the local integration programme, which are more directly linked to the RMI scheme.

On the initiative of the communes, the local plans for integration through economic activity are implemented with the aid of the local authorities, businesses and organisations working in the field of integration through economic activity. Local partnerships are built around individualised integration plans for people facing the risk of exclusion. According to the 1998 report by the Centre for Employment Studies, fewer women (47% in 1997) than men have benefited from projects in the framework of these programmes, even though the integration of women is one of the priorities of local plans for integration through economic activity. The composition of the

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<sup>52</sup> Interim report by the Centre for Employment Studies (*Centre d'études de l'emploi*): *Evaluation du programme Objectif 3 du FSE pour la France*. August 1999.

beneficiaries is roughly in line with the three-thirds rule: one third are RMI recipients, one third are long-term unemployed persons, and one third are young people with no qualifications. The target groups are generally similar to the target population for projects under the departmental integration programme.<sup>53</sup> Many *départements* are preparing at the present time to introduce local plans for integration through economic activity, which seem to be a better means of creating the desired partnerships between players and, in particular, of engendering more active business participation than the local integration programmes. In 1998, the French Government undertook to promote a 100% increase over the next three years in the number of local plans for integration through economic activity, which currently stands at 250.

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<sup>53</sup> *Ibid.*

## Chapter 3: Coordination in integration policies – the institutional perspective

### Section 1: Integration policies – a new conception of public action?

#### The coordination requirements arising from a comprehensive approach to integration and a multidimensional definition of poverty

In the rationale behind the integration-related income support (RMI) scheme, the idea of integration is given a deliberately broad definition. The general introductory provisions of the Act of 1 December 1988 establishing the RMI scheme state that "social and occupational integration is a national imperative... The integration-related income support is one element in a comprehensive mechanism designed to combat poverty; its purpose is to eliminate all forms of exclusion, especially in the domains of education, employment, training, health and housing".<sup>54</sup> Integration cannot simply be reduced to occupational or economic integration. In this respect, the challenge is to ensure that integration policies can marry the dimensions of economic integration and social inclusion in areas where the administrative machinery tends to distinguish between the fields of economic initiatives, jobseeking and social assistance.

This broad definition of integration is also a response to a number of analyses which have stressed the multidimensional nature of the fight against poverty. The reports<sup>55</sup> that preceded the introduction of RMI emphasised that the circle of exclusion could not be broken by the payment of monetary benefits alone. A monetary income had to be accompanied by ancillary rights in the form of access to housing and health care and to occupational and social integration measures. As an official circular stated in 1993, "deprived of its integration element, the minimum income would be reduced to an additional welfare benefit and would itself give rise to new forms of social marginalisation".<sup>56</sup>

This broad definition of integration presupposes a holistic approach to the socio-economic situation of the poorest sections of society with a view to finding an appropriate response rather than pigeonholing problems under headings such as employment, education and housing and with a view to enabling welfare applicants and recipients to use any of the competent authorities as 'one-stop shops'. This concept of integration has direct implications in terms of coordination. If put into practice, it would entail the involvement of a vast number of players and coordination between them. "The purpose of RMI should be to offer a comprehensive response to a multidimensional problem by trying to promote consolidation of the linkage between economic integration and income and by involving all the players in the realms of social and employment policy".<sup>57</sup>

Integration as defined in the RMI mechanism implies mutual mobilisation and linkage between social services and employment services. "The implementation [of integration policies] presupposes, more than ever before, the coordination and harmonisation of the policies that are currently pursued by the various public services (government departments and regional, departmental and communal authorities), but it also demands a major innovation effort in the social domain to attune these policies to the needs of the relevant target groups".<sup>58</sup>

This broad view of integration also makes it particularly difficult to identify the levels at which coordination should take place. For example, while the *département* does not seem to be the appropriate level for the pursuit of employment policies, it is the right level for housing policy.

#### The fight against poverty is everyone's concern

<sup>54</sup> Act No 88-1088 of 1 December 1988 on the integration-related income support scheme, Title I: General Provisions.

<sup>55</sup> Special mention may be made here of the report presented by Fr Wrésinski (ATD Quart Monde) to the Economic and Social Council in 1987.

<sup>56</sup> Tr. from Circular No 93-04 of 27 March 1993.

<sup>57</sup> National Assessment Board for the Integration-related income support Scheme (*Commission nationale d'évaluation du revenu minimum d'insertion*), chaired by Pierre Vanlerenberghe, *RMI, le pari de l'insertion*. La Documentation Française, Paris, 1992, p. 105.

<sup>58</sup> Tr. from Circular No 93-04 of 27 March 1993.

While the minimum-income element has to do with national solidarity and is therefore administered in the form of a national benefit, the same does not apply to the integration component. Tackling all the causes of poverty means mobilising the whole of society. The fight against poverty cannot be a matter for the public authorities alone; it must also be waged by an active partnership at the local level, as is emphasised by the circular of March 1993: "The transformation of industrial relations that must take place if social exclusion in its various manifestations is to be curbed necessitates a long-awaited genuine mobilisation of all local players in the social field with a view to generating a massive impetus towards integration". As Serge Paugam has emphasised,<sup>59</sup> the RMI scheme is based on a philosophy of public action in awareness of the inability of the welfare state to cope on its own with the growth of exclusion and of the new forms of poverty. This conception also reflects a reorientation of public action in which the implementation (and hence coordination) processes become just as crucial to the success of any policy as its aims and its formulation.

The mobilisation of all players in the social domain necessarily implies the creation of mechanisms for coordinating their actions. The territorial partnership is writ large in all of this. According to the Interministerial Commission on the RMI Scheme, it is one of the six key measures that can guarantee successful integration: "The involvement of numerous partners in the integration process creates a need to take time to work together, to recognise the complementary nature of the various inputs and to develop coherent actions. The work performed by the local integration committees and the departmental integration councils or by specialised committees serves to identify needs, to sensitise the various players to the need for integration and to formulate appropriate responses."<sup>60</sup>

## Section 2: How important is coordination in the struggle against exclusion?

The quest for coordination means that an assessor must not simply pursue the general aims of government policy and monitor its results but to understand "how and why these results have been produced".<sup>61</sup> The insertion component of RMI, like recent government employment policies (the youth-jobs scheme and the reduction of working hours) and social policies (the Anti-Exclusion Act) reflect a new trend in public policymaking, in which provision is made from the outset for the existence of partnerships and coordination mechanisms for policy implementation. Integration policies in particular are built on the idea that their success depends on the quality of local partnerships between institutional and social players.

However, the relative importance that should be attached to organisation or coordination in relation to other factors in the success of integration policies continues to be the subject of debate. In some people's view, macroeconomic and macrosocial policies remain prevalent. A recent report by the Council for Economic Analysis,<sup>62</sup> for example, plays down the impact of government employment policies on unemployment levels in Europe. According to its authors, differences in unemployment rates over a lengthy period have less to do with labour-market mechanisms than with the wider field of monetary and fiscal policy options. This conclusion partly coincides with that of the Economic and Social Research Institute:<sup>63</sup> "The performance of the labour market is essentially governed by the pace of economic growth".<sup>64</sup> But the Institute goes on to say that employment policies and collective bargaining determine "the capacity to combat the widening of inequalities in the labour market."<sup>65</sup> Other authors emphasise the extent to which any reform of the labour market and of the social safety net is futile and might even engender insecurity and exclusion unless such reform takes account of the changes that have affected the post-Fordist growth regime and business-management methods, changes such as financial globalisation and the shift in the balance of power from employees to shareholders. In order to effect

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<sup>59</sup> Serge Paugam (ed.), "L'Europe face à la pauvreté, les expériences nationales de revenu minimum", in *Cahier travail et emploi*. La Documentation Française, Paris, 1999, p. 58.

<sup>60</sup> *Bulletin du RMI*, April 1991.

<sup>61</sup> Jean-Claude Barbier, "Analyser la mise en œuvre : une démarche indispensable pour l'évaluation des politiques publiques de l'emploi", in Jean-Claude Barbier and Jérôme Gauthier (ed.), *Les politiques de l'emploi en Europe et aux Etats-Unis*. Presses Universitaires de France, 1998, p. 279.

<sup>62</sup> "Réformes structurelles et politiques macro-économiques, les enseignements de modèles de pays", in *Réduction du chômage : les réussites en Europe* - report by the Council for Economic Analysis (*Conseil d'Analyse Economique*). La documentation Française, Paris, 2000.

<sup>63</sup> Institut de Recherches Economiques et Sociales (IRES).

<sup>64</sup> IRES, *Les marchés du travail en Europe*. La Découverte, collection Repères, Paris, 2000, p. 93.

<sup>65</sup> *ibid.*, p. 93.

reforms, it is essential "not to confine oneself to the realm of labour but also to think about political re-regulation of the capital market".<sup>66</sup>

If we are dwelling on this aspect of the debate, it is because several public decision-makers and leading administrators have indicated in interviews that, while they stress the importance of institutional coordination, they regard the socio-economic changes of the nineties as the paramount development. Whatever the quality of local coordination between employment services and social services, it is the mobilisation and the innovative capacity of civil society as expressed in imaginative new projects and factors such as the development of mass unemployment and job insecurity, the prolongation of young people's formal education and their late entry into working life have had a decisive effect on the number, the profile and the economic integration of RMI recipients. The Act establishing the RMI was adopted and implemented during a period of economic recovery. For three years, from 1998 to 1990, average annual growth exceeded 3%, and unemployment remained below the 10% mark. In that context, integration policies were designed to cover a transitional period, allowing those who were stuck 'at the back of the jobs queue' to be reintegrated into the labour market. The economic recession of the early nineties was made all the more damaging by the fact that the growth in jobs with atypical terms of employment was eroding job security, while the introduction of the single degressive benefit closed the door to unemployment insurance on numerous people who were unemployed or in insecure employment, with the result that the integration-related income support became the third pillar of the unemployment benefits system.

By focusing on these structural developments, the interviewed public decision-makers and civil servants remind us that no institutions ever anticipated the sort of growth in the number of welfare recipients that has actually taken place. Today there are more than a million beneficiaries, whereas the highest estimates in 1988 put the number of potential RMI recipients at 400 000. The RMI scheme has become a massive programme in which quantity tends to take precedence over quality. How are personalised monitoring and local integration partnerships possible when the capacity of local integration committees and social workers is absorbed by the need to process a growing deluge of case files? At the national level, local initiatives and joint ventures designed to combat exclusion, such as sheltered worksites, economic integration sites and workshops and neighbourhood direct-labour services, partly funded by integration grants, are encouraged but always appear insufficient, because in statistical terms they affect a minority of RMI recipients. As far as the examining agencies are concerned, the increase in the number of beneficiaries per case manager, especially in the large urban areas, results either in selective support, leaving a number of RMI recipients with no social and economic integration contracts, or in a superficial monitoring system in which the social and economic integration contract virtually becomes an administrative formality.

Even though, the administrators of the welfare schemes are instinctively inclined to absolve their institutions from all possible responsibility for shortfalls in the results of the integration effort, their statements prompt us to question the significance of coordination as a factor in the success or failure of attempts to integrate RMI recipients into the labour market. One provisional conclusion could be based on performance analyses of active employment policies as indicators of the integration rate. These policies do not determine the volume of employment, and hence the extended unemployment rate,<sup>67</sup> but they must serve as a means of rebalancing the job market in favour of the most disadvantaged groups of people. The acid test of the contribution made by institutional coordination in absorbing RMI beneficiaries into the labour market is whether they enhance people's chances of finding work or whether they actually accentuate exclusion and stigmatisation.

### **Section 3: The levels of coordination**

The first step in appraising the situation involves evaluating the bodies designated to coordinate the RMI scheme within the various tiers of government: the Interministerial Commission on RMI at the national level, the departmental integration councils in the *départements* and the local integration committees at the communal level.

#### **The national level**

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<sup>66</sup> Thomas Coutrot, quoted in the Belorgey report – *Minima sociaux, revenus d'activité, précarité* – for the Commission for the National Plan (*Commissariat Général du Plan*). La Documentation française, Paris, 2000, p. 404.

<sup>67</sup> The extended unemployment rate not only takes account of the unemployment rate as defined by the International Labour Office but also includes those persons who declare themselves to be underemployed because they have been experiencing part-time work and periods of inactivity.

The Act establishing the RMI scheme created a body to direct and regulate the scheme at the national level, namely the Interministerial Delegation on the Integration-related Income Support Scheme. The role of the Interministerial Delegation on the Integration-related Income Support Scheme is to coordinate and lend momentum to the efforts of the various government ministries to implement integration policies for RMI beneficiaries. The Commission does not have a management function in the sense that it does not administer either the payment of benefit or the allocation of integration grants. The Interministerial Delegation on the Integration-related Income Support Scheme comprises about ten executive staff who specialise in the various domains relating to integration: allocation of benefits, employment and vocational training, housing, health, information services, overseas *départements* and territories, statistics, etc.

Its creation was closely associated with the creation of the Interministerial Commission on Towns and Cities (*Délégation interministérielle à la ville*) and of the Interministerial Commission on Youth (*Délégation interministérielle à la jeunesse*). It reflected a political desire to develop public action which was stimulated by the government of Michel Rocard in the late eighties. The establishment of interministerial structures was intended at that time as a means of overcoming the vertical, compartmentalised thinking of the individual ministries and adopting an interdisciplinary approach to matters concerning the whole of society (exclusion, the urban environment and young people) through horizontal coordination. The creation of the integration component has been an extremely complex matter, because the Interministerial Delegation on the Integration-related Income Support Scheme has to ensure that RMI beneficiaries are taken into account not only by the public employment services but also by the ministries responsible for housing, education, health and social policies.

An ambitious project, interministerial activity has proved difficult to administer. While the Interministerial Delegation on the Integration-related Income Support Scheme is directly accountable, in theory, to the Prime Minister, the nature of its work puts it within the orbit of the Ministry of Social Affairs. This position in the social domain makes it more difficult for the Interministerial Delegation on the Integration-related Income Support Scheme to exert influence on the Ministry of Employment and on other government departments in general. Moreover, the Interministerial Delegation on the Integration-related Income Support Scheme has limited resources to deal with the increase in its workload and does not have an administrative apparatus at its command. Its authority over the local institutions is therefore limited. Circulars to the prefects serve as a means of emphasising the aims and objectives in the sphere of integration. Regular training sessions for representatives of the national authorities help to remind civil servants of the way in which the scheme operates. Despite the paucity of its resources, the Interministerial Delegation on the Integration-related Income Support Scheme is recognised as the contact body for government representatives in the *départements*. All their enquiries concerning the Act establishing the RMI and the functioning of the scheme are addressed to the Interministerial Delegation on the Integration-related Income Support Scheme.

However, the coordination channels are more indirect for members of the General Councils of the *départements*, for representatives of the national authorities and for the decentralised government services (the National Employment Agency and the Departmental Directorate for Labour, Employment and Vocational Training. At this level, the direction of the integration component of the RMI scheme would appear to be suffering from the failure of the *départements* to invest in it and to pool their efforts and resources. Should the Interministerial Delegation on the Integration-related Income Support Scheme have been acting as the driving force? Should the regional authorities be entrusted with responsibility for organising exchanges between *départements* and assessing their performance?

The fact remains that, ten years after its creation, the Interministerial Delegation on the Integration-related Income Support Scheme is scheduled to disappear. It is to be broken up and integrated into a unit of the Social Welfare Directorate (*Direction de l'Action Sociale*), which will deal with matters relating to the economic integration of recipients of several forms of income support. How should this development be interpreted? One hypothesis is that the Interministerial Delegation on the Integration-related Income Support Scheme has accomplished its mission by establishing the RMI scheme and institutionalising it within the national administrative structure. The disappearance of the Interministerial Delegation on the Integration-related Income Support Scheme is thus a sign of the success of its ideas and of the dissemination of its methods. In this hypothesis, the Anti-Exclusion Act 1998 is designed to extend the RMI mechanisms to all forms of income support and make them the norm. The integration component having proved its worth, there is no longer any justification for maintaining an interministerial structure for RMI beneficiaries alone when there are other groups of people to be integrated into society and the labour market. National control of the integration component of RMI should thus be exercised henceforth within a service that administers other forms of income support. The new approach should focus less on particular target groups than on specific problem areas (access to income and to ancillary rights, occupational integration and social integration).

A second and more pessimistic hypothesis is that the interministerial approach has not worked, thwarted by the inertia arising from the vertical mindset within each government department. The Interministerial Delegation on the Integration-related Income Support Scheme has tried to decompartmentalise the public employment service and the public social services by making seconded staff from the National Employment Agency and the DDASS (*Direction Départementale de l'Action Sanitaire et Sociale* - Departmental Directorate for Health and Welfare Services) work together under the authority of the Prefect in the RMI offices and the support units. The end of the Interministerial Delegation on the Integration-related Income Support Scheme would result in the partial reintegration of the seconded staff into the authorities to which they belong, namely the National Employment Agency and the Departmental Directorate for Health and Welfare Services. Within each *département*, the Departmental Directorate for Health and Welfare Services would systematically administer the RMI scheme on behalf of the Prefect. By way of compensation, the local employment agencies would cater directly for the needs of RMI recipients through the *Plan national d'action pour l'emploi* (National Employment Action Plan). The crux of the matter is whether the Social Welfare Directorate (*Direction de l'Action Sociale*), which has never been directly responsible for administering an income-support scheme, is the authority that is best placed to regulate the RMI scheme on a national scale. As we shall see below, one of the tests of a comprehensive integration strategy is surely the capacity of the implementing body to be a legitimate and competent negotiating partner for the Employment Delegation, the Ministry of Housing, etc. This not only implies its recognition as an institution but also an ability to make enquiries and proposals on matters outside its own specialised fields, particularly on employment policy. A significant percentage of the staff of the Interministerial Delegation on the Integration-related Income Support Scheme came from the National Employment Agency armed with inside knowledge of that institution and of public employment policies. Will the Social Welfare Directorate have adequate internal resources to take on the role of an inquisitor?

### **The level of the *département***

If the scheme is directed at the national level by an interministerial structure, how is its direction organised in the *départements*?

#### *Co-management by the Prefect and General Council*

The Prefect and the President of the General Council are jointly responsible for the integration element of RMI. This co-management entails a form of coordination between the national authorities and those of the *département*. Co-management of the RMI scheme by the Prefect, who represents the national government in the *département*, and the President of the General Council, the elected assembly of the *département*, is not always regarded as a particularly good arrangement, although none of its critics ever suggest an alternative system. The chief criticism is levelled at the lack of leadership and the dilution of responsibilities that are engendered by the system of co-management. In 1996, a study by GREFOSS (*Groupe d'études et de formation sur le sanitaire et le social* - Study and training group in the field of health and social affairs) concluded that "the RMI appears from many of the responses to be too complex and too flexible, but this flexibility is not always the sort that fosters local adaptability and is more prone to give rise to inertia, contradictions and malfunctions".<sup>68</sup>

The first observation to be made here is that the way in which power is shared between the Prefecture and the General Council depends more on the way in which the administration of social affairs is organised in the *département* than on the socio-economic conditions that obtain there. In some *départements*, the state and the *département* have arrived at a *modus vivendi* in which their respective powers are strictly separated and in which the members of the General Council tend to consider that the integration component of RMI, like the provision of social services, is strictly a matter for the departmental side. In other *départements*, forms of joint administration of the integration component have been introduced. It is noticeable that local traditions of cooperation and of departmental and municipal action to combat poverty that were in place prior to the introduction of RMI have had a bearing on the political and administrative organisation of the scheme. The 'separation of powers' model does not exclude cooperation in one form or another between administrative bodies. Similarly, in the 'joint administration' model, the extent to which relations between the relevant bodies are institutionalised tends to determine whether those relations are marked by conflict or consensus.

Whichever model has been adopted, it is possible to identify several of the ingredients of successful coordination: the degree to which cooperation between the national and departmental authorities has been institutionalised (e.g. through a steering committee or a joint administrative mechanism), the harmony among

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<sup>68</sup> Tr. from GREFOSS (*Groupe d'études et de formation sur le sanitaire et le social* - Study and training group in the field of health and social affairs), *Le fonctionnement du dispositif RMI dans les départements*. Evaluation report commissioned by the Ministry of Labour and Social Affairs, April 1996, p. 104.



specialised staff and their cooperative practices and the extent to which the Prefecture involves the national authorities in the management of the scheme, delegates responsibilities to them and coordinates their work.

As far as occupational integration is concerned, coordination means making the most fruitful use of the instruments of public employment policy that are relevant to RMI recipients (job-creation contracts (CES), consolidated employment contracts (CEC), employment-initiative contracts (CIE), etc.), for which the Prefect is responsible, and the allocation of integration grants, which are administered by the General Council. The Prefect therefore works in conjunction with the decentralised national authorities (the Departmental Directorate for Labour, Employment and Vocational Training and the National Employment Agency, and this cooperation is a vital cog in the local implementation and development of employment policies, an important factor in the achievement of national employment priorities and a key dimension of long-term policy management. The increase in the range of employment measures can result, depending on the current political climate, in shifting priorities towards particular programme that are more or less favourable to recipients of RMI. For example, the adoption of the Working Hours Reduction Act (*Loi sur la réduction du temps de travail*) and the creation of youth jobs, both of which had a high media profile, managed for a time to sideline the development of assisted jobs (under the CIE, CES and CEC schemes, etc.), which are of greater relevance to the RMI target groups.

### *The Departmental Integration Council (Conseil départemental d'insertion)*

Co-chaired by the representative of the French Government and the President of the General Council, the Departmental Integration Council is a partnership which was designed by the legislature as a means of enunciating and lending impetus to a local integration policy. The political will to implement that policy is affirmed in the departmental integration programme.

The general view is that this body is performing poorly. The observations made by the national evaluation board in 1992 still hold true. The Departmental Integration Council generally meets once a year or twice a year, or even less frequently in some *départements*. The case studies conducted by the evaluators revealed that the Council more often serves as a rubber stamp than as a genuine debating forum in which points of view can be exchanged and in which convergence can be achieved towards the formation of a common political will within the *département*. The Council's role is to validate and communicate the departmental integration programme, which is normally drawn up in advance by government and General Council officials who are responsible for the RMI scheme.

The content of the departmental integration programme and the level of familiarity with it are indicative of the dynamism of the Departmental Integration Council. Is it merely a catalogue of integration initiatives and a statistical breakdown of the population of RMI recipients, or is it the basis of a departmental political programme of economic integration which is designed to coordinate the initiatives in the field and to mobilise all the players on the local stage in pursuit of shared objectives? Partial awareness of the aims and content of the departmental programme among operators in the field, especially social workers, a greater or lesser degree of consideration of needs assessments, of local integration programmes and of recommendations made by the local integration committees, the existence of a procedure and annual timetable for monitoring funded initiatives and the establishment of evaluation mechanisms are all indicators of the quality of Departmental Integration Councils and of departmental integration programmes.

To borrow the classification used in the CREDOC (*Centre de Recherche pour l'Etude et l'Observation des Conditions de Vie* - Consumer Research and Documentation Centre) survey on departmental integration programmes,<sup>69</sup> which was based on four indicators (objectives, organisation, partnership and evaluation), the crux of the matter is whether the departmental integration programme is 'tactical' or 'strategic' in nature. In the 'tactical' programmes, the objectives of the programmes are not very precise and are not broken down into types of activity. The organisation and the partnership are weak in terms of the definition of general integration priorities, leaving operators in the field with the task of establishing the framework for their activities on a case-by-case basis. For want of coherence among the various initiatives, this type of programme lacks transparency and is inadequately evaluated. By contrast, the 'strategic' departmental integration programmes are based on a set of general objectives, derived from a needs assessment and then put into broad integration categories and broken down into types of activity. The organisation of each activity is based on a diagnostic appraisal, on a set of specifications and on an administrative and monitoring process in the form of an electronic information-management system. Partnership is strong at both the supervisory and operational levels. Roles and areas of

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<sup>69</sup> CREDOC (Consumer Research and Documentation Centre), *L'évaluation des actions d'insertion économique financées par le FSE dans le cadre des Plans départementaux d'insertion*. Final report, February 1999.

responsibility are clearly identified and interlinked, lending a high local profile to the policy behind the programme.

All too often, Departmental Integration Councils are driven by institutional routine and produce the annual integration programme as one of their administrative duties. The working of these Councils illustrates the difficulty involved in going beyond the stage of interinstitutional partnership to become a partner in a broadly based approach to local development. Some of the leading administrators who were interviewed put forward proposals to make the mechanism work better. These overlap to some extent with the conclusions of the study by the Study and Training Group in the field of health and social affairs. In particular, they proposed the following: a reduction in the number of members so as to make the Departmental Integration Council a more useful instrument rather than a mere 'rubber stamp', the extension of its role to cover all the target groups of income-support schemes and not just RMI recipients, so that it can become a coordinating agency for all departmental anti-exclusion policies, and the replacement of the Departmental Integration Council by a conference of chairmen of the local integration committees, who would enjoy greater autonomy and greater scope for intervention.

Be that as it may, as some of the interviewed policymakers pointed out, the Act establishing the RMI scheme gives the local authorities all sorts of latitude to organise the scheme as they see fit. This remark raises the pivotal question relating to coordination, namely how the political desire to make RMI work and the political direction of the scheme can be strengthened at the local level; this aim seems difficult to achieve, given the discrepancy between the political machinery of the state and its administrative machinery and the incomplete nature of the decentralisation process.

A second difficulty has to do with the measurement of the impact of these forms of coordination on the occupational integration of RMI beneficiaries. The studies that have been conducted serve to categorise the various forms of coordination but not to measure their efficiency.

#### *The local integration committees (Commissions locales d'insertion)*

The local integration committees have a twofold function to perform: as well as ratifying the social and economic integration contracts, they also diagnose the needs of recipients and support local integration initiatives that have been formalised in local integration programmes.

In many *départements*, the role of the local integration committees is still primarily confined to ratifying the contracts and processing cases, which consists in seeking appropriate solutions to problem cases. Despite the desire proclaimed in the RMI Amendment Act 1992 to make the local integration committees the pivotal instrument of occupational-integration policies, the committees rarely manage to act as the driving force behind the players involved in the integration effort.

There are several reasons why the local integration committees demonstrate varying degrees of efficiency in performing their task of "encouraging and lending impetus to integration actions and initiatives adapted to local conditions":<sup>70</sup>

- *The increase in the number of RMI recipients.* In the large local integration committees for urban areas, the number of cases to be processed is too great for the committees to be able to go beyond the ratification of contracts and the processing of 'difficult cases'. One solution would be to have the social and economic integration contracts examined by a preparatory committee comprising a chairman and a few specialised members in order to gain time to mobilise the members of the local integration committee in support of local integration projects. Such a solution entails the risk of going too far in the administrative delegation of responsibility for ratifying contracts. In the local integration committee for the city of Rennes, for example, the social and economic integration contracts are pre-signed, enabling local integration officers to draw up contracts directly with the beneficiaries.
- *A predominantly 'social' structure, in which the presence of economic players is minimal.* The institutions representing the economic players (businesses, chambers of commerce and trade unions) are often absent for want of time and interest.
- *The absence of direct allocation of specific funds.* The Act does not lay down that local integration committees should directly administer integration grants. As the examples of the *départements* of Ille-et-Vilaine and Isère show, the allocation of a block grant to the local integration committee has a dynamising

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<sup>70</sup> Tr. from circular of 9 March 1989 on the implementation of the integration-related income support scheme – 1.3 The Local Integration Committee.

effect on two counts. First of all, it gives the chairman scope to grant applications for funding and supplementary assistance up to a certain ceiling without going through the administrative channels of the General Council. Secondly, the existence of a budget motivates local elected representatives on the committees and delegates responsibility to them by giving them the means to launch local integration initiatives.

- *Understaffing*. The operation of a local integration committee, especially in an urban environment, generates a heavy load of secretarial work, preparation of case files, examiners' follow-up reviews, leading thematic groups and compiling local integration programmes. A shortage of staff means that it is not always possible to satisfy demand in the short term or to implement a policy for the development of economic integration.
- *The territorial distribution of the committees*. In most cases, the territorial distribution of the local integration committees is based on the areas covered by the social services. This territorial breakdown is not congruent with the geographical distribution of the catchment areas, a situation which some of the interviewees considered inappropriate. This view accords with the observation made by the RMI assessment committee in its final report, where it stated that "the catchment area is the level at which a coherent policy of occupational integration can be implemented".<sup>71</sup>
- *The form of linkage with the examining services*. The degree of integration of social workers and local integration counsellors into the machinery of the local integration committees varies between districts and between *départements*. Often they are not based in the same place as the committee but are represented by their hierarchical superior in the social welfare centre. Some members of local integration committees would like examiners to attend their meetings from time to time in order to acquire a better understanding of individuals' circumstances and be better equipped to respond to requests from RMI recipients. Social workers do not always look favourably on this proposal. While some of them consider that attendance at such meetings would help them to justify more effectively the content of social and economic integration contracts and to develop appropriate integration strategies, they also express concern that it would subject their work to additional scrutiny and, in particular, that information about their clients' private lives could be passed on, thereby jeopardising the trust that has been established between them and their clients.

## **The emergence of new specialised staff and intermediaries**

At the local level, the implementation of the integration component of RMI has often led to the appearance of specialised staff and intermediaries. These players operate in that area where the public employment and social services overlap. Their presence may be interpreted as the emergence of new occupations and new skills halfway between social work and the realm of the public employment agencies. Their existence substantiates the view that economic integration is an area of activity in its own right.

The integration policies that have been pursued in Ille-et-Vilaine and Isère have resulted in the appointment of local integration counsellors, who operate at that very interface between social and economic action. Their role involves diagnosing the needs of RMI recipients, identifying employment and training solutions and monitoring clients during the integration process. The emergence of these new players, who are employees of the *départements* or city administrations, reflects the desire of some local councillors to acquire the means of conducting a genuine local integration policy as well as the reluctance of the social services and the public employment service to become involved with the RMI scheme and to collaborate with each other. In this respect, the local integration counsellors have had to earn their legitimacy in the eyes of both the social workers and the officials of the National Employment Agency. The impact of the arrival of the local integration counsellors on cooperation has been ambivalent. On the one hand, it has compelled social workers and National Employment Agency officials to question their own working methods and to redefine their spheres of responsibility. On the other hand, entrusting the administration of the RMI scheme to local integration officers is liable to create a new division of labour in the social field between the social services and the employment services, thereby contributing more to a redistribution of powers between the public authorities than to any reciprocal commitment to the creation of a common culture.

Besides the local integration counsellors, mention should be made of numerous local players who act as intermediaries between the target groups of the integration scheme and the job market. Training bodies, municipal employment and training services, members of supply/demand intervention teams,<sup>72</sup> intermediary associations, economic integration companies, associations for the unemployed, etc., are bodies attached to the

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<sup>71</sup> *RMI, le pari de l'insertion*. La Documentation Française, Paris, 1992, T. 2, p. 696.

<sup>72</sup> These teams (*Equipes Intervention offre/demande (IOD)*) are an instrument for the placement of the long-term unemployed and 'hard-to-place' jobseekers with mainstream companies.

municipal authorities or belonging to the voluntary sector. Their activities, which vary from one body to another, may include advice, careers guidance, placement, training and jobsearch support and even, in some cases, assistance for business start-ups. These bodies not only target RMI recipients but also other sections of the population classed as problem groups, such as young people and the long-term unemployed. Researchers<sup>73</sup> from the Employment Studies Centre (*Centre d'Études de l'Emploi*) have identified the main functions of these new operators as 'reconstructing qualifications', in other words arranging the skills and know-how of jobseekers into a formal skills profile and redefining job offers and job descriptions with employers in terms of the tasks to be performed rather than in terms of required formal qualifications and experience, remotivating jobseekers by establishing a relationship of mutual trust which will enable them to grow in confidence and break out of the downward spiral of inhibition, building bridges between segments of the labour market, especially between the industrial and service sectors, and establishing local labour markets by creating networks of local employers and specialists in the field.

The existence of these new intermediaries and integration counsellors poses questions about the aims of the public employment services and of the social services too. The hypothesis is that these new structures are better than the administrative authorities at reconciling economic and social demands in order to provide a comprehensive response to the needs of the target groups of integration policies. The new bodies manage to combine personalised support with the search for local job and business opportunities. They partly fill the vacuum created by the lack of coordination or commitment on the part of the social and employment services in the realm of integration initiatives. At the same time, these newcomers have helped to prompt a reappraisal of existing practices. One result of this reappraisal has been the creation, by people from the realm of social work, of the first economic integration companies. Similarly, members of the supply/demand intervention teams have established partnerships in some cases with the offices of the National Employment Agency, which has sometimes even recruited them.

What is the place of these intermediaries in the operation of the RMI scheme? Let us begin by pointing out that they do not normally deal exclusively with RMI beneficiaries but also with young people, recipients of the extended unemployed benefit (ASS) and other long-term unemployed persons. They participate to various degrees in the work of the bodies coordinating the RMI scheme, namely the departmental integration councils and the local integration committees, but they engage to a lesser extent in the examination of individual cases than in the development of local initiatives, which are funded from the RMI appropriations through a contractual agreement with the *département*. As far as the players in the domain of integration through economic activity are concerned, they are more involved in the local plans for integration through economic activity (PLIE). The essence of the question is this: to what extent does the whole set of initiatives for which the authorities have concluded contracts with their agents constitute the basis of a local integration policy? In other words, are these local players working with the elected representatives and the administrative authorities in trying to ensure that this set of initiatives constitutes a coherent whole within the local territory? If not, the intermediaries and integration counsellors can never be anything more than policy instruments. Some successful local initiatives were highlighted by the interviewed councillors and specialists as "the ones that work and should be duplicated throughout the *département*".

These new operators are heavily dependent on public funding, and so they play an ambivalent role in the public debate. Where they are employees of a city or *département*, they try to use their expertise in the field to gain acceptance for new ideas, making the case for them in position papers and through the various coordination channels. Where they are from the voluntary sector or local players, it is sometimes difficult for them to transcend the role of 'service providers', subcontractors implementing a policy over which they have no control. Do these intermediaries merely coordinate on an operational or technical level with a view to achieving compatibility between local initiatives, projects for 'hard-to-place' target groups and public integration programmes? It is relatively rare for these intermediaries, through the socio-economic initiatives they support, to open small windows of opportunity for public debates in which the least privileged can be given a hearing and in which the direction of the integration policies and programmes is questioned. Compensating for the lack of public debate on integration policies and programmes, they then perform a 'political coordination' function, which disconcerts the local authorities.

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<sup>73</sup> Cécile Baron, Marie-Christine Bureau, Colette Leymarie and Patrick Nivolle, "L'action des intermédiaires : animation du marché local du travail, mobilisation de la main-d'œuvre, médiation sociale", in *Les politiques publiques de l'emploi et leurs acteurs*, Cahier du Centre d'Études de l'Emploi. Presse Universitaire de France, Paris, 1995.

## Section 4: Public employment policies - the challenge of coordination

The creation of the integration-related income support (RMI) scheme immediately raises the question of the structure of integration instruments. In fact, given that the social and economic integration contract is a reciprocal commitment between the beneficiary and the departmental authority, the latter must be able to come up with offers that meet the needs of the former. In order to lend substance to occupational integration, the public authorities have relied heavily on *the employment policy adopted by central government*. Let us not forget that one of the reasons for the small number of social and economic integration contracts referred to by most of the interviewed social workers and public decision-makers is the insufficient availability of integration opportunities. It is pointless to ask beneficiaries to commit themselves to a formalised integration project if they cannot be offered adequate assistance in return.

*Coordination between the Interministerial Delegation on the Integration-related Income Support Scheme and the Employment Delegation: according priority to RMI recipients on employment schemes*

In this context, linking absorption into employment with a local development strategy was regarded as inadequate if not supported by national employment schemes adapted to the needs of RMI recipients. It should be said that there is something of a paradox here: the spirit of the law requires that the range of integration opportunities be developed as closely as possible to the needs of recipients, in other words at the local level, in consultation with the decentralised government bodies, the local authorities and players in the social and economic fields, but this requirement coexists with the conviction that the absorption effort will remain a dead letter unless employment schemes tailored to the needs of the RMI target groups are developed at the national level.

This latter demand implies the need for coordination at the national level, involving the authorities responsible for the RMI, the Interministerial Delegation on the Integration-related Income Support Scheme and the Employment Delegation. One of the main challenges for the Interministerial Delegation on the Integration-related Income Support Scheme is to make RMI recipients a priority target of employment policies. That is easier said than done. The Employment Delegation has been inclined to classify RMI recipients in the long-term unemployed category. In so doing, it has sought to avoid any specific measures and any forms of 'positive discrimination' in favour of RMI recipients, who were not to be accorded special treatment.

The Interministerial Delegation on the Integration-related Income Support Scheme feared that, once the recipients of RMI were assimilated with the other target groups, they would be frozen out of employment schemes. Moreover, not all of the recipients of RMI fall into the category of the long-term unemployed, since the RMI target group includes many young people and women who have no occupational experience but who wish to find work.

According to the interviewed members of the Interministerial Delegation on the Integration-related Income Support Scheme, several employment measures, such as the job-creation contract (*contrat emploi solidarité*) or the consolidated employment contract (*contrat emploi consolidé*) were devised by the Interministerial Delegation on the Integration-related Income Support Scheme. Although these contracts had been conceived for recipients of RMI or extended unemployment benefit (ASS), all the discussions with the Employment Delegation had focused on the identification of priority target groups for these types of contract.

As the 1992 assessment report sums up succinctly, "a compromise was finally found: there is no specific instrument for beneficiaries of RMI, but they are regarded as priority targets of employment measures".<sup>74</sup> Twenty per cent, and later 25%, of the places on employment schemes have normally been 'reserved' for RMI recipients. Some still regard this percentage as insufficient, given the number of people in receipt of RMI benefit. As an indication of the fact that this priority was by no means self-evident in the early nineties, it is worth recalling that recipients of extended unemployment benefit and integration-related allowance (AI) were not regarded as priority target groups of employment policies until the entry into force of the Anti-Exclusion Act in 1998. Another result of the negotiations between the Interministerial Delegation on the Integration-related Income Support Scheme and the Employment Delegation is the statistical monitoring of RMI recipients as a percentage of all beneficiaries of employment schemes. Besides the long-term unemployed, i.e. those who have been out of work for more than one year, RMI recipients are the only section of the population to feature as a separate category in the monthly unemployment statistics.

### From the coordinated formulation of rules to their implementation

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<sup>74</sup> Tr. from *RMI, le pari de l'insertion*. La Documentation Française, Paris, 1992, T. 1, p. 138 and pp. 144-145.

Coordination of employment policies with social policies, which is essential if the 'income' element of integration-related income support is to be at all meaningful, initially takes place at the national level. The purpose of the negotiating process at that level is to produce rules and standards. The regulatory choices made by central government in the formulation of policies seem to be the determinant factor. The importance that is attached to the production of rules reflects the predominant influence of supervisory regulation and centralisation on employment policies in the postwar period. France remains bound by a tradition of centralised regulation of a labour market controlled by the state and by institutions under its supervisory authority (the National Employment Agency and the Departmental Directorate for Labour, Employment and Vocational Training, a system which has been described in some quarters as 'governance of employment'.<sup>75</sup> Moreover, since unemployment remains one of the touchiest political and electoral issues, governments wish to retain control of the administration and application of employment-support measures. Although the decentralisation Acts of 1982 devolved powers in the domain of social welfare to the *départements*, the definition and administration of employment measures remained largely a matter for central government.

One of the key aspects of coordination is local linkage between centralised and locally delegated management of employment policies and local management of integration and social policies. The definition of employment policies and of integration policies, as well as the implementation of each, is not done by the same players or within the same tier of government.

It is only in recent years that the globalisation and localised management of public employment policies have been piloted and then put into general practice. Until then, the number of assisted jobs under the various special contract schemes (CES, CIE and CEC) and the budgetary allocation for that purpose were fixed annually by central government on the basis of priorities established by the Ministry of Employment and feedback from the *départements*. This quantitative and financial framework, which determined at a national level the number of beneficiaries of employment schemes for each *département*, implicitly turned the decentralised national authorities (the Departmental Directorate for Labour, Employment and Vocational Training and the National Employment Agency) into mere transmitters or 'conveyor belts', whose main purpose was to implement effectively the procedures decreed by central government and to meet the numerical targets for each employment scheme (x% of the job-creation contracts and y% of consolidated employment contracts for the current year). Even though research into employment policies<sup>76</sup> considerably tempers this 'determinist' view, in which the Departmental Directorate for Labour, Employment and Vocational Training and the National Employment Agency are seen as simply "executors of centrally formulated guidelines", it is none the less true that "the circulars issued by the Ministry of Labour are certainly the foremost instrument with which cases are processed".<sup>77</sup> While the implementation of policies presupposes a certain latitude in the interpretation and appraisal of the applicable rules in the light of the nature and balance of the local labour market, the evaluation criteria focus on the take-up rate for each scheme in relation to national priorities and on the percentage of priority target groups represented in each scheme. The danger inherent in this exclusively quantitative evaluation of any given employment scheme is that the availability of integration projects and activities might become a function of predefined budget lines. The great advantage of localised management is that the decentralised government authorities can adjust the balance of their activities in immediate response to the needs of employers and the unemployed population.

Be that as it may, besides the definition of objectives, the other goal is to implement them, which, at the local level, is all about the ability of the decentralised government services (the Departmental Directorate for Labour, Employment and Vocational Training and the National Employment Agency) to meet the 25% target and the mobilisation of local players to initiate local projects that will create jobs. Employment cannot be created to order, and there is a danger of quantitative and statistical treatment of joblessness that ignores the content and quality of the assisted jobs that are created.

## **Development of the position of the National Employment Agency within the RMI scheme**

Anyone interested in the impact of coordination between public employment and social services in the economic integration of RMI recipients must reflect on the role of the National Employment Agency in the RMI scheme.

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<sup>75</sup> M. Lallement, *Les gouvernances de l'emploi*. Desclée de Brouwer, Paris, 1999, p. 55.

<sup>76</sup> Cahiers du Centre d'Études de l'Emploi, *Les politiques publiques de l'emploi et leurs acteurs*. Presses Universitaires de France, 1995.

<sup>77</sup> C. Bessy and F. Eymard-Duvernay, "Les politiques publiques de l'emploi : le rôle des agents locaux", in *Les politiques publiques de l'emploi et leurs acteurs*. Presses Universitaires de France, 1995, p. 10.

The task of the National Employment Agency, a public institution established in 1967, is to "improve the functioning of the labour market and help to match supply and demand".<sup>78</sup> The prevention of long-term unemployment and the fight against exclusion are among the priority aims proclaimed by the Agency.<sup>79</sup>

Provision for the registration of 'hard-to-place' clients, especially RMI recipients, and their inclusion in the cover offered by the welfare services has gradually been achieved by virtue of various contractual agreements, though not without hesitation and foot-dragging. It took more than ten years after the adoption of the Act establishing the RMI scheme until an agreement between the Interministerial Delegation on the Integration-related Income Support Scheme and the National Employment Agency created the obligation for all jobseekers to go through the National Employment Agency.

The National Employment Agency, was not given a central role to play in RMI by the Act establishing the scheme and the associated regulations. It has only gradually been integrated into the mechanism. First of all, the National Employment Agency is not an examining body for RMI. In other words, National Employment Agency staff cannot certify a person's entitlement to integration-related income support or draw up a social and economic integration contract. This decision has been confirmed on several occasions. It cannot be assumed *a priori*. As the circle of RMI recipients has grown, it has come to include a very significant percentage of jobseekers with no particular social difficulties. Is it appropriate that these people should go through a social welfare centre in order to establish their right to RMI? The involvement of a welfare office is not without influence on the forms that integration can take. One reason is that social workers are not always best placed to make diagnoses and provide careers guidance. Another is that people who regard themselves simply as jobseekers may feel discouraged or stigmatised if they have to attend a social welfare centre to apply for a place on the integration scheme, a process which involves the drafting of a social and economic integration contract. In such cases, should not the principal desk officer for RMI be a specialist in employment rather than social welfare?

How can this original decision be explained? The legislature did not foresee the eventual volume of RMI recipients; this is shown by the estimates that were submitted prior to the drafting of the bill,<sup>80</sup> which vary between 250 000 and 400 000 households. Moreover, it was anticipated that the beneficiaries would come from the section of the population which was known in the eighties as the "new poor". The main target population was the 'Fourth World' of French society, those caught in the trap of recurrent poverty. It was therefore logical at that time to put the examination of eligibility for RMI in the hands of the social services rather than the public employment authorities, to which a technical support role was assigned.

Secondly, automatic membership of the National Employment Agency on the departmental integration councils and local integration committees was not mentioned in the initial decrees governing the operation of these coordinating bodies, as the 1992 assessment report emphasises.<sup>81</sup> So the integration of the National Employment Agency into the scheme has only evolved gradually.

The interviews with policymakers confirmed the reasons for this lack of involvement on the part of the National Employment Agency:

- *The administration of the RMI scheme is not consistent with the role of the National Employment Agency, which is totally dedicated to occupational integration rather than social integration.* In other words, the RMI scheme is generally regarded by the National Employment Agency as more of a welfare mechanism than an employment scheme.
- *The difference in approach between National Employment Agency staff and social workers.* Social workers tend to favour an individual approach, looking for personal reasons for their clients' current situation and taking the sum total of their circumstances into account. The staff of the National Employment Agency, on the other hand, are more used to bulk management of vacancies and applications and only engage systematically in individual interviews in the framework of the National Employment Action Plan (PNAE); these interviews do not necessarily give rise to long-term support or availability.<sup>82</sup>

<sup>78</sup> Tr. from the presentation on the ANPE website: <http://www.anpe.fr/present/index.htm>

<sup>79</sup> See *L'ANPE, des actions prioritaires pour des publics ciblés*, at <http://www.anpe.fr/present/index.htm>

<sup>80</sup> The CERC (*Centre de l'emploi, des revenus et des coûts* - Centre for Revenue and Expenditure Studies), using the findings of the employment survey, put the figure of eligible impoverished households at 400 000. The CNAF (*Caisse Nationale d'Allocations Familiales* - National Family Allowances Fund) estimated that between 150 000 and 250 000 poor households would qualify, depending on the arrangements laid down in the RMI Bill.

<sup>81</sup> *RMI, le pari de l'insertion*. La Documentation Française, Paris, 1992, T. 1, pp. 138 and 147.

<sup>82</sup> This is emphasised in the report compiled by *Alerte*, a federation of welfare associations, on the implementation of the Anti-Exclusion Act. June 2000, p. 19.

- *Shortage of staff and funds.* Making National Employment Agency staff available to receive RMI applicants and training them for that purpose would require additional resources for which no provision was made when the RMI scheme was launched. "The staff and management have refused to increase their workload without additional resources".<sup>83</sup> The involvement of the National Employment Agency will be a gradual process and will only be increased as and when additional funds are allocated.
- *Image of RMI beneficiaries in the eyes of National Employment Agency staff.* The staff of the National Employment Agency have long considered RMI recipients to be a highly marginalised section of society, far removed from the National Employment Agency's traditional clientele. Although the first evaluations of the RMI scheme revealed that two-thirds of beneficiaries were registered with the National Employment Agency, this image was to remain an obstacle to any specific effort aimed at RMI recipients.
- *Refusal on the part of management and staff to give special treatment to RMI recipients.* Under civil law, recipients of RMI are accorded the same status as any other jobseekers and have no entitlement to special treatment.
- *Rising unemployment during the nineties.* the National Employment Agency has had to cope with constantly rising unemployment. Between 1990 and 1996, the unemployment rate increased from 8.9% of the active population to 12.1%.<sup>84</sup> In this situation, the administration of masses of jobless people has stretched the capacity of the National Employment Agency to the limits, and it would be difficult to provide the personalised support that some RMI beneficiaries require.
- *Failure to anticipate the erosion of job security.* the National Employment Agency, like the politicians and the other authorities with which it collaborates, did not anticipate the development of insecure employment and the phenomenon of the 'working poor' that has emerged in the latter half of the nineties. Consequently, it did not reckon with the growing number of jobseekers who, because they have not worked long enough, are eligible for income support rather than unemployment benefit.

### *The involvement of the National Employment Agency in the scheme*

Although the National Employment Agency is not central to the Act establishing the RMI scheme, it remains an important partner in the implementation of the integration component of RMI. In addition, since the scheme was launched, the National Employment Agency has been prevailed upon to take account of RMI recipients in the services it offers. Several circulars and agreements have formalised the commitment of the National Employment Agency in this domain.

### Assignment of National Employment Agency staff and establishment of new posts

The first manifestation of this commitment on the part of the National Employment Agency has been the assignment of members of its staff to the bodies responsible for the direction and coordination of the RMI scheme, namely the Interministerial Delegation on the Integration-related Income Support Scheme, the RMI task forces in the prefectures and the support units. This involvement will gradually increase once the French Government allocates the necessary additional funds. At the national level, several members of the Interministerial Delegation on the Integration-related Income Support Scheme team are from the National Employment Agency. Concern with occupational integration is and will remain a constant determinant of the Agency's action.

Since 1989, an RMI officer from the National Employment Agency has been placed under the authority of the Prefect in each *département*; there are 100 such posts in total. The other National Employment Agency staff are seconded to the support units to advise the examining authorities and to promote more effective liaison with the local employment agency and better knowledge of recipients' needs. In 1989, the National Employment Agency made 100 of its employees available for this purpose. In 1990, a further 250 were seconded to the support cells, and 250 new posts were established in April 1992. All of these posts are cofinanced by the French Government and the General Council. A total of 750 employees of the National Employment Agency have now been seconded to the RMI scheme, including the 100 representatives in the prefectures.

<sup>83</sup> Tr. from *RMI, le pari de l'insertion*, p. 355.

<sup>84</sup> INSEE, *Enquêtes Emploi 1973-1998*



## The new agreement between the Social Welfare Directorate/the Interministerial Delegation on the Integration-related Income Support Scheme and the National Employment Agency

The Anti-Exclusion Act and the anti-exclusion programme, which were adopted in July 1998, make provision for a personalised jobsearch relaunch programme (*programme "service personnalisé pour un nouveau départ vers l'emploi"*) from which individuals facing the threat of exclusion (the young long-term unemployed, persons who have been jobseekers for more than two years and RMI recipients) can benefit. The Act was fleshed out this year by means of a national agreement between the Interministerial Delegation on the Integration-related Income Support Scheme and the National Employment Agency, the aim of which is to "improve social and economic integration contracts and access to employment for RMI recipients in the framework of the personalised relaunch programme".<sup>85</sup> This agreement lays down that, henceforth, "every jobseeker who submits an application for RMI shall be offered a relaunch interview by the National Employment Agency or its partners" within three months of registration and that "the proposed initiatives under consideration shall be communicated to the examining authorities to facilitate the preparation of the social and economic integration contract...". The main results that were expected to materialise were an increase in the percentage of RMI recipients under contract, which has remained too low on the whole, greater focus on the integration aspect of the contracts and, in the long run, an increased success rate in terms of absorption into employment.

Precisely because RMI recipients normally benefit from the National Employment Action Plan (PNAE), this framework agreement deals with matters of coordination. Its aim in this domain is to strengthen partnerships between the social services which deal with the social and economic integration contract and the local employment agencies by asking the relevant institutions (the prefecture, the General Council and the National Employment Agency) to draw up a departmental protocol. The chief purpose of this document is to "specify the procedures for communication between the examining agencies and the National Employment Agency" and to "define the role of the staff working on the RMI scheme".

The agreement is presented as a step forward. The parties may also be complicating the procedure by introducing an extra contact point for recipients. It is the wish of the Interministerial Delegation on the Integration-related Income Support Scheme and the Social Welfare Directorate that the National Employment Agency should play a more active part in the absorption of RMI recipients into the labour market. But this very protocol testifies to the insufficiency of the cooperation between the National Employment Agency and the examining agencies of the RMI scheme. Ten years after the creation of RMI, the staff of the National Employment Agency still do not systematically assume responsibility for jobseeking RMI recipients in the process of economic integration. In terms of coordination between the social services and the employment services, this agreement may serve as an effective means of formalising and strengthening cooperation between the services, cooperation which varies from one *département* to the other according to the level of political will and the strength of personal relations. Conversely, to the extent that the agreement introduces an additional contact point and interlocutor, namely the National Employment Agency caseworker, for RMI recipients, its success greatly depends on the quality and the real motivation of the staff of the RMI bodies and of the National Employment Agency. The framework agreement does not go so far as to permit the National Employment Agency to examine cases with a view to determining eligibility for RMI or to draw up social and economic integration contracts with RMI recipients who are able to work. In any case, there are no proposals for such an arrangement, not even on an experimental basis.

### Forms of cooperation and involvement

The first observation is that cooperation between the National Employment Agency and the bodies responsible for economic integration in the *départements* occasionally requires national framework agreements which reaffirm the political will to foster cooperation and call on the relevant authorities to collaborate with each other. The agreement in which this commitment is enshrined is normally concluded at the national level and sets out the governing principles and the main procedural arrangements. The implementation of the agreement then requires a protocol concluded by the competent authorities in each *département*. When the Act establishing the RMI scheme entered into force in 1988, when it was revised in 1992, and on the entry into force of the Anti-Exclusion Act in 1998, the National Employment Agency was called upon to play a more active part in the RMI scheme. This is not a barrier to local cooperative ventures and innovations, but it has to be said that the initial stimulus is generated at the national level and that the local players are then left to concern themselves with the procedural details and the arrangements for the implementation of these national initiatives.

At the local level, the provision of National Employment Agency staff to assist in the operation of the RMI scheme is organised in many different ways. In one quite common system, the National Employment Agency

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<sup>85</sup> Tr. from framework agreement between the Social Welfare Directorate (DAS)/DIRMI and ANPE, February 2000.

staff work directly in the RMI office in the same service as the Social Welfare Directorate staff. In another configuration, the National Employment Agency staff remain in the office of the National Employment Agency but specialise in dealing with the RMI target group. Both of these forms of organisation have their advantages and disadvantages. The first allows National Employment Agency staff to be directly involved in the operation of the scheme, to become aware of the whole range of problems relating to occupational as well as social integration and to collaborate on a daily basis by virtue of the shared office accommodation. The drawback is that the National Employment Agency staff, being cut off from the National Employment Agency offices, may be less able to tap into the resources of the National Employment Agency for the RMI scheme. The success of this arrangement depends very much on the competence and motivation of the staff seconded to the RMI scheme. In the opposite case, where National Employment Agency staff operate from the local National Employment Agency offices, there is a danger that their time will be taken up by other National Employment Agency business and that they will neglect the RMI recipients. There does not seem to be an ideal form of organisation. Some commentators believe that forms of organisation are secondary to the political will which is demonstrated locally and to the amount of human and financial resources that are actually invested in the scheme.

Despite these advances, the National Employment Agency remains insufficiently involved in the RMI scheme, and criticisms are still being made by its partners and by users of the scheme. Some integration counsellors, social workers by profession, still believe that the public employment services have too little direct involvement with the public, as the case studies will show. This insufficient mobilisation comes to the surface in the local implementation of the agreement between the National Employment Agency and the Interministerial Delegation on the Integration-related Income Support Scheme. The sharpest criticism we encountered, however, came from recipients of integration-related income support. Some of the recipients have no contact with the National Employment Agency. Even the most active jobseekers among them do not really trust the National Employment Agency to get them back to work. The mention of the National Employment Agency to RMI recipients evokes several common types of response. First of all, respondents complain that they are not given appointments or notified of suitable job vacancies, that the National Employment Agency does not try to reach out to RMI recipients. Secondly, the National Employment Agency deals with them too bureaucratically and impersonally, which contrasts unfavourably with the way in which social workers treat them. Finally, the wording of job-vacancy notices does not always enable welfare recipients to assess their suitability and decode the employers' expectations.

## **The social partners**

In France, the representative bodies of business and labour, known collectively as the 'social partners', are the administrators of the main welfare schemes, namely unemployment insurance, health insurance, family allowances and retirement pensions.

They are not, however, involved in the administration of social assistance, which is traditionally a matter for the government and the departmental authorities. The social partners are not direct administrators of integration-related allowance or extended unemployment benefit, even though they are affected by both of these forms of income support, in so far as both are partly dependent for their funding on a grant from the National Interprofessional Union for Employment in Industry and Commerce.<sup>86</sup>

Without entirely severing the link between the insurance principle and the assistance principle, RMI has effectively blurred the distinction between them. The addition of a social and economic integration contract to the payment of a minimum income testifies to the desire to break with the straightforward assistance principle that is embodied in the system of social assistance and the forms of income support referred to above. Economic integration means that the beneficiaries of income support are also affected by the national policies on employment and the labour market in which the social partners are involved.

Another change is that, by establishing the principle that the effort to combat exclusion is everyone's concern and not simply a matter for the government, the Act establishing the RMI scheme implies that the social partners also have a part to play in the formulation of integration policies. Their participation in the operation of the scheme is desired, particularly in the bodies (the departmental integration councils and local integration committees) in which local integration policies are formulated and coordinated. Thus the article of the RMI Act in which the composition of the departmental integration council is laid down indicates that its members should include

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<sup>86</sup> UNEDIC, the National Interprofessional Union for Employment in Industry and Commerce, is the organisation responsible for administering the system of unemployment benefits. The administrative board of the National Interprofessional Union for Employment in Industry and Commerce comprises an equal number of representatives of the trade unions and of employers' organisations.

"representatives of the businesses, institutions, authorities and associations which are active in the economic domain".<sup>87</sup> Among the institutions in the economic domain are "the social partners, consular bodies and economic players with an interest in policies designed to promote integration through employment".<sup>88</sup> As far as the local integration committees are concerned, the relevant article does not refer specifically to the social partners, but it states that these committees should contain representatives of the "businesses, institutions, authorities and associations which are active in the economic and social domain".<sup>89</sup>

Be that as it may, employers' and employees' representatives play little part in the day-to-day operation of the RMI scheme, although the level of their involvement varies from one *département* to another. Representatives of companies and trade unions are rarely numbered among the active members of the departmental councils or the local committees. The bodies responsible for the administration of the RMI scheme tend to deplore this lack of involvement, even though they harbour few illusions about the scope that exists for such involvement. Back in 1992, the national assessment was already highlighting the absence of corporate participation in the RMI scheme. It should be noted that the same report makes scant reference to the trade unions, whose involvement in the operation of the scheme is not given priority in the assessors' recommendations.

Several factors might explain the low level of participation on the part of management and labour organisations in the operation of the RMI scheme. First of all, both sides of industry have long been wary of integration policies and measures. Some trade unions have been critical of employment schemes and integration measures, perceiving them as a means of fostering job insecurity and as a threat to working conditions in general. On the employers' side, the existence of economic integration companies and other integration mechanisms has often been regarded as unfair competition, especially by tradesmen and owners of small and medium-sized businesses. Such views, in fact, have often stemmed from a lack of knowledge about exclusion and the integration measures designed to combat it. Once a dialogue was established and each party formed a better understanding of the others' activities, business organisations, trade unions and the bodies operating in the field of economic integration began to find ways in which their respective activities could complement each other.

But the limited involvement of the social partners also derives from the way in which the scheme works. As soon as the work of the local integration committees starts to focus more on studies and case management than on the initiation of projects with a local-development aspect, both companies and trade unions often back out of these committees, judging them to be neither useful nor potentially profitable.

This dearth of interest in the RMI scheme also reveals that the traditional trade unions have problems in representing the unemployed and the recipients of income support and defending their interests. The main trade unions do not have a leg to stand on here, because they represent the whole active population, whether in or out of work. The unions are generally hostile to any recognition of the right of organisations for the unemployed or for people in precarious employment to be represented alongside them on the administrative boards of joint bodies such as the Association for Employment in Industry and Commerce, CNAM (*Caisse nationale d'assurance maladie* - National Health Insurance Fund) and CNAF (*Caisse Nationale d'Allocations Familiales* - National Family Allowances Fund). The legitimacy and the representative character of the movements for the unemployed is still a long way from securing recognition, as is illustrated by the reactions of Nicole Notat, Secretary-General of the French CFDT (*Confédération Française Démocratique du Travail* - Democratic Confederation of Labour), to the campaign of occupations of the Association for employment in industry and commerce branch offices waged by unemployed activists during the winter of 1997-98. This movement of unemployed people, she said, was not representative and was being manipulated by political forces. It is true that, during the eighties, "the movement of the unemployed was compelled from the outset to compensate for lack of numbers by resorting to symbolic actions".<sup>90</sup> With the occupations of the branches of the Association for Employment in Industry and Commerce in the middle of the winter of 1997-98, the organisations of unemployed people gatecrashed the public debate, and their profile rose to the point of their being received by the Prime Minister, Lionel Jospin. Under media pressure and in the light of the public sympathy that the movement had aroused, the French Government took urgent action to assist recipients of income support. One of the main effects of this mobilisation, which had not been union-driven, was that it highlighted the stagnation (in the case of integration-related income support) and even the loss (in the case of extended unemployment benefit) of purchasing power<sup>91</sup> which had hit the recipients of some forms of income support during the first part of the nineties.

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<sup>87</sup> Article 35 of Act No 88-1088 of 1 December 1988 on the integration-related income support scheme.

<sup>88</sup> Order No 89-40, dated 26 January 1989.

<sup>89</sup> Article 34 of Act No 88-1088.

<sup>90</sup> O. Filleule, quoted by Didier Demazière in *Sociologie du chômage*. Repères - La Découverte, Paris, 1995, p. 111.

<sup>91</sup> From 1991 to 1996, the fixed ceiling in francs remain virtually unchanged, rising by only 0.1%.

We wish to advance the hypothesis that the uneven and meagre involvement of the social partners in the RMI scheme has not been devoid of consequences for the development of RMI and the other forms of income support. Three points can be made in support of this hypothesis:

- The number of recipients of RMI and of extended unemployment benefit (ASS) has been increasing since 1992, when unemployment benefits became degressive. In order to tackle the growing deficit of the unemployment insurance scheme, the social partners created the single degressive allowance (*Allocation unique dégressive*),<sup>92</sup> paving the way for significant cost savings. While this measure served to put the finances of the National Interprofessional Union for Employment in Industry and Commerce back on an even keel, it also had a displacement effect, reducing the number of unemployed persons entitled to unemployment benefit while increasing the number of beneficiaries of ASS and RMI. At a time when long-term unemployment was rising and insecure employment was becoming increasingly common, the tightening of the eligibility criteria resulted in a growing number of jobseekers exhausting their entitlement to unemployment benefit more rapidly or finding it difficult to obtain unemployment benefit at all for want of sufficiently long periods of previous employment. In December 1999, only 52.9% of all unemployed persons were receiving unemployment benefit.<sup>93</sup> Closer involvement of the social partners in the administration of RMI would no doubt have led to better anticipation of the impact of the single degressive allowance on the numbers of recipients of the various forms of income support. They would no doubt have realised that the system of unemployment insurance can no longer be analysed without reference to the other social policies and that a number of RMI recipients are jobless people with no entitlement to unemployment benefit. The Belorgey report is explicit on this point: "The separation between insurance and assistance is largely contingent (...). The present system is founded on stability of employment and not on extended and recurrent periods of unemployment". The convention of delegating responsibility to the social partners has led to the protection of people in steady employment to the detriment of those in insecure jobs and contributes to the exclusion of the latter from the system. In fact, the development of insecure employment has turned RMI into a special form of unemployment benefit.<sup>94</sup>

- Little follow-up support is given to ASS recipients, who are not covered by an integration policy. Apart from the consideration of substitution effects between unemployment insurance and non-contributory welfare schemes, the social partners have taken little to do with the RMI scheme, and this has undoubtedly stunted the development of their interest in integration policies. Several interviewees emphasised the extent to which RMI and ASS recipients received unequal treatment in the sphere of economic integration. Recipients of RMI benefit from welfare monitoring by virtue of their jobseekers' contracts as well as from the mobilisation of institutions and budgetary allocations to develop integration initiatives. Recipients of ASS, for their part, are left to their own resources and do not benefit from any particular follow-up support from the public employment services. In the course of the interviews, several social workers and local integration counsellors cited examples of ASS recipients who wished to switch to the RMI scheme in order to benefit from real personalised support. The social partners are involved in the administration of the ASS scheme. Compared with what is practised in the RMI framework, the commitment of the social partners to the provision of jobsearch and economic integration assistance for those on extended unemployment benefit has not been particularly strong.

- Is the Back-to-Work Assistance Plan (*Plan d'aide au retour à l'emploi*) evidence that the social partners have learned lessons from the administration of the RMI scheme? Even though the agreement establishing this plan has not received government approval, and even though its future is uncertain, since it has only been signed by the French Business Movement (*Mouvement des entreprises de France*) and two trade union confederations (the Democratic Confederation of Labour and the CFTC [Confédération française des Travailleurs Chrétiens - Christian Confederation of Labour]), the implementation of the Back-to-Work Assistance Plan, according to the interviewees, constituted a historic turning point in the administration of the National Interprofessional Union for Employment in Industry and Commerce. With the Back-to-Work Assistance Plan, "the social partners agree to implement a new unemployment insurance scheme, the priority of which will be a return to work."<sup>95</sup> "The Back-to-Work Assistance Plan shall commit beneficiaries to evaluate their occupational skills and potential, to take part in regular interviews in the framework of a system of

<sup>92</sup> Intended for employees who are involuntarily deprived of work, the single degressive allowance is subject to a minimum qualifying period (four months' membership of the unemployment insurance scheme during the last eight months) and is paid for a variable length of time (from 4 to 60 months), depending on the duration of the recipient's membership of the unemployment insurance scheme (4 months to 27 months or longer) and his or her age.

<sup>93</sup> This figure is from the ASSEDIC (Association for Employment in Industry and Commerce) website at <http://www.assedic.fr>

<sup>94</sup> This is the hypothesis advanced by F. Audier, A.-T. Dang and J.-L. Outin in their article "Le RMI comme mode particulier d'indemnisation du chômage", which appeared in issue No 125 of *Partage* magazine in 1998. This deviation is also condemned in a recent report by the Commission for the National Plan (*Commissariat général du Plan*), entitled *Minima sociaux, revenus d'activité, précarité*, which is scheduled for publication by Documentation Française.

<sup>95</sup> Article 1 of the Agreement on Back-to-Work Assistance.

personalised monitoring, to participate in jointly defined measures and to engage in an effective and continuous search for employment. The procedures for the payment of benefits shall take account of compliance with the reciprocal commitments laid down in the plan. So what do the Back-to-Work Assistance Plan and RMI have in common? In both cases, it is now acknowledged that the payment of a benefit or allowance is no longer enough to combat unemployment and exclusion but must be accompanied by assistance in the search for employment and integration. The Back-to-Work Assistance Plan establishes the idea of activating passive expenditure. Without entering the debate between those who, like Robert Castel<sup>96</sup> and the associations of unemployed people, see this project as "a complete transformation of the conception of unemployment" which tends to make the unemployed "solely responsible for the situation in which they find themselves and those who, like French Democratic Confederation of Labour and the MEDEF (*Mouvement des entreprises de France*- French Business Movement), present the new plan as social progress, we cannot help wondering whether the social partners were aware of the lessons learned from the functioning of the integration component of the RMI scheme when they negotiated the plan. Creating this type of plan means combining individual and mass administration, and the National Employment Agency has already experienced all sorts of difficulties in trying to achieve that aim. It implies a huge complement of staff, since the scheme has a potential membership of 2.5 million individuals. It also means moving from the administrative and quantitative management of unemployment and job offers to a form of individualised monitoring which is foreign to the staff of the National Interprofessional Union for Employment in Industry and Commerce. The last question is whether RMI recipients are affected by the Back-to-Work Assistance Plan. The answer is a definite 'no', because RMI recipients do not depend on the unemployment insurance scheme. Although the profile of a large percentage of RMI recipients is similar to that of ASS recipients, the Back-to-Work Assistance Plan is liable to create a duplicate system of occupational integration based on unemployment insurance, parallel to the non-contributory system operated through the *départements*. Overlaying the system of jobsearch support with new mechanisms and swelling the number of contact points are a sure recipe for coordination problems, which do nothing to smooth the way for a return to work.

## Section 5: The rhetoric of coordination

Etymologically, coordination derives from the Latin *co-* (together) and *ordinare* (to rank or put in order) . Making coordination one of the aims of integration policies and the integration mechanism implies that there is a disordered situation which needs to be defined. To do that, we must begin by identifying the voices that have been calling for coordination. In the case of RMI, the need to coordinate the scheme is initially proclaimed by the legislature, since, as we have seen, the noun 'coordination' and the verb 'coordinate' appear in several places in the law and circulars governing the RMI scheme and in some subsequent circulars and official orders. The Interministerial Delegation on the Integration-related Income Support Scheme, the departmental integration councils and the local integration committees have coordinating functions. The Prefect's role is to enforce compliance with the law as well as to coordinate the decentralised public services. The state is no longer simply a guardian and arbiter; it is becoming an enabler too. The rhetoric of coordination is primarily a concern of policymakers. This does not mean to say that these same issues are not aired more or less explicitly by people in civil society or by users of the relevant welfare schemes. They continue to complain that they have to cope with numerous institutions and contact points and with the complexity, and sometimes even incoherence, of the administrative channels, while the more 'opportunistic' claimants also know how to take advantage of dysfunctions within the administrative machinery.

The social sciences tell us that there is always coordination between players in the social domain. Coordination can take various forms: it may be practised commercially, administratively, politically, through the media, in the home, etc. On the basis of the theory of agreements and justification,<sup>97</sup> it is possible to argue that coordination is subject to a number of 'imperatives' and relies on various 'means of implementation', namely pricing and competition between goods and services as means of commercial coordination, public debate and the electoral process as means of political coordination, orders, circulars and statistical surveys as means of administrative coordination, communication campaigns and opinion polls as means of coordination through the media and trust, reputation and personal relations as means of domestic coordination. Given the many forms of coordination, the

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<sup>96</sup> Interview published in *Libération* on Tuesday, 20 June 2000, p. 13.

<sup>97</sup> The ideas outlined here are presented in Thévenot Laurent, "Tensions critiques et compromis entre définitions du bien communs : l'approche des organisations par la théorie de la justification", in *Décentralisation des organisations et problèmes de coordination : les principaux cadres d'analyse*. L'Harmattan, Paris, pp. 93-115.

question arises as to the fairest and most legitimate types of coordination for the integration of the least privileged members of society. In the case of the RMI scheme – and, incidentally, in the case of employment and social policies, the demand for coordination tends to come from the legislature and the administration, which see it as a means of responding to developments in the sphere of public action.

## Development or crisis of public action?

Coordination is, in the first instance, a response to a transformation or crisis in the realm of public action and more especially in the legitimacy and ability of the French Government to pursue integration policies. Transformation or crisis? 'Transformation' suggests a change for the better. It is generally used to denote the drive to modernise and decentralise the machinery of government with a view to giving civil society a greater say in the management of public affairs. The Act establishing the RMI scheme postulates that the success of the integration component depends on mayors, local authorities, voluntary associations and businesses helping, in coordination with the representatives and decentralised services of the state, to develop and impart local dynamism in the cause of economic integration. To a certain extent, RMI has helped to decompartmentalise the administrative services by compelling the public employment and social services to work together. But it is also possible to speak of a 'crisis', in which case coordination is seen as a smokescreen concealing the inability of the national administration to reform itself and to engage in genuine joint formulation and administration of integration policies with local councillors and other local participants in the integration effort. The lack of legitimacy of interministerial structures at the national level, the highly formalised operation of the departmental integration councils and the recentralisation effected by the Anti-Exclusion Act are indications of the difficulties which administrations have in introducing sustainable elements of subsidiarity and cooperation into the local governance of employment and welfare provision. These difficulties lead the authorities to call for more and more coordination among the various players, which results in a proliferation of councils, committees and coordination mechanisms and hence a highly complex institutional structure. As Jean Leca rightly states, "Rather than accept coordination of the decentralised national authorities by departmental bodies, the Government prefers to see the proliferation of consultation structures..."<sup>98</sup>

## Coordination as a sign of unfinished decentralisation

The operation of the RMI scheme is the reflection of an unfinished process of decentralisation. Even though responsibility for social assistance has been devolved to the *départements* since 1983, the protection of the least privileged sections of society remains a national task that the state cannot offload. In his typology of the ways in which poverty is regulated in Europe, Serge Paugam<sup>99</sup> classes France and the United Kingdom as countries where the regulation of poverty is centralised. Based on "the principle of the centralisation of powers", the system is designed in such a way that "responsibility for assistance lies primarily with the state, even if the state is able to avail itself of local structures and voluntary associations to implement some of its policies and to perform specific functions".<sup>100</sup>

While the public authorities do recognise that solutions should be found locally, where familiarity with the needs of RMI recipients is greatest, the prevailing administrative culture makes it extremely difficult for them to trust local players to share responsibility for managing the dynamics of integration. To all intents and purposes, the machinery of state keeps control of the main instruments of public employment policy; decentralised though they may be, these instruments are defined at the national level for implementation by the decentralised authorities. It is also the state that prevails on local players to coordinate their efforts within bodies whose remit, composition and operating procedures are defined quite precisely by central government. The bottom line is that the local institutions and other local players take part in the work of these bodies because official circulars tell them to do so and because these bodies are chaired by local councillors. Except in cases where these bodies coincide with existing social networks, their coordinating activity is an imposed or perceived duty.

Moreover, the move towards greater decentralisation was not universally welcomed by the interviewees. Administrators, considering the wide local and departmental disparities in integration rates, feared that greater decentralisation would mean greater inequality of treatment and more stigmatisation of claimants, especially in

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<sup>98</sup> Interview with Jean Leca, professor at the Paris Institute for Political Studies, and Pierre Muller, head of research at the CEVIPOF (*Centre d'étude de la vie politique française*- Centre for Studies on French Political Life), in *La lettre de reflex*, No 16, p. 2, at [www.reseau-reflex.org](http://www.reseau-reflex.org)

<sup>99</sup> Serge Paugam (ed.), *L'Europe face à la pauvreté, les expériences nationales de revenu minimum*. Cahiers Travail et Emploi, La documentation Française, Paris, 1999, pp. 22-23. Paugam distinguishes three forms of poverty regulation, namely centralised, negotiated and localised regulation.

<sup>100</sup> Tr. from *op.cit.*

rural areas. These disparities, as it happens, are also condemned by the networks of voluntary associations, which are aware that the law is not being applied in the same way from one region to another.

Several interviewees questioned whether the *département* was the right territorial unit on which to base an integration policy. Some referred to the need to move towards greater decentralisation by entrusting the administration of economic integration to the city councils, for example. One of the unique features of the French situation is that the local administrative units, i.e. the communes, do not have a key role to play in the implementation of the RMI scheme or in the formulation and pursuit of integration policies. Towns, however, are the places where the socio-economic, political and administrative realms meet. But the issue of the most appropriate territorial unit must not obscure the lack of political will, of local innovation or of partnership among the institutions and local players involved in the operation of the RMI scheme. The law does not prevent the General Council of a *département* from delegating responsibility for the integration component of RMI to communes or groups of communes, as the example of the city of Rennes demonstrates. As Daniel Béhar emphasises,<sup>101</sup> the construction "of a territorial optimum for public policies" is, to a certain extent, an impossible task. According to Béhar, the search for the appropriate territorial scale leads to a host of attempts to create a cohesive system from diverse administrative units, leading to the obsolescence of political territories.

## **Moving from institutional coordination to project-based coordination**

As we see it, the RMI scheme has facilitated *coordination and partnership between administrative bodies* without always managing to create a project-based partnership. Faced with a scheme which compelled the decentralised government authorities and the departmental authorities to work together, the institutional players faced several challenges, one being the need to adjust their practices in order to find appropriate cooperative procedures. The quest for better knowledge, redefinition and linkage of the skills and roles of each administrative body in a scheme which left some grey areas occupied the minds of the institutional players during the period of adaptation.

The RMI scheme, like other integration policies, has contributed to the development and professionalization of specialised integration counsellors employed by the local authorities; these employees are neither social workers nor are they civil servants from the employment services. The integration counsellors engage in *operational coordination* in the field. They are familiar with public funding programmes and mechanisms, which they try to coordinate with the underlying principles of projects devised by local players and with the needs of users. At this level there is a real attempt to build bridges between the rationale of public programmes and that of local projects on a case-by-case basis. Negotiations and a power struggle often take place, involving integration counsellors, project monitors and project funders, which can theoretically turn initiatives into instruments of public policy and result in programmes being adapted, or even transformed, to accommodate particular projects. In practice, however, it happens all too rarely that such initiatives lead to the joint development and contractual implementation of a project.

The great difficulty consists in transcending administrative or operational coordination in order to arrive at a project partnership which, if it is to be truly effective, requires a change of culture on the part of government administrators. Even if the law permits them to do otherwise, the staff of local public services tend to reproduce, or adapt for local use, the regulatory principles and rationales to which their culture and practice have accustomed them.

It is no longer only a matter of enforcing the rules, disseminating information to users and bringing partners together but of entering into veritable "local pacts", in which general interest is not so much expressed through the application of uniform rules and funding obligations as through the development of common goals for collective action and of an obligation to achieve results. Project-based coordination implies a new culture of responsibility on the part of the government services, involving an element of risk but also giving local action the endorsement of the national authorities.

## **Coordination as a symptom of political crisis?**

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<sup>101</sup> Daniel Béhar, *L'action publique, le territoire et la nouvelle question sociale, éléments de réflexion*. Working paper of the Acadie cooperative, February 1996.

'Coordination' is an ambivalent term, because it is primarily perceived by the relevant players as a functional phenomenon. It is chiefly a question of coordinating the actions of various people or bodies in order to make them more 'coherent'. But the question raised by exclusion and insecurity is neither administrative nor financial. Coordination also has a political function. In the conception of the Act establishing the RMI scheme, the departmental integration council and even the local integration committees were envisaged as forums where local integration policies would be discussed and formulated. As we have seen, this function is not properly performed. The studies and the interviewees' testimony have highlighted the absence of a real pilot for the RMI scheme. Several of the interviewees emphasised that the forms and formalities of coordination are ultimately less important than its political guidance. Political will is crucial, otherwise institutional thinking will prevail. As soon as that political will weakens, the inertia of each institution recaptures the high ground. Political will also manifests itself in organisational innovations. For example, no law or regulation prohibits the General Council from entrusting responsibility for the integration component of the scheme to a municipality or group of communes. The *département* of Ille-et-Vilaine, for instance, has exercised this option by assigning responsibility to Rennes City Council. The players do have room for manoeuvre but are not always bold enough to use it.

In the face of this political deficit, two avenues are open. The first is to strengthen the role of the Prefect, who is designated as the principal coordinator of the various participants and mechanisms involved in the struggle against exclusion. This is the gist of the Anti-Exclusion Act. The other avenue involves a move towards greater local democracy in which the coordinating body is recognised as having a political role, which implies that its members would be jointly responsible to the people of their area. In due course, this approach would mean a move in the direction of local economic and social councils which would not merely be consultative bodies but which would be publicly accountable for the relevance of their activities.

## **Involvement of civil society and users of the scheme**

The vital question is whether good institutional coordination is reflected in better economic integration of RMI recipients. Nothing could be less certain. This poses two more questions: who benefits from coordination, and what is the place of the user in the system of coordination?

When it comes to the social and economic integration contract, dilution of responsibility starts to rear its head. Nothing is said to the RMI recipients who sign these contracts about the identity of the body that bears responsibility in the event of failure to deliver (examining authorities, the local integration committee, the prefect, the public employment services, etc.).

As for the coordinating bodies for the RMI scheme, the organisations for the unemployed are conspicuously unrepresented on these councils and committees. Not until very recently, on the entry into force of the Anti-Exclusion Act, was provision made for representation of the unemployed on liaison committees dealing with the National Employment Agency and the Adult Vocational Training Association.



## Chapter 4: Coordination in practice

### Case study No 1: Isère

#### Section 1: General presentation

The *département* of Isère is part of the Rhône-Alpes region and has a population of 1 093 873.

At the end of November 1999 the unemployment rate in Isère stood at 9.8%, compared with the national average of 11.1%.<sup>102</sup> A distinct improvement in the jobless situation has been observed in Isère, and throughout France, since the month of April 1999. In particular, there has been a sharp fall in the number of young jobseekers (-14.4%) over the past twelve months, as well as a 22.7% drop in the 50-plus age group and an 18.8% drop in the 25-49 age bracket.

However, as the departmental integration programme shows, this improvement in the unemployment figures conceals the continued absence from the labour market of a 'hard core' of people who are hard to place. In fact, since 1989, there has been *constant growth in the number of RMI recipients, which has increased from 5 000 to the present figure of 17 100*,<sup>103</sup> representing 1.56% of the entire departmental population.<sup>104</sup> Between July 1998 and July 1999, for example, the number of beneficiaries in Isère rose by 11%. It is therefore fair to say that, although the number of long-term jobless has fallen, this improvement is only partly due to people having made a genuine and permanent escape from unemployment by obtaining a steady job. In fact, fewer and fewer jobseekers are now reaching the threshold of one year's registration with the National Employment Agency. One reason for this is that their employment records comprise or include jobs with atypical terms of employment. The number of temporary jobs, for example, has increased by almost 40% in the course of two years.<sup>105</sup> As for steady jobs, the National Employment Agency says that the difficulty in gaining access to steady employment lies in the fact that, despite the improving situation in the labour market, jobseekers and jobs cannot easily be matched. Even though the number of vacancies is on the increase, the aforementioned 'hard core' remains excluded for two reasons, according to the National Employment Agency: the first reason lies in the demands made by employers in terms of qualifications, experience and immediate employability; the second lies in the poor image and/or unattractive nature of many types of job in the eyes of jobseekers in terms of working conditions, remuneration and travelling distances.

By publishing these data in the departmental integration programme, the Departmental Integration Council of Isère recognises that one of the keys to economic integration is that its activity should focus on the establishment of projects which are "able to eliminate some of the diverse causes of supply/demand mismatches" and to "build bridges leading from integration schemes and the services and jobs they offer to employment in the commercial sector".<sup>106</sup>

In order to achieve these objectives, the departmental integration programme is funding an increasing number of initiatives which focus more sharply on the various specific needs of RMI recipients with a view to offering them a more individualised form of support. At the same time, the programme creates the conditions in which RMI recipients can be put in touch with the world of economic activity, which still plays too small a role in the scheme.

As far as the link with the public services is concerned, the Anti-Exclusion Act has given them a greater part to play in the integration mechanism by creating new synergies between institutions. One of the most immediate effects has been the extension of the integration measures in the departmental integration programme to other disadvantaged sections of the population, thereby enabling them to benefit from the departmental integration

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<sup>102</sup> The state of the local job market is an important factor in economic integration. It has been observed that the probability of finding work is almost halved when local long-term unemployment rises from less than 3% to more than 7%.

<sup>103</sup> Of the 17 100 beneficiaries of integration-related income support, only 6 815, i.e. about 40%, had a jobseeker's contract on 31 December 1999.

<sup>104</sup> Source: Regional Directorate for Health and Welfare Services (DRASS) for the Rhône-Alpes region: meeting of 14 February 2000 on the departmental integration plans for the year 2000.

<sup>105</sup> In 1998, in the whole of Isère, between 10 000 and 12 000 people are in temporary employment each month; about 5 000 to 6 800 of these are employed in the city of Grenoble and its environs.

<sup>106</sup> Meeting of 14 February 2000 on the departmental integration plan.

budget and from the local plan for integration through economic activity for the Grenoble area, which is scheduled for publication in the year 2000.<sup>107</sup>

## **Funding**

The *amount of funding* allocated to the entire integration mechanism in 1998 was FFR 65 834 365, of which 48% (i.e. FFR 31 447 438) was earmarked for vocational integration, 17% (FFR 11 214 220) for health care, 13% for social integration (FFR 8 879 556), 8% for housing and 12% for structural costs.

As far as the amount devoted to economic integration is concerned, most of the expenditure incurred in 1998 related to the economic integration sites and the funding of integration measures (29%), with the remainder being divided among the funding of posts (12%), integration through economic activity (11%), other forms of employment assistance (6%)<sup>108</sup> and supplementary assistance to employers (9%), most of which concerned job-creation contracts and consolidated employment contracts. The entry of RMI recipients into the special employment-policy measures costs the *département* money because, in addition to the state aid, it cofinances 5% of the wage payable under job-creation contracts to RMI recipients who have been unemployed for more than a year and 5% of the wage plus 90% of the monthly unemployment insurance contribution to other beneficiaries. As far as the consolidated employment contract is concerned, the amount of cofinancing has changed as a result of the Anti-Exclusion Act, which has made the contract a special mechanism to promote access to employment by those who are hardest to place. The departmental cofinancing amounts to 7% over five years, while the French Government provides 80% over the same period..

Also in 1998, the Government provided a total of FFR 54 441 290 through the Departmental Directorate for Labour, Employment and Vocational Training to fund specific measures for RMI recipients, covering wages and other liabilities under job-creation contracts, FFR 12 830 363.50 for consolidated employment contracts, FFR 10 531 470 for short vocational integration and training courses (*stages d'insertion et de formation à l'emploi*) and FFR 32 691 648 for employment-initiative contracts.

In Isère on 31 December 1999, there were 6 348 holders of job-creation contracts, of whom 2 118 (33.36%) were RMI recipients, 840 holders of consolidated employment contracts, of whom 213 (25.35%) were RMI recipients, 2 213 holders of employment-initiative contracts, of whom 429 (19.38%) were RMI recipients and 2 671 participants in short vocational integration and training courses, of whom 668 (25%) were RMI recipients.

In the departmental integration programme for the year 2000, the amount available for integration measures is assessed at FFR 50 831 161, excluding grants from the European Social Fund and the region.<sup>109</sup> The total budget allocated to the local integration committees is FFR 25 999 457, which is 5.87% higher than the allocation for 1999. This total includes a weighting allowance for transport costs, regional grants and an exceptional single-rate payment to all local integration committees.

The amount paid out in benefits in Isère in 1999 was FFR 341 198 739.

*Staff.* The *département* has 56 employees on its payroll, whose total working hours are equivalent to almost 45 full-time posts. These employees comprise the staff of the central administrative unit, the coordinators of the local integration committees and the local integration counsellors. The Government provides ten employees seconded from the National Employment Agency, whose total working hours are equivalent to almost five full-time employees, two part-time staff from the Departmental Directorate for Health and Welfare Services and four secretaries for the local integration committees. Several hundred people- social workers, instructors, integration counsellors, doctors, etc. - work within the scheme,<sup>110</sup> though all are subject to their own employers.

## **Integration mechanism**

The integration component of the RMI scheme in Isère is organised as follows:

*The departmental RMI unit*, which is accountable to the Prefect and the President of the General Council of the *département* of Isère, is responsible for the administrative monitoring of the entire mechanism. The unit comprises the heads of the relevant administrative departments, representatives of central government and of the *département* and grade-A and -B officials, each responsible for his or her area. The departmental administration of the integration component of the RMI

<sup>107</sup> In Vienne, another canton of the same *département*, the local plan for integration and economic activity is already in place.

<sup>108</sup> The funded posts are largely local integration officer posts and posts in the National Employment Agency (cofinanced).

<sup>109</sup> To give some idea of the amounts involved, grants from the European Social Fund in 1998 totalled FFR 1 237 500.

<sup>110</sup> Association Economie et Humanisme, *Le Rmi écartelé...*, research report, March 1999

scheme is structured around the Departmental Integration Council, as prescribed by law. In addition, a *Steering Committee* has been set up in Isère, and it operates like a sort of executive committee of the Integration Council. It is jointly led and coordinated by the RMI desk officer in the prefecture and the head of the RMI unit of the General Council, and the Departmental Directorate for Health and Welfare Services, the Departmental Directorate for Labour, Employment and Vocational Training, the National Employment Agency and the DISS (*Direction Santé et Solidarité* - Public Health and Welfare Directorate). The committee meets once a month, but the two co-chairmen maintain quite a strict system of cooperation, meeting at least once a week. They discuss the aims and priorities of the mechanism, and their joint reflections are developed into departmental policy guidelines through the departmental integration programme. Their agenda covers various applications for grants and cofinancing and the formulation of political positions on integration measures, etc., which are submitted to the representatives of the Departmental Directorate for Health and Welfare Services, the Departmental Directorate for Labour, Employment and Vocational Training, the National Employment Agency and the Public Health and Welfare Directorate, as well as to the representative of the Prefect. The aim is to create a link between the various authorities and to harmonise their action with the *département*. The Steering Committee is the focal point for the political and financial decisions relating to the integration mechanism which constitute the *departmental integration programme*. The *Technical Partnership Group (Groupe Technique Partenarial)*<sup>111</sup> discusses questions relating to the functioning and allocation of benefits. The Departmental Integration Council, which confines itself to presenting case files and guidelines, is responsible for approving the decisions of the Steering Committee and the Technical Partnership Group. The Council is a sizeable body of traditional composition which meets twice a year in plenary sessions. The first session ratifies a document enumerating the activities of the *département* during the current year, while the task of the second session is to draw up a programme for the coming year. Only recently, seven months ago, the General Council installed a software package, *Perceval*, with a view to generating the greatest possible flow of information from grass roots to the decision-making bodies and thereby ensuring that the substance of financed initiatives reflects real local needs.

The departmental integration programme is communicated to the relevant local players through the *local integration committees*. There are nine of these committees in Isère, each with very considerable budgetary autonomy. In fact, half of the departmental integration budget is allocated to the local integration committees, which gives them significant powers of discretion. For that reason, the local integration committees are important centres for decision-making, the planning of future measures and, in more general terms, the definition of local integration policies. In each committee, a *coordinator* (a position created by the General Council of Isère in 1989) is responsible for promoting the integration policy within the canton as well as coordinating and administering the committee. The coordinators are officials of the General Council, and their immediate hierarchical superior is the head of the departmental RMI unit. They administer the local integration committee along with its *two co-chairmen*, one representing the Prefect and the other the General Council. In contrast to the arrangement for which the law provides, support units do not exist in Isère, because the link between sources of employment and the local integration committee is provided by the *local integration counsellors* and, in the city of Grenoble, by the *job centres (relais-emploi)*. The 43 local integration counsellors, who occupy the equivalent of 35.23 full-time posts, are attached to the coordinators of the local integration committees and are paid from the departmental integration budget (RMI allocations voted by the General Council), although they have various employers – the communes, the Communal Social Welfare Centres, intermediary associations or economic integration companies. Their task is to provide RMI recipients with specialised support in the process of economic integration. Their job specifications are highly varied, and they need to be able to adapt to changes in the labour market and to deal with the wide range of problems with which the RMI recipients present them. For that reason they are drawn from various occupational backgrounds, and their training courses are far broader than those of other social workers. The job agencies, which have an establishment equivalent to 5.5 full-time posts, cofinanced by the City of Grenoble and the General Council, serve as contact points for all people with serious employment difficulties and operate from neighbourhood integration centres. They have the same departmental job specifications as the local integration counsellors for the care of RMI recipients, but their remit is broader. Like the local integration counsellors, they serve as a halfway house between *the staff of the National Employment Agency* and *social workers*, since the former cannot engage in long-term personalised monitoring of clients and the latter are essentially responsible for the social integration (housing, health care, living conditions, etc.) of recipients. The National Employment Agency staff who have been seconded to the RMI scheme work on a part-time basis in the eleven local offices within the *département*. Their posts are cofinanced by the General Council, because they play an active part in the operation of the RMI scheme. As far as the social workers are concerned, they are employees of the Communal Social Welfare Centres, and their work is not confined to RMI cases. Within the local integration committees, the members of *technical teams* are responsible for monitoring the progress of RMI recipients in difficult situations. The teams also serve as a resource group for players in the field when contracts have to be drawn up (see Section 2 below).

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<sup>111</sup> This group comprises representatives of the national authorities, the various units within the General Council, the Family Allowances Fund (CAF), the Primary Health Insurance Fund (CPAM), the ASSEDEC (Association for Employment in Industry and Commerce), registered voluntary associations and the National Union of Communal Social Welfare Centres (UNCCAS).

The *intermediary associations and economic integration companies* are fairly new participants in the integration component of the RMI scheme, even though voluntary associations constituted under the 1901 Act have long been active in this domain. Their involvement in the scheme falls under the heading of integration through economic activity, and they are the main initiators of employment measures. These organisations are numerous in Isère<sup>112</sup> and operate on the basis of *ad hoc* partnerships with other institutional and non-institutional players for specific projects. The General Council grants them substantial aid to enable them to continue their grass-roots work, which revolves around support for the beneficiaries' personal projects, the provision of training and integration measures and the restoration of social links at the local level through a twofold drive to reabsorb people into employment and into society.

## Section 2: The institutional context

### The three levels of coordination

The entire scheme revolves around various levels of legitimacy and competence. Three such levels can be broadly identified: the departmental and national level, the local level and grass roots. At the first two levels, legitimacy takes two forms – electoral and institutional - whereas at grass-roots level legitimacy stems primarily from the reputation of associations and from personal contacts. It is clear that linkage between these three levels of responsibility, all equally important in their own right, implies the development of complex procedures to cope with the differences and to lend coherence to the scheme in its entirety.

In Isère, according to all our interviewees, there is a tradition of partnership which makes coordination easier. In fact, prior to the 1988 Act establishing the RMI scheme, a similar mechanism had already been created to meet the needs of the least privileged. The job agencies and local integration counsellors are part of the legacy of that initial experiment. The three components of employment, housing and health care had already been integrated into a comprehensive system before the 1988 Act introduced the two-track social and occupational approach to integration.

Nevertheless, many areas of inertia remain in spite of this tradition, and others have been created since the entry into force of the Anti-Exclusion Act, which redefined the roles of certain players within the scheme, especially those of the state and its social and employment services. But we shall address that issue below.

#### *The departmental level*

It is at the level of the *département*, including the decentralised national authorities which are based there, that the guidelines for administering the integration mechanism are determined. These guidelines affect both the political and technical implications of the RMI scheme. The elected councillors have strong decision-making powers in terms of the right to ratify or reject measures and budgets contained in the departmental integration programme. In fact, decentralisation has given them paramount responsibility for the administration of employment and integration policies. For that reason, the state, in the person of the Prefect and his representatives, has to counterbalance this administrative authority by establishing its own credentials as the technical authority, by being able to prove the case for the national policy of getting people back to work. To that end, the head of RMI at the prefecture is an official seconded from the National Employment Agency with several years' experience in the realm of employment. The major difficulty at this level is obviously the need to reconcile the policy of integration under the RMI scheme with the political priorities of the *département* while managing to make the elected councillors aware of the specific requirements of occupational and social integration. Technical skills in the fields of occupational and social integration are provided by the representatives of the Departmental Directorate for Labour, Employment and Vocational Training, the Departmental Social Welfare Directorate and the National Employment Agency, who are active members of the Departmental Integration Council and play a particularly active part in the work of its Steering Committee.

#### *The local tier of government*

This first level of general decision-making is supplemented by a second level, that of local decision-making, which is just as legitimate as the first. The local integration committee is, in fact, an indispensable link in the chain of integration policy in Isère. Moreover, as we have seen, the nine local integration committees in Isère

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<sup>112</sup> In 1998, the General Council of Isère provided funding of FFR 795 172 for 18 intermediary associations in respect of a total of 617 274 hours' work performed in 1997. The assistance granted to the 26 jobstart companies in the departmental integration budget amounted to FFR 2 097 500.

possess strong decision-making powers, which derive from their financial autonomy vis-à-vis the General Council. The committees administer a budget, based on the number of recipients within their territory, from which they meet the cost of integration measures. The coordinators play a key role in dealing with three different types of interlocutor, namely local councillors, operators in the field of economic integration and users of welfare services. Their activity essentially consists in establishing contact between the various parties, lending coherence to the measures that are implemented within the local area and monitoring beneficiaries as closely as possible during the integration process with the aid of the social workers in the technical teams. All of this is organised in a plethora of meetings; the intervals at which the various groups meet and their membership profiles are presented in detail in Section 3 below. The local integration programme is the fruit of this work of mustering resources and players for the initiation and funding (or cofinancing) of integration measures. At this second level, decision-making power is in the hands of the co-chairmen of the local integration committee, the representatives of the Prefect and General Council of Isère. Through their presence in the field they play a vital role, serving as a link between the local and departmental tiers of government. In addition, their personal commitment is one of the reasons for the coherence between the integration policies of the *département* and those of the communes.

### *Grass roots*

Last but not least, there is the third level, which we have called 'grass roots'. This is the level at which the crucial interaction with the users takes place. Relations with users develop through the action of numerous individuals and small structures entrusted with the key task of monitoring the occupational and social integration of beneficiaries. This array of grass-roots players comprises social workers (local integration counsellors, social caseworkers and the staff of the job centres), intermediary associations, economic integration companies (and, to a certain extent, mainstream businesses), staff of the National Employment Agency and the local desk officers at the Departmental Directorate for Labour, Employment and Vocational Training. Through the personalised monitoring of beneficiaries, the drafting of jobseekers' contracts and the initiation and perpetuation of integration measures, various grass-roots players perform the difficult task of achieving the political aim behind the Act establishing the RMI scheme, namely comprehensive integration on both the social and occupational levels. Also at the grass-roots level, an increasing number of meetings and think tanks are being organised in direct association with the local integration committee or the municipal employment services. Practices naturally vary, depending on training levels and interests as well as on the reading and interpretation of statutory provisions, and this creates frictions in the actual monitoring of beneficiaries. To put it in more general terms, the greatest obstacle to the success of the scheme is believed to be the vastness, in both quantity and diversity, of the array of practical situations with which recipients are confronted.

This division into three levels of responsibility seems indispensable to us as a means of dealing with the numerous degrees of relevance that attach to the integration mechanism in any given *département*. Clearly, as we shall have the opportunity to demonstrate below, the procedures established by one player or another, the coherence of integration measures, the validity of integration policies and, in general, the effort put into the operation of the scheme by each player is not always comprehensible to the others. The reason for this is the distance between the authorities at the various levels of responsibility. Little has been done to coordinate the aims and philosophies underlying the establishment of priorities and practices, despite the existence of numerous means of coordination. Coherence between different levels effectively requires the elimination of duplicated competence, initiatives, responsibilities, functions and political and financial powers as well as implying the need for more complex procedures.<sup>113</sup>

## **Section 3: Processes of change, practices and management**

In order to describe coordination practice in the *département* of Isère, we interviewed several policymakers from the various authorities involved in the integration scheme. These ranged from the departmental level (the head of RMI at the prefecture, the head of the RMI unit in the General Council, an official from the Departmental Social Welfare Directorate and the head of the Departmental Directorate for Labour, Employment and Vocational Training) to grass-roots level (associations, businesses and social workers, i.e. local integration counsellors and social caseworkers) and including the local integration committee for Grenoble (coordinator and co-chairman). We chose one out of the nine cantons for our survey in order to keep the whole analysis coherent.

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<sup>113</sup> Preparatory documents for the Isère integration forum (*Assises de l'insertion en Isère*), held from 25 to 27 January 1995 by the Isère Social Observation Group (*Groupement Isérois pour l'Observation Sociale*).

## *The departmental level*

In order to describe the practice of coordination and the network of exchanges between the various players, we shall begin with the highest administrative tier, which is the **departmental RMI unit**,<sup>114</sup> the body responsible for the administrative and budgetary management of the scheme. This unit meets every two months to prepare and compile the departmental integration budget, to assign funds for the initiatives enumerated in the local integration programmes, for departmental measures and for the specialised training of the local integration counsellors and of staff from the National Employment Agency. The last-named task is performed by the National Employment Agency desk officer in the prefecture. The real driving force behind the RMI scheme at the departmental level is the **Steering Committee**, which is headed, as we mentioned above, by the RMI desk officer in the prefecture and the head of the RMI unit of the General Council of Isère. Both of them have their offices on the same floor of the building that houses the Public Health and Welfare Directorate. This physical proximity makes it easier for them to maintain contacts, as does the fact that they have been working on the RMI scheme for a number of years (one since 1989 and the other since 1996). This practical experience, along with their common desire to ensure that the integration scheme is increasingly attuned to the needs of people in the *département*, engenders quite regular joint reflections and exchanges of ideas throughout the course of the week. One meeting a week is scheduled between the two at which they study files, take decisions on funding and hear members of voluntary associations or individuals who are sponsoring projects that are departmental in scale. Once a month the political and financial objectives are submitted to the specialists from the Departmental Directorate for Labour, Employment and Vocational Training, the Departmental Directorate for Health and Welfare Services and the National Employment Agency with a view to coordinating the work of the various authorities and obtaining their opinions. These exchanges are not always free of disagreement, because many aspects of integration are at stake, especially in the three key areas of employment, housing and health care. What generally poses most problems is the establishment of boundaries between the areas of responsibility of the institutions. The strong presence of the General Council and its Public Health and Welfare Directorate, even in terms of the venue of the meetings, requires a counterbalance from the national authorities, which is provided by both the head of RMI at the prefecture and the public employment services. The purpose of this system is to assess the suitability of measures and of funding allocations equitably while excluding the various ways in which elected representatives might try to pursue political interests. The General Council is effectively the main funder of the integration scheme, and it is essential that central government should have the means to affirm the importance of its own role in the scheme in order to prevent a concentration of power in the hands of the *département*. This view is shared by all the interviewees. At the same time, the General Council tries to repudiate the idea that its role is merely that of a paymaster, dispensing funds without having any say on the way in which the mechanism operates. Both concerns are valid, and therein lies the functional balance that needs to be maintained within the Steering Committee.

The aim of the numerous meetings is plainly the production of the **departmental integration programme**, which is the subject of the biannual meetings of the Departmental Integration Council. The real discussions, as we have seen, take place before the Council meets and are conducted by the specialists, who submit the definitive draft of the programme to the decision-makers for final approval. It is effectively the members of the General Council who sanction the planned measures.

The projected measures, the expenditure forecasts, the cofinancing arrangements for integration initiatives, the share of the budget earmarked for the local integration committees, the general aims of integration policy and background assessments (the state of the labour market, unemployment rates, the percentage of RMI recipients with jobseekers' contracts and the relevant growth rates) are set out in the departmental integration programme. The programme is divided into two parts; the first reviews the past year, and the second presents the forecasts and measures for the current year. The departmental integration programme for Isère is presented in the form of a catalogue of measures which are departmental in scale and those which are local in scale, i.e. the projects launched by the local integration committees. For example, the section containing an inventory of integration measures and objectives for the year 2000 is divided into seven subsections on integration through economic activity, integration through housing, integration through health care, social integration, transport, communication/information/training and miscellaneous objectives and measures. Each subsection lists the underlying objectives, the types of activity that are to be carried out in pursuit of the objectives, the partners involved in the implementation of each project and the budgetary provision. In the departmental integration

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<sup>114</sup> The members of this unit are as follows: for the benefit component, one representative of the Departmental Directorate for Health and Welfare Services; for the integration component, one representative of the prefecture, one technical consultant from the General Council of Isère, one head of unit from the General Council and other persons with administrative responsibilities (secretaries and drafters).

programme, a noticeable effort is made to ensure that the various measures form a coherent whole, even though the objectives are not always clear and tend to be too general in their scope.

On paper, the **Departmental Integration Council** has at least 80 members. In practice, however, it is an assembly of about 50 people. The representatives of the Steering Committee present the departmental integration programme, which is not generally debated, because its content has already been negotiated and agreed upon in more or less informal meetings between the specialists and the elected councillors. The interviewees felt that the Council sessions are like a 'High Mass' at which a litany of cases and measures is intoned. The Council works like a rubber stamp and does not engage in any detailed discussion on political aims in the field of integration. Because of this shortcoming, the Steering Committee has been trying for two years to alter the scope of the Council with a view to broadening the debate by generating fresh impetus through exchanges with people who operate outside the scheme, such as researchers and specialists,<sup>115</sup> or with RMI recipients.<sup>116</sup> Not even this effort, however, seems to be producing satisfactory results, for the coordinators of the local integration committees, along with those who work in the field, only have observer status within the Council, which, as far as they are concerned, remains a rather unnecessary body within the context of the scheme, a forum where the real problems are not addressed.

### *The local level*

Once the departmental integration programme is approved, it must be communicated to those who work in the field, beginning with the **local integration committees**, in order to enable them to take account of the aims of the Departmental Integration Council and to make them aware of the entire range of funded measures. In fact, the monthly meetings between the two co-chairmen of the Steering Committee and the nine coordinators of the local integration committees are the channel through which information is passed as well as the instrument through which the central scheme administrators try to form a picture of the operation of the scheme and to find out about requirements in the field. There are two types of meeting. The first is an internal affair, attended only by the nine coordinators and the two co-chairmen, who exchange practical information, while the other is also attended by external participants, who contribute their specialised knowledge on a variety of subjects and provide the coordinators with technical support.

The local integration committee is an essential cog in the integration mechanism. It maintains relations with both the departmental level and grass roots, and some of its efforts are also channelled into integration measures adopted by Grenoble City Council. The local integration committee enjoys a large degree of autonomy because, as we have seen, it receives a considerable share of the departmental integration budget, which it can use as it sees fit to finance integration measures on a local scale. The composition of the local integration committee for Grenoble complies with the provisions of the law in that it contains representatives of the voluntary sector, businesses, elected local assemblies and the public employment services. It is co-chaired by a representative of the Prefect and by an elected member of the General Council, who are vested with real decision-making power. This is the level at which the representatives of the Prefect seem to be most active, thanks to a level of personal commitment which is greatly appreciated by the various local players. The Secretary-General of the Prefecture organises periodic meetings with the subprefects who are co-chairmen of local integration committees with a view to coordinating their action and ensuring that it forms a coherent whole throughout the *département*. At the same time, these meetings serve to forge a link between the activities of the local committees and those of the integration unit within the Prefecture.

In the case of the local integration committee for Grenoble, quite a good relationship exists between the coordinator and the co-chairmen, which facilitates the work of all three parties. For some years now, the elected member of the General Council and the coordinator have been working together on the integration scheme in the city of Grenoble, and we believe that their confidence in each other's ability is one of the main guarantors of the measures contained in the local integration programme, despite the fact that their political allegiances are diametrically opposed.

The Grenoble committee's **local integration programme** for 1999 lists the measures for which funds have been allocated. The programme is divided into four sections: housing, occupational integration, social, family and cultural life and health care. No general aims are proclaimed in the programme, which confines itself to data

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<sup>115</sup> The *département* funded a research study conducted by the *Economie et humanisme* association and entitled *Le RMI écartelé*. The study was completed in March 1999 and was presented at the meeting of the Departmental Integration Council.

<sup>116</sup> One of the measures financed under the departmental integration programme was the production of a video on various local integration committees by a group of recipients with jobseekers' contracts. Their work was presented at a meeting of the Departmental Integration Council, which gave the targets of the funded measures the opportunity to let their voices be heard by the Council.

sheets indicating the name of the project, the number of participants, the support body and the total budget. The projected measures are not only targeted at RMI recipients. The local integration programme is approved by the annual general meeting of the local integration committee, which is convened by the coordinator.

The local integration committee works like a resource centre where elected councillors, social workers and local operators and specialists in the field of integration come into contact with each other. The monitoring and liaison work performed by the various players and partners is reinforced by numerous meetings in the course of each month. The committee serves as the main contact point for intermediary associations and economic integration companies as well as for social workers. Its main role is technical rather than administrative, and it is undoubtedly the 'integration expert'<sup>117</sup> at the local level. There is also, in fact, a **local steering committee** for the integration scheme; its members represent local bodies which are active in the field of integration, and it meets once a month to analyse local needs, identify existing measures, devise new projects, draw up timetables for the projects that have been initiated, issue invitations to tender and select implementing agencies. The local steering committee comprises representatives of intermediary associations, economic integration committees and the National Employment Agency, social workers, elected local councillors, etc. There is no mechanism that provides a link between this local steering committee and its departmental equivalent.

The task of the local integration committee is to initiate integration projects which are as closely attuned as possible to the social and economic changes that are taking place in the local area. This can mean that different partners are involved in different measures. However, because of the mutual confidence and familiarity that develop between non-governmental operators, the same partners are often to be found working together. Personal contacts play a key role, as does the sensitivity of each partner to the aims of the local integration committee. These contacts are easier to establish and maintain with the voluntary sector and economic integration companies than with mainstream enterprises. The latter were actually involved when the RMI scheme was first established, but by the nineties they had started to feel out of place in the local integration committees and were uncomfortable with the scheme in general. This was partly due to a lack of communication with the authorities responsible for the scheme. The local integration committee in Grenoble acknowledges that it does not have the resources to reach out to enterprises or even simply to canvass for business participation in the scheme. The legal and technical complexity of the RMI scheme often discourages employers, even those who are interested in and sympathetic to the reintegration of RMI beneficiaries.

The key figure in this body is undoubtedly the **coordinator of the local integration committee**, who is the guarantor of the coherence of the scheme. The coordinator looks after the internal administration of the committee as well as its political and technical structure. He therefore directs the work of the committee as well as being the contact with external players.

As we have seen, the coordinator is the link with the central authorities, but at the same time he or she plays a key role in contacts with grass roots. The coordinator does this by establishing links between the various bodies which assist the beneficiaries of the scheme on the one hand and by making non-governmental operators aware of new partnership opportunities on the other. Moreover, as we shall see below, the local integration committee in Grenoble, on the initiative of its coordinator, is currently creating mechanisms for direct contact with beneficiaries.

### *Coordination at grass roots*

Exchanges between the various bodies which monitor beneficiaries' progress are conducted in the framework of the **technical teams**. Eighteen technical teams are attached to the local integration committee in Grenoble, meeting for half a day each. Every month sees meetings of at least three or four of these groups, each of which has three permanent members: the employee of the National Employment Agency and/or the local integration counsellor, the technical director of the general social service team for the welfare area, the coordinator and other members as required, such as the representative of the Departmental Directorate for Labour, Employment and Vocational Training, the partner from the health, housing and social integration services, elected councillors, etc. The aim is to gather information relating to the recipient's situation and to monitor his or her integration process. The teams naturally deal with the most difficult cases which require personalised monitoring, linked directly to the social and economic integration contract. The case officer for a beneficiary in difficulty<sup>118</sup> is designated at the

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<sup>117</sup> This lends extra political weight to these committees, especially in rural areas. Whereas urban integration policies are a shared responsibility of the municipal administration and the local integration committee, in rural areas all the political and technical functions are united in the local integration committees. They owe this position to their financial power, which enables them to bypass lengthy administrative procedures when initiating measures.

<sup>118</sup> The **case officer** assists the beneficiary in the formulation of his or her jobseeker's contract, supervises its implementation and is responsible for evaluating it. The case officer must be able to monitor all the schemes included in the contract. If so



same time as the technical team is appointed. One of the purposes of the team is to bring to the attention of the local integration committee any needs that are being experienced in the field. However, if the team is poorly managed, it can come to be regarded as an instrument for inspecting and assessing the activity of social workers body, which diminishes the value of this resource to the various participants in the scheme and its beneficiaries. The latter play no part in the teams that deal with their cases. The technical teams can be itinerant, in other words they may meet at venues other than the premises of the local integration committee.

To promote encounters between non-governmental operators and cross-fertilisation between them, a **working party**<sup>119</sup> of the local integration committee meets once a month; these monthly meetings serve to update the catalogue of local integration measures, to devise projects, to issue invitations to tender and to select implementing agencies for new projects. The elected local councillors take part in these meetings and have an important decision-making role, because they form the link between the integration measures of the local integration committee and those that are being implemented in the framework of communal policy. The partners involved in each integration project vary in accordance with the aims of the project and the fields of activity to which it relates. The procedure for initiating an **integration project** can vary, but in most cases, in response to wishes expressed by beneficiaries or to particular local problems, certain players (intermediary associations, economic integration companies, social workers and the public employment services) meet at the instigation of one party or another. These players define the projected measures, their objectives, the working procedures to be adopted, the target groups, the territory to be covered, the provisional budget and potential sources of cofinancing. The project is then presented to the local integration committee and the local elected assembly, possibly through working parties or even informally.<sup>120</sup> Once the projects have been initiated, they are administered by a **steering committee**, which meets every quarter to review the progress of the project, gradually assessing its impact. In exceptional cases, beneficiaries may take part in meetings of the steering committee. The same steering committee may monitor several integration projects.

Other meetings are held on the initiative of the local integration committee, involving players on the basis of their role in the scheme and their geographical location. Once a year in the district integration centres the elected local councillors, social workers and representatives of associations and of integration and training organisations meet to take stock of current projects in which RMI beneficiaries are participating. Two 'employment and training' teams, comprising representatives of the job agencies, staff of the National Employment Agency and the local integration counsellors, meet throughout the year to harmonise their interventions in this field. Once a month the coordinator meets the management teams of the social services to review the aims to be pursued in the realm of social integration.

### *The participants in the integration effort*

The public employment services are associated with all the coordinating bodies at the various levels. From the information presented above, we can already form a picture of the role of the National Employment Agency in the integration mechanism. The **National Employment Agency staff who are seconded to the RMI scheme** combine their responsibilities in this domain with the ongoing performance of their National Employment Agency duties. Their role is that of a 'human resource' when it comes to monitoring the efforts being made on behalf of RMI recipients. Their function within the bodies responsible for the integration component of the RMI scheme (technical teams, working parties, monthly policy meetings, etc.) is to provide technical support to the various parties involved in the initiation of integration projects in the framework of the local and departmental integration programmes. They are also entrusted with the task of disseminating information among the partner organisations on employment measures, service provision and training opportunities. This is because the National Employment Agency amasses a wealth of information on local labour markets and on the various statutory employment schemes.<sup>121</sup> The coordination of the work of the National Employment Agency staff is guaranteed by means of training sessions organised within the departmental integration unit with a view to harmonising their view of economic integration with the aims of the RMI scheme. Since the entry into force of

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requested by the examining officer or if it is otherwise necessary, the case officer has to provide the examining officer with an information form listing the work that has been done with the beneficiary; the case officer must also contact the examining service if problems arise other than those being treated and when the contract is due for renewal.

<sup>119</sup> The members of the working party are the elected councillors and/or representatives of the Communal Social Welfare Centre, the technical director of the general social service team, the coordinator of the local integration committee, agencies implementing projects, specialised consultants and representatives of partner organisations such as the National Employment Agency, the Departmental Directorate for Health and Welfare Services, the RMI unit, associations and businesses.

<sup>120</sup> Depending on the territory covered (local or departmental), projects may be presented to the local integration committee or to the RMI unit of the General Council.

<sup>121</sup> With regard to the participation of the heads of local employment agencies in the work of the decision-making bodies at the local and departmental levels, their function within those bodies is to represent the public employment service.

the Anti-Exclusion Act, the role of the National Employment Agency has been central to the operation of the scheme, because of the registration requirement.<sup>122</sup> Registration means that the National Employment Agency desk officer authorises the jobseeking RMI recipient to take part in an integration project after having established that participation in the project in question is consistent with the social and economic integration contract signed by the recipient. There is no real coordination, however, among the players who initiate projects or between the initiators and the social workers and National Employment Agency staff. Their joint participation in technical teams and working parties has not yet led to their working together, and the monitoring of the beneficiary suffers as a result. For example, one beneficiary may take part in a project initiated by the National Employment Agency as well as a project from the local integration programme without the knowledge of the National Employment Agency desk officer or of the local integration counsellor. The link between the RMI scheme and the National Employment Agency therefore remains unsatisfactory.

The **intermediary associations and economic integration companies** have a key role to play in the scheme. They are the main implementing agencies for integration projects, and their knowledge of local issues as well as their close contact with RMI recipients are resources from which the entire scheme can benefit. These bodies are, of course, very heavily dependent on the funds allocated to them under the departmental or local integration programme, which determine the activities they are able to offer. For some time now, the departmental integration programme has tended to support specific projects with precise objectives in preference rather than allocating block grants for the operation of associations governed by the 1901 Act, intermediary associations or economic integration companies. This means that the bodies responsible for the RMI scheme still do not accord priority to the survival of these associations and take no part in their operations. The contacts that are established between bodies such as the local integration committee or the departmental integration council are *ad hoc* and are entirely based on the presentation of projects rather than on continuous evaluation of socio-economic needs and changes in the city or the *département*. Moreover, since the advent of the Anti-Exclusion Act, the French Government has tended to recentralise social services and the integration effort by awarding grants more readily to Communal Social Welfare Centres or to branch offices of the National Employment Agency than to intermediary associations and economic integration companies.

## Section 4: Coordinated initiatives and the fruits of coordination

The coordination of work on the integration-related income support scheme RMI in Isère is certainly highly structured and organised at every level. Numerous meetings, working groups and partnerships and a great deal of formal and informal cooperation testify to this. This last aspect appears to be fundamental because, over and above any formal agreements, informal cooperation serves to cement contacts between players, and the amicable arrangements they develop through their everyday dealings with each other are just as important as their institutional links. In addition, the more or less extensive involvement of one party or another can significantly change the organisation of work processes within the scheme. This is especially true of the bodies that share responsibility for the scheme. The joint administration of the scheme by the General Council and the national authorities necessitates a balance and harmony which are not always easy to achieve, given the powers that are involved.

### *The political-technical balance*

At the departmental level, the integration effort comes under scrutiny from two sources. The political interests of the elected councillors and specialised knowledge both come into play. Integration policy does not, in fact, give rise to very polarised debates between Left and Right in the General Council, such is the widespread inability of councillors to form a clear vision of this highly complex issue. For that reason, the specialists in the field believe that they bear a burden of responsibility for integration policy; they find this regrettable, because it is symptomatic of a lack of commitment on the part of the councillors to the RMI recipients among the electorate. This imbalanced dichotomy between specialists in the field and elected representatives is perceived at grass roots and generates distrust and rejection of the work that is performed at the departmental level.<sup>123</sup>

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<sup>122</sup> "Only the recruitment by recognised structures of persons registered by ANPE shall qualify such structures and persons for the assistance and exemptions prescribed by law. This rule shall apply to activities in the commercial sector as well as to socially useful activities performed under job-creation contracts and consolidated employment contracts". Tr. from the document *Le programme et la loi de prévention et de lutte contre les exclusions*, published by the Ministry of Employment and Solidarity.

<sup>123</sup> The attitude of the *département* to the scheme is judged by the interviewees to be strongly influenced by political objectives, while the prefecture is perceived as taking a more specialised approach, based on better knowledge of conditions

The work of the steering committee is well structured and is administered in such a manner as to balance the inputs from the various institutional players, thereby ensuring that the project specifications are flexible enough for all non-governmental operators and accessible to the whole range of beneficiaries. Despite this effort, the activity of the steering committee (and, hence, of the departmental integration council and local integration committee) is perceived as being too detached from the situation on the ground and as being based on aims that are too general and insufficiently practical. The question is whether the instruments of coordination that have been created between the departmental level and the local integration committees are an adequate channel for conveying information about actual requirements in the field as well as for spelling out the aims of departmental policy. At the present time there are other blockages obstructing the link between these two levels. One problem is that the local integration committees may perceive the pyramid structure of the steering committee as the sign of a desire for centralisation on the part of the latter. In fact, the high degree of budgetary autonomy enjoyed by the local integration committees activates a counterweight in the form of the General Council, which tends, according to the local integration committees, to regard them as no more than agents.

Similarly, the non-governmental operators (voluntary associations and companies) cannot effectively link their work with the departmental level, because they believe they are regarded as service providers rather than as specialised players in the field of economic integration. It is true that the main contact between these players and the *département* stems from the departmental funding of their activities. Their interest in integration policy may be interpreted by outsiders as a bid for survival rather than genuine social commitment. For their part, the associations may feel that their projects are subject to scrutiny by the departmental authorities, because of the funding they receive. The balance is highly precarious and may give rise to incomprehension. In practice, contacts with elected councillors and other representatives of the *département* are established gradually and through various individuals' informal contacts and personal networks. For that reason, the role of the co-chairmen, the representatives of the elected departmental assembly and of the prefect, is very important. It is up to the co-chairmen of local integration committees who represent the General Council to ensure that observations on the work of the local committees somehow filter through to the *département*. In this way, they help to assess the impact of projects conducted in the field and of the local players who initiate these projects.

However, the nine local integration committees which work in the *département* do not seem to cultivate their contacts, which results in a lack of coherence among the projects that are conducted in Isère. The non-governmental operators whose activities are conducted on a wide territorial scale are penalised by this lack of coordination.

### *Local partnerships*

Nevertheless, within each local integration committee, the non-governmental operators, the elected councillors and the employment specialists manage to coordinate their efforts effectively when it comes to initiating and monitoring projects. The creation of fruitful partnerships which can contribute to the creation of appropriate projects is certainly the priority of every local integration committee. Its dialogue with the social services on the one hand and with the voluntary sector on the other is well structured on the basis of regular meetings. However, contacts between the social services and the voluntary sector do not come up to the same standard - or, to be more precise, the work of the voluntary associations is not well coordinated with that of the social caseworkers, whereas their coordination with the local integration counsellors is less of a problem. The heavy workload of the social caseworkers, who also look after clients from outside the RMI scheme, precludes an in-depth treatment of the numerous cases they have to monitor. For that reason, information from recipients' case histories is not systematically transmitted to the bodies which are responsible for them. This limits the effectiveness of the monitoring process in the long run as well as the coherence of the measures that are put in place. Moreover, their training in social work often complicates their dialogue with the intermediary associations and economic integration companies, whose main interest lies in economic integration. According to our interviewees, the social caseworkers are inclined to regard RMI as a 'subsistence income', a perception which overlooks some of the implications of the integration mechanism.

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in the field. The role of the subprefects who are co-chairmen of the local integration committees is recognised as fundamental and very active. The same applies to the role of the RMI representative in the prefecture, seconded by ANPE, because she possesses practical knowledge of employment policies designed to meet real needs on the ground, knowledge derived from her experience and from continuous contact with the team of local integration counsellors and of ANPE staff on secondment to the RMI scheme.

### *The local integration committees and the grass-roots players*

Within the local integration committees, numerous meetings take place in an effort to coordinate the RMI scheme at the local level. Needless to say, the same partnerships tend to recur in several projects on the basis of a certain affinity between the partners. This means that the local integration committees often have to liaise with the same people. In such a situation, importance attaches to the relationships, based on mutual trust and understanding, that develop between the players who apply for funding and the decision-makers in the institutions (the local integration committee or departmental integration council) which are responsible for approving such allocations. It is clear that the proliferation of 'habitual' partnerships can lead to cases of slippage which jeopardise the consistency of the funded projects with the objectives laid down in the local or departmental integration programme. Many are the players who bemoan the failure to assess the relevance of certain projects to actual local needs. This inequitable choice of projects, based on relations rather than needs, is accentuated by the fact that the representatives of the organisations in the social field who take part in the local integration committees or the departmental integration council are systematically chosen by the leaders of those bodies. The most serious consequence of this is the lack of rigour in the initiation of projects, which are very weak in terms of their aims and are defined in little detail. They therefore find their way into the local integration programme without having been thoroughly discussed.

This type of fear concerning the risk that emanates from systematic partnerships, born of a form of coordination that relies too heavily on a proliferation of meetings attended by the same players, has been voiced by various operators in the field: voluntary associations, social workers and specialists from the public authorities. While the instruments of coordination do seem to be well structured, certain partnerships arouse the suspicions of the players who look in at this coordination from the outside. Some players are still aware of a gap between their own participation in the bodies responsible for the RMI scheme and that of others from the 'inner circle'. If the will to cooperate is not there, and if the many instruments of integration are not well coordinated, such meetings are very liable to remain a dead letter.

### *The National Employment Agency (ANPE)*

This lack of will to work together, in spite of the numerous meetings, seems to be most glaringly exposed in the deadlocks encountered in the National Employment Agency, which were highlighted by parties to the coordination process at every level. The rapid processing of vast numbers of cases which characterises the work of the National Employment Agency is incompatible with the desire for long-term personalised monitoring of beneficiaries, which is one of the cornerstones of the integration policy of the departmental integration council and the local integration committees. This rigidity, which undoubtedly derives from the National Employment Agency's enormous caseloads, of which the recipients of RMI form but a small percentage, complicates its cooperation with the other bodies involved in the scheme. In fact, the National Employment Agency staff who are assigned to the RMI scheme are not equipped to perform their task properly, because they are burdened with full responsibility for processing the RMI cases, which is not part of the Agency's general remit.<sup>124</sup> Their role in the vocational-integration component of the RMI scheme remains vital because of their expertise in the field and the vast knowledge of the labour market they have at their fingertips. In Isère, each local agency works differently, which blunts the effectiveness of all the players, since the projects which are launched vary widely from one canton to another. Each local agency offers a different number of projects, training courses and integration schemes, but none of them are developed jointly with other operators in the field. On the contrary, it is up to the latter to adapt their practices and to integrate the RMI beneficiaries, whom they monitor in each project as necessary. The role played by the National Employment Agency within the integration component of the RMI scheme seems to be one of the weak points of the coordination system.

The problems associated with the lack of coordination between the players in the field when integration projects are initiated has a direct effect on beneficiaries. They have the feeling that they are moving on from one project to another without following any coherent pattern that could be consistent with their personal development plans or achieving the continuity that could lead them into a permanent job at the end of their participation in the integration scheme. The same problem arises with regard to training. Only a minority of the interviewed beneficiaries managed to obtain an assisted job that had anything to do with their previous training. As one interviewee said, "*We are asked to take part in training schemes by the local integration committee or the Departmental Directorate for Labour, Employment and Vocational Training, but once the training is over we pass on to other projects with no continuity*".

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<sup>124</sup> On 16 February 2000, DIRMI and ANPE signed a protocol with a view to improving the jobseekers' contracts of RMI recipients and their access to employment. This may help the Agency to make more effective contributions to the RMI scheme.

## Section 5: The impact on RMI recipients

The coordination of the RMI scheme is a well-structured and well-organised mechanism at every level. It is true that many problems arise because of the large number of players involved in the coordination mechanism and that work still has to be done to improve the links between the three levels of decision-making. The ultimate goal of the scheme is to create integration measures that can have an impact on the occupational and social integration of RMI recipients, who are becoming more and more numerous. The rationale is very simple: allocate the departmental integration budget for the creation of integration projects which can play an effective part in combating exclusion and promoting employment. Integration projects with multiple aims (starting with training, moving on to collective activities and ending with on-the-job assessment sites) are the result of consultations between the various bodies involved in the integration of jobseekers; these bodies must be able to assess the long-term impact of their project. This whole effort is guided by the desire to be able to base the RMI scheme on an increasingly individualised system of monitoring and supporting the recipients. Coordination among the various participating agencies and between the agencies and the beneficiaries is a complex matter, however clear the objectives may be. Those responsible for the practical implementation of the scheme, in fact, are confronted on a daily basis with an extremely diverse caseload and the development of mass access to RMI.

For this reason, beneficiaries convey the impression that they know little of this huge and complex mechanism or of the integration projects it devises so assiduously.

### *Reception of beneficiaries*

Once every two months, a collective initiation and information session is held for beneficiaries. This meeting is organised by the local integration committee in cooperation with the examining authorities and is attended by the social workers and the other operators in the scheme. Its purpose is to explain the RMI system in its entirety (the legal and institutional framework, the ancillary rights,<sup>125</sup> the social and economic integration contract and the employment opportunities, etc.) to new RMI recipients. This meeting is the only time during the beneficiaries' membership of the scheme that they are given a general outline of the system, and the information they receive is very soon forgotten. There is a need to ask whether it is necessary that the beneficiary should know about all the tiers of the scheme from the *département* upwards. Many policymakers incline to the view that it is not, because once beneficiaries are integrated into integration projects, their sole concern is to know whether these projects will help them towards a permanent job. Conversely, however, it could be argued that, if the integration element of the RMI scheme is not working well, the beneficiaries have a right to know where the fault lies so that they can remind the relevant players of their responsibilities.<sup>126</sup> In fact, through the social and economic integration contract a reciprocal commitment is established between the beneficiary and the local authority. The beneficiary undertakes to participate in integration projects, but the authority has a duty to the beneficiary to initiate such projects in the framework of the RMI scheme.

*"The contract is part of a development plan for the individual and provides guaranteed monitoring and support from the desk officer responsible for the contract and the client's personal caseworker".<sup>127</sup> Within this monitoring and support system, social workers are required to keep tabs on the beneficiary's integration process, ensuring that the projects in which the beneficiary takes part are consistent with the types of project he or she has indicated in the social and economic integration contract. In Isère, each beneficiary has two contacts: the social caseworker for the social-integration component and the local integration counsellor or, in the city of Grenoble, the job centre (*relais-emploi*) for the integration component. The contract is drawn up at the time when the applicant becomes eligible for RMI. The new beneficiary outlines his or her own social and occupational integration plans with the aid of a skills assessment produced in advance by the examining authority. Every three months the contract is reviewed to take stock of progress and to initiate other integration measures.<sup>128</sup> The local integration committee for Grenoble has established a system whereby the individual drafts his or her own contract independently and sends it to the secretariat of the local integration committee. The aim of this is to*

<sup>125</sup> Despite the efforts that are made, many beneficiaries are unfamiliar with the rights attaching to membership of the RMI scheme and only discover them gradually as problems arise.

<sup>126</sup> We observed that, when entitlements to benefit are withdrawn, beneficiaries do not know whom to approach for an explanation.

<sup>127</sup> *Guide de référence du dispositif RMI*, published by the Prefecture and General Council of Isère.

<sup>128</sup> In general, the contracts of the recipients we interviewed are structured as follows: skills profile, then training and measures of social integration, followed by details relating to the recipient's jobsearch.

recognise beneficiaries' *"capacity to take responsibility for themselves"*. This type of approach seems to be respectful towards the user of the service, but the beneficiaries we interviewed regard it as a means of relieving the social caseworkers of one of their duties and feel that they are being left to struggle through on their own. To the same end, the local integration committee itself can invite the beneficiary to come for an interview without going through the social workers. This type of procedure also evoked contrasting responses from the beneficiaries: some felt the burden of excessively close monitoring, which meant that *"We always have to report on what we are doing; we lose our dignity"*, while others found reassurance in their continual contacts with the counsellors from the local integration committee: *"It helps me when I know there are people taking an interest in me. It is not a constraint; on the contrary, it enables me to find out how the scheme works"*.

### *Grass-roots coordination*

It must be pointed out that a very small percentage, albeit impossible to quantify, of RMI recipients benefit from monitoring and support in the framework of the integration component of the scheme. Many recipients remain unknown to the social services after income support has been granted to them. This is partly due to a problem of coordination between the social caseworkers, the examining authorities, the local integration committees and the non-governmental operators. The latter are not made aware of new cases, which means that the social and economic integration contract is not signed within the statutory three-month period. As of 31 December 1999, only 6 815 of the 17 100 beneficiaries in Isère, i.e. 40%, had signed a social and economic integration contract which was still valid. It is interesting to note that, when beneficiaries are asked whether they have signed a social and economic integration contract, none of them knows what a social and economic integration contract is. Not until the document is described to them do they understand the question. All of our interviewed recipients have a valid social and economic integration contract. Is this lack of contact between the players who are involved in the integration mechanism a deliberate strategy, adopted because of the social caseworkers' conception of the RMI scheme? There are certainly many parties to the scheme who believe that the social caseworkers treat RMI as just another benefit, thereby refusing to acknowledge the 'contractual' aspect of the beneficiary's undertaking or the dual nature of integration. Or is this defect quite simply the result of excessive workloads, which prevent them from monitoring the RMI recipients closely?<sup>129</sup> In fact, every social caseworker, unlike the local integration counsellors,<sup>130</sup> is responsible for monitoring several people, not all of whom are necessarily RMI beneficiaries.

The beneficiaries are well aware that each of them has become a smaller fish in the RMI pond because of the ever-expanding membership of the scheme. They are never invited to meetings with social workers unless their social and economic integration contract is due for renewal, and they know that they have to apply to a number of different social services, depending on their requirements. None of the interviewees criticises this procedure, but when they are given an appointment (always within a month but never within a week of their telephone call), they would like to have more time to voice their concerns and to discuss matters with the social workers, but interviews only last an average of 15 minutes. This applies more to appointments with social caseworkers and National Employment Agency staff than to those with local integration counsellors. The beneficiaries know that the staff of the National Employment Agency are overloaded with work and lack the capacity to meet with and monitor their clients, which means that they cannot be attentive to all the beneficiaries' requests. Relations are better with the local integration counsellors, which stems from the strong commitment of the latter to the monitoring and support of beneficiaries. The situation with the social workers depends to a great extent on the personality of the individual caseworkers, who may be more or less attentive to the client's needs, more or less friendly, etc. If the relationship between social workers and clients tends to hinge on a subjective feeling of empathy, there are objective reasons for that. First of all, while the local integration counsellors remain more or less permanently at their desks in their own offices, the social caseworkers are more numerous and mobile within the local area. This means that the same case is monitored by several people over a given period of time. The social caseworkers deal with matters that relate more closely to the personal lives of the beneficiaries: their family problems, their personal worries and their health and housing concerns. Their dealings with the local integration counsellor are far more 'businesslike': they discuss training, employment and integration projects. And that is more uplifting for beneficiaries, because they are not confronted with someone who is familiar with all their social problems. Even if that is not strictly true, since there are frequent contacts between social workers

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<sup>129</sup> The local integration committees have tried to regain control of the situation by producing their own lists of current contracts and sending reminders to beneficiaries who have to renew their contracts. In addition, the Family Allowances Fund (CAF) has introduced an information form, which social workers complete systematically in order to have a record of each beneficiary's case history. The form is generated by the *Perceval* software application, which has only been operational since September 1999. The computerised system will permit more effective coordination between the various players who monitor the beneficiary.

<sup>130</sup> The introduction of local plans for integration through economic activity throughout Isère will confront the local integration counsellors with the same expanding caseloads that social caseworkers have been experiencing.

and local integration counsellors who work on the same cases,<sup>131</sup> beneficiaries may feel more comfortable in this sort of conversation and thus project different images to those seen by social workers. Moreover, while some members of the coordinating bodies believe that dealing with two advisers may be detrimental to beneficiaries, the clients themselves prefer to speak to different people about different types of problem, so as not to *mix up their social problems with the process of getting into the labour market*, as some of them expressed it. Besides, they know that it is easier to obtain a wider range of information if one speaks to several people, because some social workers know more about the RMI scheme than others.

Monitoring and supporting the beneficiaries' own plans is a priority of the intermediary associations and the economic integration companies. Economic integration, however, is easier with clients who are not in deep distress. The action taken to assist clients is based on integration in the general sense of the term, which is the aim of the RMI scheme. This process clearly takes time and involves the gradual formulation of social and occupational integration plans with the beneficiary. The slowness of the process is oppressive for clients, who find it difficult to endure. Integration often entails attendance at training courses; although these are necessary, clients perceive them as an obstacle. This discrepancy between the clients' aims and the resources offered by the bodies that operate in the field of economic integration derives on the one hand from the need to adapt the beneficiary's demands to the realities of working life and on the other hand from the need to scale down certain aims that are beyond the reach of the beneficiary. So the raising or lowering of the targets that were initially set by the beneficiary may be interpreted by the latter as a sign that the authorities have not been listening and that the bodies responsible for implementing the scheme are not up to the task. This is why it is so important that meetings should take place and links be developed between the agencies responsible for monitoring and supporting the same person so that they are able to present the beneficiary with cogent reasons for their line of action.

### *Occupational and social integration*

So it is a matter of linking social work more effectively with the work of economic integration. The intermediary associations, as well as the economic integration companies, are aware of the absence of such a link when they have to deal with clients who need social support if they are to make a serious bid for a place in the labour market. And this support is often lacking. The dispersal of responsibility for the social and occupational integration effort among a host of players - intermediary associations, economic integration companies, the National Employment Agency, local integration counsellors, job centres, neighbourhood integration centres, social caseworkers, Communal Social Welfare Centres, etc. - breeds inefficiency which is detrimental to clients and complicates their task. That, incidentally, is the reason why beneficiaries who are able to identify the best people to approach with their requests are the only ones who are really capable of establishing themselves in the labour market. The beneficiaries who manage to function as 'agents' in their own integration process, however, are those who have already "*won half the battle - the employable clients*", as one of the leaders of a voluntary organisation told us.<sup>132</sup> The active involvement of the beneficiary in the scheme counts for a great deal, because, despite the attempts that have been made to achieve the greatest possible increase in the number of beneficiaries who are monitored and integrated into integration projects, only the most active and the most highly motivated are able to ensure that their applications receive consideration.

It is difficult to quantify the effects of coordination on beneficiaries other than in terms of the rate of withdrawal from the RMI scheme. The departmental integration programme for Isère for the year 2000 offers no clues on the impact of coordination. Similarly, the quantitative and qualitative effects of integration projects on their beneficiaries are not indicated, because no systematic evaluation work has ever been done in this field. One exception, of course, is the evaluation that takes place at the meetings of the steering committees, which monitor projects as they develop. The only indicator we have is the number of RMI recipients who participate in each

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<sup>131</sup> Once a month, the local integration counsellor and the social worker meet for case conferences on the clients they have in common. A client may occasionally be invited to these meetings.

<sup>132</sup> The beneficiaries we met who are on job-creation contracts had followed more or less the same integration path into their present jobs. On the basis of the first training they received, either through the RMI scheme or in another framework, they focused their jobsearch on various useful sources of information: ANPE data files, integration centres, the specialised press, etc. Then, having found some potential contacts, they approached their job agency or local integration counsellor to submit their applications and obtain advice. If the latter approved the application, recognising its consistency with the priorities listed in the jobseeker's contract that the applicant had signed, he contacted the company or association which had put in the request for labour and referred the beneficiary to it.

In the case of other clients, it is up to the local integration counsellor to support any clients who request his assistance in their quest for training or employment by means of the contacts which the social caseworker has with administrative authorities, training organisations, local integration committees and the various bodies which initiate integration projects.

project, since the projects are open to all jobseekers. We note, however, that this has never been the subject of a cumulative statistical analysis.

Proceeding from the conflict between the expectations of the interviewees prior to receiving RMI and what they actually received from the scheme, we can draw a few conclusions of a qualitative nature which do not purport to be in any way representative. Most of the interviewed recipients knew nothing of the special status of the RMI scheme as an instrument of integration with a complex mechanism for monitoring its beneficiaries. They tended to regard it as a benefit, similar to the other welfare benefits. Once they had entered the scheme, the interviewees had been informed of the need for the contract and all the occupational and social integration procedures it entailed. This 'discovery' is not devoid of consequences, because it presupposes "*a bilateral commitment. The personal commitment is enormous, because what you sign would otherwise have no foundation*", as one of the interviewees said to us. This is indicative of rising expectations with regard to RMI and the obligations that the local authority assumes to the beneficiaries. It is also the reason why many beneficiaries subsequently feel disappointed, because they expected a more effective scheme with more personalised support. Many of them come to realise that, while the attention of the social workers and the integration bodies is useful and reassuring, it does not enable them to "*find work*". The real advantages of the scheme are the income support and the whole package of ancillary rights attaching to RMI, especially health-insurance cover. This they regard as fundamental. The interviewees attach secondary importance to the integration projects and to their priority access to assisted job schemes (primarily the job-creation contract (CES) scheme) and to places on training courses.

The effectiveness of the way in which the whole scheme is coordinated is therefore the key to whether beneficiaries will be able to take advantage of the resources that are made available to support their general integration effort or whether they will remain on the sidelines.

## Section 6: Conclusions

By way of conclusions, let us highlight four strong points concerning the extent to which coordination of the RMI scheme affects the social and occupational integration of its beneficiaries.

First of all, we think of the need to take account of the effects that alternating economic growth and stagnation, and the resulting variations in the labour market, can have on the socio-economic environment and hence on the players involved in the RMI scheme. This element is of fundamental importance, because it enables us to understand the reasons for certain dysfunctions in the system which we might otherwise be inclined to ascribe entirely to the policymakers and their inability to coordinate their actions.

The scheme must be adaptable to variations in the socio-economic environment if any significant progress is to be made in rectifying the following two deficiencies:

- The way in which businesses are integrated into the scheme still seems to be inadequate, as does the degree of confidence that is placed in the work of the intermediary associations and the economic integration companies.
- The coordination of the projects implemented in the framework of the integration mechanism which is administered at the level of the departmental integration council and of the local integration committees is still too far out of line with the integration policies of the town and city authorities.

When the RMI system was first established in 1988, a new and unexpected constituency sought to benefit from it. In fact, unemployment rose beyond all expectations and rapidly generated a social crisis as a far broader stratum of society was rejected by the labour market and forced into exclusion. The integration mechanism, still in its infancy, had to adapt in order to incorporate this change. But it always takes a long time to adjust a complex mechanism, and then, just when everything seemed to be in place, another change occurred. The projects of that early period tended to focus on keeping people in a working situation so as to maintain their hopes of a return to mainstream employment and on the avoidance of youth unemployment. However, as the crisis dragged on, this type of intervention, and hence all the projects based on these objectives, proved to be insufficient.

During the nineties, we have seen the social fabric becoming increasingly fragile in the wake of the economic recession. People's inability to support themselves because of social isolation and the disintegration of families has given rise to a new set of needs, forcing the scheme to adapt again almost as soon as it had managed to adapt to the first series of changes. The target groups are no longer the same. The priority group now comprises people



who are becoming increasingly detached from the active labour force, people who need more specific social support and more personalised employment support. Indeed, the emergence of a category of people who face real social exclusion, or at least exclusion from the labour market, for want of previous employment means that the monitoring process must become more and more personalised. This, in fact, is one of the objectives of the present departmental development programme in Isère.

At the present time, however, while efforts are being made to personalise the monitoring of beneficiaries, economic growth seems poised to return, and the labour market is opening up again. The sharp rise in the number of jobs with atypical terms of employment has also played its part, and more and more RMI beneficiaries are leaving the scheme without having found a permanent job, which would have been their goal until quite recently. Once again, the profile of the beneficiaries is changing, because most of those who have remained in the scheme are either people in dire straits or jobseekers who only need to find training for the type of work they would like to do. The scheme, in other words, now has to cater for two diametrically opposed categories of people and therefore faces new problems, because it will have to adapt again, with all the attendant difficulties. *"The present effort to activate people focuses especially on training or on temporary jobs with atypical terms of employment as a means of giving people the opportunity to rebuild their confidence and to acquire vocational skills with a view to returning to the company, which is on the lookout for skilled labour."* This was said to us by the head of an economic integration company, whose aim is to be able to respond to the imminent changes that will result from the absorption of RMI beneficiaries into the labour market and hence their withdrawal from the scheme.

This brief and by no means exhaustive analysis of the changes that have taken place in recent years in the economic and social domains demonstrates the time lag that can occur between changes in the labour market and the time it takes for the integration mechanism to adapt to them. The coordination of the players involved in the scheme suffers from the fact that they do not have sufficient capacity to respond within the available time to the needs of recipients and to guarantee them a more appropriate level of monitoring.

It is evident that, as the crisis has begun to recede, businesses have begun a more active search for labour in the marketplace. Businesses in general still have very little to do with the integration component of the RMI scheme, which leaves the administrators of the scheme with the difficult task of tapping into this new source of employment without external assistance. The absence of dialogue with the business world is deplored at every level of the scheme, because some players see the creation of new jobs in the private sector as the culmination of their efforts to activate the beneficiaries of the scheme. Contacts with the business community are limited to the provision of *ad hoc* information if work is available, particularly for jobseekers on job-creation contracts and consolidated employment contracts. In the job descriptions of the local integration counsellors, for example, liaison with companies does not feature at all. In recent times the General Council, by virtue of an agreement with the French Business Movement, has joined the national and regional governments in cofinancing the posts of two agents whose task is to seek out job vacancies in the city of Grenoble and the northern part of Isère.

The major problem with this lack of contact lies in the inability of the RMI administrators to establish an effective dialogue with companies in order to make them aware of the vitally important task of activating the beneficiaries of the scheme. In fact, the additional legal and technical responsibilities arising from participation in the scheme are deemed to be too heavy by company managers whose interest in immediate profitability does not sit easily with the lengthy timescale of the integration process. The local plan for integration through economic activity, which is already being implemented in the canton of Vienne and is to be introduced in the city of Grenoble, takes more account of communication and cooperation with businesses, and this could help to clear a blockage in the system; many of the players involved in the scheme certainly hope that it will.

Another feature of the local plan for integration through economic activity is that it aligns the integration policies of the *département* and of the local integration committees more closely with those of the town and city authorities. This desire to widen the common ground in the domain of economic integration enjoys widespread support. In fact, the existence of parallel decision-making and operational structures often makes it more difficult for both sides to function efficiently. The local integration committees can, through their expertise, play a powerful role at the local level, while more direct participation by elected councillors and mayors in the integration component would facilitate action at ground roots. Similarly, the prefects can perform this type of function at the departmental level by helping to define local integration priorities.

Lastly, we believe it would be useful to establish a more effective evaluation system to enable the operators of the integration mechanism at all levels to measure the impact of their projects on the basis of targets they set for themselves in advance, targets that must transcend mere expenditure figures. In fact, only a very small part of the

departmental integration budget is devoted to the evaluation of implemented measures.<sup>133</sup> Very few efforts are being made in this direction in Isère, and this undermines the integration mechanism as well as making it impossible to obtain an overall picture of the measures that are being taken to promote the social and occupational integration of RMI recipients.

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<sup>133</sup> See the annexed analytical financial statement covering the funds allocated to the integration effort in Isère.

## Case study No 2: Ille-et-Vilaine

### Section 1: General presentation

Situated in Brittany, the *département* of Ille-et-Vilaine has 850 000 habitants. Rennes, seat of the departmental prefecture and capital of the region of Brittany, has a population of 350 000, including the inhabitants of the surrounding district. As in the rest of France, the unemployment figures have fallen significantly over the past year. In the fourth quarter of 1999, the unemployment rate stood at 9.4%, which represents a 6% reduction in the space of one year. The main beneficiaries of this improvement are the under-25s - unemployment in this age group fell by 14.6% in the course of the year – as well as the long-term unemployed (-13.4% in one year). The falling unemployment figures are primarily a result of the economic recovery and have not yet had the anticipated effect on the number of RMI recipients. In 1999, although the number of beneficiaries of integration measures fell by 1.1%, i.e. 11 826 persons, the number in receipt of integration-related income support payments rose by 4.4%.<sup>134</sup> This increase was essentially confined to the city of Rennes, the local integration committee for Rennes City being the only one to have registered an increase in its RMI caseload. The fact that the economic recovery is not reflected to any significant extent in the RMI statistics is puzzling politicians, leading administrators and local integration counsellors. At a time when manpower shortages are starting to emerge in some industries (agri-food, information technology and construction), how can such stagnation be explained? Is it ascribable to a lack of coordination within the *département*? The situation is more complex than that. As the departmental integration programme reminds us, studies have shown that more than half of the recipients of RMI are working. But their pay levels and the duration of their contracts do not enable them to earn the guaranteed minimum income and to leave the RMI scheme. Many recipients enter the scheme and leave again after only a few months. And so, for the first time since the RMI scheme was introduced in 1988, the average monthly number of new entrants in 1999 fell below the number of withdrawals. The beneficiaries of the RMI scheme are feeling the full impact of job insecurity.

Such general data, however, do not clearly reflect the variety of situations in which RMI recipients find themselves within the labour market. It is difficult to compare the situation of a young graduate looking for his first job with that of a housewife and mother who goes out to work for a few hours a week or with the circumstances of a former company owner who frequently gets himself into debt and has to find a job. Although this is not evident from the statistics reproduced in the departmental integration programme, our interviewees observed that some of the RMI recipients were still "*very far from finding work*", despite the rising number of unfilled job vacancies. This would tend to corroborate the analyses in which 'structural unemployment' is cited as a problem, although nobody has managed to produce empirical evidence of such a phenomenon. Job insecurity and situations of exclusion would seem to be the two main trends, and it is not always easy to distinguish between them.

### Strategy and aims in the realm of integration: from RMI to employment

The absorption of RMI recipients into employment is the declared priority of all the politicians and administrators in the country, in the *département* and in the city of Rennes. Those responsible for the RMI scheme have long proclaimed their belief in a return to work as the main exit route from the scheme. Enabling the least privileged members of society to escape from a dependence culture and providing the resources to fund a policy of integration in order to ensure that RMI does not degenerate in practice into a mere subsistence income – these aims seem to be self-evident today, but this was not necessarily so in the early days of the scheme. In some *départements*, the priority that attached to establishing the new entitlement and guaranteeing a minimum income delayed the definition and implementation of the integration component, while other departmental authorities pursued the aim of social integration before tackling occupational integration. The *département* of Ille-et-Vilaine, for its part, put the emphasis on economic integration from the outset.

This common will is the fruit of 'humanist' values which are shared by the elected representatives in the *département* and the city, irrespective of their political colours (Socialists and Christian Democrats). Several interviewees stressed the tradition of consensus politics, which enabled the councillors to establish the scheme rapidly on the basis of their common aims. Welfare organisations - the Family Allowances Fund, the Social Welfare Directorate and the Communal Social Welfare Centre of the City of Rennes – have made a habit of cooperating with each other, the historical evidence of this being the experimentation with several welfare schemes prior to the introduction of RMI. The experience with the local income supplement (*complément local*

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<sup>134</sup> Departmental integration programme (*Programme Départemental d'Insertion*), 2000 – departmental integration unit (Social Welfare Directorate) and RMI unit (central government/Departmental Directorate for Health and Welfare Services).

*de ressources*) was evoked several times during the interviews. Piloted in Ille-et-Vilaine between 1986 and 1988, the local income supplement was designed to guarantee a minimum income for people aged 25 to 55 in return for socially useful work. The administration of a minimum income scheme, the creation of integration mechanisms, the use of the concepts of a welfare contract and a reciprocal obligation and the need to incorporate occupational integration into the services provided by social workers were all lessons learned from the local income supplement scheme, lessons which were to facilitate the rapid development of the integration component of RMI, especially within the city of Rennes.

Returning to work is highlighted as a priority aim by those who are responsible for integration in the *département*. This desire to focus the departmental effort on occupational integration is reflected historically in the recruitment of local integration counsellors (*animateurs locaux d'insertion*), who, as we shall see, are neither social workers nor staff of the public employment services. The considerable funding allocation made by the *département* to pay for these counsellors who specialise in helping 'hard-to-place' jobseekers to enter the labour market is the manifestation of this desire.

This priority is to be found among the main multiannual aims set forth in the departmental integration programme. Seven major aims were adopted by the departmental integration council for the period from 1997 to 2000: promoting access to statutory rights, placing special emphasis on monitoring and support in order to promote transitions from the scheme to employment, exploring new opportunities for work, business activity and training, improving knowledge of target groups and evaluating responses to problems and needs, guaranteeing continuity of resources throughout the integration process, reaffirming the aim of a contract for everyone and optimising the scheme in terms of both territorial organisation and training of operators.

In financial terms, how is this priority of a return to work reflected in the *main items in the departmental integration budget for 1999*? Out of a total budget of approximately 38.8 million francs (6.1 million euros), about a quarter (10.4 million francs) is earmarked for personnel (staff employed by the General Council, local integration agents and staff of the National Employment Agency who are made available to monitor and assist RMI beneficiaries. In addition to the expenditure on this item, an amount of 1.1 million francs is allocated to assisted job schemes (the job-creation contract, consolidated employment contract and youth employment schemes), while the funds allocated to occupational integration projects (workshops, economic integration companies and sheltered worksites, schemes run by voluntary associations, etc.) amount to 10 380 145 francs; a total of 3.5 million francs is paid as part of the block grant to the local integration committees. Altogether, it may be estimated that some 65% of integration expenditure is devoted to integration through economic activity. The other allocations are, in order of size, access to care (20% of the 1999 budget), training and evaluation (10.5%), aids to social independence (2.1%) and housing (1%). The percentage devoted to occupational integration ought to rise in the year 2000, since, with the overall budget unchanged, responsibility for access to care will be directly assumed by central government through the universal medical cover (CMU) scheme. To this funding from the General Council budget should be added the support for the priority of returning people to work that comes from the national and communal budgets. The national integration budget (excluding the allocation to the *département*) contributes 180.8 million francs, about 70% of which is assigned to job schemes (job-creation contracts, consolidated employment contracts, EDEN [*Encouragement au Développement d'Entreprises Nouvelles* - business-start-up loans], etc.). The budgets of the communes (Rennes, Redon, Vitré, St-Malo and Fougères) contribute a further 5.1 million francs, the bulk of which is used to cofinance the wage bill for the RMI caseworkers.

## **Section 2: The institutional context**

In this section, we shall outline the institutional operation of the RMI scheme in Ille-et-Vilaine. While the main institutions (the Family Allowances Fund, the national authorities, the General Council, the Communal Social Welfare Centres, etc.) and the coordinating bodies (departmental integration council and local integration committees) prescribed by the law and official circulars on the RMI scheme are all to be found in the *département*, our interviewees emphasised some other features which are specific to Ille-et-Vilaine and to the city of Rennes. Three characteristics were frequently highlighted: a certain administrative autonomy for the local integration committees, which receive block grants to allocate as they see fit, the recruitment of local integration counsellors, coupled with RMI specialisation within the social services, and the delegation to the City of Rennes of responsibility for administering the integration component of the scheme. The organisation of the RMI scheme thus appears to be both decentralised and specialised. Within the integration mechanism, three levels may be distinguished: the departmental level, at which the strategic aims are approved in consultation between the Prefect, the General Council, the decentralised national authorities and Rennes City Council, the local level,

in other words the area covered by each of the local integration committees, and grass-roots level, i.e. direct dealings between RMI recipients and their caseworkers.

## **Departmental administration**

At the departmental level, coordination of the RMI scheme is the responsibility of two RMI officers working on behalf of the French Government and one integration officer from the Social Welfare Directorate, representing the General Council of Ille-et-Vilaine. With their offices located on the same floor of the same building, their cooperation now seems to be well established. The role of the Prefect and of the governmental RMI unit is not so much to devise and promote integration policies as to ensure that equal treatment is accorded to the clients of all the local integration committees in the *département*. The Prefect exerts pressure on the local integration committees that are least active in the domain of economic integration.

### *The Departmental Integration Council and the departmental integration programme*

Co-chaired by the Prefect and the President of the General Council, the Departmental Integration Council comprises 53 members and five colleges. There is a bureau of eight members, to whom are added the chairmen of the local integration committees, the departmental director of the National Employment Agency and the head of the Social Welfare Directorate for Ille-et-Vilaine (DAS 35). The Departmental Integration Council is intended to be a forum for debate, proposals and evaluation of funded projects. In practice, however, the Council seldom meets and does not seem to be high on the agenda of the elected representatives in the *département*. Once a year, the Council approves the departmental integration programme, but it plays no part in the preparation of the programme. That work is shared by the representatives of the national government and the representative of DAS 35. They compile the document and make proposals on the basis of the local integration programmes that have been drawn up by the local integration committees. The members of the Departmental Integration Council rarely amend the departmental integration programme. The programme is presented in three parts. The first part is a statistical review, showing developments in the number and the profiles of RMI beneficiaries within the *département* as a whole and in each local integration committee area, the numbers of entries to and withdrawals from the scheme and the amounts paid out from the various allocations; the second part is an inventory of the main integration projects funded by the *département*, and the third part sets out the annual and multiannual strategic aims.

Coordination between the political world (the state authorities and the elected members of the General Council and the communal assemblies), the administrative apparatus (National Employment Agency, the Family Allowances Fund, the Departmental Directorate for Employment and Vocational Training (DDEFP), the Departmental Directorate for Health and Welfare Services (DAS 35, etc.) and civil society (company representatives, employers' organisations and trade unions, voluntary associations, etc.) does not really take place within the Departmental Integration Council. It should be emphasised that this situation is not peculiar to Ille-et-Vilaine. This coordination, in fact, takes place at both a higher and a lower level than that of the Departmental Integration Council. At the higher level, the main strategic guidelines and political decisions are adopted in parliamentary debates and through the national decision-making process. Such decisions include the creation of the integration-related income support (RMI) scheme in 1988, the revision of the Act establishing the RMI scheme in 1992 and the adoption of the Anti-Exclusion Act in 1998. Major decisions concerning the administration of the RMI scheme are taken by means of contractual *agreements*, for example the agreement between the *Département* of Ille-et-Vilaine and the City of Rennes delegating responsibility for the integration component of the RMI scheme to the Communal Social Welfare Centre and defining the role of the social workers and the local integration counsellors; the agreement between the French Republic and the National Employment Agency concerning support for the integration mechanism of the RMI scheme in the form of seconded National Employment Agency staff. At the lower level, coordination takes place in the local integration committees through the allocation of funds from the block grants and the preparation of local integration programmes; these are the occasions when real debates take place on the local integration policies that should be pursued.

## **The quest for decentralised coordination**

The local level is the area covered by each of the local integration committees, which have both vertical and horizontal coordinating functions. The vertical dimension stems on the one hand from the presence on the committees of representatives of the national authorities, the departmental General Council and the City of Rennes, whose task is to implement the available range of integration schemes, and on the other hand from the

presence of the local integration counsellors and the associations that have direct contacts with the RMI recipients. The horizontal dimension is provided by the representatives of the public employment services, of the local operators in the field of economic integration and of the social services who sit on the committee.

### *The autonomy of the local integration committees*

There are nine local integration committees in the *département* of Ille-et-Vilaine: Vitré, Fougères, Rennes North, Redon, Pays de Brocéliande, Pays Malouin, St Malo Town, Rennes South and Rennes City. There is a great difference between the caseload of the Rennes City committee, which covers almost 5 690 RMI beneficiaries, and those of the eight other committees, whose caseloads range from 415 to 1 244 people. The geographical boundaries of the committees' areas of responsibility cut across those of the cantons and those of the districts served by the social welfare centres. Nor do the committees' territories coincide with the catchment areas, even though they seem to be the most appropriate areas on which to base an integration structure. The chairmen of the local integration committees are either elected members of the General Council or subprefects. The local integration council for Rennes City is chaired by the deputy mayoress.

The tasks of the local integration committees are those which are prescribed by law: approval of jobseekers' contracts and promotion of local integration measures. Given the constant increase in the number of RMI beneficiaries over a period of more than ten years, the danger is that, for lack of time, the work of the local integration committee will be restricted to the monitoring of jobseekers' contracts, to the detriment of its role in support of local integration projects. So far, every local integration committee in Ille-et-Vilaine has managed to set aside some time each year to draw up the local integration plans. It seems pertinent to underline two important organisational features of the departmental mechanism which help to ensure that these two tasks can be fulfilled. The first is the *large degree of autonomy accorded to the chairmen of the local integration committees, as well as to the local integration counsellors in the city of Rennes to sign jobseekers' contracts* without having to submit them systematically to the committee for approval, and the second is the devolution of financial management from the General Council to the local integration committees.

When we examine the functioning of the local integration committees, we should distinguish between the executive group, the bureau and the plenary committee. The executive group comprises the chairman and the local integration counsellors within the area covered by the committee and meets to deal with the signature and renewal of jobseekers' contracts. After examining all the circumstances of the individuals who are due to sign a new contract or renew their existing one, the executive group selects about 15 problematic or significant cases for consideration by the bureau at its monthly meeting. Besides the chairman and the local integration counsellors, the bureau generally includes representatives of the governmental RMI unit and the DDTE (*Direction Départementale du Travail et de l'Emploi* - Departmental Directorate for Labour and Employment), the management team of the Communal Social Welfare Centre and one or two representatives of voluntary associations. The members are given a full list of cases and may ask at any time for the examination of a social and economic integration contract which is not among the cases selected for discussion. Lastly, the plenary committee meets for half a day on a quarterly basis to debate and decide on matters transcending individual cases, such as the treatment of travellers or the funding of driving lessons and tests. In the view of the chairman of the local integration committee for Rennes North, the originality of the local integration committees in Ille-et-Vilaine lies in the use of the executive group, which enables the chairman to settle a number of situations instantly and to focus the attention of the membership on the more difficult cases. In addition, this system also saves time, which all parties can use to contribute to the local integration effort.

Besides this rationalisation of the way in which the local integration committees operate, the other original feature is the *redistribution of part of the integration budget for devolved management by the local integration committee*. In 1999, a total of 6 836 700 francs (1 043 771 euros) was assigned to the nine local integration committees in Ille-et-Vilaine. This enables the chairmen of the local committees to release additional funding for integration measures to assist RMI recipients without having to wait for the next meeting of the local integration committee or seek authorisation from the General Council. This shortcut in the decision-making process on the allocation of funds allows local integration committees to adapt to the timescale of clients' integration activities, which is often very short. Payment of transport costs, advance payment of fees for training courses and payment for childminding services all help to avoid situations in which individual reintegration processes lose their momentum because of the slowness of administrative procedures. Besides offering flexibility, this devolved financial management of part of the departmental integration budget has the virtue of motivating local councillors and partners. Whenever an organisation has its own budget, it has a stake in the system as well as room for manoeuvre.

## *The local integration counsellors*

The second characteristic feature of the RMI scheme in Ille-et-Vilaine has been the recruitment of local integration counsellors to draw up the jobseekers' contracts and to monitor and support RMI recipients during the integration process. The declared aim of successful integration prompted the General Council of Ille-et-Vilaine and the largest communes (Rennes, Vitré, Fougère, Redon and St-Malo) in the *département* to cofinance these posts, whose holders would specialise in the monitoring and support of participants in the RMI scheme. The local integration counsellors are the caseworkers who deal with the RMI beneficiaries. This also means that they act as mediators between the local integration committee and the users of the scheme. The duties of the local integration counsellors are to receive the RMI beneficiaries individually, once their application for membership of the scheme has been processed and their eligibility confirmed, to identify their needs and to review their occupational history. This welcoming and listening function is very important, because it provides moral support and remotivation for people who are often easily discouraged. When this diagnosis has been completed, the counsellors work with the beneficiary to construct a personal integration plan, which is formalised in the social and economic integration contract. The term of the contract may vary from three months to one year. It must therefore be renewed periodically. Responsibility for drafting this social and economic integration contract implies that the local integration counsellor must possess the ability to guide and assist beneficiaries towards the services, job vacancies and training opportunities that match their integration plans. If the individual client gives any indication of social problems, he or she is offered an appointment with the social service. If the client is undergoing occupational retraining, the production of skill profiles, training courses and practical refresher courses are proposed and financed by the General Council. For clients who need to undergo reintegration in a protected environment, there are sheltered worksites and other forms of integration through economic activity. People who have a precise occupational objective are directed towards the job offers and services that are available from the National Employment Agency and may also be guided towards the supply/demand intervention teams (*Equipes IOD*) or a work-experience placement team (*équipe de placement en entreprise*). The work of the local integration counsellors requires coordination and cooperation with local players and partners in the labour market.

## **The functioning of the Rennes City Local Integration Committee**

### *Spreading of the funding burden and rationalisation of responsibilities*

The local integration committee for Rennes is unique within the *département* in terms of its size and mode of operation. Half of all the RMI beneficiaries in Ille-et-Vilaine (almost 6 000 clients) are covered by the Rennes City office, and its integration budget amounts to almost four million francs. The unique feature of the way it operates is that the administration of the RMI scheme is entrusted to the City of Rennes, through the Communal Social Welfare Centre, by virtue of an agreement signed in 1989 between the City of Rennes and the General Council. In terms of coordination, it may be said that the City of Rennes has devolved and concentrated responsibility for the services and functions of the integration component of the RMI scheme into the hands of a single service. This type of coordination has several characteristics. First of all there is a *globalisation of the funding* allocated to economic integration. Not only do the city administration and the General Council *cofinance* the local integration counsellor posts, but the integration service of the City of Rennes administers both the integration component of the RMI scheme and the local economic integration plan.<sup>135</sup> The spreading of the burden of funding serves to promote a 'jobs for all' philosophy in which services and projects are open to all people undergoing integration processes, be they RMI recipients, young jobseekers or the long-term unemployed.

The integration service of the City of Rennes also *rationalises and specialises the reception and support of clients* by dividing its remit into three complementary functions. The examiners are responsible for receiving clients, opening files and administering the scheme. The local integration counsellors deal with the individual monitoring of beneficiaries and their occupational integration process. The general activators serve as a human resource for the local integration counsellors in specific areas of activity: work-experience placements, coordination of supply and demand (the IOD teams), negotiation with the National Employment Agency on job vacancies, job-creation contracts (CES) and consolidated employment contracts (CEC), training, etc. Teams are formed around these three functions and are located in six offices, one in each of the integration-service districts in the city of Rennes.<sup>136</sup> The integration service of the City of Rennes has about 90 employees, comprising general activators, local integration counsellors, work-experience placement teams, reception staff and examiners. Developing a range of integration opportunities is one of the aims of the City of Rennes as well as the

<sup>135</sup> *Plan local d'insertion par l'économie (PLIE)*

<sup>136</sup> See the annexed organisational chart for the city of Rennes.

task of the general activators, such as the members of the supply/demand intervention teams.<sup>137</sup> These teams (*équipes IOD*) are held in high esteem by the integration service of the City of Rennes as an example of best practice in pursuit of the objective of employment for the least privileged. The teams, ranging in size from ten to twelve members, set themselves the target of placing jobseeking clients (RMI recipients, young people and the long-term unemployed) in full-time jobs on open-ended contracts within the competitive economy. The method adopted by the supply/demand intervention teams is based on two principles: there is movement in the labour market and nobody is unemployable. RMI recipients are selected by the local integration counsellors for referral to the intervention teams on the basis of two criteria: a low level of qualification and a desire to return to work quickly. The attraction of the teams' method is that the intervention does not focus solely on the reintegration of jobseekers but also tries to modify companies' job offers and recruitment methods. The main aims of this simplification of recruitment formalities are to short-circuit the submission of a curriculum vitae, to eliminate the job interview and to focus on performance in a working situation. To that end, the teams have to persuade companies to disregard conventional selection criteria (educational qualifications, age, experience, etc.) and dwell on the skills required for the job in question. The intervention teams have annual performance targets. In 1999, a total of 142 people found work by means of the intervention method; 90 of them obtained full-time work on open-ended or fixed-term contracts of at least six months' duration.

### *One-stop shop and delegation of signatory powers*

Another recent organisational innovation by the City of Rennes and the General Council is the *creation of joint social centres (espaces sociaux communs)* such as the Gros Chêne centre in the Maurepas district of the city. The aim is to assemble and organise in a single place the RMI service of the City of Rennes and the Departmental Social Welfare Centre as well as the Family Allowances Fund and a work-experience placement team under the responsibility of the local youth taskforce (*mission locale*). It is a form of 'one-stop shop'. We should mention that this development was necessary because the creation of agents who specialise in the occupational integration of 'hard-to-place' clients presupposes coordination with the social workers who are monitoring the welfare of the same clients. Besides, although rationalisation and division of responsibilities (examination, counselling, etc.) are sources of greater efficiency, they confront clients with a proliferation of interlocutors and can therefore give rise to coordination problems. The presence in the same building of examiners, local integration counsellors and social workers means that a local integration counsellor can solve a number of problems instantly by going to see the social caseworker or the desk officer from the Family Allowances Fund, who work in the next offices. Sharing the same working premises enables them to corroborate each other's information and share their diagnoses. It enables users to call on all the relevant agencies in a single visit.

As for the functioning of the local integration committee in Rennes, emphasis has been placed on the delegation of powers and responsibilities. For example, the head of the integration service has had *signatory powers delegated to him by the local integration committee for one-off financial awards* of up to 1 500 francs. Subject to the agreement of the local integration counsellor and to the conformity of the application with previous awards made by the local integration committee, this system makes it possible to solve numerous minor problems within 24 hours. This strengthens the credibility of the service and develops the confidence of RMI recipients in the system. In addition, the leading members of the Rennes City Local Integration Committee have opted to *give the task of constructing a local integration policy and promoting integration projects priority over the task of administering the jobseekers' contracts*. The bureau of the local integration committee only discusses jobseekers' contracts if they contain a request for funding, if they are difficult cases or if their suspension is proposed. As for the other contracts, *the local integration counsellors are authorised to sign them* (such contracts are pre-signed by the chairwoman of the local integration committee). The plenary session of the local integration committee, comprising elected members of Rennes City Council, government representatives, representatives of the Departmental Directorate for Labour, Employment and Vocational Training, the National Employment Agency, the Family Allowances Fund, the Chambers of Craft Trades (*chambres des métiers*) and several voluntary associations, lays down the general criteria applicable within the territory of the committee to the treatment of funding requests that are frequently received from RMI recipients, such as the conditions governing the funding of driving lessons and driving tests by the committee, allowances to cover the cost of childminding services, etc. In this way, the local integration committee establishes a local regulatory framework which standardises procedures and facilitates the work of the local integration counsellors.

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<sup>137</sup> The supply/demand intervention method is an approach designed to narrow the gap between employers' expectations and jobseeker's abilities.



### **Section 3: Processes of change, practices and management**

We shall now focus more closely on the coordination problems arising from the operation of the RMI scheme in the *département* of Ille-et-Vilaine and in the city of Rennes. Discrepancies between the declared aims and desired organisation on the one hand and the practice of the various players on the other are, of course, inevitable. However, the dysfunctions that are highlighted below should not detract from the advantages we enumerated in the previous section.

#### **The Departmental Integration Council (CDI) and the departmental integration programme**

The departmental integration programme is not considered to be working in a particularly satisfactory manner, particularly by the representatives of the governmental RMI unit and of the General Council, even though they are its chief architects. The annual meeting at which it is adopted is perceived as a sort of solemn High Mass, attended by many people but not actually serving its true purpose of raising questions and generating debate on integration policy. Several criticisms were levelled by our interviewees: inadequate preparation of case files, insufficient monitoring of funded projects, failure to make changes in response to assessments. Furthermore, players involved in the scheme (local integration counsellors and voluntary associations) are insufficiently familiar with the departmental integration programme, which is not really used as a working resource by the chairmen of the local integration committees. The interviewees made some proposals as to how the programme could be made to function more effectively: a bureau could be established within the Departmental Integration Council, in which a smaller and more active core of members could monitor the funded projects on a regular basis; working parties on specific subjects (employment, housing, etc.) could be set up to propose policy adjustments; greater responsibility could be given to the meetings of the chairmen of local integration committees, because that was the forum in which the discussion of common problems and the harmonisation of policies actually took place.

#### **The size of the Rennes City Local Integration Committee and the delegation of signatory powers to the local integration counsellors**

As we said above, the local integration committee for the city of Rennes operates differently from the other committees, partly because of its size and partly because of the involvement of Rennes City Council. There is a debate at the present time about the dimension of the Rennes City Local Integration Committee, which has almost 6 000 beneficiaries to monitor, almost half of the entire RMI caseload for Ille-et-Vilaine. One of the heads of the governmental RMI unit recalled that the circular issued in 1993 had given a maximum of 1 000 clients per local integration committee as a guideline. In other cities of a similar size, such as Nantes, there are four local integration committees to look after the RMI recipients. A caseload of 6 000 beneficiaries is clearly impossible for a single agency to handle. As a result, the committee only deals with urgent cases (suspension and reinstatement of benefits, derogations from the rules and financial assistance). That will breed a lack of familiarity with clients' individual circumstances and integration processes. Moreover, the area covered by the Rennes City Local Integration Committee does not correspond to any of the catchment areas. Those in charge of the local integration committee in Rennes do not wish to move in that direction, because it would mean a proliferation of meetings with the same partners and would eventually entail the risk of their becoming less involved in the scheme. Rather than have new local integration committees created, the integration service would prefer decentralisation of the administration of social and economic integration contracts. Should several local integration committee bureaux be created, all within the framework of the single plenary committee that exists at the present time?

The question of the decentralisation of the administration of contracts raises another point for debate, namely *the delegation of signatory powers by the local integration committee in Rennes to the local integration counsellors*. As far as the local integration counsellors are concerned, this procedure has an immediate impact on the recipients, who leave their offices with the social and economic integration contract in their hands. Moreover, it eases the pressure on the local integration committee. The chairwoman of the local integration committee in Rennes would like to extend the delegation arrangement. However, the Social Welfare Directorate for Ille-et-

Vilaine (DAS 35) and the Government are opposed to it. They question the legality of the delegation. The law assigns the right of signature to the chair of the local integration committee. In particular, by contracting directly with clients, the local integration counsellors become both judges and parties, which poses problems. This procedure, coupled with the relatively small percentage of clients in Rennes who have jobseekers' contracts, also creates problems when recipients move from Rennes to locations in the territory of other local integration committees. When they are called in to draw up a social and economic integration contract, they do not understand why and sometimes refuse to take part in a process with which they have never been confronted before.

In response to these criticisms, the elected councillors and senior administrators in the city of Rennes emphasised the specific problems involved in administering a mass scheme such as RMI in a city the size of Rennes, where there was a high degree of mobility between districts, a high percentage of young graduates on RMI and a constant turnover of population. Besides, there were not enough local integration counsellors to cope with the growth in the number of RMI recipients in the city of Rennes.

### *Coordination of the administrative and integrative components of the scheme: the lack of channels for exchanging information*

Whereas at the operational level the administrative monitoring of cases and the support given to clients are closely linked by virtue of the fact that the examiners and the local integration counsellors belong to the same service (in Rennes City, at any rate), the same cannot be said of the departmental level. The local integration counsellors complain that they are not kept up to date by the Family Allowances Fund on changes in the payment status of their clients or in the clients' overall income situation. The counsellors are not always able to establish whether their clients have or have not been receiving the minimum income. It is clearly counterproductive to work on an integration scheme with clients who do not know when they will be paid. Likewise, they are not informed immediately of departures from the scheme. The Family Allowances Fund does not always provide notification when clients leave the scheme because their income from other sources has risen above the guaranteed minimum. There are also delays on the part of the Prefect when recipients are removed from the scheme. It is embarrassing to call someone in for an interview when he or she has just left the scheme or has been expelled from it. Staff of the Family Allowances Fund, for their part, deplore the fact that they often do not know whether or not the jobseekers' contracts of the RMI recipients have been updated.

In the view of the heads of the governmental and departmental RMI units, as well as of the operators involved in the integration effort, the channels for exchanging information on projects and the instruments for monitoring clients are inadequate. At the departmental level, the number of RMI recipients involved in each integration measure is not properly recorded. There are cumulative results at the end of the year, but that serves to compare volumes without really providing any indication of people's progress towards employment. The Government and the *Département* are presently introducing a new software application which will enable all parties to monitor cases in real time. The key indicators will be the characteristics of the beneficiaries (age, sex, family situation, education level, etc.), the number of recipients leaving the scheme to take up employment, the number of jobseekers' contracts per 100 recipients and the content of the contracts (number of job and training proposals per beneficiary). This new system ought to permit a monthly statistical review. The implication for the local integration counsellors is that they will have to log the following information into their computers once a month: the number of beneficiaries with an updated social and economic integration contract, the number undergoing occupational integration, the number undergoing social integration and the number waiting to leave the scheme. These data will also serve as assessment criteria when the work of the local integration counsellors is appraised and as a basis for discussing their practices and improving their service to clients.

### *Coordination of the social services and integration services*

The local integration counsellors are, first and foremost, specialists in occupational integration. Although they owe their recruitment to the common will of the *Département* and of the City of Rennes to invest human resources in the integration component of the RMI scheme, they also owe it in part to the refusal of the social workers to assume responsibility for the scheme. The refusal by the staff of the CEDAS (*Centre départemental d'action sociale* - Departmental Social Service Centre) to draw up jobseekers' contracts was enshrined in a framework agreement between the General Council and the City of Rennes in 1992. Today, the role of the local integration counsellors is presented as complementing that of the social workers. The former deal with occupational integration, the latter with social integration. This complementarity was a source of satisfaction to the local integration counsellors and decision-makers we interviewed, who presented it as a more efficient system. One of the plus points is that the local integration counsellors have a less 'social welfare' image, which enables them to assist those RMI recipients who find it humiliating to meet with a social worker. This

complementarity, however, raises questions too. The first relates to whether this division of labour in the provision of welfare services does not actually challenge the practices of social workers. In many *départements*, the introduction of the RMI scheme led to a change in working habits: contracts came to be used by social workers in the same way as they are used in the RMI scheme, their relations with service users took on an economic and employer-employee dimension, and so on. Entrusting responsibility for the social and economic integration contract and client support to the local integration counsellors effectively meant relieving the social worker of involvement in the client's economic concerns. The Communal Social Welfare Centres of the small communes have less to do with the administration of the RMI scheme because of the presence of the local integration counsellors. The division of labour between the examiner, the local integration counsellor and social workers also raises problems when the social and economic integration contract relates to measures of health care or social support. Indeed, in cases where health care or social support are required, not all the clients in question will have signed a social and economic integration contract, which poses the problem of non-compliance with the principle of 'contracts for all' and is effectively a source of inequality of treatment among RMI recipients. The creation of joint working premises for the social caseworkers and the integration service, as in the district of Maurepas, makes cooperation easier and fosters the gradual development of a common culture. This type of centre ensures that the division of labour in the realm of social welfare is not compounded by a geographical division. But does the Maurepas centre not perhaps run the risk of emphasising the 'social welfare' aspect of the integration component of RMI? As one of the local integration counsellors seemed to suggest, is it not perhaps more appropriate for the specialists in occupational integration to be co-located in a job centre alongside the staff of the National Employment Agency?

### *Coordination between the integration service and the National Employment Agency*

We have not focused on the public employment services so far. They clearly participate in the RMI scheme, but they have not hitherto been at the heart of the mechanism. RMI is a scheme which normally ought to remove barriers and facilitate cooperation between welfare and employment services. In Ille-et-Vilaine, since this effort had been entrusted to the local integration counsellors, *the services of the National Employment Agency were seldom called upon in the early days when the RMI scheme was first introduced*. The General Council and the City of Rennes believed that the local integration counsellors would see to the integration of the RMI beneficiaries. That situation, indeed, suited the National Employment Agency, whose staff were somewhat reticent about the idea of dealing with clients with social difficulties. Besides, the National Employment Agency has a rather tarnished image in the minds of RMI clients, who are highly critical of an institution they consider to be totally out of touch with their concerns and too impersonal in its reception of clients. As was the case with the social workers, *the local integration counsellors and the other general activators have had to establish their legitimacy with the staff of the National Employment Agency and find ways of cooperating with them*. These new players also have to survey the job market and help people to return to work, both of these being tasks that could be the responsibility of the National Employment Agency. In the city of Rennes, a settling-in period was necessary when the supply/demand intervention team began to coexist with the National Employment Agency, since both are in the market for companies' job offers. Relations with the local integration counsellors, however, are determined less by competition than by a lack of cooperation. To put it more precisely, the degree of cooperation varies widely from one local office to another. In the local integration committee for Rennes North, the local integration counsellors are in daily contact with the National Employment Agency. Cooperation is easier in cases where the local integration counsellors come from the National Employment Agency.

The place of the National Employment Agency in the RMI scheme will gradually grow in importance, primarily at the prompting of the national Government. In 1990, the General Council agreed to cofinance posts in the National Employment Agency that would be dedicated to the integration of RMI recipients. In 1992 the governmental RMI taskforce availed itself of the law adopted in that year to order the inclusion of National Employment Agency representatives in all local integration committees within the *département*. More recently, the National Employment Action Plan (PNAE) has established a systematic personalised reception service for RMI beneficiaries with a view to preventing long-term unemployment. Finally, following the adoption of the Anti-Exclusion Act, a national agreement was concluded between the Interministerial Commission on the RMI Scheme and the National Employment Agency, in which the institutions administering the RMI scheme are called upon to conclude a formal agreement with the National Employment Agency. In Ille-et-Vilaine, the draft agreement provides for National Employment Agency staff to be made available to the teams of local integration counsellors in the local integration committees and for the National Employment Agency to become the lead partner in the employment and training component of the RMI scheme. In addition, the staff of the National Employment Agency will henceforth be able to lend assistance in the formulation of a social and economic integration contract.

Those responsible for the scheme and the staff of the integration service would welcome closer cooperation with the National Employment Agency. The local integration counsellors, for example, would like to have access to National Employment Agency's job offers, which would enable them to provide some of their clients with instant solutions. The supply/demand intervention teams are already sending signed contracts to the National Employment Agency, which sometimes approaches them in connection with unfilled vacancies. However, this new agreement between the Government and the National Employment Agency has also aroused some concern among city officials in Rennes and among the local integration counsellors, who see it as undermining their role and perhaps even their legitimacy. During the years of high unemployment in the nineties, the staff of the National Employment Agency were not always receptive to the requests of the local integration counsellors. Now that labour shortages are appearing in some sectors of the economy, the National Employment Agency is showing an interest in the RMI scheme as a potential pool of labour that is not dwindling. A new link between the responsibilities of the local integration counsellors and those of the National Employment Agency staff presupposes knowledge of each other's powers and specific operating methods. This cannot be taken for granted, because the absence of systematic cooperation has sometimes prevented the development of a common culture. The staff of the National Employment Agency are sometimes inclined to think that, as far as occupational diagnosis and assistance in the quest for employment and training opportunities are concerned, they are the ones who possess the necessary know-how. Conversely, the local integration counsellors, like the members of the supply/demand intervention teams, argue that the occupational integration of particularly hard-to-place clients requires more personalised forms of reception and support with which National Employment Agency staff are unfamiliar. They cite cases in which they have had to spend time persuading clients to overcome their reluctance to go to the National Employment Agency and have even had to accompany them to the nearest National Employment Agency office. At this level, the 41 local job reception centres, neighbourhood agencies cofinanced by the General Council and situated outside the city of Rennes and the largest towns (St-Malo, Vitré and Fougère), receive notice of job vacancies from the National Employment Agency and enable the local integration counsellors to provide a local service as close as possible to the places where clients live.

## **Decentralisation of the integration mechanism and participation by the communes**

Prompted by a national agreement concluded in response to the recommendations of the Anti-Exclusion Act 1998, the latest departmental protocol between the National Employment Agency, the Prefect and the President of the General Council poses the question of the limits of decentralisation and of the place of the communes in the integration component of the RMI scheme. In fact, the Anti-Exclusion Act is sometimes perceived as an instrument of recentralisation of political responsibility for the fight against poverty. Legislation imposed from above is sometimes experienced as a governmental straitjacket which takes insufficient account of the dynamics of local partnerships. The local agencies involved in the integration process need time to adapt to this refocusing of integration policies towards the National Employment Agency, and they will be more prepared to accept such changes if the legislature recognises the value of the work they have been performing for several years within their own territories.

### *The involvement of elected local councillors and the local authorities*

The experience of Rennes City is unique and very interesting, despite the reservations expressed above. The integration service has the merit of piloting what could be a system of devolved municipal administration of the integration effort. Involvement of the mayors of communes in the RMI scheme is a wish that has often been expressed. Closeness to the electorate and the ability to mobilise the local population for communal integration projects are regarded as trump cards. Should the communes be given more say in the administration of the RMI scheme? The heads of the integration service of the City of Rennes think so. But that must not imply financial disengagement by the General Council and the Government. The example of the integration service in the city of Rennes demonstrates the full extent of the difficulty of coordinating local policies and municipal integration services with national employment policies and services without creating new forms of administrative compartmentalisation. While devolution of responsibility for the integration mechanism to the large towns is keenly debated, few voices advocate the delegation of this responsibility to small communes, especially in rural areas. The heads of the governmental RMI unit emphasised the risk of stigmatisation. Some local politicians tend to prejudge cases involving particular people in their commune. There is sometimes a lack of impartiality. Granting RMI to someone with a bad reputation in a small commune is not a vote-winning idea.

## Section 4: Coordinated initiatives and results of coordination

We have presented the main operational procedures for the RMI mechanism in Ille-et-Vilaine. What lessons can we learn from these practices that will help us to understand the mechanics of coordination? Once we have reviewed the technical instruments of coordination, the organisational innovations in the *département* of Ille-et-Vilaine and their limitations, we shall show how difficult it is to assess the impact of coordination in quantitative terms.

### The instruments of coordination

In Ille-et-Vilaine, coordination takes place through channels that exist in most of the *départements* in France:

- The conclusion of *agreements* between the main institutions administering the RMI scheme (the Government, the General Council and the City of Rennes) with a view to defining the responsibilities, powers and resources of each party. Special mention should be made of agreements such as those between the Prefect and the National Employment Agency, which relate to the departmental application of a national agreement. In this case, there is a link between horizontal and vertical coordination.
- These agreements result in *cofinancing* of posts (local integration counsellors and members of supply/demand intervention teams or placement teams) or *secondment of employees* (National Employment Agency staff seconded to the teams of local integration counsellors).
- Funding of *integration projects* under the local integration programmes.

The *Département* of Ille-et-Vilaine and the City of Rennes have introduced a number of innovations:

- *the devolved administration of the integration component of the RMI scheme and of the local plan for integration through economic activity by a single service* of the City of Rennes, an arrangement which serves to spread the financial burden and to extend the integration principle of the RMI scheme to all types of hard-to-place clients (young people, the long-term unemployed and beneficiaries of other income-support schemes);
- an effort to introduce *devolved financial management of part of the integration budget* into the local integration committees, enabling them to respond more rapidly and appropriately to the needs of users;
- *the definition of local precedent and rules* by the local integration committees to be applied in response to recurrent types of request for financial assistance (childminding and transport costs, the cost of driving lessons and driving-test fees, etc.);
- *the recruitment of staff specialising in occupational integration* (local integration counsellors and members of work-experience placement teams);
- *division of labour and specialisation* between examination/eligibility assessment, jobseekers' contracts/occupational integration and social integration;
- piloting of *joint social centres*, such as that in Maurepas, where staff of the RMI integration service, social workers from the Departmental Social Welfare Centre, staff of the Family Allowances Fund and the local youth taskforce (*mission locale*) work together.

Nevertheless, these innovations do not resolve all the shortcomings of the RMI scheme and even give rise to new problems:

- *the highly formalised procedure of the Departmental Integration Council*, which does not perform its function of formulating and debating local integration policies;
- *insufficient cooperation between the team of local integration counsellors and the public employment services*, which, in spite of some informal cooperation, have not succeeded in developing a common culture;
- *the low percentage of recipients with jobseekers' contracts*, especially in urban areas, which illustrates the difficulty of combining high-quality personalised support with the administration of a mass scheme;

- the inadequacy of the *channels for exchanging and disseminating information* on the status of RMI beneficiaries between the disbursing service (the Family Allowances Fund) and the integration service (local integration counsellors/local integration committee);
- the fact that *action is seldom taken in response to surveys relating to RMI recipients*; it does seem, however, that the survey by the TMO organisation on obstacles to employment was a factor in the decision taken by the General Council to create a guarantee fund in order to ensure that recipients of RMI and of lone-parent benefit have continuity of income when they stop work or finish their training;
- insufficient consideration of *the comments and opinions of recipients*, which are largely expressed through the local integration counsellors; there are not enough collective discussions; the associations of unemployed persons have not been represented on the decision-making and coordination bodies;
- *the ambivalent effects on the coordination channels of the recruitment of the local integration counsellors and of the delegation of responsibility for the integration component of the RMI scheme to the City of Rennes*; on the one hand, the creation of an integration service leads, through specialisation, to a more efficient division of administrative responsibilities for social services, occupational integration and jobsearch services; on the other hand, it introduces additional complexity to the coordination mechanisms – at the departmental level, coordination involves not two but three institutions (the Government, the General Council and the City of Rennes), while at the local level, the integration effort requires not only coordination between social workers and National Employment Agency staff but also coordination between these agents and the teams of local integration counsellors; this can only be achieved through the development of a common culture, which presupposes a minimum of channels of exchange and of shared working premises.

#### *Practical lessons concerning coordination*

- The advantage of a *culture of negotiation*. Without erasing divergences and tensions, the tradition of consensus politics that is maintained by the elected councillors in Ille-et-Vilaine facilitates the administrative and decision-making processes in large institutions (government bodies, the General Council and the City of Rennes).
- *The devolution of financial management to the level at which users make their requests* shortens the decision-making circuits, so that funds can be made available within a timescale which suits the clients rather than the administrators.
- *Sharing the same place of work*. This is the case with the heads of the governmental RMI unit and the head of RMI of the General Council. The same applies to the local integration counsellors at the Gros Chêne centre in the district of Maurepas.
- The importance of *personal contacts between senior administrators and specialists in the field*, which often take precedence over official channels.

### **The impact of coordination**

How can the impact of coordination be measured? Who benefits from it? What are its effects in terms of the integration of RMI recipients? We have already indicated how inadequate the instruments for monitoring and evaluating projects are judged to be by the players involved in the administration of the RMI scheme. This criticism has to be put into perspective when we consider how little is done to assess the progress of the recipients of other forms of income support.

#### *The percentage of RMI recipients with jobseekers' contracts*

Does the number of jobseekers' contracts per 100 RMI recipients indicate how effectively the RMI scheme is organised? This is a moot point, because the absence of a social and economic integration contract does not mean that a recipient is not benefiting from government employment measures or from the various integration schemes initiated by the *département*. Besides, while the probability of returning to work is greater for those with jobseekers' contracts, the main reason for this is that those who sign the contracts tend on average to be younger and more highly qualified than those who do not.<sup>138</sup> But there are those who believe that the percentage of recipients with contracts reflects the "commitment and motivation of the local players". The percentage of

<sup>138</sup> Jean-Paul Zoyem, "Les contrats d'insertion du RMI. Des effets contrastés sur la sortie du RMI", in *INSEE première*, No 679, October 1999.

recipients who have jobseekers' contracts is indicative of the extent to which clients are briefed by the local integration counsellors and the level of social monitoring that takes place. It says nothing, of course, about the quality and effectiveness of such support, but it does tell us whether the RMI recipients remain in contact with the institutions. It is always possible for administrators to increase the contractual rate artificially at the expense of the content of the individuals' integration plans. In any event, contracts for all is one of the multiannual strategic aims of the Departmental Integration Council. While it would appear that the jobseekers' contracts are up to date in most of the local integration committee areas of Ille-et-Vilaine, this is not the case in Rennes City, where an average of 57% of the contracts are up to date, which is close to the national average.

The conclusions of the survey by the French National Institute for Statistics and Economic Studies on the progress of RMI recipients show that the percentage of signatories is an indicator which is susceptible not only to socio-economic influences but also to the influence of institutional factors. Thus, "the percentage of signatories is lower where the proportion of RMI recipients and the unemployment rate in the *département* are higher".<sup>139</sup> Transposed into the context of Ille-et-Vilaine, the low signature rate would be explained first of all by the socio-economic context within the city, which has seen more sustained growth in the number of RMI beneficiaries registered with the Rennes City Local Integration Committee than in the areas covered by the other local integration committees; the number of beneficiaries per 100 inhabitants is almost twice as high as in the rest of the *département*, and there is a high turnover of beneficiaries. This growth has a direct repercussion on the number of clients per local integration counsellor. The Maurepas office has an average of 250 clients per local integration counsellor, which is too many to guarantee high-quality monitoring of all cases. The assumption by central government of responsibility for universal health cover ought to enable the examiners to gain some additional time in which they can bolster the teams of local integration counsellors in the domain of occupational integration. In the meantime, each local integration counsellor tends to set his or her own priorities as far as jobseekers' contracts are concerned. Some believe that the social and economic integration contract is not always useful or credible for people who have spent a long time in the scheme or, at the opposite end of the scale, for those who are only passing through the scheme. The counsellors implicitly make their choices on the basis of their own appraisal of the clients' needs. It seems that the signature rate can vary from one local integration counsellor to another on the basis of their individual judgement and practices. The absence of instruments for assessing the work of the local integration counsellors makes it impossible to compare their practices and to judge whether they make good use of the social and economic integration contract. The National Institute for Statistics and Economic Studies survey also showed that *organisational factors* affect the percentage of signatories. The higher the number of clients registered with a local integration committee, the smaller the percentage with jobseekers' contracts, which is the case in Rennes City.

### *The 'exit-to-work' rate*

This indicator measures the number of RMI recipients who leave the scheme because they have found a job, expressed as a percentage of the total number of recipients who leave the scheme during the same period. Each year, the departmental integration programme indicates the reasons why beneficiaries left the scheme during the previous year, but these are only overall figures for the whole *département*. In 1997, about 40% of those leaving the scheme did so to take up employment, 24% left because their income from other sources rose above the ceiling, 17% of departures were linked to a move to another *département*, 10% were for miscellaneous reasons (voluntary withdrawal, decease), while 9% were expelled from the scheme following suspensions of their entitlement. According to the figures presented in the local integration programme for the city of Rennes, a smaller percentage of the citizens of Rennes who left the scheme – 28% - did so because they had found a job. Can this disparity be attributed to the different way in which the system works in the Rennes City area compared with the other local integration committee areas in Ille-et-Vilaine? It will remain impossible to answer that question until the installation of the software application with which the monthly number of jobseekers' contracts can be monitored. It is, however, possible that the differential between the two exit-to-work rates can be explained in part by the high population turnover among beneficiaries: the percentage of beneficiaries who moved to another address inside or outside the *département* was 36% for Rennes, compared with 16.8% for the whole of Ille-et-Vilaine. The statistics seem to make it very difficult to argue that the way the scheme is organised has a decisive effect on its success rate in terms of absorption into employment. The profile of beneficiaries (their age, qualifications, experience, sex, etc.), the dynamism of the local job market and the mobility of the population seem to be the determinant factors rather than the coordination mechanisms of the RMI scheme.

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<sup>139</sup> *Ibid.*, p. 2.

### *Rate of access to job schemes*

The rate of access to employment measures seems to be another potential indicator of the impact of coordination. In fact, the beneficiaries of the RMI scheme are one of the priority target groups of employment policy. The RMI recipients' share of places on job schemes has been set nationally at 25%. In Ille-et-Vilaine, this target has largely been achieved for the job-creation contract (CES) and consolidated employment contract (CEC) schemes, according to the statistics in the departmental integration programmes for the last three years. In the case of the employment-initiative contract (CIE) and the short vocational integration and training course, the number of RMI recipients on these schemes is tending to rise from one year to the next. Can these results be ascribed to the organisation of the RMI scheme? It is difficult to find figures that would bear this out. Some of the interviewees interpreted the aforementioned trends as a sign of good linkage between the institutions and the networks of organisations in the voluntary sector that are dedicated to integration through economic activity. It confirmed the existence of a strong fabric of local integration initiatives (sheltered worksites, economic integration companies, intermediary associations, etc.) within the *département*. This also substantiated the idea put forward by several recipients that "RMI makes it easier for you to get a CES". One of the limitations on the use of the rate of access to job schemes as an assessment criterion is that it is calculated overall on a departmental scale, whereas reliable measurement would require details for each local integration committee, which would be difficult, because the boundaries of their areas differ from those of the catchment areas. Lastly, we should mention that the interviewees do not spontaneously present this indicator as a sign of the success of the RMI scheme. This is no doubt connected with the misuse of this type of contract by some local authorities or the voluntary sector as well as with the contrasting effects of such job schemes on the recipients' integration process. The job-creation contract leads all too rarely to permanent employment and is regarded as a "bad job". In any case, the declared aim of the administrators and specialists who deal with the scheme is no longer simply jobs at any price but also the struggle against the sort of job insecurity that the use of these job schemes has helped to nurture.

## **Section 5: Impact on RMI recipients**

This section examines the beneficiaries of the RMI scheme through the interviews we conducted with some of them, through the views expressed by local integration counsellors and people with local responsibility for the RMI scheme and through a selection of statistics and studies.

### **The recipients' points of view**

The following paragraphs are based on interviews with five recipients of RMI, conducted at the Maurepas office in the territory covered by the local integration committee of Rennes City, as well as on a quality survey conducted by the TMO organisation.<sup>140</sup> The conclusions were also confirmed by other interviews with RMI recipients that had taken place in the framework of earlier CRIDA studies.<sup>141</sup> Selected on a voluntary basis by a local integration counsellor, the interviewees are not representative but they do reflect some of the variety of profiles and case histories of RMI recipients. One is a 50-year-old mother who has been on RMI for one year following a divorce. Another is a young man of 30 who has been on RMI since completing his national service; he has a business idea and aims to start up his own company. Then there is a 37-year-old man who has been on RMI for ten years and has manifest psychological problems. Another is a woman of 57 who has been on RMI since exhausting her entitlement to unemployment benefit after being made redundant; she is very pessimistic about her chances of finding a steady job.

### *Highly disparate levels of knowledge about RMI procedures*

How do RMI clients perceive the organisation of the scheme? This question is somewhat out of place, because the recipients care very little about their counsellors' internal coordination problems. However, when it comes to aspects of the scheme that directly concern them – the social and economic integration contract, the local integration committee or assisted jobs – it has to be said that there are wide variations in their knowledge of RMI procedures. The beneficiaries were not very familiar with the function of the *social and economic integration contract*, even though all of them had signed one. It should be remembered that 20% of the beneficiaries registered with the local integration committee in Rennes do not have a contract and that a further 34% have

<sup>140</sup> *Les freins au retour à l'emploi des bénéficiaires des minima sociaux* ("Obstacles to a return to work by recipients of income support"), survey conducted by TMO with a sample of 30 beneficiaries.

<sup>141</sup> Interviews with RMI recipients conducted in the framework of the European R&D project *Social integration through obligation to work - current European workfare initiatives and future direction*.



contracts which are out of date. In particular, the social and economic integration contract was often seen as an administrative procedure that opened the door to income support rather than as a commitment undertaken with a view to improving one's situation. While some saw it as a means of obtaining a start-up grant or a job-creation contract, others questioned the value of the social and economic integration contract: "The social and economic integration contract is a load of codswallop; it guarantees nothing". "That's not going to make companies recruit people". The role of the *local integration committee* was not clearly identified either, particularly its responsibility for approving jobseekers' contracts. Only those who had received a tangible response to a request for financial aid or an assisted job had a more exact idea about the powers of the committee. Lastly, while all the interviewees knew that RMI could be suspended, they were unfamiliar with the suspension procedure. Similarly, when asked who could decide to suspend their income-support payments, the interviewees gave a variety of answers (the Prefect, the Family Allowances Fund, the local integration committee, the General Council, etc.) which illustrated the complexity of the way the RMI scheme works.

### *A high approval rating for relations with the local integration counsellors*

The interviewed beneficiaries were satisfied with the relations that existed between the local integration counsellors and themselves. No criticism was made of them. The reasons for their satisfaction may be classified under a wide range of headings. First of all, the counsellors' availability was appreciated. Confronted with numerous institutions and complex administrative procedures, the RMI recipients were glad to have a principal caseworker whom they could contact and in whom they could confide at any time. The counsellors' ability to listen and engage in dialogue was often highlighted ("We talk about all sorts of things"), as was the moral support they provided. Provision of advice and guidance, assistance with administrative procedures and jobsearch support were also cited. Finally, there were more utilitarian reasons for the interviewees' satisfaction, namely that they had been given access to some form of mobility aid or childcare allowance or had obtained a job-creation contract. The favourable judgement passed on relations with the local integration counsellors must be considered in the light of the criticism levelled at the National Employment Agency, which the interviewees<sup>142</sup> frequently criticised for a lack of contact, for not summoning clients, for rarely notifying clients of job vacancies, for not assigning a regular contact person to its clients and for the bureaucratic and impersonal treatment of callers.

### *Rejection of job insecurity*

While the recipients appreciated their relations with the local integration counsellor, this favourable assessment related first and foremost to the social care they received. As far as occupational integration was concerned, however, the RMI recipients did not expect very much. In short, many clients believe that the support given to them does not really enhance their prospects of finding work. Despite the national schemes and the integration measures that had been put in place by the General Council and the City of Rennes, the range of integration opportunities still seemed to them to be insufficient or unsuitable. This appraisal may also be explained as passive resistance to the increasing insecurity of the jobs on offer in the marketplace. It was striking that the beneficiaries did not use the term *insertion* (integration/integration), which tends in practice to be the vocabulary of welfare specialists and policymakers. The RMI recipients spoke of "real jobs" and "bad jobs", of pay and of benefits, but not of *insertion*. As the TMO report emphasises, many have bitter experience of job insecurity. The training courses and jobsearch assistance that are available were often deemed to be "useless" or "too occupational". Job-creation contracts (CES) were criticised for the "absence of openings when the contract ends". They were no longer prepared to accept just anything but were looking for a "real job", in other words a job with an open-ended contract and a pay level above the national minimum wage.

In conclusion, the RMI recipients felt that the essential role of RMI was to provide a stable income and ancillary social entitlements (free health-insurance cover, housing benefit) and personalised support. But opinions were divided on the effectiveness of the integration component of the scheme. The only advantages that were recognised by a majority of the interviewees were the provision of funding for a specific course of training and priority access to job-creation contracts.

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<sup>142</sup> These criticisms echo those that can be found in interviews with RMI recipients in other CRIDA studies; see, for example, WP2: *The "Insertion" part of the RMI - report on research with RMI recipients*, working paper.

## RMI recipients in the eyes of local integration counsellors and policymakers

### *Implicit categorisation of beneficiaries*

The desire to make "a social and economic integration contract for everyone" and to "get people back to work" that is expressed in the priorities of departmental integration policy conflicts not only with the reality of the labour market but with the diversity of occupational experiences and present circumstances of the beneficiaries. Implicitly, even though this never appears in balance sheets and statistics, the local integration counsellors and policymakers we interviewed tend to put RMI recipients into categories based on their 'employability'. They identify three stereotypic categories: the recipients who are only passing through the scheme (the self-employed, young graduates, etc.) and can be activated with just two or three consultations and a social and economic integration contract; then there are those who stay in the scheme for more than six months or who enter and leave the scheme frequently and require more sustained support, which the local integration counsellors do not always have the time to provide; finally, there is the 'hard core' of recipients who have been there since the scheme started and who suffer from alcoholism or psychiatric problems. One interviewee did not hesitate to use the term "socially disabled" for this fringe population in the RMI scheme whose prospects of occupational reintegration are more than limited. The presence of a psychologist was often presented as a solution that would facilitate such people's social integration, even if their return to work remained hypothetical.

The TMO study certainly demonstrates that "beneficiaries over 45 years of age and eligible people who accumulate a succession of handicaps, such as serious illness, acute social problems or drug addiction"<sup>143</sup> are inclined to persuade themselves, after a long period of unemployment, that they are "incapable of finding a job". This engenders a negative self-image of incompetence and inaptitude, which are obstacles to a return to work. "Combating this narcissistic self-deprecation is the way to better individual support."

### *Recipients in the context of economic recovery and developments in the labour market*

This emphasis which several interviewees laid on the difficulties experienced by a section of the RMI population in reintegrating themselves into the labour market is the sign of a perception that the clientele of the scheme is changing and that the priorities of the integration effort are shifting. As the chairman of one of the COORACE (*Comité de Coordination Nationale d'Associations d'Aide aux Chômeurs par l'Emploi* - National coordinating committee of associations to help the unemployed through employment) networks of intermediary associations<sup>144</sup> said, we are now dealing with a clientele that needs training and lengthier support before they can cope with the pace of work in a conventional enterprise. The economic recovery is beginning to absorb the RMI recipients who are most readily employable, as is evident from the very high rotation rate of beneficiaries in the scheme. Moreover, pressure from businesses and from the National Employment Agency, which have hitherto shown little interest in the products of the RMI scheme, is starting to make itself felt. Faced with this demand, the local institutions and other operators in the field of RMI are alerting their partners to the existence of an imbalance between supply and demand and to the need for specific support. Training, which was not considered as an option for a time because of the shortage of skills in a number of trades among RMI recipients, is becoming a priority again. But company recruitment and internal-training policies are also being questioned as we move away from the period of high unemployment when employers became used to choosing from a pool of skilled labour and jobseekers were willing to make any sacrifice for the sake of obtaining work.

In addition, those who are responsible for the RMI scheme, in addition to seeking access to employment for everyone, are now also demanding quality and sustainability of employment. Their experience of the integration of RMI recipients has made them witnesses to the emergence of the 'working poor' and to the growing trend among some sections of the RMI population to refuse to accept what they regard as inferior job or placement offers. The more vulnerable people are, the greater is their need of security. RMI offers them a stable income and assistance, limited though they may be, and wins them time to formulate plans for the future. Conversely, jobs involving a few hours' work a week or lasting only a few months create an irregularity of income which RMI recipients, especially women bringing up children on their own, consider to be too risky. In a context of growth, the administrators of the RMI scheme emphasised to us that reactivating the beneficiaries was not the only objective and that efforts should also be focused on improving the working conditions and pay levels that businesses were offering. The quality of job offers had to be improved.

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<sup>143</sup> *Les freins au retour à l'emploi des bénéficiaires des minima sociaux* ("Obstacles to a return to work by recipients of income support"), survey conducted by TMO with a sample of 30 beneficiaries, p. III.

<sup>144</sup> For an introduction to the intermediary associations, see chapter 2 above.

### *Administrative complexity*

Despite the mediation of the local integration counsellors as the clients' single personal adviser, the RMI scheme was judged by its administrators to be complex and generally incomprehensible to its beneficiaries. With the examining service, the integration service, the payment service and the disciplinary committee, not to mention the forthcoming involvement of the public employment services, clients were still faced with too many interlocutors.

## Case study 3: Oise

### Section 1: The Plateau Picard district in the Oise *département*

The Plateau Picard district is a rural area. Unlike their urban counterparts, the rural examining officers, be they mayors or clerks in small communes or social caseworkers from Communal Social Welfare Centres, are closer to the beneficiaries of the integration-related income support (RMI) scheme; they live in the same geographical location and share a common past; the examiners have numerous opportunities to meet their clients and get to know them, which means that they can offer all sorts of advice, monitor their clients' progress informally and check on integration measures. All of this differs from the situation of examiners in a large town or city, whose only knowledge of their clients often comes from the pages of a file. The hypothesis underlying this choice of system, which is based on a specific proximity effect, seems to be confirmed at the end of our study.

The district of Plateau Picard is a rural territory of 27 000 inhabitants, comprising 52 small communes with an average population of 200 and two towns, one with 2 500 inhabitants and the other of 5 000 inhabitants, although they have been living under intercommunal administration for more than ten years. The *District du Plateau Picard* belongs to one of nine RMI divisions in Oise, and its local integration committee is based in Clermont-sur-Oise. Separate statistics are not collected for the Clermont-sur-Oise division. Oise itself is a *département* situated in the region of Picardy, to the north of the Ile de France region, about sixty miles from Paris. Oise has a population of 770 100, and the unemployment rate is very close to the national average; the rate for December 1999 was 10.8%, according to the International Labour Office, as against a national average of 10.7%.

The quantitative data relate to the whole *département*, whereas the qualitative data concerning the treatment and integration of RMI beneficiaries relate to the district of Plateau Picard, which was the priority area for the selection of our panel of interviewees. What this unfortunately means is that we cannot establish any correlations between the general quantitative data for the *département* of Oise and the qualitative data which only relate to a confined area within its territory.

The *département* of Oise is perfectly representative of the national average in the domain of unemployment. The number of long-term unemployed has fallen by 8.4% in Oise too over the past year. The *département* has had to make an extra effort to achieve that average, because the number of jobseekers in Oise is falling faster (-5.6%) than the national average (-1.5%). Lastly, of 116 830 jobseekers in Oise, only 9 580, i.e. 8.2%, are receiving RMI. While the number of jobseekers in the ward (*arrondissement*) of Clermont has fallen slightly over the past year from 13.7% to 13.09%, the proportion of RMI recipients among the registered clients of the National Employment Agency has risen over the same period from 20.02% to 22.53%. It is therefore apparent that the RMI recipients registered with the National Employment Agency in the Clermont ward have derived relatively little benefit from the economic growth of the past year or two.

The Act establishing the RMI scheme divided the unemployed into two major categories: those who are covered by the RMI scheme and the others who still receive unemployment benefit through the Association for Employment in Industry and Commerce. Registration with the National Employment Agency is compulsory for the latter, whereas RMI recipients are dispensed from that requirement; only some RMI beneficiaries are registered with the National Employment Agency. This administrative dispersal of beneficiaries of the RMI scheme makes it more difficult to correlate the unemployment rate in each *département* with the total number of beneficiaries of the RMI scheme, i.e. those who are registered with the National Employment Agency plus those who are not registered with the National Employment Agency. The statistics issued by the National Employment Agency only include some of the recipients of RMI, and the full number of recipients cannot be inferred from these statistics, because registration with the National Employment Agency is not based on any quantifiable criteria. Some RMI beneficiaries take the decision themselves to register with the National Employment Agency; some are sent to the National Employment Agency by social workers, while others are not given this advice. In the absence of departmental statistics from the Interministerial Commission on the RMI Scheme, documentation in the Oise is based on National Employment Agency statistics as well as on statistics from the DRASS (*Direction Régionale de l'Action Sanitaire et Sociale* - Regional Directorate for Health and Welfare Services).

From these sources we learn that only 34% of the RMI recipients in Oise are registered with the National Employment Agency, albeit without knowing why this percentage rises or falls from one year to the next. As for the RMI beneficiaries in the Clermont area in which our observation district of Plateau Picard is located, they represent 13.06% of the total number of unemployed jobseekers, which is a slightly higher proportion than the departmental average.

As far as the compulsory allocations to the General Council from the national integration budget are concerned, these have risen in Oise by 9.91% from FFR 40 394 912 to FFR 44 400 000). The amount required for structural expenditure has remained stable, but it is expected to increase by 4% next year when 15 new coordination posts are created (managerial and secretarial staff for the local integration committees) to improve the administrative organisation of the RMI scheme.

## **Section 2: The institutional context**

### **The Departmental Integration Council**

The Departmental Integration Council is the political body governing the integration component of the RMI scheme in the *département*. It meets twice a year and essentially takes decisions on questions submitted by its member bodies. The following sit on the Council: the head of the Departmental Directorate for Labour and Employment, the departmental director of the National Employment Agency, the head of the Departmental Directorate for Health and Welfare Services, representatives of sponsoring bodies and representatives of the Prefecture and the General Council. Besides its main function, which is to prepare the departmental integration programme, the Departmental Integration Council also plays a supervisory role, examines the findings of surveys, reminds its member bodies of statutory provisions, checks certain case files, expels individuals from the scheme and issues warnings to contractors who do not fulfil their obligations.

In principle, therefore, the Departmental Integration Council possesses decision-making powers which even take precedence over the departmental integration programme, because in the course of the year, as for example in September 1999, it can adopt amendments for incorporation into the departmental integration programme for the current year even though they might not correspond to the projects and strategic aims that were announced when the programme was first presented before the start of the year.

Although the Departmental Integration Council appears to be a decision-making body, not all those who participate in its meetings see it that way. *"It's a hot-air balloon with the top hierarchy in it and crowds of people. It's a High Mass where the guiding principles are intoned"*, in the words of a specialist from the Departmental Directorate for Labour and Employment.

All the interviewees who were involved in these meetings confirmed that the decisions had been taken before the meetings, which were not a forum for reflection and debate. When we asked who had prepared these strategic aims that were proposed and enshrined at the meetings, the specialists told us that the Prefect and the representative of the General Council proposed them and that the participants were there to take note of them and apply them. The interviews with the member of the General Council who chairs the local integration committee in Clermont and with the head of RMI from the Directorate for Health and Welfare Services did not make us any wiser about the key players who make the decisions that are proposed and adopted at the meetings of the Departmental Integration Council. The bodies responsible for dealing with the RMI recipients, however, are convinced, as we shall see below, that the interinstitutional partnership functions democratically. The interviews have shown us clearly that democracy is in operation, but it only comes into play after the political decisions have been handed down, which does not upset the interviewees. They seem to consider that these decisions are taken in higher places on the basis of criteria of which they know nothing and which do not concern them.

### **The departmental integration programme**

The departmental integration programme provides information on the amounts which the General Council has allocated to the integration of RMI beneficiaries; we cannot find any trace in the programme of the reasons behind these political choices, nor were our institutional interviewees aware of those reasons. Their testimony confirmed to us once again that everything relating to political decision-making is debated in another forum that we have no way of identifying. The responses given to us by the elected member of the General Council for the constituency which includes the Plateau Picard district, who chairs the local integration committee, proved to us that he was not one of the decision-makers but one of those who implemented the policy guidelines as an elected councillor. This implementation consisted in making it appear to beneficiaries that RMI was part of the responsibility of elected politicians. Some specialists criticised him for using these regulatory procedures as if they fell within his own discretionary powers. For example, RMI recipients who came to his surgery were given promises that he would intervene in their favour.

The lack of interest on the part of the specialists in the political aspect of power struggles between the Prefect and the General Council was stated so systematically and in such absolute terms that it prompts us to seek a reason for this attitude in the specific political configuration in the Oise *département*, which is one of the exceptions to normal French political practice whereby a left-wing and a right-wing coalition vie for control of the departmental General Councils, both refusing to do any deals with the extreme Right. Oise is exceptional in the sense that the councillors of the governing right-wing RPR (Gaullist) party have allied themselves with the extreme Right (the *Front National*), even at the cost of expulsion from their own national association. What seems likely is that the representatives of the General Council, and all who are under the command of that institution, aware that a component of the political authority to which they are subject is regarded by a majority of people in France as an affront to the principles on which the French Republic is based, feel uncomfortable at the mention of the word 'politics'. This could explain why all questions relating to political authority automatically triggered a declaration of ignorance and neutrality, because politics has, by force of circumstances, a shady reputation in these parts. All the players we interviewed adopted a tactical stance that was essentially focused on the present and future. When it came to questions about the past, they referred us to the statistical documents contained in the departmental integration programmes, an approach that absolved them from any critical reflection on the projects that have been undertaken.

In no chapter of the departmental integration programme is any criticism expressed of past projects, even where it has been decided to make improvements to them. The departmental integration programmes are structured in such a manner that they always highlight innovations and figures which illustrate the progress that has been achieved. But we are not given any comments from the departmental authorities on the specific reasons why, for example, the number of RMI recipients has grown, as if the fact that the figure is also rising on a national scale were explanation enough. The departmental integration programme provides specific information on the growing number of beneficiaries, their distribution by age, sex, length of unemployment, etc., but not on performance trends in the integration system. The programme does not produce comparative statistical curves showing the change from year to year in the number of people leaving RMI to enter one of the job schemes or mainstream employment. If we want this information, we have to glean it from the statistics on each individual project, but, since new projects do not always start at the beginning of the year, it becomes very difficult to work out the cumulative totals. The departmental integration programme seems to have a twofold aim: to provide a statement of the number of beneficiaries for the previous year and of the amounts spent on the scheme and to set out projected figures for measures to be taken in the current year. It makes no provision for appraisal of the effectiveness of completed projects, of the lessons to be learned from them or of any mistakes that were made in them. Since there is no obligation to engage in quality assessment in these programmes, the documents are merely uncommented statistical compilations. The mere indication that a certain number of beneficiaries have been processed and that certain sums of money earmarked for their integration have been spent is considered to be sufficient justification.

This being the case, it is understandable that the operators we interviewed did not go beyond the minimum obligation that governs the departmental integration programme, refusing to give us their views on the quality of the RMI scheme, particularly if they understood that we were looking for political reasons too. It even seemed to us that they did not feel competent to express the idea that the departmental institution could have done better, since it might be tantamount to criticising their superiors. Even if it is not possible to entertain the thought that the integration system could have been better administered, it is absolutely imperative to envisage improvements for the following year. In particular, the departmental integration programme puts emphasis on the introduction of new projects to prove that it is constantly moving forward, because in this way progress is apparently documented by the production, year upon year, of a lengthening cumulative list of specific integration projects. This explains why, when we asked the institutional interviewees about the problem of coordination, they interpreted the term 'coordination' in its most instrumental sense rather than in the general sense of the collective pursuit of one and the same policy. In their eyes, it meant the coordination of the activities of each partner with responsibility for the RMI scheme. The fact that the scheme is administered by two political institutions must have helped to eliminate any form of critical appraisal in the sense that to criticise would be to take sides, in other words to venture into the realm of convictions, beliefs and partisan affiliations. They undoubtedly felt more comfortable discussing the practicalities of implementing a system in which other people made the decisions.

The departmental integration programme is difficult to use as a basis for annual comparisons, because the statistics are not always compiled on the same basis. The 1998 programme, for example, when citing statistics on RMI recipients, gives the number registered with the National Employment Agency, which represents only a percentage of the whole RMI population, though we are not told what percentage they constitute. We are informed that 609 left to take up employment and 186 to start a course of practical training, but in the following year the number of departures of the National Employment Agency-registered beneficiaries is not given; only the number of new entrants is indicated. The percentage of RMI recipients registered with the National Employment

Agency is not given in 1998, but it is shown in the 1999 programme as 34%. In that year, however, the programme does not present the numbers of the National Employment Agency-registered recipients leaving the RMI scheme to go into employment and training, so a comparison with 1998 is impossible. This impossibility will continue for as long as the Departmental Integration Council does not undertake to use the same indicators from one year to the next.

The objectives that were listed in the departmental integration programme for the year 1998 were as follows: *to seek better coordination between the various partner agencies which support the beneficiaries in their integration process, namely the CISS (Circonscription d'Interventions Sanitaires et Sociales - Social and health facilities centre), the local integration committee and the National Employment Agency, by means of a simplified procedure; to improve our statistical knowledge of the needs of RMI recipients in terms of occupational integration (employment and training) by promoting exchanges of information between the various partner organisations; to save time and improve efficiency by the way in which an aptitude profile established by an employment specialist is formalised in the social and economic integration contract*".

So what we see here is a statement of objectives for improvements in the existing system without the least trace of any reasons that might justify the assumption that previous procedures could have been inadequate or faulty. Consequently, new procedural instruments are established, such as the introduction of the employment and training agency (APEF) to support RMI beneficiaries during the process of occupational integration. The departmental integration programme for the following year makes no mention of that agency.

Those who are involved in the operation of the RMI scheme do not regard the departmental integration programme as a bureaucratic directive but rather as the result of a collective maturation process. Thus our institutional interviewees either believe that they originated specific organisational innovations in the departmental integration programme or that its guidelines represent a quest for efficiency. Any criticism that was made of the departmental integration programme stemmed from disagreement with the way in which the overall funding allocations had subsequently been distributed among local operations. *"The social and economic integration contracts should be increased by increasing the share of RMI in access to employment, in other words increasing the success rate of the scheme"* (a specialist from the Departmental Directorate for Labour and Employment). *"The departmental integration programme gives priority to towns over country areas"* (rural local integration counsellor). *"It is difficult to benefit from the departmental integration programme at the central level"* (representative of the Directorate for Health and Welfare Services (DASS)).

So, while the specialists believe that the departmental integration programme is the result of a high-level political decision, the representative of the Prefecture considers, on the contrary, that the departmental integration programme is an accumulation of local needs. *"The Departmental Integration Council does not give rise to debates; they only explain procedures"* (DASS representative).

The departmental integration programme for the year 2000 introduces changes in the treatment of beneficiaries. The stated justification for these changes is the desire to improve coordination between the processing authorities. This desire is expressed as follows: *"To bring a single procedure under the responsibility of a single body: examination of cases and decision-making relating to the same family in respect of social welfare benefits associated with housing, approval of the RMI social and economic integration contract and allowances intended for young people"*.<sup>145</sup>

## **Section 3: Initiatives and the process of change**

### **Organisational improvements**

We shall deal with the operation of the local integration committee in the chapter on innovations, because its structure was altered in the course of the year (September 1999), even though such an alteration was not numbered among the aims of the departmental integration programme for 1999. Although we found no trace of an attempt to justify these measures in either the relevant documentation or in the interviews, all of our institutional interviewees laid emphasis on this new structure.

In Oise there are nine local integration committees, of which four are chaired by a representative of the Government, four by a representative of the General Council and one by a representative of a voluntary association. The changes that were made in the course of the year relate essentially to the processing of clients' cases, and they are explained in detail in the departmental integration programme for the year 2000. The new system divides the local integration committee into two structures:

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<sup>145</sup> Source: *Programe Départemental d'Insertion Oise 2000*

*The Bureau for Straightforward Decisions (bureau des décisions simples)*, which is responsible for processing straightforward cases, in other words routine cases that fall into the most frequently recurring categories. The Bureau meets every week. The Prefect does not attend, but delegates his power of approval, so that the Family Allowances Fund can then authorise payment of the benefit. The Bureau comprises seven members, whose task is to assess and decide each case. These members are: a representative of Family Allowances Fund, a representative of a CCASS (communal health and social welfare centre) or mayor, a representative of the intermediary associations, a representative of the vocational-training system, a representative of the local youth taskforce, a representative of the National Employment Agency and a representative of the sponsoring bodies. The Prefect, the departmental representative of the national Government, is not present but delegates his power of approval to a representative whom we met and who acts essentially as a specialist.

It seems, therefore, that a categorisation of case types was undertaken with a view to creating an administrative procedure in which such cases would be processed in a standardised 'assembly-line' system, so that the other, more difficult cases could be dealt with in greater depth in a more discerning 'workbench-like' system. To put it another way, the treatment of these cases would be based more on an 'over-the-counter' model, while the other beneficiaries would receive more personalised treatment.

*The Local Anti-Exclusion Committee (Commission locale de lutte contre l'exclusion)* meets once a month to deal with about 20 cases and is a wider-based body comprising the examiners (elected councillors or welfare specialists), the representative of the Directorate for Health and Welfare Services, acting on behalf of the prefecture, a representative of the intermediary associations, a representative of the Association for Employment in Industry and Commerce, a representative of the private sponsoring organisations, a representative of the National Employment Agency, a representative of the vocational-training system and a representative of the social and economic service of the subprefecture, who represents the prefecture in the local integration committees. This committee deals with atypical and complex cases, which often require arbitration.

The local integration committee for the Clermont area deals with a total of 880 RMI cases, half of which relate to a *hard core* of beneficiaries from the hardest-to-place categories. These are cases in which the committee has to arrange and monitor a process of prior social adaptation designed to make the client employable or involve itself actively in securing access to employment for the client.

This new form of organisation is derived from experience of a practice that has been followed by integration specialists for several years, whereby clients are categorised into more practical and homogeneous groups of cases. Most of the interviewees presented the RMI population as follows:

- one third who are passing through the RMI scheme but who are resourceful enough to find employment again after a short time in the scheme;
- one third who need extra help in addition to the assistance provided by the National Employment Agency;
- one third who are problem cases; many of these clients are burdened with psychological or psychiatric problems, health problems such as alcoholism or the effects of traumatic events in their family lives.

This new system had only been adopted by two committee areas (Beauvais and Clermont) by the end of 1999, and no statistical instruments had yet been put in place to evaluate its results. But the next innovation on the agenda offers the prospect of *continuous evaluation of the scheme*,<sup>146</sup> which would help to alleviate the lack of statistical transparency we have emphasised above. It is also planned to introduce "*a computerised system for the administration of local integration committees and the processing of both local and departmental statistical data*".<sup>147</sup> This computerisation ought to go well beyond that and provide "*statistical indicators on both the typology of clients and the implementation of the scheme*". This computerised system is an important instrument which should make coordination easier.

The initial provision of information by the various partners involved in the anti-exclusion effort has served as the basis for a set of specifications for the creation of this database, which could be used by examiners before the client's integration process is initiated. A working party is to draw up information forms from which the database can be fed.

The Bureau or the Anti-Exclusion Committee or their chairmen (elected councillors or prefects) have inherited the collective powers of the local integration committee to take decisions relating to RMI, such as the power to suspend a client's entitlement – subject, of course, to the beneficiary's right of appeal.

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<sup>146</sup> Source: Oise departmental integration programme for the year 2000 (PDI Oise 2000)

<sup>147</sup> Source: PDI Oise 2000, p. 79



A local support unit (*Cellule locale d'appui*) has also been established. This new unit operates on an informal and *ad hoc* basis. It comprises specialists from the local area whose task is to help in the preparation of jobseekers' contracts by creating an upward information flow, in other words by providing the examining authority with information on the available projects and measures that would suit the individual needs of clients. The members of this unit are responsible for verifying that the supply of integration opportunities is in line with demand and to facilitate the formulation of proposals at a level below that of the local integration committees. The local support units are led by the head of RMI in the General Council, who convokes the examiners to provide them with information on schemes, measures and projects that are being offered in cooperation with various partners. Finally, the new unit is to work on the development of common validation criteria with which the local integration committees can assess the length and content of social and economic integration contracts and evaluate clients' circumstances. A local support unit is established in each ward (*arrondissement*) of the *département*. The units have a total of four integration support officers (*accompagnateurs d'insertion*), who work in the urban areas of Beauvais, Compiègne and Nogent-sur-Oise, and ten local integration counsellors (*animateurs locaux d'insertion*) in the rural cantons.

The Bureau for Simplified Decisions approves the application and asks the RMI claimant<sup>148</sup> to establish contact with the local integration counsellor who is appointed as his or her caseworker. Before interviewing the client, the local integration counsellor receives an information form on the client, which may also contain instructions from the National Employment Agency. The local integration counsellor is required to assist the Communal Social Welfare Centres and assume responsibility for monitoring the RMI beneficiaries (60 to 65 schemes are available to them through the District; 30 of these schemes featuring in the local plan for integration through economic activity (PLIE)). The counsellor draws up a personal profile together with the client and takes part, along with the client, in the formulation of the social and economic integration contract. The counsellor also exchanges information with the examiner by means of *ad hoc* meetings and guides the client towards courses of practical training.

The local integration counsellor is not a member of the Bureau but submits a report on each case to the representative of the General Council. The counsellor takes part in the fortnightly meetings on PLIE and acts as the PLIE desk officer, i.e. he or she uses the plan to support very hard-to-place RMI clients. The local integration counsellors often come from educational occupations and have been assigned to integration duties as a consequence of budget cuts. None of those whom we met had been trained in social work.

The creation of local integration counsellors posts is a response to the fact that, in the rural environment, the mobility of RMI recipients is an additional hardship that does not affect those who live in towns and cities. It is therefore a matter of having an integration agent nearby who knows the local area and can be more easily contacted than the other operators who live either in the departmental capital, where the prefecture is based, or at the seat of the subprefecture.

## Technical improvements

After a ten-year wait, the secretaries of the local integration committees now have computer workstations. A new consultation service is also available on the national minitel system; the new service has been established by the Family Allowances Fund and is intended for use by the examining authorities. In addition, there is a web site, which is still at the experimental stage, containing a database of integration opportunities. A provider has been commissioned to design the site in such a way that the information relating to each category of integration is catalogued on a separate page. The architecture of the site will be presented for the first time at a forthcoming working seminar for the partner organisations.

## Improved monitoring of clients

A new move was made to improve the content of jobseekers' contracts with the creation of a small group representing various operators in the integration process to produce a *methodological manual* with the aid of a consultant. By the end of 1999, this new resource had been used to train 38 people.

In order to familiarise all the partner organisations with new practices, a regular seminar on *educational mediation* has been organised under the direction of a doctor of psychology and has already been attended by 300 participants.

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<sup>148</sup> New claimants attend an initial meeting at which they are briefed on the scheme. This may become a means of exerting pressure on claimants to fulfil the conditions on which their rights are granted. At the present time, for example, the rights of 78 claimants are suspended. This measure is a means of bypassing the reticence of some examiners to initiate the suspension procedure.

The creation of ten CPAI (*Centres permanents d'accueil et d'insertion - permanent reception and integration centre*s) is designed to improve the treatment experienced by RMI recipients and to offer a real integration project for very hard-to-place clients. The interviewees' local centre is visited by 20 to 30 clients each month.<sup>149</sup> Its aims are as follows: to integrate clients socially, to which end the centre organises walking tours and mountain-bike rallies, to help clients in their dealings with administrative authorities and to support them in their integration effort.

## Creation of new sheltered facilities

The aim behind the creation of a *social worksite (chantier d'activité et d'utilité sociale)* is to promote the social integration of families or of people living alone who are very hard to place in employment. In return for a financial inducement, clients spend 20 hours a week on the site. The social worksite differs from the training site (*chantier-école*) in two respects:

- the pace of work is adapted to each individual, and there are no employment contracts, and
- a system of social support operates within the social worksite.

Five social worksites have given 117 beneficiaries the opportunity to engage in this integrative activity.

Ten *social activity modules (modules d'activité sociale)* have also been created with a view to raising clients' self-esteem, releasing their potential and making it easier for them to plan their personal development. These modules do not necessarily lead directly to employment. They take the form of environmental site projects or wood or clothing workshops. The modules are organised by the Association of Rural Welfare Centres.

Nine *permanent literacy workshops (ateliers permanents de lutte contre l'illettrisme)* have been established in rural areas where cofinancing is available from the Welfare Service Fund (*Fonds d'action sociale*). About twelve training sites have also been set up under the *Création de chantiers-écoles* project with a view to helping RMI beneficiaries who already have working experience and practice to return to work by means of a job-creation contract (CES). The aim of this project is to give clients the opportunity to relearn their old skills and to make profitable use of what they have learned.

A *Departmental Integration Fund (FDI)* has been created as a means of providing RMI recipients with a one-off subsistence grant or assistance with the payment of certain bills. A total of 351 aid agreements have been signed, while 93 requests have been rejected.

## The role of a rural PLIE in economic integration

The local plan for integration through economic activity (*plan local d'insertion par l'économique – PLIE*) is a measure that receives part-funding of 50% from the European Social Fund and applies to particular areas with demonstrable integration problems. It applies to the long-term unemployed who no longer receive any benefits other than RMI or extended unemployment benefit (ASS).

Since 1995, two rural cantons in the area covered by the Clermont Local Integration Committee, comprising the 52 communes of the Plateau Picard district, have benefited from a PLIE which provides the benefit of additional European funding. We were interested to discover, five years on, what these extra funds have done to improve the assistance given to RMI recipients, given that the target population of the PLIE comprises the hardest-to-place jobseekers, namely the long-term unemployed with very low levels of educational attainment.

The PLIE for 1999 took 75 new beneficiaries through the process of occupational integration and registered 40 successful outcomes. The advantage of the plan is that it serves to enhance the coordination of measures. The pivotal feature of this coordination is the concept of the caseworker (*référent*), whose role in the integration process involves monitoring and supporting a number of beneficiaries. There are four of these caseworkers:

- One caseworker belongs to the National Employment Agency and devotes four days a week to his duties under the PLIE. For the year 2000, he has undertaken to assist and monitor 35 new beneficiaries; added to his caseload in previous years, this makes a total of 60 beneficiaries, of whom 22 have already come through the process successfully.

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<sup>149</sup> A total of 1 197 beneficiaries have visited the centres

- Another caseworker, from the Rural Youth Taskforce (*Mission Locale Rurale*), spends 2.5 days a week on his monitoring and support duties. He has assumed responsibility for 15 new entrants in the year 2000, making a total of 30 beneficiaries. So far he has overseen 11 successful transitions to employment or training.

- The third caseworker is from the *Association Intermédiaire de Travail Temporaire* and is also devoting 2.5 days a week to the monitoring and support of 15 beneficiaries. He too has now looked after a total of 30 beneficiaries and has also seen 11 of them make a successful transition.

- The fourth is from the General Council and works as a local integration counsellor for the local integration committee. He has taken on ten new beneficiaries, bringing his cumulative total to 25; in eight of these cases, the integration process has already come to a successful conclusion.

The PLIE scheme also benefits from the input of two other players:

- A psychologist is available for two days each week to counsel RMI clients with personal problems, offering assistance such as targeted action to overcome alcoholism or malnutrition and sensitisation to issues concerning the upbringing of children.

- A training organisation, *Les Ateliers du PLIE*, helps to promote social and occupational integration through the provision of training. It comprises four workshops: the first is devoted to the active quest for employment and was at the origin of the supply/demand intervention (IOD) method, the second deals with vocational training, the third provides refresher training, and the fourth is devoted to personal development. The workshops reserve an allocation of 75 cycles of 56 hours for PLIE beneficiaries.

The main innovative integration projects conducted under the plan are as follows:

*The creation of the Plateau Picard Gardens.* This project promotes occupational integration through market-gardening activity, in which organic vegetables are grown for the 285 members of the consumers' association. This activity provides work for the equivalent of 27 PLIE beneficiaries; 19 have job-creation contracts (CES), and a further eight posts are covered by consolidated employment contracts (CEC); a three-person management team recruited by the Departmental Integration Council is responsible for the project. Part of the funding of this activity comes from the sale of its products.

*The creation of a decorative artwork studio and service.* This project is intended for 20 women on RMI or lone-parent benefit who are very hard to place in employment because they have no qualifications or work experience. The aim of the project, which is led by a professional artist with skills in decorative arts, style and creativity, is to have the women perform various pieces of work so that they can acquire a range of knowledge which relates to communal events, formal receptions and the creation of decorative objects and which can be used in the framework of the *Association Intermédiaire de Travail Temporaire*. The project has three objectives: to inculcate theoretical and practical elements of *savoir-faire*, to enable women to raise their own self-esteem through the skills they have practised and to encourage the development of personal career plans and to induce women in due course to undertake training courses leading to the acquisition of recognised qualifications.

*The creation of a Plateau Picard recycling centre.* This project is designed for clients who are interested in manual occupations such as the repair of small electrical household appliances. The recycling centre salvages old items, refurbishes them and sells them again, thereby enabling people on low budgets to buy everyday consumer goods. Provision has been made for two jobs – one on a consolidated employment contract and the other on a youth-employment contract. The centre operates with the aid of grants from the General Council, and its recycling and resale of goods helps to conserve stocks of raw materials and to reduce the disposal of pollutant refuse.

In addition, several *mobility projects* have been initiated. There is already a moped-hire service, and there is a project involving the acquisition and maintenance of four minibuses for group travel to training courses, cultural events, training sites and leisure activities as well as a project for the acquisition of five small cars for the transport of elderly people or of mothers with families.

*Over a period of five years, the local plan for integration through economic activity has catered for 360 beneficiaries of the RMI scheme and has enabled 171 of them to achieve a successful outcome in terms of entry into either employment or training.*

## Section 4: Coordination in practice

### Dysfunctions exposed by interviewees

- *Integration measures taken outside the RMI mechanisms*: "There are projects that escape us, like the employment and training contracts that were concluded directly between the Regional Council and the company; they sign the contract, but I am not familiar with the agreement. They are making political choices. How is the General Council going to react to that? The Regional Council can subcontract without going through us" (specialist).
- *The price paid for integration projects*: "Our integration projects are difficult, because they are paid for at 28 francs an hour" (specialist).
- *Dysfunction between the administrative and the integration components*: There is not enough contact between the specialists who deal with the integration process and the examiners who drew up the contract.
- *Antithesis between the cultures of the social and employment services*: "The representatives of the General Council need to be able to read the local situation, but they do not think along those lines. They have been trained as social caseworkers, or they are ex-instructors with a social culture. They don't know how to do an evaluation; their whole approach is based on relationships" (specialist).
- *Dysfunction between the monitoring system and payment by the Family Allowances Fund*: "We have to manage people, while the Family Allowances Fund administers allowances; when we want to keep someone in the scheme, the Family Allowances Fund puts them out. Clients don't know what's going on. The funding body is incomprehensible. We get violent reactions from clients. We work on the basis of trust, and the Family Allowances Fund can destroy that trust" (representative of the General Council).
- *Dysfunction between the authorities and the beneficiaries*: "We do what we can; it's the payment that creates a feeling of injustice, because it's badly explained to beneficiaries. If you want people on income support to identify with the system, you examine their resources to ensure they get the best deal possible. But the Family Allowances Fund has a communication problem" (representative of the General Council).
- *Dysfunctions caused by clients*: "Clients are a difficult group of people; their actions are quite unpredictable, and they often object to the rules; what is more, they don't participate as partners but only as beneficiaries".
- *Dysfunctions arising from political conflicts between the Prefecture and the General Council*: It was reckoned that the information about coordination problems might stem from the strained political relations between the Prefect and the General Council, but no one produced any evidence of this. There may be conflicts at the higher level, but we are not aware of them from our level. The specialists assured us that such power struggles were foreign to them. But it seems that the political stakes of the RMI scheme are minimal in rural areas.

### The fruits of coordination

- *Satisfying partnership practice*: The processing of RMI that is carried out by numerous players belonging to specialised structures within various administrative authorities seems to afford satisfaction to those players who are able to prove their technical competence on a horizontal plane where mutual recognition and cross-cutting relations prevail and direct hierarchical constraints are absent. Partnership gives them an opportunity to edge further away from the disadvantages of hierarchical relationships.
- *Cultural homogeneity of the players in the field of integration*: This partnership ethos is particularly strong in a rural environment, where the players live close together, are stable, belong to the same generation (the 30-45 age bracket) and are on similar cultural wavelengths. They have very similar levels of academic attainment, there is no rivalry between them, because they belong to different institutions, and they have no claims to power. And thus, to some extent, coordination itself seems to be regarded as a cherished institutional value. Their recruitment and appointment to these posts took place about the same time. The selection was made from employees in the same age bracket who were already firmly rooted in the local area. All of this avoids the types of dysfunction we see occurring in large towns and cities, with their excessively rapid turnover of staff, and fosters the long-standing relationships on which mutual trust is built. Even though their towns and villages may be twenty or thirty miles apart, they all have cars, which shrink these distances and make them neighbourhood players.

- It could be said that coordination is a form of interinstitutional behaviour which improves the working conditions of specialists, especially since the various aspects of the integration effort within the RMI scheme will always benefit from innovations, thereby ensuring that its administrators are never stuck in a repetitive rut. The domain of intervention, monitoring and support incontestably brings out the creativity in those who form the interface with clients and deprives those who administer the scheme at a higher level of the competence to engage in the same sort of horizontal coordination.
- *The civic and prestigious character of the profession:* It is noticeable that the clients of the scheme are certainly not treated with indifference by the players in those administrative bodies which, on the contrary, are anxious to guarantee the effectiveness of their projects by securing the greatest possible benefit for the target population. In this way, they establish their civic credentials as administrators of the territory in which they live, which confers upon them a certain worthiness.

## **The lessons of coordination**

Two factors of integration for which no provision was made in the initial projects seem to be emerging from our team's work, namely stigmatisation and mobility.

### *Stigmatisation*

Stigmatisation appears here as a problem relating to integration practices. Even though our selection of literature says nothing about the adverse effects of stigmatisation on integration, the players in the field have taken it into account in three different ways.

First of all, stigmatisation was what prompted the authorities to take measures designed to dismantle the negative public image of the beneficiary, especially in the minds of employers. The arguments that were used in a bid to persuade people to shed their prejudices about welfare recipients conveyed the message that a person's future cannot automatically be prejudged because of the knowledge of his or her history. Since beneficiaries in small villages carry the image of their past with them in their familiar environment, it is harder for them to shake off the past than if they were anonymous figures in an urban setting.

The second was the tactic of manipulating communication media to highlight projects that might seem trivial in the absence of publicity. For example, there was the publication of a colour brochure showing the paintings and decorations produced by women RMI recipients along with a photo of the women and an accompanying text which aimed at avoiding any reference to poverty or social problems.

The third way in which stigmatisation has been taken into account is in the attempt to stage all integration activities outside the area in which beneficiaries would be in a hostile environment that would prevent them from developing any self-confidence (this would apply to people on a project in their own neighbourhood, associated with several unpleasant experiences).

But the problem of stigmatisation also appears in connection with the places where the integration process is administered. One muted debate centres on the personalised character of the procedure. In fact, all the institutional interviewees believe that integration processes depend on a range of factors which make each beneficiary a separate case that is difficult to treat on the basis of procedures and methods laid down in advance by the administrative apparatus. The players involved in administering the integration mechanism are unanimous in the view that the employees of the integration services have to compose each client's diet of activities on an *à la carte or specially customised* basis. The obvious problem is that this requires profound knowledge of each of them and a sharing of that knowledge, in other words the publicising of private information. Hitherto, however, problems relating to the private sphere have always been a matter for social workers, who are bound by their professional code of ethics. The fact that work performed in partnership tends to dissolve this confidentiality has stirred up a debate on professional secrecy. Some rail against confidentiality, while others, especially elected councillors, proclaim its legitimacy. The argument about the efficiency of the integration process may thus be obscuring another debate on individual liberties.

### *Mobility*

The first obstacle to management of the integration process is often the problem of the mobility of clients who live in an area that is bereft of public transport services. This presents the client with coordination problems, both in administrative terms, since the public authorities are based in the main town of the canton or in the subprefecture or prefecture, situated in towns that may be 20, 25 or 30 miles away, and in terms of the venue for an integration project, be it a training centre, a social welfare centre or, of course, a place of employment. The

need to possess a driving licence and to help those without a driving licence to obtain one has fostered the creation of innovative transport services for the operation of the cooperative market-garden scheme, leading on to the provision of social transport facilities and culminating in a moped-hire service. In rural areas, transport has become a key to integration.

This dispersal of clients of the RMI scheme may also offer an opening for integration measures based on greater willingness on the part of car-owning clients to share their vehicles. This certainly surfaced during an integration-training course for women on decoration, where clients were drawn in from a wide area and car-sharing arrangements were put in place, giving women an opportunity to forge links that could not otherwise have materialised.

*Performance improvement:* The key terms we picked up from the institutional interviewees were support, assistance, project validity, personalised integration and identification of clients' specific problems. On the basis of their comments, we could have expected to encounter a highly integrated set of beneficiaries. Since we focused our attention on the RMI beneficiaries involved in schemes under the local plan for integration through economic activity (PLIE), in other words the most difficult cases, most of the beneficiaries we met entertained little or no hope of integration through employment. Their only contacts were with the social worker who had examined their file, with the local integration counsellor who was their caseworker and with the people running the measure in which they were taking part. They had the feeling of being at the mercy of mechanisms and administrative bodies over which they had no power and no rights. This passivity corroborated the emphasis that the institutional interviewees placed on the destigmatisation and personalisation of projects. Removing the stigma and adapting integration projects to clients' personal needs would help to counteract this passive helplessness of people who are often isolated in their own villages with few contacts and little social life.

## Section 5: Prospects for coordination

There is every reason to be astonished on reading in the documentation of the departmental integration programme, more than ten years after the creation of the RMI scheme, the following resolutions, presented as though they were new initiatives: "*New entrants to the scheme will be regarded as the target population for the year 2000*" (tr. from p. 94), and "*The aim is to increase the percentage of clients with jobseekers' contracts in the realm of employment and vocational training for new entrants to the RMI scheme*".

This is the basis of a new coordination initiative involving the creation of a specific reception structure for new entrants, to be operated by counsellors from the RMI scheme and from the National Employment Agency. This time the resolution has been prompted by requirements formulated by the Ministry of Employment and Solidarity, which has also set numerical targets:

Employment measures (job-creation contracts, consolidated employment contracts, employment-initiative contracts, work-experience placements (*stages d'accès à l'entreprise*), short vocational integration and training courses (collective and individual), Adult Vocational Training Association courses and youth-employment schemes) are to maintain at least a 20% coverage rate for RMI recipients at all times. For the year 2000, this will improve the percentage of successful integration processes in Oise. Specifically, it will mean that

- 30% of all employment-initiative contracts (CIE) will have to be awarded to RMI beneficiaries,
- 30% of all job-creation contracts (CES) will be awarded to RMI recipients,
- 45% of consolidated employment contracts (CEC) will go to RMI recipients,
- 35% of contracts for collective short vocational integration and training courses will be awarded to RMI recipients, and
- 30% of individual short vocational integration and training courses contracts will be reserved for recipients of RMI.

The same applies to training courses organised in conjunction with Adult Vocational Training Association, but in this case there is no compulsory numerical target.

So there is reason to hope that, from the year 2000 onwards, the institutions administering the RMI scheme, the National Employment Agency and the Adult Vocational Training Association will coordinate their efforts by

including RMI beneficiaries among their priority targets and, in particular, by establishing mandatory targets for successful transitions to employment or training.

To sum up, as we have been conducting this study, ten years after the institution of the RMI scheme, it has been observable that the scheme has been run in by a number of players who have to work in partnership. In the face of regular challenges from new schemes and restructuring, their administrative boundaries, often perceived as obstacles to joint action, have become blurred. These operational arrangements, born of the complexity of the legal provisions that are superposed on each other, give them greater autonomy than is accorded to them by official policies, which seem indifferent to these practices. So what has emerged is an absence of political reflection on the question of integration, replaced by ministerial orders demanding results and especially the order prescribing cooperation between the RMI authorities and the National Employment Agency. As for the Interministerial Commission on the RMI Scheme, it has not set its seal on any of these documents, at least not since 1995. The statistical tools used by the *département* remain those of the Departmental Directorate for Health and Welfare Services, the Family Allowances Fund and Agricultural Workers Social Insurance Fund and the National Employment Agency.

There remain the informal assessments made by the institutions involved in the RMI integration mechanism. The successes are what attracts the greatest media attention. The market-garden project *Jardins de la solidarité* and the women's decoration workshop project *Opération Art-Déco* are the most notable examples. The gardens, although they do not provide access to trade qualifications for the RMI recipients who work there temporarily, have served to create a consumers' association whose members are pleased to have access to organic vegetables, and this satisfaction of the local population reflects well on the scheme, even if the project participants do not learn a trade or go on to train for vocational qualifications. The same applies to the decorative-arts project: the beneficiaries of the scheme who have decorated town halls for civic functions and have been in attendance at such functions have always been acknowledged and congratulated by local dignitaries. Women who had no hope of finding work are suddenly thrust into the limelight, and this is reinforced by the publicity given to such events in the local press. The quality of their decorative work and the public recognition they receive enhance their self-esteem, even though this too is a training course with no direct access to vocational training or employment. Nevertheless, it gives members of the hardest-to-place sections of society a chance to shine in the eyes of the general population while serving as a shop window for the District.

The geographical proximity of the institutional players and the beneficiaries humanises the procedure in the sense that integration activity, even if it develops a certain routine and becomes standardised, always bears the hallmark of humanity. Most of our institutional interviewees feel that they are participating in an important undertaking and demonstrate undoubted solicitude towards their clients; the concern to avoid stigmatising them is one example among many. Despite the setbacks and the difficulties involved in integrating clients whose characteristics severely impair their employability, we did not observe any hint of weariness, cynicism or lack of belief.

The beneficiaries, while realising that these projects offer very little prospect of access to employment, are satisfied on two scores: the first is that they have projects which enable them to get together with other people who are in similar situations and to make new acquaintances, and the second is that they can come to be regarded as useful contributors to their local area. There again, this assessment has to be treated with caution, because although we met with seven beneficiaries, we were turned down by another three, a refusal which could indicate a low opinion of themselves and of the institutions that are working on their integration.

## Section 6: Conclusions

If coordination is approached in terms of the performance of the system, one factor that could be categorised as a coordination problem is the lack of a single statistical instrument which is based on identical criteria designed to provide quantitative and qualitative knowledge about the performance of the integration system and which would serve as a scoreboard.

If coordination is only considered in terms of the players in the interinstitutional system that administers the RMI scheme, it has to be said that the coordination process benefits from the reciprocal goodwill of these players. None of our institutional interviewees complained about or criticised their partners – quite the opposite. The operators of the system appreciate their working conditions, consider that they work in harmony with the members of the other institutions and are pleased to be part of this team.

If coordination is approached in a broader context, including the beneficiaries as part of the system, it is apparent that the latter only have dealings with the players they meet at the start of the process, i.e. the examiners, and at the end of the process, i.e. the heads of economic integration companies, instructors and, more recently in the PLIE framework, their caseworkers; in other words, their dealings are with the players on the fringes of the system, not with those who are its pillars and its core. So what we have is akin to a factory where the raw material, in this case the beneficiary, enters the machinery at the start of the process and is not seen again until it emerges as a finished product. Between entering and leaving, the product is only seen as a symbol on a screen, a figure in a table, a reading on a gauge or a point on a graph. This underground processing of the product behind the scenes removes it from the sensory perception of the various operators who control or supervise the machinery through which it passes.

At the start, the beneficiaries only meet the village clerk or social caseworker who examines their file, and at the end of the process, unless they have managed to secure employment in the competitive economy, they come into contact with the head of the economic integration company. They are unaware of having been processed inside the machinery, they are unaware of their rights, and they assume that they are required to obey the instructions they receive through the post: attend an appointment, complete a questionnaire. They are the passive objects of the insertion process. The assignment, in the PLIE framework, of a caseworker whose task is to lend them support, helps them to catch a glimpse of daylight at the heart of the system, but these caseworkers, whether they be village clerks or social caseworkers from the communal social welfare centre or General Council, they come from the bottom of the hierarchical structure, and their level of training is just as limited as their pay. Yet it is they who are responsible for acting as an interface between the authorities and the client. This task ought to be performed by staff who have received a more appropriate type and level of training and who play a larger part in the coordination of the system.

Even though rural areas make it far easier for those who operate the system to keep in touch with clients, little seems to be made of this advantage, particularly in terms of opportunities to impart greater knowledge of the system and its problems to the beneficiaries. This is not easy, for the beneficiaries are generally weighed down by their own problems, are passive, have little vitality and are scarred by the many misadventures that have dogged their lives. But one can hope that the efforts to imbue them with a sense of responsibility in an integration system with resources at its disposal could sharpen their sense of involvement while helping to enhance the enrichment they can derive from the knowledge of the players who are committed to their integration.



# Chapter 5: General conclusions

## Section 1: Coordination levels and coordinating bodies

### *Coordination levels*

In the domain of occupational integration, four levels of coordination have been identified: the national level, the departmental level, the local level and grass-roots level (client relations). At each of these levels, the establishment of a policy of economic integration implies the need for horizontal coordination between the employment services and the social services. To this horizontal coordination is added a system of vertical coordination between each of the levels.

- *At the national level, coordination takes place between the Employment Delegation, the National Employment Agency and the administration in charge of the RMI scheme* (until recently, this was the Interministerial Commission on the RMI Scheme; now it is the Social Welfare Directorate. This is the level at which the place of the RMI recipients in employment policies is negotiated. It is also where decisions are taken on the forms of involvement of National Employment Agency staff in the reception and support of income-support recipients. The memoranda from the administrative echelons in these ministerial bodies are the basis from which legislative bills, implementing circulars and evaluation reports are developed. Notwithstanding the desire to devolve and globalise responsibilities, the political control and administration of public employment policies remain highly centralised. As a consequence, local policies for the economic integration of income-support recipients are subject to the vagaries of national politics and have to be adapted periodically to changes in employment measures (changes in target groups, variations in the funding of assisted jobs, conversion of one programme into part of another, etc.). Another difficulty concerns the practice of interministerial coordination, which is necessitated by the broad definition of integration but is never very robust, thanks to the bureaucratic inertia and vertical thinking that prevail in the social and employment authorities. As far as the link between the national and departmental levels is concerned, it is essentially maintained by the Prefect and his RMI officers but also by the guidelines from the central employment authorities (the Employment Delegation) and the National Employment Agency) to their departmental services.
- *At the departmental level, horizontal coordination between the Government and the General Council.* This coordination relates to the provision of the integration component of RMI. The imposition of joint administration was the result of a compromise between a policy of delegating responsibility for the social services to the *départements* and a philosophy of national solidarity whereby central government was to guarantee equitable treatment throughout the whole country. In addition, this coordination is supposed to combine the electoral legitimacy of the President of the General Council and the governmental legitimacy of the Prefect. The quality of this 'political' cooperation will determine the comprehensibility and coherence of local integration policy. To a certain extent, this is compulsory cooperation, at least in terms of resources, given the power of the General Council to provide social services and allocate integration grants and the power of the Prefect to implement employment measures. The risk of joint administration, of course, is that the responsibilities of one party will be cancelled out or watered down by those of the other. Such cooperation can also lead at times to a strict division of tasks, with social integration being entrusted to the General Council and occupational integration being entrusted to the Prefect, through the agency of the public employment services. Operational coordination generally takes place between the RMI officers of the Prefecture and the *département*, who prepare and draw up the departmental integration programme and monitor the work of the local integration committees. It is very often these senior administrators who ensure the continuity of cooperation at times of change connected with the appointment of new prefects or elections to the General Council. Vertical coordination between the departmental level and grass roots takes place through a number of channels: the participation, or even chairmanship, of representatives of the Prefect and/or General Council at the meetings of the local integration committee, the conclusion of contracts and funding agreements with integration organisations and local initiatives and the annual invitation to players from the public and voluntary sectors to attend the meeting of the Departmental Integration Council.
- *At the local level, vertical and horizontal cooperation both take place within the local integration committees.* This level is the point of contact for the views of a wide diversity of local players: representatives of the national Government, the National Employment Agency, the Family Allowances Fund, the Departmental Directorate for Labour and Employment, the departmental social services, the

chambers of commerce, voluntary associations, etc. This is also the forum where the needs of clients are examined, where jobseekers' contracts are approved, where the concerns of the local integration counsellors can be raised, where a client's administrative file and integration record can be reconciled, where the government representative recapitulates the provisions of the relevant laws and official circulars, where rules governing exceptional payments of aid are laid down, where the local integration programmes are compiled, etc. One of the crucial points about the work of the local integration committee is the balance that is struck between time devoted to individual case management, through the approval of jobseekers' contracts and the quest for customised solutions, and the time that is devoted to supporting the creation of integration projects and instruments throughout the local area. As resources have been stretched by the spiralling number of beneficiaries in the course of the nineties, local integration committees have too often been inclined to concentrate on the examination of cases to the detriment of their role as motivators of the players in the field. Vertical cooperation with social workers and with the other operators who are in touch with clients is often indirect, since social workers and local integration counsellors rarely attend meetings of the local integration committees and are represented by the heads of the social welfare centres. We must emphasise that the chairmen of local integration committees have no authority to oversee the work of the local case examiners and that social workers enjoy a great deal of autonomy in their relations with clients.

- *At the level of client relations, horizontal operational coordination takes place between social workers, National Employment Agency staff, integration counsellors and other local players.* Coordination at this level relates to the everyday actions of all those who are in direct contact with income-support recipients. As far as the procedure for enrolling and monitoring beneficiaries is concerned, the division of responsibilities between those who examine the RMI case files, those who draw up the social and economic integration contract and those who monitor the client's progress has gradually been rationalised among the social workers and the other staff (local integration counsellors, members of support units) seconded to the RMI scheme. That, however, was not enough to guarantee a satisfactory level of support for clients during the integration process, since only half of them, on average, have a current social and economic integration contract, the lowest percentages of signatories being found in the large urban centres. The disparities between *départements* in the percentage of RMI clients who have signed jobseekers' contracts are partly explained by a lack of coordination and organisation. But the main reason remains the huge workload that the RMI scheme has created (more than a million clients to be looked after each year), coupled with the insufficiency of the financial and human resources at the disposal of the departmental welfare authorities and the Communal Social Welfare Centres. At the level of client relations, coordination between the staff of the National Employment Agency and the other local players in the field of integration is still largely informal. It more often depends on the contacts and commitment of each individual employee than on any organised cooperation between the directorates of the welfare and employment services. There is obviously a danger that the proliferation of interlocutors will effectively aggravate the inequality of treatment and the incoherence of the proposals made to RMI beneficiaries in terms of measures to assist them towards absorption into employment.

The numerous levels of coordination and operators involved in the RMI scheme make it a complex mechanism which functions in a way that is not sufficiently comprehensible either to its beneficiaries or to the public at large. Although they are defined by the law and regulations, neither the political nor the operational chain of command and accountability is always identifiable, and the projects that are implemented are difficult to evaluate, even for the institutions and other players involved in them.

### *The players*

Without harking back to the legal status of the various players, it is possible to appraise their role in the coordination mechanisms:

*The Interministerial Commission on the RMI Scheme.* This interministerial structure used to have a key role in the coordination and creation of instruments of integration: the establishment of RMI recipients as a priority target group for employment schemes, the agreement securing the assistance of the National Employment Agency in the reception and support of RMI clients, the construction of a statistical monitoring system, the provision of funding, analytical studies, etc. However, it would always struggle to establish its legitimacy in the eyes of the Employment Delegation and the Social Welfare Directorate. Its disappearance reflects official concern for a more holistic administration of integration policies, covering recipients of other types of income support besides RMI. It also exposes the limits of interministerial mechanisms when faced with the inertia arising from the vertical mindset within each government department.

*The Prefects.* As we have seen, the Prefect plays a key role in the RMI scheme, especially in vertical coordination with the government ministries. The Prefects had to organise the payment of RMI at short notice. In the integration component of the scheme, the Prefect shares responsibility with the General Council. In particular, he has to mobilise and coordinate the efforts of the decentralised government authorities - the Departmental Directorate for Health and Welfare Services and the public employment services. The whole problem for the representative of the French Republic at departmental level is that he has to integrate the RMI scheme into a very full agenda which is largely subject to changes in the prevailing political climate. The danger is that a minimal service will be provided in the integrative and administrative components of the RMI scheme. In this domain, the Prefect is not so much a motivator as a reviewer and guarantor of the legality of the integration measures supported by the General Council. However, the Anti-Exclusion Act has tended to reposition the Prefect as the main coordinator of local integration policy, designating him as chairman of the departmental committees for the coordination of anti-exclusion policies.

*The General Councils.* When the Act establishing the RMI scheme entered into force, RMI may have appeared like a form of 'forced joint administration' to some General Councils only a few years after the Decentralisation Act had given them competence in the domain of social welfare. It therefore took some time to establish a balance with the Prefect in the administration of the scheme. That sometimes led to delays, which were reflected in underspending of the integration budget in the early years. But given the amounts of money that were allocated to the integration budget and the high profile of RMI in the public forum, local politicians did not take long to shed their indifference to the administration of the RMI scheme. Some *départements* even tried to incorporate the integration component of the scheme completely into their sphere of competence, relegating the Prefect to the role of inspector and administrator of the monetary benefit. These attempts made little headway, thanks to the limited powers of the General Council in the field of employment policy.

*The increasing mandatory input by the public employment services (the Departmental Directorate for Labour and Employment and the National Employment Agency.* Not being central to the scheme, the Departmental Directorate for Labour and Employment and the National Employment Agency initially took little part in the operation of the RMI scheme. Besides, the status of RMI as a welfare scheme and the sharp increase in the number of jobseekers in the early nineties made the management and staff of the National Employment Agency even less willing to enrol and support RMI claimants. However, the involvement of the public employment services in the operation of the RMI scheme kept growing. Their cooperation was rarely spontaneous and was essentially driven by central government through the initiation of the employment schemes – the job-creation contract (CES) and the consolidated employment contract (CEC) – which were partly targeted at RMI recipients but also by laws and national agreements between the Interministerial Delegation on the Integration-related Income Support Scheme and the National Employment Agency, providing for the secondment of National Employment Agency staff to support the local integration committees. Following the entry into force of the Anti-Exclusion Act, a framework agreement between the Interministerial Delegation on the Integration-related Income Support Scheme and the National Employment Agency went further, prescribing a systematic compulsory interview for every actively jobseeking RMI recipient with a National Employment Agency official. This agreement has required the local players in the fields of employment, integration and social work to redefine their areas of competence and their cooperation mechanisms. It should, however, be stressed that, prior to the framework agreement, the public employment services had never been directly entrusted with the occupational integration of RMI beneficiaries.

*The insufficient involvement of the communes.* The RMI scheme assigns a minor role to the communal authorities, even though the communes are quite obviously in the front line as far as social problems are concerned. In the eyes of the large *départements* or the cities, the *département* does not always seem to be the appropriate level, whereas the commune could offer effective cooperation between the welfare and employment services. It is possible to entrust the administration of the integration component of RMI to a commune is possible, as the example of the city of Rennes demonstrates. However, to the extent that the law determines quite precisely which institutions are competent to administer the RMI scheme, the involvement of the communes involves an additional layer of coordination rather than representing the straightforward exercise of subsidiarity.

*The social workers.* Through the departmental social services or the Communal Social Welfare Centres, social workers play a central role in the RMI scheme, since they are responsible for enrolling and monitoring RMI recipients, examining their files and drawing up their social and economic integration contract. The RMI scheme has helped to expand social workers' field of competence by introducing contractual practice into their relations with clients and by requiring them to take more interest in the job situation and to collaborate with operators in the domain of integration and the public employment services. While social workers in some *départements* take on all of these tasks, the initial reluctance of some social welfare centres to deal with the social and economic integration contract led to the integration element of the scheme being entrusted to specialised agents such as the

local integration counsellors. Although RMI, through the examination of jobseekers' contracts by the local integration committees, introduced a form of third-party supervision of the work of the social caseworkers, the latter have continued to enjoy wide powers of discretion in their dealings with clients.

*The new intermediaries in the field of integration.* At the local level, the introduction of the integration component of the RMI scheme has often led to the appearance of specialised agents of integration and intermediaries. These players operate at the point of overlap between the public employment services and the social services. Their presence may be interpreted as the emergence of new occupations and new skills, whose exponents operate with one foot in the domain of social work and the other in the territory of the public employment agencies. Their existence lends credence to the idea that integration is a field of activity in its own right. Training bodies, municipal employment and training services, supply/demand intervention teams,<sup>150</sup> intermediary associations, economic integration companies, associations for the unemployed, etc., are bodies attached to the municipal authorities or belonging to the voluntary sector. Their activities, which vary from one body to another, may include advice, careers guidance, placement, training and jobsearch support and even, in some cases, assistance for business start-ups. These bodies not only target RMI recipients but also other sections of the population classed as problem groups, such as young people and the long-term unemployed. They take part to varying degrees in the work of the RMI coordinating bodies (the Departmental Integration Councils and the local integration committees). Their input, however, relates less to the examination of individual cases than to the development of local initiatives on the basis of a contract concluded with the *département*. While they possess a wealth of specialised skills, these bodies are not always associated with the administration of the RMI scheme.

*Businesses and trade unions.* Apart from a few heads of companies or trade unionists who are keenly aware of the need to combat exclusion, the management and labour organisations do not feature much in the dynamics of the local integration effort. For want of time and immediate interest, their participation in the Departmental Integration Councils and local integration committees is marginal. This absence of the business community and the trade unions has retarded the growth of awareness of the interactions between the system of unemployment insurance, which they administer, and the RMI scheme. The return of economic growth and the associated labour shortages may present an opportunity for them to look again at the products of the integration process, which would entail the modification of companies' recruitment, training and wage policies. At this level, cooperation with the agents of integration in the public and voluntary sectors is important as a means of preventing the setbacks that could occur through unmediated confrontation with the target groups of the integration effort. In the absence of such cooperation, management and labour organisations are liable to go on vacillating between indifference and opposition to the RMI scheme.

*The recipients of RMI.* The beneficiaries have a vague concept of the structure of the scheme and of their rights and responsibilities in the domain of integration, as is demonstrated by widely differing levels of familiarity with the social and economic integration contract. This situation reflects the unequal treatment of RMI recipients, only half of whom have a current social and economic integration contract. Given the number of agencies dealing with them – the communal social welfare centre, the local integration committee, the Family Allowances Fund, the National Employment Agency, operators in the domain of integration through economic activity and all the other local schemes – they have difficulty identifying the responsibilities of the various institutions involved in the scheme. While they generally appreciate the monitoring of their welfare by the social workers or local integration counsellors, they do not expect the social and economic integration contract to help very much in finding them a job. Since the social workers and the other agents of integration are their only mouthpieces, the views and comments of clients are not normally aired at meetings of the coordinating and decision-making bodies, particularly the local integration committees, or of the administrative boards of social welfare centres and local employment agencies.

## Section 2: Coordination practices

Even though it leaves some manoeuvring space for its operators, the coordination of the integration component of RMI is highly structured:

- At each level, the *coordinating bodies* (Interministerial Commission on the RMI Scheme, Departmental Integration Council, local integration committees and examining authorities), the responsibilities of the operators (Prefect, General Council, Family Allowances Fund, etc.) and the procedures (departmental

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<sup>150</sup> *Equipes intervention offre / demande (IOD)*

integration programme, local integration programme and social and economic integration contract) have been established by law then defined in greater detail in implementing orders and circulars.

- *National and departmental agreements* are concluded between government ministries and administrative bodies (the Interministerial Delegation on the Integration-related Income Support Scheme, the National Employment Agency and the Family Allowances Fund); these are then adapted and transposed at the local level by means of *departmental agreements* between the Prefect, the General Council and the decentralised government authorities (the National Employment Agency, Family Allowances Fund and the Departmental Directorate for Health and Welfare Services. These agreements, often imposed from above, compel the senior administrators to commit their respective institutions to partnerships based on common objectives and shared resources. The disadvantage of such a process is that it is not voluntary, and the input of the institutions is not necessarily the manifestation of a shared commitment.
- In the RMI framework, the practice of adapting national conventions to the departmental level has been used on several occasions to *make the National Employment Agency and Departmental Directorate for Health and Welfare Services staff available* to the Prefect for the administration of the RMI scheme, to make arrangements for *cofinancing* by the General Council of posts in the National Employment Agency or local integration counsellor posts in cases where staff are seconded to the RMI scheme and to *define the boundaries* of the areas covered by the local integration committees. The principle of concluding such agreements was reaffirmed and extended by Article 156 of the *Anti-Exclusion Act 1998*. That provision encourages local authorities and their local partners in the struggle against exclusion (voluntary associations, the National Employment Agency, etc.) to sign agreements as a means of creating instruments designed to enhance the coherence of all parties' efforts on behalf of the least privileged: joint diagnosis of the needs of excluded people, coordination of reception and support services, definition of the territorial level at which coordination can best take place, etc.

This firm structuring means that, throughout French territory, the RMI mechanism has a certain uniformity and coherence in its organisation and procedures. Nevertheless, the case studies have revealed wide disparities in the organisation and practice of integration between *départements*. At the local level, it is possible to distinguish the following specific coordination factors:

- *The affirmation of a political will and of priority objectives*. This is not always obvious when one reads the departmental integration programmes and listens to the operators of the scheme. In Oise, information on the operation of the scheme is difficult to obtain. In the *département* of Isère and the city of Rennes, on the other hand, a return to work for everyone has long been the declared priority of the scheme.
- *The 'bonus' of a culture of negotiation and partnership between the elected local council and the national Government*. Without glossing over divergences and tensions, the tradition of consensus politics between local politicians and administrative bodies, as illustrated in the *départements* of Ille-et-Vilaine and Isère, facilitates decision-making and in particular the establishment of a common integration policy, pursued by central government, the General Council, the communes and the public employment services. Conversely, the pact between the right-wing majority and the extreme Right in the General Council in Oise provokes distrust and apprehension among the specialised agents of the scheme and reinforces institutional inertia.
- *The degree to which cooperation between central government and the département has been institutionalised* (existence of a steering committee and a joint administrative mechanism). In the *département* of Isère, for example, a departmental steering committee meets once a month, whereas other *départements* rely on fruitful exchanges between the chief representatives of the Prefect and the General Council to drive the scheme forward.
- *Direction and concentration of resources in the hands of the same institution responsible for the integration component of the RMI scheme and the local plan for integration through economic activity (PLIE)*. This is the case with the City of Rennes and makes it possible to *spread the funding burden* and extend the integration philosophy of the RMI scheme to *all groups of people with difficulties*: young people, the long-term unemployed and recipients of other forms of income support. On the other hand, it does lead to a high degree of centralisation of decision-making powers and resources.
- *Structured coordination of the work of the local integration committees with that of the departmental authorities*. This is a very important factor in Isère, where there are coordinators who ensure that the local integration committees function effectively and who meet once a month with the chief representatives of the Prefecture and the *Département*.

- *The degree of budgetary autonomy assigned to the local integration committees.* A distinction can be made between those *départements* which have *devolved responsibility for managing part of the departmental integration budget* to the local integration committees, as is the case in Isère and Ille-et-Vilaine, and those in which control of all allocations to the integration budget remains centralised in departmental hands. The case studies confirm that the devolution of budgetary powers to local integration committees enables them to respond rapidly to the real needs of clients as well as creating stronger motivation among elected local councillors to become involved in the development of integration projects. Conversely, the absence of such resources causes local integration committees to limit the monitoring of their clients to the examination of a few of the most difficult cases. One salient point about the restructuring of the way in which the local integration committees operate in Oise is that it focuses entirely on the administrative processing of jobseekers' contracts and is not in any way designed to establish a local integration policy.
- *Definition of local precedent and rules* by the local integration committees to be applied in response to recurrent types of request for personal financial assistance (childminding and transport costs, the cost of driving lessons and driving-test fees, etc.). In particular, the establishment of general rules serves to speed up the provision of aid to clients and to save time which the local integration committees can then devote to resolving clients' personal difficulties or supporting local initiatives.
- *Funding posts for staff specialising in occupational integration* (local integration counsellors and members of work-experience placement teams). The creation of local integration counsellor posts, as in Isère and Ille-et-Vilaine, is not something that the majority of French *départements* have done. It stems from the conclusion reached by some senior local administrators of the RMI scheme that the occupational integration of RMI recipients requires a special set of skills that do not match the profile of the traditional social worker or employment official.
- *Division of labour between examination/eligibility assessment, jobseekers' contracts/occupational integration and social integration.* Whereas in some *départements* the examination of case files and the drafting of the social and economic integration contract are done by the same social worker, these functions are performed by different agents in Isère and in Ille-et-Vilaine. This specialisation is more efficient but also increases the number of people with whom the client has to deal and requires additional coordination.
- *Shared working premises.* this promotes cooperation between the chief RMI representatives of the Prefect and General Council. Similarly, the piloting of *joint social centres*, such as that in the Maurepas centre in Rennes, where local integration service staff, social workers, staff of the Family Allowances Fund and the local youth taskforce (*mission locale*) work together in the same building, facilitates contacts and makes it possible to solve problems instantly. It is a type of one-stop shop.
- *The ways in which the social and economic integration contract is drawn up and signed.* The local integration committee in Grenoble has established a system whereby the individual drafts his or her own contract independently and sends it to the secretariat of the local integration committee without the mediation of the social worker. The aim of this is to recognise beneficiaries' capacity to take responsibility for themselves. In the city of Rennes, the local integration counsellors use social and economic integration contracts that have been signed in advance by the chairman of the local integration committee.

Different though local structures may be, there are still a number of typical dysfunctions that apply to the RMI scheme in general and are common to all *départements*:

- the *highly formalised procedure of the Departmental Integration Council*, which does not perform its function of formulating and debating local integration policies;
- *insufficient cooperation between the team of local integration counsellors and the public employment services*, which, in spite of some informal cooperation, have not succeeded in developing a common culture;
- *the low percentage of recipients with jobseekers' contracts*, especially in urban areas, which illustrates the difficulty of combining high-quality personalised support with the administration of a mass scheme;
- *slowness in introducing computerised media for exchanging and disseminating information* on the status of RMI beneficiaries between the disbursing service (the Family Allowances Fund) and the integration service (local integration counsellors/local integration committee);
- *stigmatisation of beneficiaries* in rural areas; personal knowledge of beneficiaries' circumstances on the part of local politicians or other members of the local integration committee in rural areas sometimes leads to

moral condemnation, which obstructs the integration effort and compels some beneficiaries to move elsewhere in search of the anonymity they require to pursue the aim of integration;

- *lack of evaluation of funded integration projects*: apart from the number of RMI recipients engaged in each project, there is very little analysis of the results of local initiatives supported by the General Council; as to the inadequacy of the instruments of evaluation, it should also be noted that the studies which have been commissioned have all too rarely prompted any action or led to changes in the administration of the RMI scheme;
- insufficient consideration of *the comments and opinions of recipients*, which are largely expressed through the social workers and local integration counsellors; there are not enough collective discussions, and the associations of unemployed persons have never been represented on the decision-making and coordination bodies.

### Section 3: Impact on income-support recipients

The impact of the coordination mechanisms on the recipients is difficult to measure, since it is a complicated task to distinguish, amidst rising job insecurity and poverty, between the parts played by socio-economic factors, such as rising unemployment, looser family relationships, etc., and by institutional factors. The latest survey by the French National Institute for Statistics and Economic Studies,<sup>151</sup> for example, concludes that a third of RMI beneficiaries leave the scheme within six months and that half of them leave within a year and a half. More than 60% of these departures from the scheme occur because the beneficiary has found a job. How much of that success is down to coordination between the employment services and the social services? Is not the profile of the beneficiaries the decisive factor, since, as the study emphasises, the most employable groups, i.e. young people aged 25 to 30 and graduates, are the ones who most frequently find work? Is not occupational integration primarily determined by the situation in the labour market, in the sense that the probability of finding work is in inverse proportion to the local rate of long-term unemployment?

#### *The ambivalent effects of assisted jobs on occupational integration*

The findings of the National Institute for Statistics and Economic Studies survey provide some elements that can help to assess the impact of institutional coordination on the occupational integration of RMI recipients. The first such element is the *ambivalent role of assisted jobs in the integration of beneficiaries*. "One in three of the former beneficiaries who have found work is in an assisted job (on a job-creation contract or consolidated employment contract) in the public or voluntary sector".<sup>152</sup> The fact is, as we indicated in chapters 2 and 3, that the RMI scheme has played an important part in promoting these employment measures. At the national level, the Interministerial Commission on the RMI Scheme made a major contribution to the development of these measures in negotiations with the Employment Delegation. Similarly, at the local level, numerous initiatives launched by the communal authorities and the voluntary sector in the realm of integration through economic activity have been supported by the Departmental Integration Councils and local integration committees and funded from allocations to the RMI integration budget. At the clients' level, priority access to job-creation contracts is one of the most visible achievements of the integration component of RMI. The significance of assisted jobs should not be overstated, since the majority of jobs are still to be found in the competitive economy. What is more, the effects of these assisted jobs on the absorption of RMI recipients into mainstream employment is ambivalent. While they enable clients to remain in touch with the world of work, they also foster *job insecurity*, especially in the public sector. For many RMI recipients, the job-creation contract and consolidated employment contract schemes constitute "hugely restricted part-time work", which is often perceived as a "bad job" because it all too rarely leads to permanent employment. According to the statements of the senior administrators and the specialists in the RMI scheme, the struggle against social exclusion is no longer all about putting people into any old type of job but is also about finding permanent employment. In that respect, coordination between the public and voluntary sectors for the promotion of assisted jobs has apparently done no more than market mechanisms to avert the development of job insecurity.

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<sup>151</sup> Cédric Afsa, "Plus de la moitié des sorties du RMI se font grâce à l'emploi", in *INSEE première*, No 632

<sup>152</sup> Tr. from *ibid.* p. 1.

### *The partial effects of the social and economic integration contract*

The second element contained in the National Institute for Statistics and Economic Studies findings relates to the *place of the social and economic integration contract in returns to work* by RMI recipients. As we mentioned above, the percentage of recipients with jobseekers' contracts, which stands at about 50% nationally, is a very tricky indicator to interpret, because the number of signatories is an imperfect reflection of the integration aid that is actually provided by the social services and the National Employment Agency. To put it another way, many recipients benefit from social monitoring and assistance from the National Employment Agency on a non-contractual basis. Moreover, the number of signatories says nothing about the quality of the contracts. Does this mean that the coordination procedure which the social and economic integration contract entails (involving the examining authority, the local integration committee and the Prefect) makes it no easier for a client to return to work? The National Institute for Statistics and Economic Studies survey<sup>153</sup> provides some elements of an answer to this question too. It confirms the strongly occupational orientation of the contracts. But it also demonstrates that jobseekers' contracts are more common among the younger age brackets (25-39) and among graduates – in short, among those who are best equipped to find work. The social workers and local integration counsellors apparently focus their efforts on the most 'employable' and find it harder to place older people or those with illiteracy or health problems. As far as its impact on the success of the integration process is concerned, the social and economic integration contract makes it easier to obtain an assisted job but does not enhance a client's prospects of finding full-time mainstream employment. To sum up, the study confirms that the sociological profile of beneficiaries has a decisive influence on their chances of making the transition from the RMI scheme into employment and that the social and economic integration contract does not really bring anyone forward from the back of the jobs queue.

### *The complexity of the combination of RMI and earned income*

The last point relating to the impact of coordination on a client's prospects of returning to work concerns the *poverty trap*. A return to work entails a number of costs which can make it a rather unattractive option for RMI recipients, especially if the job in question is part-time or short-term or involves unsocial hours. The cost of transport and childcare, the loss of free medical care or the reduction of housing benefit mean that returning to work is ultimately less 'profitable' than remaining jobless. Confronted with this situation, many *départements* allow beneficiaries who have found work to stay in the scheme so that they can continue to enjoy the ancillary rights attaching to membership of the RMI scheme. In addition, the Anti-Exclusion Act 1998 lengthened the period of this transitional arrangement and broadened the scope for the combination of RMI and earned income from part-time work within the limits of the national minimum wage (SMIC). The introduction of the universal medical cover (CMU) scheme ought to ease the problem of the loss of free health care. Even more than the cost, however, it is the complexity and the lack of transparency of procedures relating to the combination of RMI with earned income which are the real obstacles to a return to work. The current rules are incomprehensible to beneficiaries and are difficult for administrators to apply. The system of quarterly declarations of income to the Family Allowances Fund and the existence of thresholds in the scale of benefits make it virtually impossible for beneficiaries to predict their future income and heighten their feelings of insecurity about the future. Beneficiaries prefer to remain in a system which secures them a regular income, small though it be, because they know that their budget cannot absorb the slightest tremor. For others, an illegal option (income support plus income from illicit or undeclared work) sometimes proves to be a better solution. It is quite evident that the obscurity of the administrative rules is counterproductive and poses an even greater problem than costs.

## **Section 4: The impact of coordination on public spending**

Does coordination improve the way in which welfare budgets are spent? Neither at national nor at local level do we have all the information we should need to provide a definitive answer to that question. All we can do is to offer some food for thought. The first observation is that solidarity has its price, especially if it is based on an entitlement, as is the case with RMI and the other forms of income support. *Expenditure on welfare benefits grows in direct proportion to the increase in the number of beneficiaries*, which, as we indicated above, has exceeded the initial estimates. The allocated sum of ten billion francs<sup>154</sup> was quickly exceeded as a result of the unexpected increase in the number of RMI recipients. By 1997, expenditure on benefit payments had risen to

<sup>153</sup> Jean-Paul Zoyem, "Les contrats d'insertion du RMI, des effets contrastés de la sorties du RMI", in *INSEE première*, No 679, October 1999.

<sup>154</sup> Figures taken from the 1992 report of the National Assessment Board on the RMI Scheme, *RMI, le pari de l'insertion*, p. 692.



24.5 billion francs. *The cost of RMI primarily reflects the social cost of unemployment in the nineties and the development of job insecurity in the labour market; coordination between the institutions is of secondary importance in this context.* The only aspect of coordination in this equation relates to the insufficient use that has been made of two instruments: the social and economic integration contract and the right of suspension (only about 5% of those who leave the scheme in an average year do so because their entitlement has been suspended). Would tighter rules on the use of jobseekers' contracts have slowed down the growth in the number of beneficiaries? Marginally, perhaps, but at the cost of a rise in the staffing establishment of the social services to enforce the rules and at the risk of increasing the number of destitute people, with all the ensuing indirect social costs. So it is hard to tell whether such an approach would yield any net gain. Besides, when we speak of the cost of providing RMI payments, we must not forget that the RMI ceiling is below the poverty line and far lower than its German, Danish, Finnish, Dutch and Luxembourg equivalents.<sup>155</sup>

Coordination has undoubtedly had a greater effect on *the level of expenditure on the integration component.* The disparities in the use of allocations to departmental integration budgets are very wide and do not really reflect uneven growth in the number of beneficiaries but rather *"the disparate levels of commitment by departmental operators to the integration of RMI beneficiaries"*.<sup>156</sup> While most *départements* fulfil their obligations, a minority underspend their allocations, and several have accumulated a considerable carry-over in the course of a few years. At the national level, this reluctance could be interpreted as a waste of resources, since the amounts carried forward from one year to the next could be allocated elsewhere, or they could equally well be regarded as savings, since a nest-egg has been built up for future allocation.

The third item of RMI expenditure is the *funding of employment measures* (job-creation contracts, consolidated employment contracts, employment-initiative contracts and short vocational integration and training courses), which amounted to 6.6 billion francs in 1997. Between 1990 and 1997, the allocations devoted to employment measures for beneficiaries of the RMI scheme rose at a slightly faster rate than expenditure. The idea that was put forward at the time, particularly by the Interministerial Commission on the RMI Scheme in its negotiations with the Employment Delegation was that, in order to make the allocation to the RMI scheme more 'active', the chances of transition into employment had to be increased. According to the argument that was developed, the cost to society of putting one person on a job-creation or consolidated employment contract is ultimately lower than the cost of keeping that person on RMI, particularly because the chances of finding work are in inverse proportion to the length of time spent in the RMI scheme. This investment in employment measures was perceived in the nineties as the only way to reverse the growth in the number of RMI beneficiaries.

It is not possible, however, to assess the impact of RMI on public expenditure without reference to the development of the system of social protection. As we have indicated several times, part of the increase in the RMI population was a direct consequence of the tightening of the conditions of eligibility for unemployment benefit at the start of the nineties. In other words, *there was a shift in expenditure from the system of unemployment insurance to the national welfare system.* If we set aside the socio-economic constraints (such as a deficit in the budget of the National Interprofessional Union for Employment in Industry and Commerce, the organisation responsible for the unemployment insurance fund), this transfer reveals a lack of knowledge of and involvement in the administration of the RMI scheme on the part of the employers' organisations and trade unions and a lack of political and institutional coordination between the administration of the unemployment insurance scheme and that of the income-support schemes.

Is local coordination of the RMI scheme more costly? It is not possible to give a reliable answer to that question. Let us simply say that the integration component of RMI was established by the departmental social service and the local social welfare centres without sufficient additional funding. Gradually, the provision of staff, particularly from the National Employment Agency, and the cofinancing of posts for local integration counsellors or social workers made up lost ground. Be that as it may, those who run the integration and social services in the major urban centres still complain of being understaffed in relation to the number of RMI recipients.

## Section 5: Prospects for coordination

At the end of chapter 3, we advanced the hypothesis that the increasing importance attached to coordination in the formulation of integration policies was the sign of both an unfinished decentralisation process and of a shift

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<sup>155</sup> See the article "Si le Revenu minimum était européen..." in *Lettre d'Information sociales européennes*, No 37, April 1999.

<sup>156</sup> Ministry of Employment and Solidarity, *Les 10 ans du RMI*. November 1998, p. 16.

in the balance of the political focus. The RMI scheme may be seen as recognition by the welfare state that the centralised bureaucratic management of social rights and services is no longer an adequate instrument when it comes to combating the new forms of poverty. The state is called upon *to coordinate* its policy and its supervisory authorities with other institutions and local players in order to put its integration policies and projects into practice. Thus a social policy such as the RMI scheme was expressly conceived for transmission to the local level in a manner which could not be reduced to the implementation of prefabricated rules. The decentralisation of decision-making and funding certainly reflected the quest for a more efficient form of political structure, based on the idea that solutions to the problem of social exclusion can best be found at the level which is in closest touch with the needs of users of the welfare state and with local socio-economic initiatives. Nevertheless, this decentralisation process is unfinished, and the new model of political action is still trying to find its balance. While leaving local players significant room for manoeuvre in the establishment of the RMI scheme, the Government continues to control the main instruments of integration, namely the definition and funding of employment measures, and to prescribe the coordination frameworks (the departmental integration council, the local integration committee and the social and economic integration contract). The coordination requirement initially comes from above. It is often a 'compulsory' partnership in which the decentralised national authorities and the local players participate because official circulars demand it and because elected councillors preside over their meetings.

The RMI scheme is based primarily on *inter-administrative coordination* and on a more or less formalised type of *operational coordination* between employees of the public authorities, social workers and players in the field of economic integration. These forms of coordination make it possible to define more clearly the powers of national and departmental administration and to divide responsibilities between them. They also serve to synchronise the rationale of the national anti-exclusion programmes with that of the projects of local operators. But they do not really pave the way for political coordination of the struggle against exclusion in the sense of a reciprocal commitment between public players and local socio-economic players to a common project. In the light of widening disparities between *départements* in the domain of integration (differences in the percentage of RMI recipients with jobseekers' contracts, variations in the spending of allocations to the integration budget, etc.), possible ways of improving the forms of coordination adopted in the struggle against exclusion are the subject of debate. This debate has polarised between an option in which central government would lay down standards and rules and let the various operators and the various territorial levels decide how they should set about complying with them and a more decentralising option which goes further into joint construction and management of social policies with elected politicians and local players in the field of integration. In the first option, the central authority seeks to recover control of the coordination process, if not of its outcome, and returns to the heart of the scheme and the process. This is achieved by strengthening the role of the Prefect, who is not only designated as the guarantor of equity throughout the territory but also as the main coordinator of the agents and mechanisms of the anti-exclusion effort. This is the thrust of the recent Anti-Exclusion Act, which makes the National Employment Agency the new focal point of policymaking in the realm of economic integration. The second option would be to move towards a greater degree of local democracy by assigning a political role to the coordinating bodies, which would necessarily impose on the members of these bodies a share of public accountability. This option would imply, for example, greater decentralisation of the public employment services. As the Bélorgey report<sup>157</sup> emphasises, "the operation of globalisation" and now of "territorialisation" of employment measures, which tends to assign to the regional directorates of the national authorities the power to arbitrate on the distribution of employment aid between various possible measures, is limited in its scope. More decentralisation would imply, for example, the establishment of devolved agencies which would be jointly administered with local employers' and employees' representative bodies and would be responsible for the use of public funds allocated to all employment policies (other than unemployment benefit).

This debate on the place of the state in the local coordination of integration policies shows that the reform of the political structure has not yet established a new equilibrium. It often lacks transparency and coherence for the national authorities, their partners and their clients. Does that make it any less efficient? It is difficult to answer that question because, despite the complexity of the RMI scheme, it works reasonably well and is still considered by most operators and beneficiaries to represent social progress. Asking the question in terms of efficiency means widening the debate about the most appropriate forms of coordination for the fight against exclusion. The gamble of the RMI scheme was the introduction of elements of civic regulation into the administrative regulation of the anti-exclusion effort. Until now the debate has focused on the link between administrative and civic forms of coordination and the relative weight of each. Should the balance of power be shifted towards the elected politicians and away from the national authorities in the administration of RMI, or should the aim be to strengthen the role of the Prefect as the chief coordinator? Should a greater degree of parity be introduced into the management of the scheme, which would be open to players in civil society, or should the decision-making

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<sup>157</sup> *op. cit.* p. 156

process be made to revolve around two or three competent administrative authorities? Does the improvement of client reception and services depend on their representation in the coordinating and administrative bodies (the local integration committees, the Departmental Integration Council, the National Employment Agency and the Family Allowances Fund)? In spite of the desire to make the struggle against exclusion everyone's business, the coordination of the RMI scheme will initially remain a matter for the national and local administrations before being established on the basis of a territorial social dialogue in which businesses, trade unions, voluntary associations and clients would share responsibility. Given the disparities between *départements* in the struggle against exclusion, the temptation of greater state intervention in integration policies appears to be stronger today than the temptation to devolve more powers to the departmental or local authorities. That is a sign of the persistence of the *Jacobin* tradition, which frets over the uneven socio-economic dynamism of the *départements*, but it also illustrates the fragility of civil society, which finds it difficult to develop its own sustainable policy when faced with the power of the French State.

It is interesting to note that, in this debate between the proponents of administrative and of civic coordination, the most 'liberal' anti-poverty options, such as proposals for universal benefit or negative income tax, remain marginalised. In fact, notwithstanding their divergence, universal benefit and negative income tax, by making it possible to combine income support with income from activity, would introduce elements of market coordination to compensate for the inadequacies of administrative coordination in the struggle against poverty. The advocates of such a system believe that its advantages would be manifold. Among the advantages of universal benefit or negative income tax are that it would increase individuals' autonomy and freedom of choice by guaranteeing them a minimum income whatever their occupational status, it would avoid the stigmatisation of benefit claimants, which is often an obstacle to their reintegration, it would overcome the poverty-trap situation whereby it is more advantageous to remain in the RMI scheme, with its ancillary rights, than to accept a part-time or short-term job.<sup>158</sup> In a context in which there are no administrative obstacles to the mechanisms governing the combination of benefits and earned income, the freedom of choice of the beneficiaries of universal benefit or negative income tax is fully re-established to the point that one might well wonder whether social workers and other operators in the field of integration would still serve any purpose. The integration component and social support are generally deemed to be costly, stigmatising and limited in their effects. In general terms, in their concern to make the social services less bureaucratic and to emancipate welfare claimants from the tutelage of the social workers, these proposals underestimate the collective functions of support and of vocational and social mediation in the reintegration of the least privileged. The scenarios based on subsistence incomes or negative income tax tend to present the labour market quite simply as a place where supply and demand are harmonised by means of pay levels and not as a social construct involving a multitude of institutions and intermediate networks between companies and workers. The experience of the RMI scheme shows, in fact, how much these intermediaries try to reduce inequalities between individuals who are trying to start up in business or to find employment by helping the most disadvantaged to rebuild their skill profiles on the basis of their know-how and not on the basis of formal qualifications and by questioning the exclusive nature of company recruitment and redundancy procedures.

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<sup>158</sup> On the poverty trap and the means of overcoming it, see R. Godino, "Pour la création d'une allocation compensatrice de revenu", in R. Castel, R. Godino, M. Jalmain and T. Piketty (ed.), *Pour une réforme du RMI*. Notes de la Fondation Saint Simon, February 1999, pp. 7-20.

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## Acronyms

AAH	<i>Allocation aux Adultes Handicapés</i>	Adult disability benefit
ACCRE	<i>Aide aux chômeurs créateurs d'entreprise</i>	Business start-up assistance for the unemployed
AI	<i>Allocation d'insertion</i>	Social and economic integration allowance
AI	<i>Association Intermédiaire</i>	Intermediary association
AIF	<i>Action d'insertion et de formation</i>	Integration and training measure
ALF	<i>Allocation de logement familial</i>	Family housing benefit
ALI	<i>Animateur local d'insertion</i>	Local integration counsellor
ANPE	<i>Agence Nationale Pour l'Emploi</i>	National employment agency
API	<i>Allocation de parent isolé</i>	Lone-parent benefit
APJE	<i>Allocation pour jeune enfant</i>	Child allowance
APL	<i>Aide personnalisée au logement</i>	Personalised housing assistance
APLI	<i>Atelier permanent de lutte contre l'illettrisme</i>	Permanent literacy workshop
ASS	<i>Allocation de solidarité spécifique</i>	Extended unemployment benefit
ASSEDIC	<i>Association pour l'Emploi Dans l'Industrie et le Commerce</i>	Association for employment in industry and commerce
AUD	<i>Allocation unique dégressive</i>	Single degressive allowance
BDI	<i>Budget Départemental d'Insertion</i>	Departmental social and economic integration budget
BEP	<i>Brevet d'Etudes Professionnelles</i>	Upper secondary vocational studies certificate
CAF	<i>Caisse d'Allocations Familiales</i>	National family allowances fund
CAP	<i>Certificat d'aptitude professionnelle</i>	Upper secondary vocational aptitude certificate
CAUS	<i>Chantier d'activité et d'utilité sociale</i>	Social worksite
CCAS	<i>Centre Communal d'Action Sociale</i>	Communal social welfare centre
CDC	<i>Comité départemental de coordination</i>	Departmental coordination committee
CDI	<i>Conseil départemental d'insertion</i>	Departmental social and economic integration council
CEDAS	<i>Centre départemental d'action sociale</i>	Departmental social welfare centre
CEE	<i>Centre d'études de l'emploi</i>	Centre for employment studies
CEC	<i>Contrat Emploi Consolidé</i>	Consolidated employment contract
CERC	<i>Centre de l'emploi, des revenus et des coûts</i>	Centre for employment, revenue and expenditure studies
CES	<i>Contrat Emploi Solidarité</i>	Job-creation contract
CEVIPOF	<i>Centre d'étude de la vie politique française</i>	Centre for studies on French political life
CFDT	<i>Confédération Française Démocratique du Travail</i>	Democratic Confederation of Labour
CFTC	<i>Confédération française des Travailleurs Chrétiens</i>	Christian Confederation of Labour
CIE	<i>Contrat initiative emploi</i>	Employment-initiative contract
CISS	<i>Circonscription d'Interventions Sanitaires et Sociales</i>	Social and health facilities centre
CLA	<i>Cellule locale d'appui</i>	Local support unit
CLE	<i>Comission locale de lutte contre l'exclusion</i>	Local anti-exclusion committee
CLI	<i>Commission local d'insertion</i>	Local social and economic integration committee

CLE	<i>Commission locale de lutte contre l'exclusion</i>	local anti-exclusion committee
CMU	<i>Couverture médicale universelle</i>	Universal medical cover scheme
CNAF	<i>Caisse Nationale d'Allocations Familiales</i>	National family allowance fund
CNAM	<i>Caisse nationale d'assurance maladie</i>	National health insurance fund
COORACE	<i>Comité de Coordination Nationale d'Associations d'Aide aux Chômeurs par l'Emploi</i>	National coordinating committee of associations to help the unemployed through employment
COTOREP	<i>Commission Technique d'Orientation et de Reclassement Professionnel</i>	Technical committee for occupational guidance and rehabilitation
CPAI	<i>Centre permanents d'accueil et d'insertion</i>	Permanent reception and integration centre
CPAM	<i>Caisse Primaire d'Assurance Maladie</i>	Primary health insurance fund
CPAS	<i>Centre public d'aide sociale</i>	Public social welfare centre
CREDOC	<i>Centre de Recherche pour l'Etude et l'Observation des Conditions de Vie</i>	Consumer research and documentation centre
CRIDA	<i>Centre de Recherche et d'Information sur la Démocratie et l'Autonomie</i>	Research and information centre on democracy and autonomy
CSERC	<i>Conseil Supérieure de l'Emploi, des Revenues et des Coûts</i>	National council for employment, income and costs
DAS	<i>Direction de l'Action Sociale</i>	Social welfare directorate
DGEFP	<i>Délégation Générale à l'Emploi et à Formation Professionnelle</i>	General delegation for employment and vocational training
DDASS	<i>Direction Départementale de l'Action Sanitaire et Sociale</i>	Departmental directorate for health and welfare services
DDTE	<i>Direction Départementale du Travail et de l'Emploi</i>	Departmental directorate for labour and employment
DDTEFP	<i>Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle</i>	Departmental directorate for labour, employment and vocational training
DIJ	<i>Délégation interministérielle à la jeunesse</i>	Interministerial delegation on youth
DIRMI	<i>Délégation interministérielle du RMI</i>	Interministerial delegation on the integration-related income support scheme
DISS	<i>Direction Santé et Solidarité</i>	Public health and welfare directorate
DIV	<i>Délégation interministérielle de la ville</i>	Interministerial delegation on towns and cities
DREES	Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques	Department for research, studies, evaluation and statistics
DRTEFP	<i>Direction Régionale du Travail, de l'Emploi et de la Formation Professionnelle</i>	Regional directorate for labour, employment and vocational training
EI	<i>Entreprise d'insertion</i>	Economic integration company
EDEN	<i>Encouragement au Développement d'Entreprises Nouvelles</i>	Business start-up loan
ETP	<i>Equivalent Temps Plein</i>	Full-time job equivalents
FAS	<i>Fonds d'action sociale</i>	Social welfare fund



FDI	<i>Fonds départemental d'insertion</i>	Departmental social and economic integration fund
FSE	<i>Fonds social européen</i>	European Social Fund
FSV	<i>Fonds de solidarité vieillesse</i>	Old-age solidarity fund
FNE-FI	<i>Fonds national de l'emploi pour les femmes isolées</i>	National employment fund for single women
GIOS	<i>Groupe ment Isérois pour l'Observation Sociale</i>	Isère social observation group
GREFOSS	<i>Groupe d'études et de formation sur le sanitaire et le social</i>	Study and training group in the field of health and social affairs
INSEE	<i>Institut National de la Statistique et des Etudes Economiques</i>	National institute for statistics and economic studies
Equipe IOD	<i>Equipe intervention offre/demande</i>	Supply/demand intervention team
IRES	<i>Institut de recherches économiques et sociales</i>	Economic and social research institute
MAS	<i>Module d'activité sociale</i>	Social activity module
MES	<i>Ministère de l'Emploi et de la Solidarité</i>	Ministry of employment and solidarity
MLJ	<i>Mission Locale Jeunes</i>	Local youth task force
MLR	<i>Mission locale rurale</i>	Rural youth taskforce
MEDEF	<i>Mouvement des entreprises de France</i>	French business movement
MSA	<i>Mutualité Sociale Agricole</i>	Agricultural mutual benefit fund
OCDE	Organisation de Coopération et de Développement Économique	OECD
ODAS	<i>Observatoire National de l'Action Sociale Décentralisée</i>	National observatory for decentralised social welfare
PARE	<i>Plan d'aide au retour à l'emploi</i>	Back-to-work assistance plan
PDI	<i>Programme départemental d'insertion</i>	Departmental social and economic integration programme
PDI	<i>Plan départemental d'insertion</i>	Departmental integration scheme
PLI	<i>Plan local d'insertion</i>	Local scheme for social and economic integration
PLIE	<i>Plan local d'insertion par l'économique</i>	Local scheme for integration through economic activity
PNAE	<i>Plan national d'action pour l'emploi</i>	National employment action plan
RMI	<i>Revenu Minimum d'Insertion</i>	Integration-related income support
SIFE	<i>Stage d'Insertion et de Formation à l'Emploi</i>	Vocational integration and training course
SMIC	Salaire Minimum Interprofessionnel de Croissance	National minimum wage
SPE	<i>Service public de l'emploi</i>	Public employment service
SRP	<i>Stage de reclassement professionnel</i>	Occupational retraining course
TUC	<i>Travaux d'utilité collective</i>	Community work projects
UNCASS	Union nationale des caisses de Sécurité de sociale	National union of social security funds
UNEDIC	<i>Union Nationale Interprofessionnelle pour l'Emploi Dans l'Industrie et le Commerce</i>	National interprofessional union for employment in industry and commerce

# Annex

## Methodological note

This study is based on both an examination of the existing literature and empirical surveys in the field.

*Chapter 1* on the forms of income support and *chapter 2* on integration policies are based primarily on our analysis of the reports and literature that exist on these subjects. The main sources we have used are: **Jean-Michel Belorgey**, *Minima sociaux, revenus d'activité, précarité*. La documentation française, Paris, May 2000; **Marie-Thérèse Join Lambert**, *Chômage : mesures d'urgence et minima sociaux. Problèmes soulevés par les mouvements de chômeurs en France fin 1997-début 1998*. La documentation française, Paris, 1998; **CSERC**<sup>159</sup>, *Minima sociaux entre protection et insertion*. La documentation française, Paris, 1997; **DARES**<sup>160</sup>, *Bilan de la politique de l'emploi en 1997*. Les Dossiers de la DARES, La documentation française, Paris, 1998. We also quoted some of the statistics published in the annual reports of the Interministerial Commission on the RMI Scheme.

*Chapter 3*, devoted to a general assessment of coordination, is based on interviews with senior administrators at the national level who work or used to work at the Interministerial Delegation on the Integration-related Income Support Scheme, at the Social Welfare Directorate or at the National Employment Agency. The analysis of these interviews was correlated with that of the national commission set up to evaluate the RMI scheme (*RMI, le pari d'insertion*. La documentation française, 1992). We also incorporated the findings of the survey conducted by the French National Institute for Statistics and Economic Studies, which were published in a number of articles in *INSEE première* in 1999 and 2000.

*Chapter 4* presents the case studies. Three *départements* were selected for these studies: Oise (capital Beauvais), Ille-et-Vilaine (capital Rennes) and Isère (capital Grenoble). We chose Oise because of its rural character. The proximity of the professional operators of the integration system to the beneficiaries of the RMI scheme facilitates cooperation between the operators as well as the monitoring of clients but also increases the risk of stigmatisation and isolation of RMI recipients. Besides, the presence of a local plan for integration through economic activity (PLIE) in the Plateau Picard district and the fact that the plan had already been evaluated also caught our interest. Ille-et-Vilaine and Isère were chosen because of the particular ways in which they operate the RMI scheme. When the RMI scheme was first instituted, for example, posts of local integration counsellors were created to monitor the occupational integration of RMI recipients; this they did by playing the part of intermediaries between the social services and the National Employment Agency. Another interesting difference is that the allocations made to the departmental integration budget are directly passed on as block grants to the local integration committees, which gives local politicians and specialists more incentive and greater flexibility to implement integration projects that match clients' needs as closely as possible. Finally, Rennes City Council administers the occupational integration component of the RMI scheme directly, which is rare in France. Chapter 4 is essentially based on the results of interviews conducted locally by Elisabetta Bucolo in Isère, Laurent Fraisse in Ille-et-Vilaine and Jacques Gautrat in Oise. Some information has also been taken from the departmental integration programmes that are published annually by the *départements*.

*Chapter 5* is a résumé of the preceding chapters.

### Interviewees

The profile of our selected group of interviewees derives directly from the levels of coordination we identified above.

- At the national level, the interviewees were mainly executive staff of the Interministerial Commission on the RMI Scheme, the Social Welfare Directorate, the National Employment Agency and the Ministry of Employment and Solidarity.
- At the departmental level, the interviewees were the heads of the units responsible for the RMI scheme in the General Council and the Prefecture, the RMI desk officers from the Departmental Directorate for Labour and Employment and the National Employment Agency, a local elected councillor who chairs one of the local integration committees, a director of a local plan for integration through economic activity (PLIE), heads of integration bodies (a economic integration company and an intermediary association) and social workers. The total number of interviewees at each location varied between five and ten.

<sup>159</sup> Conseil supérieur de l'emploi, des revenus et des coûts (National Council for Employment, Income and Costs).

<sup>160</sup> Directorate for the Promotion of Research, Studies and Statistics

- Five recipients of RMI were to be interviewed in each *département*. Since the selection was made indirectly through social workers and participation was voluntary, we cannot claim that these samples were in any way representative. In any case, the sample is too small to be representative. The main bias inherent in this type of selection is that the beneficiaries who are most critical of the system and those who milk the system tend to be eliminated from the outset. Nevertheless, the social workers were to be asked to select clients with a variety of profiles.

Two questionnaires were devised, one for the institutional interviewees in the *départements* and one for the beneficiaries of the scheme. In these questionnaires, we tried to cover the main aspects of the coordination issue, namely co-responsibility for the direction of the integration mechanism, the functioning of the Departmental Integration Council and of the departmental integration programme, the functioning of the local integration committees, integration projects, the link between the scheme and employment measures, the link with the other integration schemes and policies, client relations, the examination of cases and the social and economic integration contract.

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