

# **Social Inclusion of young people: Youth Guarantee – 1<sup>st</sup> year of implementation**

## **Country Report France**

### **Disclaimer – Eurofound, September 2015**

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# 1 Executive summary

This report is an attempt to describe the employment and social situation of young NEET people in France, and to examine the conditions for the successful implementation of the youth guarantee as well as a preliminary estimate of the costs of such implementation.

In terms of policy approaches, France has a longstanding history of policy support for youth employment and social inclusion. Since 2006, youth policy is defined in a 'Document of Transversal Policy', presented as an Annex to the annual State budget. This transversal policy combines several types of interventions which go beyond the issues of inclusion and employability.

The current economic crisis has increased the challenges with regard to employment and social inclusion of young people in France, and youth policy has been set as a priority by the new government in 2012. Similarly to other EU countries, youth unemployment has been worsening in recent years, with an unemployment rate of 15–24 year olds close to 24% since 2009. Early school leaving has been decreasing since 2012 but over 100,000 young dropouts remain out of touch every year. Also, at-risk-of-poverty rates have reached worrying levels for the 15–24 age group and remain over 20% since 2007.

From the 8 million young people aged between 15 and 24 in 2013, nearly 1 million (970,996) is not in education, employment or training (NEET). This NEETs group is confronted with social isolation for which integration pathways need to be organised, including health, social, housing, mobility, employment, education and training support. As young people often avoid institutional settings, there is a need to foster local networks of solidarity to reach out the most fragile young people. In France, this is typically the role of Local Youth Centres or 'Missions Locales' which have more than 400 centres across the country.

The role of Local Youth Centres (Missions Locales) is central in organising early support for young people with difficulties. Each young person can enter a 'pathway to integration' when registering with a Local Youth Centre; a personal advisor ('*conseiller*') becomes the sole contact person and will coordinate all the institutional stakeholders who may become involved in the integration process (i.e. family benefits, housing benefits, transport benefits, training schemes, etc.)

Several Government roadmaps provide the basis for responding to the challenges faced by NEET: (i) the National Plan to 'Fight against Poverty' (January 2013) (ii) the 'Priority: Youth' National Plan (February 2013) and (iii) more recently the National Plan to 'Fight against early school leaving' (November 2014).

These Government roadmaps were designed by inter-ministerial Committees under the responsibility of the Prime Minister and are implemented by the Ministry of Labour (General Directorate for Employment and Vocational Training, DGEFP) in close cooperation with the Ministry of Youth and the Ministry of Education, Higher Education and Research.

They form the institutional background for setting up the Youth Guarantee Implementation Plan (YGIP) submitted to the EC in December 2013 and reviewed in May 2014.

Soon after the YGIP had been agreed, the Youth Employment Initiative (YEI) Operational Programme was signed in June 2014. This Operational Programme is the main vehicle for implementing the Youth Guarantee in France.

'The Youth Employment Initiative will directly benefit around one million young French people currently out of employment, education or training, and support the implementation of the Youth

Guarantee’ as the European Commissioner for Employment, Social Affairs and Inclusion, László Andor recalled in June 2014<sup>1</sup>.

The authority for coordinating YGIP is in place and operational since the beginning of 2013, at the Ministry of Labour (General Directorate for Employment and Vocational Training (DGEFP), Policy Assessment & Innovation Unit). This unit works hand in hand with the Ministry of Education, Higher Education and Research and its Delegation for European and International Relations and Cooperation (DREIC). A recommendation is made that the Ministry of Social Affairs and Health and its Directorate for Social Cohesion ought to become more involved in the future, as they are responsible for young people furthest to the labour market (‘Jeunes en errance’); homelessness among young people is ‘monitored’ by a network of NGOs specialising in social work and non-formal education<sup>2</sup>, and it would certainly be worth strengthening institutional links in order to reach out this young NEET category.

On the budget side, the investment strategy of the Youth Guarantee is presented in the Youth Employment Initiative Operational Programme (YEI OP) and amounts to €433,938,640 for the period of 2014-2015. Its implementation is organised through regional call for proposals which started in October 2014. The first effective payments will occur in the first months of 2015, at best.

Special emphasis is put on reaching the most disadvantaged categories of young people, i.e. NEETs, as the absorption capacity of the labour market in France is currently challenged by a very tight economy. A popular approach towards dealing with youth unemployment and integration is through subsidised work programmes. Another common approach is to provide measures in the non-commercial/not-for-profit sector, also known as the social economy. Some weak but positive signals are witnessed in social enterprises and occupational inclusion pathways, as well as in the microfinance sphere for business creation.

Another major priority is to boost the absorption capacity of education systems by preventing early school leaving. Several existing tools are being reinforced with the November 2014 government roadmap, to be widely deployed as of 2015.

With regard to the issue of estimating the costs, there were considerable discussions over the calculation method used and the Department of research, studies and statistics of the Ministry of Employment (DARES) would not endorse the way unitary costs are proposed in this report (see section 4.3). A common financial framework for displaying youth policy expenditure stemming from different ministries or public sources is a second recommendation from this report.

The fact is that several interventions combine several resources over a certain period of time, depending upon the type of integration pathway adopted by each young NEET person. For most of the interventions examined in this report, there were not sufficient indications on the NEET group to extrapolate on costs. What can be observed however is that the logic of intervention is based on two main steps:

- (a) Preventing young people from dropping out,
- (b) Enrolling NEETs into pathways along four distinct approaches:
  - (i) Work-based integration (expérience professionnelle)
  - (ii) Training (formation);
  - (iii) Civil engagement (engagement civique) and
  - (iv) Entrepreneurship (entrepreneuriat).

Having said that, we can learn from a pilot scheme launched in October 2013, under the ‘Fight against poverty’ plan, and called ‘GarantieJeunes’ or Guarantee for Youth in English, as it offers

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<sup>1</sup> Source: [http://europa.eu/rapid/press-release\\_IP-14-622\\_en.htm](http://europa.eu/rapid/press-release_IP-14-622_en.htm)

<sup>2</sup> CEMEA – also known as ‘RéseauErrance’ (wandering youth network) – see [www.cemea.asso.fr/spip.php?rubrique375](http://www.cemea.asso.fr/spip.php?rubrique375)

many similarities to the YGIP. It was targeting 10,000 young NEETs under 26 years old in 2013 and scaling up to a total of 111,000 by 2016, with intensive case management and a wage subsidy for each young person entering an integration pathway towards social and professional autonomy. A budget of €30 million was allocated to this pilot scheme in the 2014 national budget, closely linked to integrated urban development interventions; no ESF funding was foreseen as matchfunding. Under this pilot scheme, the yearly cost per participant is estimated at €2,438. This pilot programme is encapsulated in the YGIP although it is treated as a separate strand in terms of financial commitments.

Another interesting feature of the French system is the increasing role given to civil engagement. Being neither considered as employment or training, the civil service is an important feature of youth NEET policy in France, allowing for more than 26,000 participants per year (2012) to engage in community work with a monthly wage. The estimated cost per participant amounts to €4,135 per year.

In conclusion, the French approach insists upon reinforcing tailor-made solutions for the NEET group. This intensive case management model is seen as a promising method for decreasing the number of NEETs. School mediation programmes with early school leavers adopt a similar case management approach carried out by educational counsellors.

## 2 Background and current (youth guarantee) scheme in place

### 2.1 Policy approach

The policy approach to youth in France is transversal and goes well beyond the aim of securing employment. Youth policy is defined in a ‘Document of Transversal Policy’<sup>3</sup> and sets a series of strategic goals for government action towards youth:

- Participate in the personal development of young people, favour their involvement in society and in the community as well as their mobility;
- Give priority to education, guidance and training;
- Favour employment and vocational inclusion;
- Fight against inequalities on the way towards autonomy;
- Improve living conditions.

Each of these goals is translated into policy programmes accompanied by operational goals and output indicators are defined in order to measure the annual performance of each programme. Quantitative targets are monitored and reviewed on a yearly basis.

The French approach to youth inclusion addresses ‘Young people with fewer opportunities’<sup>4</sup> as the potential beneficiaries, with the aim of diversifying the profile of participants in youth programmes as set in the Youth Priority Plan (see section 3.2 below). The definition is criticised by many stakeholders, due to its negative connotation. This category of young people is close to the NEETs. According to the Document of Transversal Policy, young people with fewer opportunities include young people with lower secondary education, few or no qualifications, living in deprived or isolated areas. This notion stems from Community law and its programme ‘Youth in action’<sup>5</sup>:

Young people with fewer opportunities are young people that are at a disadvantage compared to their peers because they face one or more of the situations and obstacles such as social obstacles, economic obstacles, disability, educational difficulties, cultural differences, health problems, or geographical obstacles. In certain contexts, these situations or obstacles prevent young people from having effective access to formal and non-formal education, transnational mobility and participation, active citizenship, empowerment and inclusion in society at large.

### 2.2 Labour market and social inclusion statistics

#### 2.2.1 General trends

In terms of demography, the latest official statistics<sup>6</sup> show that young people aged between 15 and 24 represent 12% of the total French population (7,925,371 persons), which places France before Italy, Spain and Germany, but behind the UK and Poland.

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<sup>3</sup> Such documents constitute general annexes to the draft finance law. In France in 2014, there are 18 Documents of transversal Policy (DPT). The Youth policy document can be found in French at [http://www.youthpolicy.org/national/France\\_2014\\_National\\_Youth\\_Policy\\_Update.pdf](http://www.youthpolicy.org/national/France_2014_National_Youth_Policy_Update.pdf)

<sup>4</sup> In French ‘Jeunes ayant moins d’opportunité’ - JAMO

<sup>5</sup> Beyond accessibility to all, the Youth in Action Programme also aims at being a tool to enhance the social inclusion, active citizenship and employability of young people with fewer opportunities and to contribute to social cohesion at large.

<sup>6</sup> Eurostat – January 2014



**Table 1: Share of the 15–24 year-olds in the population, 6 member states, 2013**

Member State	Percentage
Italy	10%
Spain	10%
Germany	11%
France	12%
UK	13%
Poland	13%

*Source: Eurostat, June 2013*

The population of the French overseas departments ‘Départements et Régions d’Outre-Mer’ (DROM<sup>7</sup>) is younger than that of the mainland. Overseas youth represents 4.9% of the total youth population of 15–24 years, whereas the entire overseas population represents 4% of the population of France.

**Table 2: Share of the 15–24 year-olds in metropolitan France and in overseas regions, 2013**

Geographical area	15–24 age class
Metropolitan France	12.60%
Overseas Regions	15.47%

*Source: Eurostat, June 2013*

France has thus to deal with contrasted rates of its youth population, with a much larger youth population in overseas regions; these demographic patterns strongly influence educational and training policies as well as labour market integration measures at regional level. Overseas departments and regions are included in the ultra-peripheral regions of the EU for which special provisions are made in the context of cohesion policies and targets.

### **2.2.2 Employment trends**

The French employment rate for young people between 15 and 24 is weaker than the European average, and remains weak over time, around 30% since 2002, currently at 28.1% (2013).

According to the Research, Surveys and Statistics Development Department (DARES) of the French Ministry of Employment<sup>8</sup>, two factors can explain this trend: longer education and a smaller proportion of working students.

<sup>7</sup> DROM: Départements et Régions d’Outre-Mer (overseas regions including Guadeloupe, Guyane, Mayotte, Martinique, Réunion)

<sup>8</sup> DARES Analyses, *Emploi et chômage des 15-29 ans en 2012*, November 2013

**Table 3: Youth employment rate of 15–24 year-olds, EU28 and France, 2002–2013**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU28	36.5	35.8	35.5	35.8	36.4	37.2	37.2	34.8	33.8	33.4	32.7	32.2
France	29.3	30.0	28.7	29.6	29.3	30.5	30.8	29.9	29.6	29.3	28.3	28.1

Source: Eurostat, 2014

### 2.2.3 Unemployment trends

Over the last 30 years<sup>9</sup>, the youth unemployment rate in France has never sunk below 14%. But the last decade is witnessing unprecedented high rates, which increased sharply to over 23% in 2009, currently reaching 24.9% (2013). The overseas regions show an even higher rate of over 50% during these years (in 2012, the average rate rose to 53.9% for the regions of Guadeloupe, Guyane, Martinique, and Réunion). A recent study<sup>10</sup> shows that three years after finishing their studies, 22% of young people are still unemployed.

**Table 4: Youth unemployment rate of 15–24 year-olds, 2002–2013**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU28	18.2	18.3	18.8	18.8	17.5	15.6	15.7	20.0	21.1	21.5	23.0	23.5
France	19.8	18.4	21.0	21.4	22.6	19.8	19.4	23.9	23.7	23.0	24.6	24.9

Source: Eurostat, 2014

### 2.2.4 Compulsory education<sup>11</sup>

The French compulsory education system comprises three main stages, primary education, lower secondary education and upper secondary education in either a General and technological ‘Lycée’ or in a vocational ‘Lycée’ (compulsory for ages 15 and 16). In order to enter the last stage of compulsory education, the Lycée, the pupils are offered three options: general studies, technological studies or vocational training.

The Ministry of Education (Education Nationale) is responsible for education policy as pursued through vocational training in schools and through apprenticeships. The Ministry of Agriculture and Fisheries has a parallel responsibility for vocational training in agriculture. The Ministry of the Economy, Industry and Employment is in charge of continuing vocational training for young people and adult job seekers and for the vocational training of employees in the private sector (it can thus make rules and regulations and set training fees, etc.). Other ministries, such as the Ministry of Youth and Sport, are in charge of training and vocational diplomas in the areas for which they are responsible.

### 2.2.5 Early school leaving

France has a drop-out rate of 9.7% (2013). The Europe 2020 target is to reduce the drop-out rate to 10%, while the national target is 9.5%. Scrutinising the figures, there is a sharp difference

<sup>9</sup> Since 1982. Source: INSEE database on unemployment rate

<sup>10</sup> CEREQ *Enquête 2013 auprès de la Génération 2010*, in Bref du Cereq n°319, Mars 2014.

<sup>11</sup> Mostly inspired from EQAVET library on <http://www.eqavet.eu/gns/what-we-do/implementing-the-framework/france.aspx>

between the rate of young foreign-born people leaving school early (22.9%) and the young native born (10.8%)<sup>12</sup>.

**Table 5: Early leavers from education and training (18–24 year-olds), percentage of total population, 2002–2013**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU28	16.9	16.4	16.0	15.7	15.4	14.9	14.7	14.2	13.9	13.4	12.7	12
France	13.4	12.4	12.1	12.2	12.4	12.6	11.5	12.2	12.6	12.0	11.6	9.7

Source: Eurostat, 2014

The Observatory of Youth (INJEP) has closely assessed early school leaving in a report on youth inequalities<sup>13</sup>. In March 2014, 205,488 young people dropped out of school (186,137 from general secondary education and 19,351 from agricultural education, equivalent to ISCED 3.5 - ISCED 4.3); 76,299 of them were registered in a Local Youth Centre or 'Mission Locale' (see below for more details) and 128,189 were 'lost from sight'<sup>14</sup>.

### 2.2.6 At risk of poverty

One young person out of five is at risk of poverty in France. This trend first emerged in 2007 and has remained high ever since. The risk of poverty also affects young people with a higher education diploma stuck in unemployment. Housing and low paid work are the main problems for this group of young people.

Early school leaving (before the age of 17) has a causal link with the risk of poverty (household revenues and family patrimony, 2012). The fact of studying until 21 instead of dropping out of school at 16 reduces the risk of poverty from 6 to 8 points<sup>15</sup>.

On certain aspects like the unemployment benefits and the guaranteed minimum wage, social protection benefits in France are lower for people under 25 than for adults. This is worrying for the 15–24 age group at risk of poverty.

**Table 6: Young people from 15–24 years of age at risk of poverty, percentage of total population, France, 2004–2012**

	2004	2005	2006	2007	2008	2009	2010	2011	2012
France	19.6	17.6	19.5	20.8	20.4	21.1	22.0	21.7	22.5

Source: Eurostat, 2014

In addition, in 2011 the 'In-work at-risk-of-poverty' rate of young people aged 18–24 was 11.2%<sup>16</sup>.

## 2.3 Volume and composition of the NEET group

According to Eurostat estimates (2012), France has a NEET population of 970,996.

<sup>12</sup> Annex 2 of *Reducing early school leaving, key messages and policy support*, European Commission

<sup>13</sup> Labadie Francine, Observatoire de la Jeunesse (INJEP), Premier Rapport biennal, *Inégalités entre jeunes sur fond de crise*, 2012

<sup>14</sup> These findings have to be treated with caution as they stem from the inter-ministerial exchange information system (SIED), which is not a statistical tool.

<sup>15</sup> Source: <http://www.inegalites.fr/> - INSEE data from 2010 shows that the poverty rate among people with no certificate or diploma is at 10.9%, against 3.3% among people with upper education (Bac+2).

<sup>16</sup> Annual report of the Social Protection Committee on the social situation of the European Union (2013), *Social Europe, Many ways, One Objective*(p.272), 2014

The statistical office of the Ministry of Labour<sup>17</sup> monitors data on youth on a regular basis. In its November 2013 analysis covering young people from 15 to 29 years in 2012, it observes that the share of NEET is lower for the age group 15–19 (6.4%) than for the 20–24 year-olds (18.3%) and the 25–29-year-olds (21%).

The same report notes that around 30% of the total NEET group are young inactive people in which are discouraged workers, with no major variation in age or gender.

Since 2004, the evolution of the NEET rate is parallel to the youth unemployment rate, showing a sharp increase since the second semester of 2009.

The financial crisis and its subsequent economic downturn leads to a persistence of the number of NEET people since 2008-2009. Concomitantly, the level of school dropouts increases sharply in 2009, especially in overseas regions, bringing along additional social and economic problems. The challenge is thus strongly related to educational and vocational development, as pointed out in the YGIP, and illustrated in the tables below.

**Table 7: Young people (15–24 year-olds) that are NEET as a percentage of not employed persons, France, 2004–2012**

	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	12.8	12.7	11.7	10.9	10.9	12.4	12.8	12.9	13.1
France	10.6	10.9	11.0	10.3	10.2	12.4	12.4	12.0	12.2

*Source: Eurostat - 2014*

Another alarming figure is the 42.5% rate of young female unemployed with lower educational attainment (ISCED level 2)<sup>18</sup>, 7.7 point above the male group, and 11.5 point above the EU average.

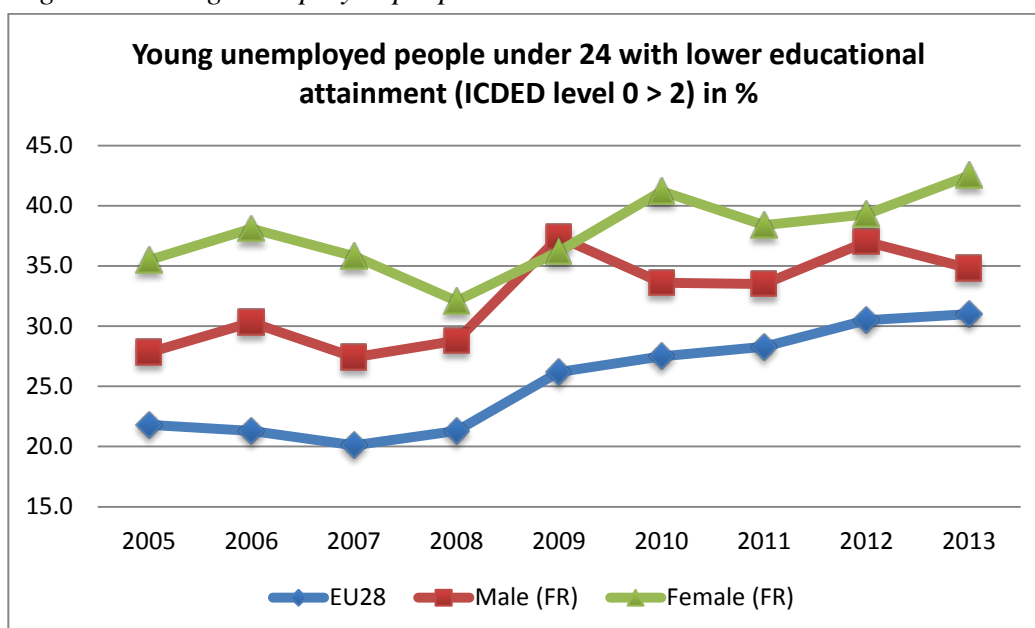
**Table 8: Youth unemployment of 15–24 year olds with lower educational attainment and by sex, France, 2005–2013**

	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU28	21.8	21.3	20.1	21.3	26.2	27.5	28.3	30.5	31.0
Male	27.8	30.3	27.4	28.8	37.4	33.6	33.5	37.0	34.8
Female	35.5	38.1	35.8	32.1	36.2	41.2	38.4	39.3	42.5

<sup>17</sup> DARES Analyses: *Emploi et chômage des 15-29 ans en 2012*

<sup>18</sup> Ibid.

Figure 1: Young unemployed people under 24 with lower educational attainment



## 2.4 Expenditure on young people

### 2.4.1 Expenditure on social protection in % of GDP

France has one of the highest social protection expenditure rates in the EU. The following table summarises the evolution of GDP and the way social benefits were allocated between 2008 and 2011<sup>19</sup>. The share spent on young people alone is not available.

**Table 9: Evolution of GDP and expenditure on benefits, 2008–2011**

	Expenditure					Benefits by function, in % of total social benefits(2011):				
	in % of GDP				PPS per capita, EU28 =100	Old age & survivor s	Sickness/h ealthcare & disability	Family & children	Unempl oyment	Housing & social exclusion
	2008	2009	2010	2011						
EU28	26.8	29.7	29.4	29.1	100	45.7	37.1	8.0	5.6	3.6
France	31.3	33.6	33.8	33.6	127	45.4	34.7	8.2	6.6	5.0

### 2.4.2 Expenditure on labour market interventions overall and for young people

According to the 2008–2009 Senate report on youth<sup>20</sup>, estimating the cost of youth policy is a complex exercise in terms of methodology as the policy interventions are numerous, cover different fields - education, employment, family, fiscal support, social support, housing support, etc. - and involve many stakeholders (government, social security administration, local authorities, etc.).

<sup>19</sup> Eurostat News release, 'Social protection expenditure', November 2013 [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/3-21112013-AP/EN/3-21112013-AP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-21112013-AP/EN/3-21112013-AP-EN.PDF)

<sup>20</sup> Senate report on youth policy, by Demuyne Christian, 2009

Since 2006, the annual State budget is including several financial annexes in order to provide a clear framework to horizontal policies. There are 18 Annexes called '*Documents de Politique Transversale*' (DPT) and one of them is dedicated to Youth Policy.

This horizontal policy gathers all policy interventions targetting young people, aiming at their autonomy through education, training, social inclusion, housing, health, security, leisure, sport, culture, mobility, civic engagement, with the prospect of reducing social or territorial inequalities. The DPT on Youth Policy targets the 3-30 years old age group, with a focus on the 6-25 age group. Young people are thus included in their various status: child, pupil, student, junior worker, junior offender, young person with disability, etc. The limit of 3 years old is referring to the age of initial schooling and the possibility to be hosted in public facilities for children. The ceiling of 30 years corresponds to an average ceiling for youth policy in many European schemes<sup>21</sup>.

Each document presents the policy strategy, its objectives and priorities with indicators of performance and details on its financial support. The total amount of State support to the age group of 3-30 years old amounts to €81 billion for 2014<sup>22</sup>.

#### 2.4.3 Expenditure for the PES and their structure and capacity

In France in 2002, one person out of five getting support from Labour Market Policy interventions was under 25. The rate for this age group seems to decrease over time, getting closer to 18%, but Eurostat considers this as data with low reliability due to double counting issues while aggregating expenditure with participants.

**Table 10: Participants in LMP interventions in percentage of young people under 25, 2002–2011**

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
20.8%	19.6%	19.0%	18.0%	17.0%	16.5%	16.2%	18.5%	18.9%	18.0%

Source: Eurostat, 2014

## 2.5 Statistics linking education and labour market

### 2.5.1 Economic development (GDP per capita)

GDP in France<sup>23</sup> showed a sharp fall in 2009 followed by a relatively quick recovery. In 2012, the economic activity shrank in the euro zone but the French economy remained at a standstill according to INSEE, the National Institute of Statistics.

<sup>21</sup> [http://www.youthpolicy.org/national/France\\_2014\\_National\\_Youth\\_Policy\\_Update.pdf](http://www.youthpolicy.org/national/France_2014_National_Youth_Policy_Update.pdf)

<sup>22</sup> Ibid.

<sup>23</sup> Gross domestic product and its components at current prices, May 2014 [http://www.insee.fr/en/themes/comptes-nationaux/tableau.asp?sous\\_theme=1&xml=t\\_1101p](http://www.insee.fr/en/themes/comptes-nationaux/tableau.asp?sous_theme=1&xml=t_1101p)

**Table 11: GDP per capita, France, 2002–2012**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gross domestic product	3.2	2.9	4.3	3.8	4.7	4.9	2.5	-2.5	2.7	3.3	1.5

Source: National accounts - Base 2005, INSEE

### 2.5.2 Employers confidence in the economy

According to business managers in the main sectors of the economy, the business climate in France has had a negative trend again since the spring of 2014. It is represented in the table below by a composite indicator set against a long term average estimate of 100 and calculated with factor analysis techniques<sup>24</sup>.

**Table 12: Business climate in France, 2014**

	April 14	May 14	June 14	July 14	Aug. 14	Sept 14	Oct 14
<b>Composite indicators</b>							
France	95	95	93	93	91	91	91
Industry	101	99	97	97	96	96	97
Wholesale trade	-	99	-	96	-	92	-
Building	93	94	92	90	89	88	87
Retail trade	98	99	96	99	90	90	90
Services	92	91	92	94	93	92	93

Source: INSEE, 2014 - <http://www.insee.fr/en/themes/info-rapide.asp?id=105&date=20141023>

### 2.5.3 Skill mismatch index

Recruitment difficulties are closely monitored by the PES and a survey of labour needs is published every year<sup>25</sup>. Recruitment plans are monitored through a yearly survey sent to 1.6 million potential employers. This survey allows a mapping of labour needs, per geographical area and per sector.

**Table 13: Recruitment plans in 2014 (% by sector), France**

Recruitment projects in 2014	% by sector
Building	15.9
Trade	16.2
Services	20
Manufacturing industry	20.1
Agriculture and agro food industry	28.2

<sup>24</sup> [http://www.insee.fr/fr/indicateurs/ind105/climatfrance\\_m.pdf](http://www.insee.fr/fr/indicateurs/ind105/climatfrance_m.pdf)

<sup>25</sup> Pole Emploi, (2014) Survey of labour needs - <http://bmo.pole-emploi.org>

Source: PES Labour Needs' survey 2014 <http://bmo.pole-emploi.org/>

However, the methodology adopted for the monitoring of labour needs does not take into account the age categories and it is therefore not possible to observe any trend in relation to young people.

**Table 14: Job vacancy rate**

	2008	2009	2010	2011	2012
EU28	:	1.3	1.5	1.6	1.5
France	0.6	0.4	1.0	1.1	1.0

Source: Eurostat

The monitoring of job vacancies over the last years shows that France has had an increasing volume of temporary agency work<sup>26</sup> between 2009 and 2012, which positively influences opportunities offered to young job seekers.

Another statistical source<sup>27</sup> shows that the top five sectors with job vacancies are

- Finance and sales associate professionals
- Production and operations department managers
- Physical and engineering science technicians
- Other department managers
- Housekeeping and restaurant services workers

#### 2.5.4 VET system

France is a unitary state. However, since the adoption of the Decentralisation Laws (the last one dates from 2013 and a further strand is expected for 2014–2017), some of the State's duties have gradually been transferred to the country's Departments and Regions.

Regarding education, responsibility for the curricula, the examinations and the employees remains at national level, while the Departments and Regions have been given powers regarding how education establishments are equipped and run.

Non-formal education and lifelong learning are poorly served by the rather rigid framework provided by the State, although some progress has been made with second chance schools and case management schemes for early school leavers.

Regarding vocational training, the Regional Authorities are in charge of apprenticeships and training schemes for unemployed youths and adults.

The field of apprenticeship has been deeply reorganized in recent years. Apprentices can get a diploma or a certificate for the same national qualifications available in traditional curricula. However, the majority of apprentices are getting NVQ 2 equivalence<sup>28</sup> through special schooling systems and educational infrastructures with adapted equipment (special machinery for handcraft, etc.).

Along with the Regional Authorities, the State jointly funds certain schemes intended for the unemployed and young employees (e.g. Training-on-the-job contracts or 'contrats de professionnalisation' in French, which are subsidised contracts aiming at skills upgrading).

<sup>26</sup> <http://ec.europa.eu/social/BlobServlet?docId=9776&langId=en>

<sup>27</sup> Source: Top 5 Eures job vacancies  
<http://euskillsparanoma.cedefop.europa.eu/KeyIndicators/Country/Details.aspx?nationalcountryid=10&>

<sup>28</sup> Apprenticeship in 2010: France - see <http://cep.lse.ac.uk/pubs/download/special/cepsp22.pdf>



According to the 2012 report published by CEDEFOP<sup>29</sup>, vocational education and training (VET) in France consists of two elements, which are relatively independent of each other:

- Initial vocational training, which applies to young people in full-time education and to apprentices;
- Continuing vocational training, which applies to young people who have left or completed initial education and to adults on the labour market.

Special attention has to be drawn to the situation of young people from the French overseas departments where the level of education is lower than on the mainland: the illiteracy rate of young people on the mainland can sometimes be twice as high (in the overseas region of Mayotte it is 30%<sup>30</sup>), even though the trend seems to be improving over time. The NEET category is much higher in the overseas regions, in particular among the category of early school leavers.

## **2.6 Current policies in place addressing NEETs**

### ***2.6.1 Priority: Youth***

France has a longstanding history of policy support for youth employment. The current economic crisis has nevertheless increased the difficulties of youth inclusion and employability, which is why youth policy has been set as a priority by the new government in 2012. This translates into the Government decision to rehabilitate the Youth Inter-ministerial Committee and to adopt a national plan in favour of youth directly. This new roadmap ‘Priority: Youth’ (Plan Priorité Jeunesse) was adopted in February 2013<sup>31</sup> and introduces substantial reforms in the government’s programmes for youth while responding to four fundamental priorities:

- (i) Mainstream access of young people to social rights, in order to end the accumulation of derogatory or incomprehensible programmes;
- (ii) Encourage youth empowerment through training, accommodation, health, mobility, etc.;
- (iii) Fight against social injustice and discrimination;
- (iv) Encourage the participation of youth in public affairs and give substance to a shared and effective approach to the development of government policy.

The Ministry of Youth coordinates this National Plan. NGOs and other stakeholders have a consultative role in the process. The Committee meets once a year and publishes a yearly activity report in which each strategic goal is examined and operational measures assessed.

### ***2.6.2 Parliamentary report***

In March 2014, the National Assembly (Assemblée Nationale) appointed a deputy<sup>32</sup> from the Committee of European Affairs to draft a report on youth employment (including the Youth Guarantee). The report should be finalized during winter 2014.

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<sup>29</sup> [http://libserver.cedefop.europa.eu/vetelib/2012/2012\\_CR\\_FR.pdf](http://libserver.cedefop.europa.eu/vetelib/2012/2012_CR_FR.pdf)

<sup>30</sup> Four young out of ten have difficulties with writing, INSEE ‘Mayotte Info’, February 2014  
[http://www.insee.fr/fr/themes/document.asp?reg\\_id=27&ref\\_id=20788#p1](http://www.insee.fr/fr/themes/document.asp?reg_id=27&ref_id=20788#p1)

<sup>31</sup> English summary on [http://www.jeunes.gouv.fr/IMG/pdf/CIJ\\_Synthese2\\_GB3\\_M5b.pdf](http://www.jeunes.gouv.fr/IMG/pdf/CIJ_Synthese2_GB3_M5b.pdf)

<sup>32</sup> Philip Cordery (Socialist Party)

### 2.6.3 A culture for supporting young in difficulty

A popular approach towards dealing with youth unemployment and integration in France is through subsidised work programmes. Another common approach is to provide measures in the non-commercial/not-for-profit sector, also known as the social economy.

As one of the main challenges for young people trying to enter the labour market, it is often reported that it has become more difficult for them to secure a permanent contract (*contrat à durée indéterminée – CDI*) as opposed to a temporary job (*contrat à durée déterminée – CDD*). Temporary work has now become the main access route to the job market (Lefresne, 2012).

Interviewees observe that most of the recent support for NEETs is made through employment incentives for the individual (in the form of individual contracts signed with the young person). For instance, the now abandoned Contracts of the Future (Contrats d’Avenir) are financed with State support of between 35% and 75% of the minimum salary rate<sup>33</sup> and for a period of 12 to 36 months, and are also individual employment incentives, even though they were considered as direct job creation in the table (line 24).

### 2.6.4 Youth employment measures

The following list summarises youth employment measures implemented in France (Eurostat, 2011). A total of 26 measures were recorded in 2011.

**Table 15: List of youth employment measures implemented in France, 2011**

	Main field of intervention	Name
1	Training	Allowance for jobseekers in training (AFDEF)
2		PES training allowances (RFPE)
3		[Component] Career Security Agreement (CSP) - Career Security Allowance (ASP)
4		Back-to-work support - training allowance (AREF)
5		[Component] Personal retraining agreement (CRP) - Special retraining allowance
6		[Component] Transition-to-work contract (CTP) - Training allowances
7		Voluntary contract for integration (CVI)
8		State-financed training for fragile population
9		Training agreements (AFC)
10		Training courses organised by the regions
11		Operational preparation for employment (POE)
12		Training actions prior to recruitment (AFPR)
13		Exemptions and subsidies for recruitment of apprentices
14	Employment incentives	Single inclusion contract (CUI-CIE)

<sup>33</sup> In France there is minimum wage called SMIC (Salaire minimum de croissance). The hourly gross rate is set at €9.53 for 2014 and is indexed every year.

	Main field of intervention	Name
15		Regressive temporary allowance
16		Economic integration enterprises
17		Intermediary associations
18		Enterprises providing temporary work for integration purposes
19		On-the-job-training contract ( <i>contrat de professionnalisation</i> )
20		Minimum-earned-income integration contract (CI-RMA)
21		Employment-initiative contract (CIE-PCS)
22	Subsidized contracts	Adapted firms
23	Direct job creation	Single inclusion contract (CUI-CAE)
24		Contract of the future (CAV)
25		Employment assistance contract (CAE)
26	Start-up incentives	Aid for the unemployed setting-up or rescuing a company (ACCRE)

Source: Eurostat, 2011

More recent schemes do not appear in the Eurostat data form 2011. The first is the Contract for Autonomy (Contrat d'autonomie) implemented in 11 French départements<sup>34</sup> where young people face major difficulties in accessing employment. It consists in guidance towards employment and training leading to qualifications or a start-up within six months. It reached 15,000 young people in 2012. The measure is being reconsidered in the renewed urban policy to be implemented as of January 2015.

A second example is the Social Inclusion Contract 'Contrat d'insertion dans la vie sociale' (CIVIS) set up in 2010. CIVIS is a contract between a young person and a local authority responsible for integrating young people both professionally and socially. 169,464 young people have received a grant from the State with CIVIS in 2012 and 850,000 have been followed up by Local Youth Centres (Missions Locales).

### 2.6.5 Civil engagement

Being neither considered as employment nor training, civil engagement is an important feature of youth policy in France. The number of young people doing community work for 6 to 12 months has been increasing significantly since the creation of the Agency for Civil Engagement (Agence du Service Civique) in 2010, under the authority of its line ministry (Urban policy, Youth and Sports). A recent survey<sup>35</sup> shows that 70% of the panel surveyed has gained a more precise idea of what they want to do in the future since they participated in community work. Each young person entering civil service signs an agreement and gets a monthly allowance of €70. Specific accompanying schemes are available including fight against early school leaving, equal

<sup>34</sup> This administrative subdivision corresponds to NUTS 3 level. There are 101 départements in France in 2014. The areas correspond to deprived neighbourhoods identified through the urban policy scheme for social cohesion (CUCS).

<sup>35</sup> Observatoire de la Jeunesse, Le service civique, un atout pour le parcours des jeunes

opportunities, etc. Since 2010, 60,000 young people engaged into civil service. The target is to reach 100,000 a year by 2017.

#### *2.6.6 Preventive actions*

The early steps taken towards vulnerable young people are very important and stronger means to fight against early school leaving and other drop out situations have been put in place. Such schemes are gathered under the ‘guidance and counselling services’ but do not belong to the set of statistics monitored under Labour Market Policy by Eurostat.

As mentioned above, the main components are the **Platforms against school leaving and the FOQUALE network**. For both of them, the Ministry of Education agrees on the fact that the costs are difficult to identify because both schemes are not an administrative structure as such, but a coordination of different services. The costs are spread over the different bodies that support young people. In terms of human resources, the FOQUALE network is composed of professionals paid by the Ministry of National Education under their statutory duties.

#### *2.6.7 National Youth Guarantee scheme and European Youth Guarantee*

A few weeks before the launch of the National Plan ‘Priority: Youth’ (February 2013), the Inter-ministerial committee against Exclusions (Comité interministériel de lutte contre les exclusions - CILE) adopted another major multiannual plan. This Committee decided on the creation of a pilot scheme called ‘Youth Guarantee – GarantieJeunes’. The target group is NEETs, with the aim of getting them into an inclusion and employment pathway. For the purpose of clarity, we will call it ‘GarantieJeunes’.

This pilot scheme has the same aims as the European Youth Guarantee but operates without any EU funding. It is organised and delivered through Local Youth Centres (Missions Locales) offering integration pathways to employment. Various types of LMP measures are included in these pathways. Each young person entering the pathway signs a contract of ‘mutual reciprocity’ whereby the participant agrees to engage into the various steps of the pathway which have been elaborated in a collaborative way (i.e. the beneficiary is involved in the definition of goals, the selection of training modules, etc.); intensive case management is then proposed, together with an integration allowance. If necessary, further support can be called upon, such as housing allocation, free public transport, etc. The aim is to provide the best conditions possible for the young person to enter the job market in a sustainable way.

As a pilot scheme, the GarantieJeunes targets young NEETs between 15-26 years old in deprived neighbourhoods as a priority. The selection of eligible areas was made in relation to the urban policy priority areas. Its geographical coverage is very targeted and includes two regions that have not been prioritised by the European YG scheme (Bretagne and Lorraine). Local Youth Centres (Mission Locales) are delivering the scheme.

The geographical coverage of the European Youth Guarantee is much wider and the list of selected regions appears in the Youth Employment Initiative (YEI) Operational Programme. A total of 13 regions out of 27 in France are eligible. In addition, 10% of YEI funding will be allocated to sub-regions of Ile de France (Seine-Saint-Denis), Provence-Alpes-Cote d’Azur (Bouches-du-Rhône) and Midi-Pyrénées (Haute-Garonne) where the rates of youth unemployment are higher than 25%.

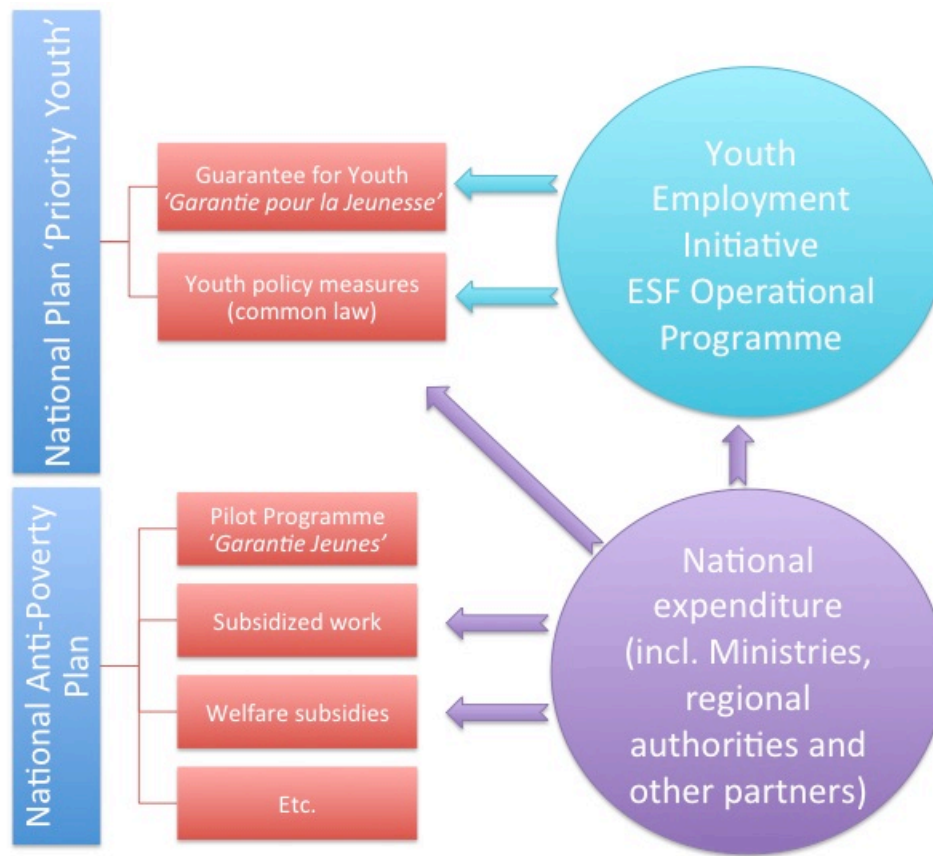
**Table 16: YEI regions in France**

Region (NUTS 2 level)	Youth unemployment rate <sup>36</sup>
<b>Overseas regions</b>	
Martinique	56.7%
Réunion	54.2%
Guadeloupe	53.0%
Guyane	49.5%
Mayotte	(na)
<b>Metropolitan regions</b>	
Languedoc-Roussillon	38.3%
Nord-Pas-de-Calais	35.1%
Centre	28.8%
Picardie	28.2%
Haute-Normandie	27.5%
Auvergne	27.9%
Champagne-Ardenne	25.6%
Aquitaine	25.1%
Provence-Alpes-Côte d'Azur (Bouches du Rhône)	22.3%
Île de France (Seine-Saint-Denis)	19.3%
Midi-Pyrénées (Haute-Garonne)	18.2%

The following graph is an attempt to illustrate the way the GarantieJeunes and the European Youth Guarantee scheme are implemented in France. Based upon two Government roadmaps (on the left), a set of policy interventions are designed and implemented (some examples are provided in red, non exhaustively). Some are mainstreamed interventions and some are experiments, like the 'GarantieJeunes' stemming from the anti-poverty roadmap. The circles on the right shows the financial flows supporting these interventions. The Youth Guarantee Implementation Plan stems from the national Plan 'Priority Youth' and gets financial support from the EU Youth Employment Initiative (including ESF), with matchfunding from the national budget, regional authorities and other stakeholders (i.e. CAF in charge of family benefits, etc.).

<sup>36</sup> 2012 figures - Source: Eurostat [yth\_empl\_110] Age: from 15 to 24 years. [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/1-22052013-AP/FR/1-22052013-AP-FR.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/1-22052013-AP/FR/1-22052013-AP-FR.PDF)

Figure 2: Youth guarantee implementation in France



Source: author

### **3 Preconditions for the implementation of a youth guarantee scheme**

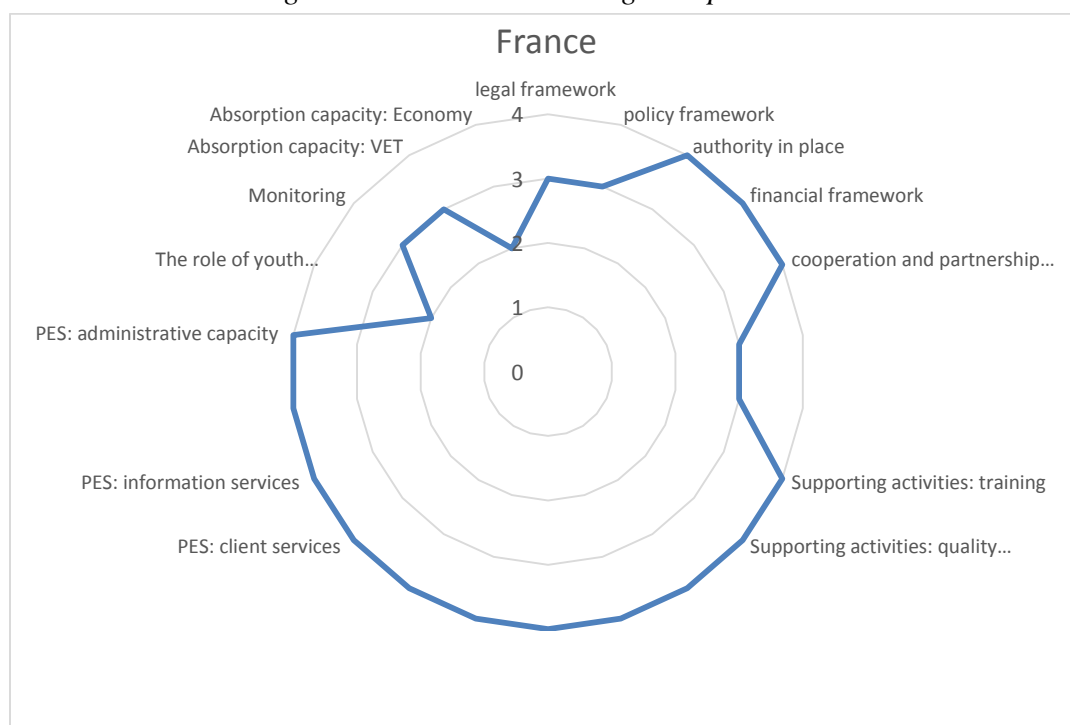
This chapter addresses the preconditions in the country for implementing a youth guarantee scheme (YGS), taking into account the lessons learned from the good practice studied in Austria, Finland and Sweden and the Council Recommendation. These lessons and issues are used as a framework for assessing whether necessary conditions for implementing a YGS are (already) in place, and if not, what still needs to be done to satisfy these conditions. The Council Recommendation and the lessons learned from the good practices serve as a sort of target for MS that are planning to implement a YGS.

For each item, countries were scored on their distance to target (baseline compared to minimal conditions needed for effective implementation). Therefore a scale to indicate at what stage of development France is in relation to the various preconditions:

- 1) Not commenced – know about it but have not started to work on it yet
- 2) Initial stages – have started working on it
- 3) In development – significant progress has been made in developing this.
- 4) In place – fully developed and operational

Figure 2 provides a summative overview of how France scores against the preconditions for the implementation of the Youth Guarantee. Overall, the capacity to implement the Youth Guarantee seems high even though the absorption capacity remains fragile. The involvement of youth organisations in the scheme could have been more important.

Figure 3: Overview scores against preconditions<sup>37</sup>



Source: authors

In the sections below explanations are provided for each of the dimensions.

### 3.1 Legal framework

#### 3.1.1 Existence and appropriateness of the legal framework in place for implementation of YGS

**In development – significant progress has been made in developing this.**

The legal framework for NEET policies is set by two National Plans:

- Fight against Poverty (January 2013)
- Priority: Youth (February 2013)

Both Plans were designed by Inter-ministerial Committees under the responsibility of the Prime Minister and are implemented by the Ministry of Labour (General Directorate for Employment and Vocational Training, DGEFP) in close cooperation with the Ministry of Youth and the Ministry of Education, Higher Education and Research.

Under the Fight against Poverty plan, a national pilot scheme ‘GarantieJeunes’ (Youth Guarantee) started in October 2013, targeting 10,000 NEETs in 2013, 20,000 in 2014 and 111,000 by 2016, with enhanced support (intensive case management and integration allowance); an external evaluation is foreseen.

The Youth Employment Initiative (YEI) Operational Programme took effect as of 1st February 2014, for a period of two years but with eligible costs until 31st December 2017. This Operational Programme is the main vehicle for implementing the Youth Guarantee in France.

<sup>37</sup> 1) Not commenced – know about it but have not started to work on it yet; 2) Initial stages – have started working on it; 3) In development – significant progress has been made in developing this; 4) In place – fully developed and operational.



Some legal acts influencing the implementation of the Youth Guarantee are still underway, such as the reform of the apprenticeship system. With an unprecedented decline of 8% of apprenticeship contracts in 2013, apprenticeship in France is not doing well. Looking back in time, the situation is scarcely better. The inflow into apprenticeships had restarted from 2005 to 2008 and had only slightly decreased during the 2009 recession, but overall, the observed increase does not reflect the extra financial effort and government spending used to make apprenticeships more attractive for young people. A recent study shows that since 2004, the number of apprenticeship contracts increased by 16%, while the financial burden has increased by 56%<sup>38</sup>. According to the author, 'it is like an aeroplane without a pilot: powers, funding and responsibilities are split between the State (Ministry of Education and Ministry of Employment – which do not necessarily have the same vision), regional authorities, tax collectors and the private sector.'

Last but not least, a National Plan to fight against early school leaving has been launched in November 2014, leading to the reorganisation of services for lifelong learning information and counselling. It is coordinated by the Ministry of Education<sup>39</sup> and is expected to play a preventive role for young dropouts aged 16 and more in the context of the Youth Guarantee Implementation Plan.

### 3.2 Policy framework

*Existence and appropriateness of policy framework in place for young people not in employment and education (clear policy strategy that has support and commitment from stakeholders)*

**In development – significant progress has been made in developing this.**

France submitted a Youth Guarantee Implementation Plan on 22 December 2013. Further to comments by the Commission additional information was sent in April and May 2014.

In France, political concern for NEETs is high, but the delivery framework is complex. Indeed, operational measures related to youth support are numerous and rather fragmented, with specific policies delivered by different administrations (employment, education, social affairs, housing, health, justice, etc.). *Clear authority in place for the coordination of (a future) youth guarantee*

**In place – fully developed and operational.**

The managing authority in place for the coordination of the Youth Guarantee has been clearly identified since the beginning of 2013: Ministry of Labour > General Directorate for Employment and Vocational Training (DGEFP) > Policy Assessment & Innovation Unit.

This unit works hand in hand with the Ministry of Education, Higher Education and Research and its Delegation for European and International Relations and Cooperation (DREIC).

The Ministry of Youth oversees all major policy related decisions but leaves the day-to-day management and monitoring of delivery mechanisms in the hands of the Ministry of Labour, also in charge of ESF programmes, in particular the Youth Employment Initiative (YEI).

Relations with other ministries (Justice, Health, Housing, etc.) are sustained through the Youth Inter-ministerial Committee (see 2.6 above).

### 3.3 Financial framework

*Clear financial framework (budget allocated to the YGS or to specific youth measures)*

**In place – fully developed and operational.**

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<sup>38</sup> Bertrand Martinot, former General Delegate to Employment and Training in Le Monde, 4th September 2014 [http://www.lemonde.fr/emploi/article/2014/09/04/un-pacte-national-pour-l-apprentissage\\_4481523\\_1698637.html](http://www.lemonde.fr/emploi/article/2014/09/04/un-pacte-national-pour-l-apprentissage_4481523_1698637.html)

<sup>39</sup> <http://www.education.gouv.fr/cid55632/la-lutte-contre-le-decrochage-scolaire.html>

The investment strategy of the Youth Guarantee is presented in the Youth Employment Initiative Operational Programme (YEI OP) and amounts to €433,938,640 for the period of 2014-2015<sup>40</sup>.

**Table 17: Overview of the EU yearly financial allocation of the YEI OP**

Fund	2014	2015	Total
ESF	€ 22,280,957	€ 5,688,363	€ 17,969,320
YEI	€ 21,143,332	€ 4,825,988	€ 15,969,320
Total	€ 43,424,290	€ 10,514,351	€ 43,938,640

The national Operational Programme will be complemented by regional Operational Programmes which will include YEI funds for a total of €88 million, thereby using the total YEI resources available to France i.e. €620 million<sup>41</sup>.

Moreover, €30 million are allocated to the pilot scheme ‘GarantieJeunes’ in the 2014 national budget. No ESF match funding is foreseen on this. The key figure is €1,600 per young person and per year<sup>42</sup>. This is the budget for delivering the service in the Local Youth Centre. Each young person receives monthly financial support of €329.54, without housing allocation (which can be added if necessary).

### 3.4 Partnership

*Good cooperation and partnership among social partners, education providers and labour market players at the local and national level for addressing young people*

#### **In place – fully developed and operational.**

There is a strong consensus on the need for immediate, targeted and strong intervention in favour of youth employment.

The category of NEET is confronted with social isolation for which integration pathways need to be organised, including health, social, housing, employment and training support. As young unemployed people tend to avoid institutional set-ups, there is a need to foster local networks of solidarity to reach out to the most fragile young people. In France, this is typically the role of Local Youth Centres or ‘Missions Locales’ of which there are 400 centres across the country.

A major stakeholder in this field and central to the Youth Guarantee in France is the Public Employment Service (‘Pôle Emploi’) with its own set of services. It also engages in local partnerships with Local Youth Centres or ‘Missions Locales’ and Cap Emploi for people with disabilities.

The role of Local Youth Centres (Missions Locales) is central in organising early support for young people with difficulties. Each young person can enter a ‘pathway to integration’ when registering with a Local Youth Centre; a personal advisor (‘conseiller’) becomes the sole contact person and will coordinate all the institutional stakeholders who may become involved in the integration process (i.e. family benefits, housing benefits, transport benefits, training schemes, etc.) The added value for the young person is to get a ‘one-stop-shop’ in the vicinity (there is a Mission Locale in each local employment basin in France), with a single contact person for all issues, aside the Public Employment Service (Missions Locales are not responsible for PES

<sup>40</sup> <http://www.fse.gouv.fr/IMG/pdf/PO-IEJ.pdf> (page 35)

<sup>41</sup> [http://europa.eu/rapid/press-release\\_IP-14-622\\_en.htm](http://europa.eu/rapid/press-release_IP-14-622_en.htm)

<sup>42</sup> This initial figure appears in the preliminary budget, which is then transformed in authorized payments of €1,120 (cf. Instruction note from Ministry – March 2014)

registration services). The network is well appraised as it developed a remarkable knowledge and know-how for integration pathways to youth inclusion and employment over the last 30 years<sup>43</sup>. Each Local Youth Centre has a not-for-profit legal status and is managed by local authorities at municipal or inter-municipal level, the local Public Employment Service, devolved ministerial services, economic and social partners. Each French region has a representative NGO<sup>44</sup> for all Local Youth Centres of its region, and sits at the National Council of Local Youth Centres (Conseil National des Missions Locales – CNML). Concomitantly, the Union of Local Youth Centres<sup>45</sup> also acts as a network of Local Youth Centres, federating Local Youth Centres as employers and representing their positions in the institutional arenas related to youth policies. As Figure 4 illustrates, a high number of young people make use of local youth centres in France.

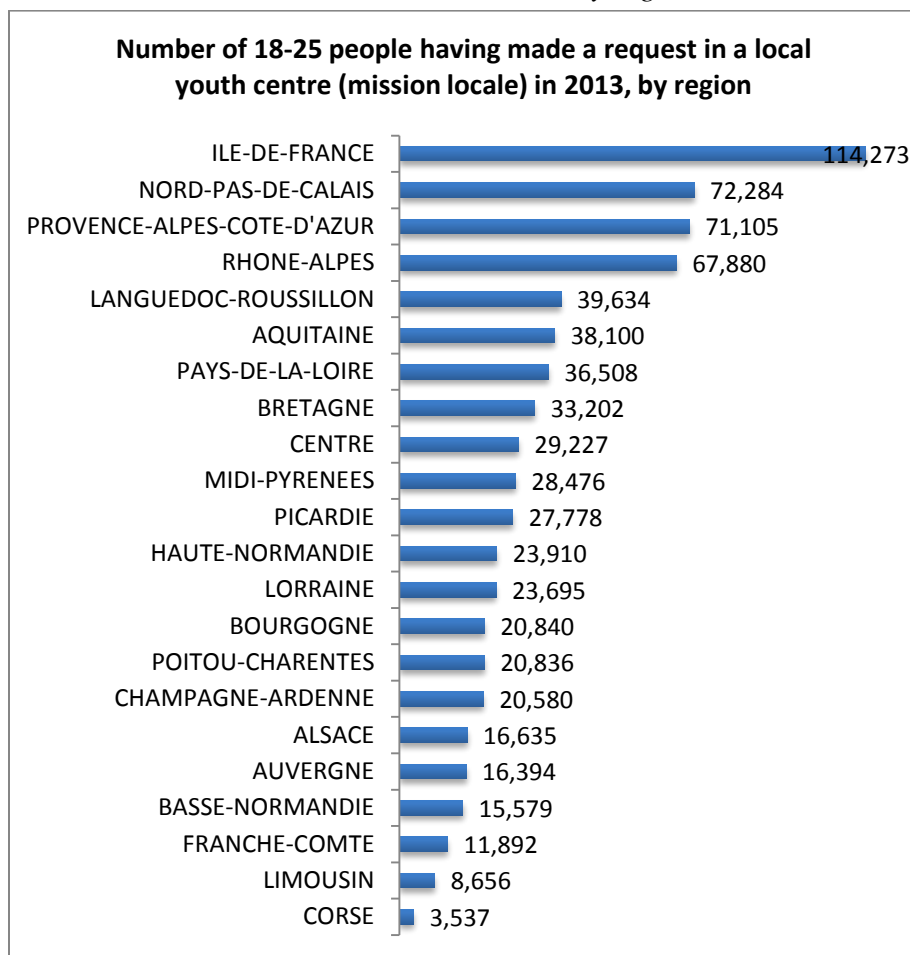
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<sup>43</sup> Presentation of the National Council on <http://www.emploi.gouv.fr/cnml/reseau-des-missions-locales>

<sup>44</sup> NGO: Non Governmental Organisation, including not-for-profit entities.

<sup>45</sup> Presentation of the National Union on <http://www.unml.info/qui-sommes-nous/presentation-de-lunml.html>

Figure 4: Number of people aged 18–25 having made an inquiry to a local youth centre in 2013 by region



Source: DARES / Overseas regions are not reported in the graph

The network of Local Youth Centres is one of the few stakeholders recognising the importance of non-formal education in integration pathways. Many of these centres are involved in youth programmes at local, regional or European level, beyond traditional structural support (ERASMUS, LEONARDO, etc.).

Many other NGOs also engage in supporting young people in finding employment, with a variety of resources coming from private funds (Foundations, Enterprises) or other public sources (cities, local communities, etc.). Local Youth Centres remain however a unique local response for young people with difficulties in France.

*Links between education providers and companies*

**In development – significant progress has been made in developing this.**

In 2011, social partners signed a national agreement for the provision of enhanced support to low skilled or unemployed young people called ‘National multi-sectoral agreement for youth’ (ANI Jeunes<sup>46</sup>), to be implemented through Public Employment Services and Local Youth Centres.

An external evaluation<sup>47</sup> of the scheme was made for its first year of implementation (2012), involving around 41,300 young people. In terms of outputs, the evaluation of the provision of

<sup>46</sup> ANI Jeunes: Accord National Interprofessionnel pour les Jeunes

enhanced support (*accompagnement renforcé*) shows a positive exit rate (getting a job lasting more than 6 months after leaving the scheme) of 43.5% for young people accompanied by PES and of 28.7% for young people accompanied by Local Youth Centres. These rates are considered as very satisfactory in comparison with similar schemes. The evaluation reveals that one of the main success factors is the intensity/high frequency of the coaching (one weekly contact and two physical interviews per month, with an average pathway duration of 4–7 months). Each coach is in charge of 50 to 70 young people.

### 3.5 Supporting activities to young people and integrated support

*Systems in place that prevent young people from Early School Leaving (ESL)*

**In development – significant progress has been made in developing this.**

A major pillar of the Youth Guarantee in France is the fight against early school leaving. Early-school leavers are considered as an important sub-category of NEET. The Ministry of Education, Higher Education and Research has launched a new roadmap in November 2014, unrolling a series of priorities in partnership with various stakeholders, aiming at assisting young dropouts and/or early school leavers<sup>48</sup>. Various existing operational schemes are used for this purpose, such as CIVIS contracts (Volunteering Programme) or flexible school programmes.

The Youth Guarantee is thus reinforcing support services against early school leaving as a preventive action, further sustained by educational staff gathered under networks called FOQUALE for training, qualification and employment (FOrmation, QUALification, Emploi), offering a mix of tailor made solutions.

Besides the support platforms for early school leavers mentioned above, the Youth Guarantee also intervenes in the development of the French system for career information, guidance and counselling, which is being completely reorganised at present. The main responsibility for career information and guidance is now<sup>49</sup> with the regional authorities under the new framework plan of the Regional Public Guidance Service (Service Public Régional de l'Orientation - SPRO).

The SPRO aims at providing every young person (pupils, apprentices, students, young jobseekers and trainees) with the right to a free life-long information service on professional training programmes, job opportunities and professional inclusion. Each young person will be offered a personalised counselling service for developing their professional career, entering training programmes and ensuring their insertion. Implementation of this new public service will be the responsibility of the regional authorities in order to ensure that solutions correspond to the local situation and to employers' expectations in terms of qualifications. This counselling service will remove the obstacles to social inclusion and, in particular, to access to accommodation, health services, and mobility.

*Training (including second chance schools, skills training)*

**In place – fully developed and operational.**

School-based integration schemes such as Second chance schools<sup>50</sup> (Ecoles de la 2ème Chance - E2C) and flexible school programmes have existed for many years now in France. They target young people below the age of 26 who have left the educational system without any diploma or professional skills. The 107 centres formed a network in 2004. In 2012, more than 13,000 young people registered in Second Chance Schools. These schools particularly target young people outside any vocational training scheme, young job seekers, and young people with social

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<sup>47</sup> Synthesis of final evaluation report, Geste, November 2013 <http://www.geste.com/spip.php?article200>

<sup>48</sup> [http://www.education.gouv.fr/cid84031/tous-mobilises-pour-vaincre-le-decrochage-scolaire.html#Le\\_d%C3%A9tail%20du%20plan%20de%20lutte%20contre%20le%20d%C3%A9crochage](http://www.education.gouv.fr/cid84031/tous-mobilises-pour-vaincre-le-decrochage-scolaire.html#Le_d%C3%A9tail%20du%20plan%20de%20lutte%20contre%20le%20d%C3%A9crochage)

<sup>49</sup> Legal act is expected in 2014.

<sup>50</sup> The first Second Chance Schools were first set up in France in 1997. See <http://www.e2c-europe.org/>

difficulties. The teaching relies on a modular, inter-disciplinary and personalised educational and vocational pathway. Positive exit rates vary between 58% and 64% over the years of operation. When leaving school, these young people continue in apprenticeships, subsidised work or in vocational training schemes. 63% of the participants are young women.

Besides these educational centres, many small-scale initiatives and NGO networks provide social work and non-formal educational support to young people with difficulties. They often get funding in the social economy field at local or regional level to develop neighbourhood management (Régies de Quartiers<sup>51</sup>) or community-led activities (Structures d'Insertion par l'Activité Economique – SIAE<sup>52</sup>). It remains to be seen how the Youth Guarantee in France will improve the running and management costs of this myriad of dynamic local initiatives, as they are small and scattered.

*Systems and structures (e.g. subsidies, matching services, mentoring) in place that provide quality apprenticeship / work experience places / job placements / job placements to young people not in training and employment within three months of their becoming unemployed/inactive/registered with the PES*

**In development – significant progress has been made in developing this.**

- **Apprenticeship**

A national plan for apprenticeship containing several recommendations for improving performance in terms of policy delivery<sup>53</sup> is under negotiation between the government, the social partners and other relevant stakeholders. As observed by F.Lefresne in 2012<sup>54</sup>, 'the ambitious goal of the public authorities to promote apprenticeships has not come to fruition. (...) The emergency plan in favour of young people adopted in April 2009 referred to a target of 320,000 apprentices to be hired over one year (June 2009-June 2010). (...) Even with heavily subsidized work contracts, the reality shows that when employers' orders slacken off, they hesitate to hire apprentices'.

**In place – fully developed and operational.**

- **Social Inclusion Contract (Contrat d'Insertion dans la Vie Sociale - CIVIS)**

The CIVIS contract targets young people between 16 and 25 with vocational inclusion difficulties. It helps to create the conditions for a successful pathway to work. The contract is signed between the young person and the Local Youth Centre, for one year (renewable). CIVIS contractors get individual coaching. The CIVIS signatories under 18 can get state support in the form of a financial allocation for the periods in which they do not receive a wage (e.g. stage). This allocation can be up to €450 per month with an annual ceiling of €1,800.

In 2012<sup>55</sup>, 169,464 young CIVIS contracts were signed (52% of young girls). Exit rates are rather positive with 40% finding a job after 18 months and 24% getting a long-term employment contract<sup>56</sup>.

The young person involved in CIVIS has a single case manager and can access activation measures or training programmes, with enhanced support and assistance (accompagnement renforcé).

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<sup>51</sup> <http://www.cnlrq.org/>

<sup>52</sup> <http://www.iris.asso.fr/index.php/iae/presentationetcaracteristiques/siae>

<sup>53</sup> A new ambition for apprenticeship: 10 operational proposals, January 2014, Institut Montaigne  
[http://www.institutmontaigne.org/res/files/publications/Note\\_apprentissage.pdf](http://www.institutmontaigne.org/res/files/publications/Note_apprentissage.pdf)

<sup>54</sup> Lefresne Florence, *Youth unemployment and youth employment policy*, Friedrich Ebert Stiftung, 2012

<sup>55</sup> Source: Monitoring board of Local Youth Centres - Tableau de bord des missions locales – Lettre du CNML n°18 - Avril 2013

<sup>56</sup> more than 6 months

The CIVIS support scheme requires a commitment of the young person: a CIVIS contract is signed. This contract defines general inclusion objectives and operational steps to reach these goals. It is mainly a commitment to accept enhanced support. The maximum duration is six months with a possibility of suspension or renewal. Regular interviews are planned: once a week for the first three months (for people with low skills or important difficulties), then one every second week and finally once a month. A short-term allowance is available in order to make a bridge between the different steps (i.e. housing allowance, transport allowance, etc.). This enhanced support can be suspended if the young person decides to stop or if he/she finds a stable job. The CIVIS is mostly targeting access to employment.

- **Mentoring ('Parrainage')**

Mentoring is organized by Local Youth Centres (Missions Locales); it is offered by a voluntary person to facilitate vocational inclusion of young people having difficulties linked to their social situation, housing, skills level, lack of relational networks or at risk of discrimination. The mentor intervenes in complementarity with other support schemes in order to boost the pathway to work, unlocking potential blockages even during the first months at work. In 2011, 8,000 mentors in Local Youth Centres accompanied around 19,000 young people. The effectiveness of mentoring has been demonstrated: 60% reached a positive exit: long-term contract, on-the-job training, long-term training.

*Systems and structures in place that provide guidance and counselling to young people not in employment and education within three months of their becoming unemployed/inactive/registered with the PES*

**In place – fully developed and operational.**

The delivery of services from the French PES allows for adapted accompaniment of certain categories of young people such as:

- Gradual monitoring and accompaniment modalities, adjusted to the degree of autonomy of each young job seeker;
- Specific partnerships for young people with vocational troubles (guidance and employment) as well as social difficulties. These partnerships are made with Local Youth centres (Missions Locales) for the shared management of CIVIS contracts (see above), the 'GarantieJeunes' pilot scheme, the 'ANI Jeunes' (enhanced support to low skilled or unemployed young people), the Second Chance schools (E2C), etc.

Local Youth Centres (Missions Locales) and other social enterprises (Associations Intermédiaires) have long been established in order to provide guidance and support to young people with difficulties. Specialist outreach services are provided to vulnerable groups, requiring qualified social workers. The complexity of providing adequate support for young people requires accurate knowledge about the best course of action. These social enterprises are chronically under-staffed; the umbrella organisation of Local Youth Centres has now engaged in creating its own employers' union, providing quality training and advice to its network of professionals.

*Systems and structures in place to provide validation of non-formal and informal learning (Accreditation prior learning - APL) to ensure that previously gained experience and knowledge are taken into account providing pathways to employment or further education*

**In place – fully developed and operational, but not clearly mentioned in YGP.**

Although the Validation of formal and non-formal learning is well developed in France (Validation des Acquis de l'Expérience), the YG implementation plan does not mention it as a priority tool for NEET. The educational strand of the YG plan is focused on the fight against early school leaving (décrochage scolaire) and integrated support for personalised pathways (FOQUALE, see above).

The Government roadmap to fight against early school leaving and launched in November 2014 displays an impressive set of activities, and mentions the special case of young dropouts over 16 years old which then fall in the NEET group. The elements of information establishing the link with the European Youth Guarantee are not explicitly publicized but the line Ministry is a core partner in the YGIP and can provide details about the institutional and financial arrangements upon request.

*Systems and structures in place for reaching out to young people not in employment and training*

**In place – fully developed and operational.**

Reaching out to NEETs is handled through various systems, two of them being well spread across the country:

- early school leaving platforms (see above), and
- the Local Plans for Inclusion and Employment (PLIE), in which Local Youth Centres (Missions Locales) are partners (see below). Missions Locales can be considered as one-stop-shops providing out reach strategies, although young NEET will have to register separately with the PES in order to get access to the full range of services provided by local advisors in Missions Locales.

*Integrated approach (combining different instruments like training, apprenticeships, job placements, guidance and counselling)*

**In place – fully developed and operational.**

Offering a ‘package’ of support and integrated solutions to NEET people has been a common standard for many years in France, either in the field of social inclusion or education and training. The most obvious example of an integrated approach are the Local Youth Centres (Missions Locales) where the young persons gets support from a single advisor for any type of request. Typically, Mission Locales deploy an outreach strategy to ensure that all young people under 25 and experiencing difficulties can be registered. This system is comparable to one-stop-shops providing a single information point.

*Personalised approach*

**In place – fully developed and operational.**

The personalised approach – or case management model – is nowadays the general rule for providing support to NEETs. The Youth Guarantee implementation plan insists upon reinforcing tailor-made solutions for this target group. For instance, CIVIS contracts signed individually at the start of the inclusion pathway propose individual coaching through weekly meetings for the first three months, and the duration of the contract can last until the age of 26 is reached.

- Civil engagement/voluntary service

A strong feature in the French landscape of youth policies is the rapid development of civil engagement in the form of voluntary service. The scheme has existed in a scattered way for many years, but since 2010, an Agency for Civil Engagement (Agence du Service Civique) has been created in order to coordinate and reinforce this sector. Civil engagement is neither considered as training nor employment<sup>57</sup> but offers new opportunities for the personal development of young people between 16 and 25 years of age. Participants get a 6 to 12 months assignment in community work, and receive a monthly allowance of €570. The aim of the Agency is to enrol 100,000 young persons a year by 2017.

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<sup>57</sup> Observatoire de la Jeunesse, *Le service civique, un atout pour le parcours des jeunes*



### 3.6 Infrastructure of the PES

#### *Client services in place*

##### **In place – fully developed and operational.**

Several services of the French PES are particularly adapted to the target group of the Youth Guarantee, although they are open to all. Some examples of client services relevant for young people are:

- Hiring Simulation Method (Méthode de Recrutement par Simulation - MRS<sup>58</sup>)

This method widens the scope of the job search by overcoming traditional recruitment criteria (CV, employment record, certified skills or diploma), while being directly linked to actual job profiles in current vacancies and the expectations of companies. The approach is based on the assessment of talents and the motivation of the candidate for getting the position. For NEETs, it is a way of dealing with the barriers to the recruitment of young people. In 2012, 16,500 young job seekers participated in simulated recruitment methods during the first 4 months of their PES registration.

- CV-free recruitment (Recrutement sans CV)

Together with voluntary enterprises, Pôle Emploi organises the selection of candidates on the basis of a survey co-designed by the PES officer and the HR manager. The candidates fill in a survey of open questions or pedagogical illustrations. This pilot project is currently being tested in the regions of Aquitaine and Midi-Pyrénées over a period of 9 months (February to October 2014).

- Work-based integration / On-the-job assessment (Evaluation en milieu de travail, EMT)

This service allows the participant to assess his/her skills and competences with regard to the position offered or to discover the working environment of a particular profession. Available to all job seekers, the service includes (i) the placement of the job seeker in real working conditions for 10 days (80 hours max.); (ii) to assign some tasks allowing on-the-job assessment; (iii) appoint a tutor in the enterprise who is in charge of welcoming and assessing the newcomer.

The real-life situation in the working environment allows the measuring of potential gaps between the job profile and the job seeker's skills and competences, and to check his/her motivation and interest in the profession.

For job seekers under 30 and living in deprived urban neighbourhoods (Zone Urbaine Sensible, ZUS), the placement can last up to 15 days (120 hours).

In 2012, 15,200 assessments of this kind were made with young unemployed people under 25 years of age during the first 4 months of their registration with the PES.

- The 'Ambitions' clubs

This is a collective action targeting young people furthest from the job market in order to increase their self-confidence, to provide them with job search techniques and help them identify their talents and competences. The service is organised together with local enterprises. The experiment was held over a 12 months period for 80 young people from a deprived urban neighbourhood (Zone Urbaine Sensible - ZUS), with an educational level lower or equal to ISCED 4 (Bac+2), accompanied by a full time coach. The initial results were encouraging: 70% went back to professional activity (work or vocational training), and 50% of young beneficiaries found a permanent job after 3 months. This type of service was extended to 15 regions in 2013 with a total of 30 clubs, and will be subject to an evaluation in 2014.

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<sup>58</sup> An evaluation study of the method has been published in 2010 – see [http://www.pole-emploi.org/front/common/tools/load\\_file.html?galleryId=1400&galleryTitle=Rep%E8res+%26+Analyses+n%B016+-+Etudes](http://www.pole-emploi.org/front/common/tools/load_file.html?galleryId=1400&galleryTitle=Rep%E8res+%26+Analyses+n%B016+-+Etudes)

### *Information services*

#### **In place – fully developed and operational.**

Over the last 10 years, various networks of youth information services (Point Information Jeunesse - PIJ, Pôle d'Accueil d'Information et d'Orientation, PAIO, Centres d'animation, de ressources et d'information sur la formation, CARIF, CIO) merged with other services. PES and Local Youth Centres (Missions Locales) are the two main information providers in terms of access to employment and training.

### *Individual case-management services*

#### **In place – fully developed and operational.**

As discussed above, the case management model is widespread in the set of services offered by PES and Local Youth Centres. The concept of 'integration pathway' is also common practice and NEETs can benefit from extra support through these services.

### *Administrative capacity in place*

#### **In place – fully developed and operational.**

Administrative capacity is in place but there is a lot of pressure on social workers and advisers providing extra support to young people, due to the increasing number of demands<sup>59</sup>. Each PES adviser usually has a portfolio of 70 individual 'enhanced pathways' cases out of an average of 380 job seekers; advisors typically do not have time to visit enterprises to assess the local manpower needs. An additional burden is the increasingly complex electronic recording of administrative and financial data for the monitoring of social benefits.

Enhanced support (accompagnement renforcé) has also been subcontracted out by the PES since 2009. Two new labour market measures were introduced in the service offer of the French PES and were delegated to private operators for a two year period. One of the measures was 'Tracking employment' (Trajectoire Emploi) for job seekers with inclusion difficulties, and the other was related to the scheme for redundant workers registered under the occupational reintegration agreement (convention de reclassement personnalisé - CRP) or under the vocational transition contract (contrat de transition professionnelle - CTP). The two year period of subcontracting (2009–2011) was subject to an evaluation<sup>60</sup>; one of the lessons learned is that tailor made services appear to be essential for the accompaniment of young people into the labour market; the process has since been extended.

## **3.7 The role of youth organisations**

### *Engagement of youth (organisations) in the design and implementation of initiatives for youth*

#### **Initial stages – have started working on it.**

Even though youth organisations have been invited to take part in the design of the pilot programme 'GarantieJeunes', their proposals were not much taken into account. According to one of the youth NGOs interviewed, youth policy implementation in France is the result of a vertical process leaving little room for consultation.

According to youth NGOs in France, the European Youth Guarantee will only make sense if it is implemented as a first step towards common law and ordinary policies. Measures for youth inclusion and vocational integration should push the NEETs towards a more productive life; these measures should be part of common law (droit commun).

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<sup>59</sup> [http://www.lemonde.fr/a-la-une/article/2013/11/21/pole-emploi-je-n-ai-plus-le-temps\\_3515883\\_3208.html](http://www.lemonde.fr/a-la-une/article/2013/11/21/pole-emploi-je-n-ai-plus-le-temps_3515883_3208.html)

<sup>60</sup> <http://www.pole-emploi.org/statistiques-analyses/evaluation-du-recours-aux-operateurs-prives-par-pole-emploi-de-2009-a-2011-@/563/view-article-40376.html?&>

The May 2014 hearing of youth organisations at the French National Assembly<sup>61</sup> helped to enhance the role of youth organisations in policy design.

### 3.8 Monitoring

*Availability of statistical information on NEETS to monitor and evaluate the success of newly designed initiatives*

**In development – significant progress has been made in developing this.**

With regard to the Youth Guarantee Implementation Plan, evaluation is foreseen. The pilot scheme ‘GarantieJeunes’ is being evaluated with the support of a scientific committee<sup>62</sup>.

However, this guarantee only tackles a minor part of the overall youth NEET group, as the EC noticed in its country assessment of the Youth Guarantee Implementation Plan<sup>63</sup>.

Besides, the Bertrand Schwartz Institute<sup>64</sup>, a social science department created by the umbrella organisation of Local Youth Centres, will experiment and involve young people in their collaborative research in order to identify the best policy options so that young people can have a voice in society. The first conclusions of the research will feed into the monitoring of the Youth Guarantee.

### 3.9 Absorption capacity of VET and economy

*What is the absorption capacity of general education and VET systems to place NEETs?*

**In development – significant progress has been made in developing this.**

One of the main priorities of the Youth Guarantee in France is to boost the absorption capacity of education systems to prevent early school leaving (see above). Several existing tools are being reinforced in order to meet the needs of the NEETs, such as the FOQUALE networks (see above in section 3.5).

*What is the absorption capacity of employers to provide jobs/apprenticeships?*

**Limited.**

The labour market is already very tight. In some regions however, where recruitment difficulties in certain sectors are particularly acute, local partnerships set up through Local Youth Centres help to put young unemployed people on a ‘fast track’ to employment.

As for apprenticeship, the recent reform<sup>65</sup> aiming at rationalising its delivery mechanisms has raised a heated debate, especially since the possibility of raising the taxation rate has been considered<sup>66</sup>. According to a working paper published by the former General Delegate to Training<sup>67</sup>, apprenticeship is particularly developed in micro-enterprises (half of apprentices work in firms with less than 10 employees), whereas medium-sized enterprises and big companies seem to divert their focus away from on-the-job training schemes. In 2010, in half the French enterprises with over 250 employees less than 1% of their manpower had apprentices, against a national average of slightly over 2.5%.

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<sup>61</sup> 13th May 2014 – webcasted on <http://videos.assemblee-nationale.fr/video.5402.commission-des-affaires-europeennes--table-ronde-sur-les-jeunes-et-l-europe-13-mai-2014>

<sup>62</sup> coordinated by economist Jérôme Gautié (Université de Paris I)

<sup>63</sup> <http://ec.europa.eu/social/main.jsp?catId=1094&langId=en>

<sup>64</sup> <http://institutbertrand-schwartz.org/lancement-de-linstitut-bertrand-schwartz/>

<sup>65</sup> Loi n°2014-288 du 5 mars 2014 relative à la formation professionnelle, à l'emploi et à la démocratie sociale

<sup>66</sup> In France, all employers pay an ‘apprenticeship tax’ to participate to the training costs - see: [http://www.impots.gouv.fr/portal/dgi/public/professionnels.impot?pageId=prof\\_apprentissage&espId=2&impot=app&sfid=50](http://www.impots.gouv.fr/portal/dgi/public/professionnels.impot?pageId=prof_apprentissage&espId=2&impot=app&sfid=50)

<sup>67</sup> A new ambition for apprenticeship: 10 operational recommendations, Institut Montaigne, January 2014  
[http://www.institutmontaigne.org/res/files/publications/Note\\_apprentissage.pdf](http://www.institutmontaigne.org/res/files/publications/Note_apprentissage.pdf)

### 3.10 Barriers and challenges

The following points have been identified as challenging issues with regard to YG implementation in France:

- Local partnerships for outreach activities

Outreach activities to disadvantaged neighbourhoods, migrant groups and youth clubs are organised by the PES in partnership with local NGOs operating with specialised staff<sup>68</sup>. These NGOs are often under-staffed due to poor financial resources that prevent them from delivering optimal services.

- Health and Justice issues

Anecdotal evidence from interviews suggests a gap in the integration of stakeholders in charge of health (child support includes young people up to 21) and justice (in the case of juvenile delinquency) in the Youth Guarantee Implementation Plan.

- Young people furthest from the labour market ('Jeunes en errance')

Support through social work for accompanying this group of young people - estimated between 10,000 and 30,000 in metropolitan France in 2013 - is not mainstreamed; social and psychological accompaniment towards inclusion in order to bring these young people closer to the sphere of education, training and work is often in the hands of social enterprises with fragile budgets and scarce financial resources. Local youth centres provide out-reach services for this group, but remain stuck in institutional procedures not adapted to this specific target group.

- Attitudes towards apprenticeship

The negative attitude towards apprenticeship at work, at home and at school creates an important, although invisible, cultural barrier to engaging in an apprenticeship and on-the-job training. For the employer, it often represents an additional burden in terms of coaching and supervision; for young people in lower secondary education, apprenticeship is perceived as a failure course compared to general studies.

- Methodological issues

Categories established in Eurostat do not match with those retained in the quarterly monitoring board on youth activity and employment policies prepared by DARES. It would however be possible, upon request, to obtain the flow of young people under each measure. Even so, Eurostat categories cover a wider array of categories, as several of them do not concern young people only.

- Calculation method for training activities

The Department of research, studies and statistics of the Ministry of Employment (DARES) follows a simple but efficient methodology to categorise expenditure on vocational training and apprenticeship: (i) Running costs, including pedagogical costs; (ii) Direct allocation to trainees; (iii) Investment costs. In the data gathered in the framework of this report for calculating the cost of the activity, there might be a lack of coherence in the way the various budgets are put forward; initial investment costs might constitute a significant variable in the establishment of the cost per participant for instance.

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<sup>68</sup> Comparative paper on youth integration – Inégalité entre les jeunes sur fond de crise, Rapport de l'Observatoire de la Jeunesse, 2012

## 4 Activity costs

The following chapter is an attempt to provide an overview of the financial aspects of NEET support. The idea is to determine the cost for interventions (activity costs), stay as close as possible to definitions used by Eurostat in Labour Market Policies (LMP).

### 4.1 Reflection on Eurostat statistics on LMP costs

An important source for calculating the costs of LMP spending for young people not in employment and not in training is Eurostat. Below an overview is provided of LMP spending on different sub activities, the total number of participants (younger than 25 years) and calculations of average costs per participant.

**Table 18: LMP data**

	<b>Total costs in millions Euros (2011)</b>	<b>Total participants (2011)</b>	<b>Total participants under 25 (2011)</b>	<b>Percentage under 25 (2011)</b>	<b>Costs per participant</b>	<b>Total Costs for all under 25</b>
<b>Training</b>	<b>7,153.39</b>	<b>533,356</b>	<b>351,562</b>	<b>65.9%</b>	<b>€13,412</b>	<b>€4,715,162,284</b>
Allowance for jobseekers in training (AFDEF)	230.57	7,741	3,009	38.9%	€29,786	€89,624,742
Pôle Emploi training allowances (RFPE)	78.79	7,778	2,174	28.0%	€10,130	€22,022,301
[Component] Career Security Agreement (CSP) - Career Security Allowance (ASP)	61.11	3,387	201	5.9%	€18,043	€3,626,546
Back-to-work support - training allowance (AREF)	1,063.43	104,891	34,174	32.6%	€10,138	€346,470,687
[Component] Personal retraining agreement (CRP) - Special retraining allowance	1,195.24	70,399	3,054	4.3%	€16,978	€1,851,063
[Component]	99.68	11,957	657	5.5%	€8,337	€5,477,106

	Total costs in millions Euros (2011)	Total participants (2011)	Total participants under 25 (2011)	Percentage under 25 (2011)	Costs per participant	Total Costs for all under 25
Transition-to-work contract (CTP) - Training allowances						
Voluntary contract for integration (CVI)	48.94	2,047	2,047	100%	€23,908	€48,940,000
State-financed training for fragile population	93.81	18,291	5,178	28.3%	€5,129	€26,556,677
Training agreements (AFC)	182.08	8,663	1,612	18.6%	€21,018	€33,881,214
Training courses organised by the regions	1,845.14	138,704	66,474	47.9%	€13,303	€84,284,782
Operational preparation for employment (POE)	10.81	1,285	409	31.8%	€8,412	€3,440,693
Training actions prior to recruitment (AFPR)	69.02	3,476	1,024	29.5%	€19,856	€20,332,704
Exemptions and subsidies for recruitment of apprentices	1,849.56	272,697	270,906	99.3%	€6,782	€1,837,412,591
Adjustment for double counting		-120,410	-39,357			
<b>Employment incentives</b>	<b>1,167.24</b>	<b>306,257</b>	<b>168,035</b>	<b>54.9%</b>	<b>€3,811</b>	<b>€40,433,275</b>
Single inclusion contract (CUI-	195.81	40,449	13,179	32.6%	€4,841	€63,798,363

	Total costs in millions Euros (2011)	Total participants (2011)	Total participants under 25 (2011)	Percentage under 25 (2011)	Costs per participant	Total Costs for all under 25
CIE)						
Degressive temporary allowance	8.54	8,226	66	0.8%	€1,038	€68,519
Economic integration enterprises	118.36	13,283	2,383	17.9%	€8,911	€21,234,050
Intermediary associations	173.58	56,184	15,850	28.2%	€3,089	€48,968,443
Enterprises providing temporary work for integration purposes	29.63	11,653	3,499	30%	€2,543	€8,896,882
Training-on-the-job contract	75.34	171,973	131,046	76.2%	€438	€7,410,208
Minimum-wage integration contract (CI-RMA)	1.82	342	27	7.9%	€5,322	€143,684
Employment-initiative contract (CIE-PCS)	15.24	4,147	1,985	47.9%	€3,675	€7,294,767
<b>Supported employment and rehabilitation</b>	<b>1,426.16</b>	<b>154,657</b>	<b>2,093</b>	<b>1.4%</b>	<b>€8,066</b>	<b>€16,883,063</b>
Adapted firms	291.86	36,182	2,093	5.8%	€8,066	€16,883,063
<b>Direct job creation</b>	<b>2,846.31</b>	<b>240,130</b>	<b>53,043</b>	<b>22.1%</b>	<b>€11,853</b>	<b>€628,729,527</b>
Single inclusion contract (CUI-CAE)	2,023.94	227,740	50,421	22.1%	€8,887	€448,094,664
Contract of the future (CAV)	71.77	2,624	94	3.6%	€27,351	€2,571,029
Employment assistance	750.60	9,766	2,528	25.9%	€76,858	€194,298,259

	<b>Total costs in millions Euros (2011)</b>	<b>Total participants (2011)</b>	<b>Total participants under 25 (2011)</b>	<b>Percentage under 25 (2011)</b>	<b>Costs per participant</b>	<b>Total Costs for all under 25</b>
contract (CAE)						
<b>Start-up incentives</b>	<b>1,053.11</b>	<b>218,727</b>	<b>19,795</b>	<b>9.1%</b>	<b>€4,815</b>	<b>€95,307,449</b>
Aid for the unemployed setting-up or rescuing a company (ACCRES)	1,053.11	218,727	19,795	9.1%	€4,815	€95,307,449

Source: Eurostat, 2011

With regard to the above table, several observations can be made:

- There is an evident distortion in time. The measures refer to the 2011 implementation year. Since then, several adjustments occurred in the framework of major national reforms and in the light of the modernisation of the public administration. The Youth Guarantee was designed after 2011. Some measures could hardly be tracked in the documentation available today (e.g. Voluntary Contract for Integration – CVI are presumably related to the Civic Service<sup>69</sup>; the ‘State-financed training for fragile population’ could not be recognized by any of the interviewees, etc.).
- The figures relating to ‘training courses organised by the regions’ seem to be fewer than in reality: the National Council for Vocational Training and Life Long Learning (CNFTLV) published the following statistics for 2010<sup>70</sup>: total regional expenditure for continuous vocational training: €6,559 million / Apprenticeship €4,801 million / Vocational Guidance €1,570 million, whereas according to Eurostat, the total amount is €1,845 million.
- Start-up incentives: support for the unemployed setting-up or rescuing a company (ACCRES) encourages business creation through fiscal incentives and individual support during the first years of activity. Young unemployed people under 25 are among the target groups, but not only. No recent study or evaluation is available for further information on this measure.
- Employment incentives: according to INSEE<sup>71</sup>, one young worker out of four is getting wage subsidy (‘emploi aidé’). The Minimum wage integration contract (CI-RMA) has been abandoned and replaced by the Single Inclusion Contract (CUI). Single Inclusion Contracts (CUI-CIE) were introduced in 2010 and have since increased in terms of budgets and targets. The share of young people benefitting from it is slightly lower in 2013 than in previous years (26%)<sup>72</sup>. The measure is closely linked to the CUI-CAE, the only difference being the nature of the employer. The CUI-CIE applies to the market sector, the CUI-CAE in the non-market sector, for instance nurseries, hospitals, schools, etc. It is therefore peculiar to split these two types of employment incentives and have the non-market sector type of contracts under the LMP measure ‘Direct job creation’. Economic integration enterprises, intermediary

<sup>69</sup> <http://www.service-civique.gouv.fr>

<sup>70</sup> CNFTLV, *Jalons de la formation professionnelle*

<sup>71</sup> National Institute of Statistics: [http://www.insee.fr/fr/themes/document.asp?ref\\_id=T14F046](http://www.insee.fr/fr/themes/document.asp?ref_id=T14F046)

<sup>72</sup> Youth Guarantee Implementation Plan – December 2013



associations and enterprises providing temporary work for integration purposes correspond to measures of supported employment belonging to the field of social economy.

## 4.2 Reflection on other Youth Guarantee Scheme related costs not included in the Eurostat statistics

The table below provides an overview of other Youth Guarantee Scheme related costs that are not included in the Eurostat statistics.

**Table 19: Overview of other related costs**

Type of activities	Total costs currently allocated to young people (<25 years)	Total number of participants (<25 years)	Average costs per participant
<b>GarantieJeunes</b> Pilot programme 2013–2014 implemented in selected regions, through <i>Missions Locales</i>	Running costs (case management): €16 million (Budget allocation) €1.2 million <sup>73</sup> (Payment appropriations) Integration allowance: €18,686,707	10,000 (Baseline target)	Running costs: <b>€1,120</b> per year <sup>74</sup> Monthly integration allowance: <b>€329.54</b>
<b>Local Youth centres (Missions locales) and PAIO</b>	€180,000,000 <sup>75</sup>	1,365,000	€132
<b>Platforms against early school leaving</b>	Insufficient information to make an estimate	In 2013, around 180,000 young dropouts were contacted. Over 100,000 of them had an interview.	No data
<b>FOQUALE network</b>	Insufficient information to make an estimate	34,000 <sup>76</sup> , of which: > 20,000 back to initial training > 3,000 in civil service <sup>77</sup>	No data
<b>Inclusion work sites (Chantiers d'insertion -</b>	No data available	No data available	No data

<sup>73</sup> Instruction notice from the Ministry, March 2014

<sup>74</sup> The initial figure of €1,600 per young person entering the pathway 'GarantieJeunes' was used in the preliminary budget plan.

<sup>75</sup> Source: DARES Analyses, *La dépense nationale pour la formation continue et l'apprentissage en 2011*

<sup>76</sup> The target of 20,000 young people has been largely overpassed.

<sup>77</sup> Source: Ministry of Education, May 2014

Type of activities	Total costs currently allocated to young people (<25 years)	Total number of participants (<25 years)	Average costs per participant
ACI): 650 sites in 2013 <sup>78</sup>			
<b>Centre for delivery of work at home</b> ( <i>Centre de distribution de travail à domicile – CDTD</i> ): it allows persons with disabilities to get paid for tasks carried out at home.	No data available	No data available	No data
<b>Sheltered work centres</b> ( <i>Etablissements et Services d'aide par le Travail – ESAT</i> ): structures with medical support enabling handicapped persons to undertake meaningful employment in a supportive environment.	€2.5 million total in 2012 for 119,107 places <sup>79</sup>	No indicators found on young people	No data
<b>National multi-sectoral agreement for Youth</b> ( <i>ANI Jeunes</i> )	€30 million (2012)	2012 figures: 31,500 young participants entering the measure 20,800 participants in step 2 9,700 in job places but still in the pathway (step 3) 1,240 positive exists	<del>€52</del> per participant entering the measure  <del>€24,193</del> (Based on positive exits only)
<b>Generation contracts</b> ( <i>Contrats de génération</i> )	€195,000,000 <sup>80</sup>	No indicators found on young people	No data
<b>Jobs of the Future</b> ( <i>Emploisd'avenir</i> )	€366,000,000 <sup>81</sup>	30,827 per month (2013) <sup>82</sup>	<del>€89</del>
<b>Autonomy contracts</b> ( <i>Contratsd'Autonomie</i> )	€57,000,000 <sup>84</sup>	15,744 <sup>85</sup>	<del>€3,300</del> <sup>86</sup>

<sup>78</sup> [www.chantierecole.org](http://www.chantierecole.org)

<sup>79</sup> [http://circulaire.legifrance.gouv.fr/pdf/2013/04/cir\\_36869.pdf](http://circulaire.legifrance.gouv.fr/pdf/2013/04/cir_36869.pdf)

<sup>80</sup> Youth Guarantee Implementation Plan (p.50)

<sup>81</sup> DARES services

<sup>82</sup> Ibid.

Type of activities	Total costs currently allocated to young people (<25 years)	Total number of participants (<25 years)	Average costs per participant
Intensive case management in deprived neighbourhoods, linked to urban policy <sup>83</sup> (2008–2011)			
<b>Training on the job</b> (Contrat de professionnalisation,)	€1,059 million <sup>87</sup>	147,436 <sup>88</sup>	<b>€7,182</b>
<b>CIVIS</b> (Contrat d'Insertion dans la Vie Sociale)	€3,000,000 <sup>89</sup>	244,588	<b>€217</b> Max. ceiling per month: <b>€450</b> Max. ceiling per year: <b>€1,800</b>
<b>Training to basic literacy skills</b> (Accès aux compétences-clés)	€4.36 million (2011)	50,127 beneficiaries entered the scheme <sup>90</sup>	<b>€1,084</b>
<b>Second Chance Schools (E2C)</b> : vocational and social inclusion of young unskilled and unemployed adults between 18 and 25 years old. Services include a tailor made and integrated educational pathway with on-the-job situations. There were 105 E2C in France in 2013.	€24 million <sup>91</sup> (State funding for 2013) €4 million (Private sector & collecting bodies, 2011)	14,150 <sup>92</sup> (2013)	<b>€1,979</b> (Partial estimate)
<b>EPIDE</b> are boarding schools using collaborative and person-centred pedagogical methods for young adults	€1.3 million (Total receipts 2011)	2,047 enrolment places 1,408 positive exists (69%)	<b>€39,716</b> (Per enrolment place) <b>€57,741</b>

<sup>84</sup> Source: DARES Analyses, *La dépense nationale pour la formation continue et l'apprentissage en 2011*

<sup>85</sup> Ibid.

<sup>86</sup> IGAS evaluation report, October 2013

<sup>83</sup> CUCS: *Contrat Urbain de Cohésion Sociale* – Urbancontract for social cohesion

<sup>87</sup> Source: DARES Analyses, *La dépense nationale pour la formation continue et l'apprentissage en 2011*

<sup>88</sup> Ibid.

<sup>89</sup> Ibid.

<sup>90</sup> Source: IGAS, Evaluation of area-based employment policy - fiche 47

<sup>91</sup> Consolidation of financial receipts are not available at national level

<sup>92</sup> <http://www.reseau-e2c.fr/zoom/2872-synthese-2013-des-ecoles-de-la-2e-chance.html>

Type of activities	Total costs currently allocated to young people (<25 years)	Total number of participants (<25 years)	Average costs per participant
furthest from the labour market, aged 18–25.			(Per positive exit)
<b>Civil Service</b> (Service Civique) Voluntary civil engagement – created in 2010, managed by Agence du Service Civique	€13,1 million (Total receipts 2012)	26,212 (2012)	<b>€4,135</b>
<b>NACRE</b>	€424,361 <sup>93</sup>	14,000 under 26	<b>€3,400 – €4,500</b> in total, over 5 years
<b>Apprenticeship</b> <sup>94</sup>	€2,348 million (State funding for 2011) €1,105 million (private sector & collecting bodies) €1,872 million (Regional authorities, 2011)	405,395 <sup>95</sup>	<b>€13,148</b>

#### 4.2.1 Employment incentives

Regarding employment incentives, several observations can be made:

The autonomy contract ('Contrat d'autonomie') has been implemented since 2008 in deprived urban areas. The scheme was planned for 4 years, targeting a total of 45,000 young people. It consisted in intensive case management for hard to reach young people for a duration of 6 months, with a monthly grant of €300. In 2009, 17,700 contracts were signed and led to 42% of positive exits<sup>96</sup>. The measure was merged with the CIVIS contract after 2011.

Contracts for the Future (Contrats d'Avenir) were abandoned in December 2012. They should not be confused with Jobs for the Future (Emplois d'Avenir) presently encapsulated under CUI-CAE and CUI-CIE. The Employment Assistance Contract (CAE) was abandoned in 2010 and replaced by the CUI-CAE.

Three additional measures have been established since 2011:

1. Jobs for the Future (Emplois d'Avenir): created in 2012, they take the form of Single Inclusion Contracts (CUI-CIE or CUI-CAE) and target young people under 25 years old.

<sup>93</sup> Source: Youth Guarantee Implementation Plan

<sup>94</sup> 3 types of costs are considered in the total expenditure: (i) running costs (61% in 2011), (ii) Trainees' allowances (38%) and (iii) Investment costs (1%).

<sup>95</sup> Source: DARES Analyses, La dépense nationale pour la formation continue et l'apprentissage en 2011

<sup>96</sup> In France, the progress of individuals towards employment is based upon the following classification: (i) exit to permanent employment contracts (more than 6 months); (ii) exit to employment (temporary contracts, subsidised contracts), and (iii) positive exits (registrations to qualified training, contracts in social firms). Statistics usually consider the addition of the three categories, reflecting thus the widest spectrum of accessing employment. (source: ESF & A2E - country report France, 2012)

2. Generation contracts (Contrat de génération): launched in March 2013, the contract is signed between the PES and the employer recruiting a young person while keeping a worker over 57 in the same type of activity in order to facilitate skills' transfer and know how. State support amounts to €4,000/year for a 3 year period.
3. National multi-sectoral Agreement for Youth (ANI Jeunes): the measure targets young school leavers or the young unemployed. Local Youth Centres are in charge of delivering the support including the following:
  - Identification of early school leavers through dedicated platforms (see 4.6.1);
  - Signing of an agreement to engage in an integration pathway of 18 months maximum;
  - A three step pathway (diagnosis, enhanced case management, workplace follow-up);
  - A single case manager (réfèrent) with weekly interviews during the first quarter, then twice a month, and once a month during step 3;
  - Partnerships' development with local companies and relevant stakeholders (PES, training centres, etc.)

Note: a similar measure called 'Springboard for Youth' (Tremplin Jeune) was launched during the same period targeting young people with diplomas (ISCED 4+). It is run by APEC<sup>97</sup> and concerns around 10,000 young unemployed persons per year.

#### 4.2.2 Sheltered work, hard-to-reach, social economy

**Sheltered work centres** are also called adapted firms. There were 702 adapted firms in France in 2013<sup>98</sup>. An adapted firm is an enterprise with more than 80% of employees with disabilities.

There are 80,000 young people between 15 and 24 years old with disabilities that are administratively recognised in France. The pathways to employment of NEETs with disabilities are coordinated under the 'Destination Work' (Cap Emploi) network, which is to be reinforced in 2014. The Youth Guarantee Implementation Plan systematically mentions the 'Cap Emploi' network but does not mention any specific provision related to adapted firms. There are 103 Cap Emploi centres organised as a dedicated network for persons with disabilities. They are in charge of preparing, accompanying and following up disabled persons on their path into employment. In 2012, these centres supported 82,000 persons, of which 5,836 were aged between 16 and 25.

With regard to **hard to reach** NEETs, the weak linkages with the Social Cohesion Directorate of the Ministry of Health and Social Affairs during the elaboration of the Youth Guarantee Implementation Plan have been pointed out by some of the interviewees. In terms of methodology, foster care and special education are monitored under the indicator 'social support to childhood' which includes young people between 0 and 17 years old. The 2014 study on disadvantaged childhood<sup>99</sup> highlights the fact that in France, although the assistance available to children and families in great difficulty is generally satisfactory, the presence of health services, school social services and community prevention for young people has been greatly reduced over recent years.

The complex field of social economy should be mentioned here. A law was adopted in July 2014, with the aim of facilitating the organisation of this fast growing sector regrouping different kinds of social enterprises including cooperatives, mutual companies, NGOs and foundations. The share of 'work integration social enterprises' is small. Data on youth participation in the social economy sector is well monitored as a whole<sup>100</sup>, but public costs allocated to young people and

<sup>97</sup> APEC provides support to executives for accessing employment, in particular young people with diploma.

<sup>98</sup> <http://informations.handicap.fr/art-emploi-entreprises-853-6534.php>

<sup>99</sup> Frazer Hugh, Marlier Eric, *Investing in children: Breaking the cycle of disadvantage*, synthesis report, European Commission (p.78)

<sup>100</sup> in particular the 2014 study on Youth employment in the social economy sector 'L'emploi des jeunes dans l'économie sociale et solidaire', Observatoire National de l'ESS and the CREDOC study on 'Besoins en main-d'oeuvre dans le secteur de l'Economie Sociale et Solidaire', 2013

NEETs are not explicitly specified. The social economy has been growing strongly over the last decades under the banner of Inclusion through Economic Activity (structures de l'insertion par l'activité économique - SIAE). It gathers work integration social enterprises (entreprises d'insertion - EI), companies for integration through temporary work (entreprises de travail temporaire d'insertion - ETTI), Transitional employment agencies (associations intermédiaires - AI) and Inclusion work sites (chantiers d'insertion - ACI). These social enterprises receive public funding from the State, local governments and the ESF in order to run and develop their activities and know-how in the design and delivery of inclusion pathways.

We observe however that in 2010, 67% of young people between 18 and 25 employed in the sector had low skills (ISCED level 3 or under)<sup>101</sup>. In 2013, young people under 26 represented around 30% (approx. 55,000 persons) of the social enterprises' beneficiaries.

### 4.2.3 Apprenticeship

According to many of the interviewed experts, the French apprenticeship system suffers from an obvious lack of recognition by employers, but also by young people.

The Youth Guarantee is meant to boost apprenticeships in the regional strand of the Youth Employment Initiative Operational Programme, co-financed by the ESF, as well as through ERASMUS+.

There are three main channels of finance for apprenticeship in France: (i) Regional Authorities, (ii) State funding, and (iii) private sector and collective bodies. Regional authorities usually publish their budget allocation for training without distinguishing between vocational training and apprenticeships; the general proxy used to estimate the overall contribution of the regions is the State funding amount, which corresponds to 15% of the total average expenditure, including physical investments. ESF is an important match funding source as well, both at national and regional levels.

Regions use different indicators to measure expenditure on apprenticeships<sup>102</sup>, which makes the aggregation at national level very difficult.

Fiscal reform and simplification was introduced in 2014 with the aim of boosting the capacity of enterprises and training centres to develop apprenticeships and on-the-job training.

### 4.2.4 Entrepreneurship

Local Youth Centres (Missions Locales) launched a national network of entrepreneurs' groupings. These groups offer tailor-made support to unskilled young people in two steps: (i) spin-off ideas and projects lasting between 2 and 6 months; (ii) certified training of 4 to 6 months finishing with a certificate called 'University Diploma of Business Creator' (Diplôme d'Université de Créateur d'Activité - DUCA). The network includes 13 groupings; in 2011, 517 persons entered Step 1 and 99 participants trained for the DUCA. One third of the participating young people live in deprived urban areas. The measure shows encouraging initial results: one year after the training, 40% found a job, 22% created their own business and 6% went back into training. The measure is rather new and no budgetary evidence could be found for the purpose of this analysis.

Entrepreneurship and business creation by unemployed persons are supported by 'Renewed support for business creation and transmission' (NACRE–Nouvel accompagnement pour la création-reprise d'entreprise), allowing for case management before, during and after the creation or transmission of an enterprise. The personalised support has a minimum duration of 3 years and is fully financed through State funding. During the business creation pathway, the beneficiary can get a 0% loan for up to €10,000, fully guaranteed by the State. By the end of 2012, close to

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<sup>101</sup> Ibid

<sup>102</sup> Source: CNFPTLV, *Le coût de l'apprenti*, October 2013.

14,000 young people under 26 entered a NACRE case management pathway, representing 16% of total beneficiaries. According to a recent evaluation of the NACRE measure, the overall cost is estimated between €3,400 and €4,500 over a 5 years period<sup>103</sup>, which is comparable to other case management schemes in favour of youth employment such as the Contract of Autonomy estimated at €3,300 per beneficiary.

#### 4.2.5 Guidance and counselling services

Targeted services to early school leavers ('jeunes en décrochage') combine three elements:

1. Platforms against early school leaving (Platesformes de suivi et d'appui aux décrocheurs)
  - At the local level, 372 platforms reporting to the representatives of the government (préfets de département) aim at providing a coordinated approach to early school leavers. It draws on existing measures and is run in conjunction with the newly established Public Service for Careers Guidance (SPRO – Service Public Régional de l'Orientation), which is being rolled out throughout the country.
  - The Préfet de département appoints a coordinator at sub-regional level to manage local platforms and coordinate services for young people.
  - Its goal is twofold: (i) decrease the number of exits without any qualification through preventive actions; (ii) accompany dropouts over 16 years old into social integration with certified skills.
  - To support the implementation of platforms, an inter-ministerial scheme has been put in place bringing together different ministries under the leadership of the Ministry for National Education, Youth and Associations (Ministries for the Interior, Employment, Town Planning, Agriculture, Justice, Defence, Overseas Territories, State Reform, Information and Orientation and the National Council of Missions Locales).

During 2013, more than 180,000 young dropouts have been contacted through the 360 support platforms across the country. Around 100,000 of them had an individual interview and 34,000 were taken care of by the FOQUALE network (see below). Among these, 20,000 returned to initial vocational education and 3,000 enrolled under 'civil engagement' (service civique) (equivalent to community work). Another 11,000 young dropouts have registered a 'return to training' pathway with the support of the Centre for combatting early school leaving (Mission de lutte contre le décrochage scolaire - MLDS)<sup>104</sup>.

#### 2. FOQUALE network (see also paragraph 3.5)

Networks for Training, Qualification and Employment (FOQUALE) combine the same educational scope of intervention as the platforms against early school leaving (see above), through the educational centres recognised by the Ministry of Education, Higher Education and Research and offering capacities for young dropouts ('décrocheurs').

Each young dropout enrolling with the FOQUALE network is offered a contract for Training, Qualification and Employment. After the initial interview with specialised staff in order to assess the needs, skills and educational attainment of the young person, a return pathway to education and training is proposed. An educational counsellor accompanies each young participant.

In 2013, in September, around 14,000 young people enrolled in the network. The target for 2014 is 20,000.

#### 3. Mobile application and web site '<http://www.masecondechance.fr>'

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<sup>103</sup> Evaluation of the NACRE measure – IGAS, October 2013.

<sup>104</sup> Source : National Reform Plan 2014 (PNR France 2014)

This digital service is designed for young dropouts and provides information, guidance and online coaching. It comes as an additional service to the platform and pathway mentioned above. It allows anonymous exchanges with educational counsellors. The service is managed by ONISEP<sup>105</sup>, in charge of the guidance and information system gathering data on 78,000 education centres, 230,000 training programmes and 600 professions.

#### 4.3 Triangulating sources to come to a balanced assessment of the total costs per participant and extrapolation of the costs

During the course of the study, there have been several exchanges with the Department of evaluation and studies of the Ministry of Employment (DARES), in charge of compiling data for its line ministry and corresponding with European institutions on LMP data for France. This Department holds a very firm line about unitary costs. For the purpose of this study, DARES was interviewed on this issue, and replied that LMP data is not adapted to calculate unitary costs for each measure. According to DARES, the statistical principles retained for measuring expenditure against the number of beneficiaries have not been designed for computing such a ratio and make no sense. This applies for data computing of different measures of one country, even more for comparing results among several countries. They argue that it is exactly the reason why such a ratio is not available in the statistics stemming from the LMP database and published by Eurostat. Therefore, DARES does not validate the unitary cost calculation method and strongly advises against the interpretation of such ratio; they consider that it can only result in an inadequate interpretation of LMP data in terms of expenditure and beneficiaries. The amounts resulting from such a ratio cannot be interpreted in terms ‘unitary costs’ and a fortiori cannot be compared by measure or by country. Nor does DARES validate the estimates on youth expenditure for the selected measures of the LMP database computed by applying the share of young people among beneficiaries to the total cost. For them, this implies that this cost would be identical for all beneficiaries’ profiles. For them, these hypotheses are not robust enough. However, financial information is available for several schemes targeting youth and we consider them below.

The pilot scheme **GarantieJeunes** is a special case as it was launched independently of the French Youth Guarantee Implementation Plan, but with exactly the same goals and without any EU funding. It is delivering support and integration pathways along the four components mentioned in the Youth Guarantee (see below), and adopts a financial model which can be of interest to other Member States. The scheme is physically managed and delivered by Local Youth Centres (‘Missions Locales’) that are already in existence. Therefore, there are no investment costs involved in the calculation basis. Two distinct budgetary lines were opened at national level for the purpose of the scheme:

- Case management costs (coût de l’accompagnement), which is an additional budget to the existing running costs of the Missions Locales, allowing for extra staff to be recruited in order to coach the participants. The basis of calculation per participant and per year is €1,600 in terms of financial commitment, equivalent to **€1,120** in payment.
- Integration allowance (garantie de ressources), calculated in compliance with the welfare benefit (Revenu de Solidarité Active - RSA), amounting to **€329.54 per participant**. Under some circumstances, the beneficiary can also get additional support for housing, transport, etc.

The trigger for unlocking this money is a contract of ‘mutual reciprocity’ signed between the beneficiary and the Mission Locale. This contract defines the precise steps of the pathway defined by both the beneficiary and the coach (réfèrent).

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<sup>105</sup> ONISEP: Office national d’information sur les enseignements et les professions



Considering the deadline of four months set by the European guidelines, this cost per participant would total to **€2,438.16 per participant**, not including additional allocations delivered on an ad hoc basis.

Concerning several of the other schemes examined in previous sections, there are not sufficient indications on the NEET group to extrapolate on costs; the report thus concentrates here on those with an effective operational role in the Youth Guarantee. In order to do so, the intervention logic is based on two main steps: (a) preventing young people from dropping out, and (b) enrolling NEETs into pathways along four distinct approaches: (i) Work-based integration (expérience professionnelle), (ii) Training (formation); (iii) Civil engagement (engagement civique) and (iv) Entrepreneurship (entrepreneuriat).

Although this aspect of the policy is considered as an important preventive step in the Youth Guarantee Implementation Plan, no detailed financial data was available for the purpose of this study.

### *4.3.1 Integration pathways: 4 components*

#### **Work-based integration**

Employment incentives, subsidised work, sheltered work, direct job creation and social enterprises belong to this category.

It is difficult to extrapolate from the various categories extracted from the LMP data and compare them with the most recent schemes, as the costs may not be comparable. However, it seems that the most reliable figures, when reconciling the various sources, stems from the Contract for the future (Contrat d'avenir), revealing an average cost of **€27,351** per participant in the Eurostat table. It is comparable to the estimated cost of the National Multi-sectoral Agreement for Youth (ANI Jeunes), showing **€24,193** per participant, once the pathway has been successfully completed<sup>106</sup>.

#### **Training**

In the field of training, the estimation of cost can be difficult for at least two reasons: (i) firstly, total costs often correspond to yearly public funding, usually stemming from the national level. They will not necessarily include the public contribution from regional or local authorities which are in charge of training according to the law. Another major variable in the estimation of the total cost is the inclusion – or not – of physical investments (construction or extension of buildings); (ii) secondly, many statistics rely on flows of participants per year, instead of stocks; in both cases (flows or stocks), some measures count in entries and do not always provide figures on positive exits which are needed to measure the effective performance of the scheme. What counts is not so much the number of enrolment places created with the support of public expenditure, but the number of young people successfully leaving the place once the training has been completed.

In light of the wide variety of training measures listed both in the Eurostat table and the additional data collected, the only scheme that seems to provide robust quantitative information is the cost per participant in apprenticeship, amounting to **€6,782** in the Eurostat data, and to **€7,582** in the national documentation.

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<sup>106</sup> Positive exits only.

## Civil engagement

**Civil** engagement is a growing feature of youth policy in France. The impact of community work on employability has been clearly established through an external evaluation process in 2012–2014<sup>107</sup>, mostly for low skilled young people. Its cost is estimated at ~~€~~**4,135**.

## Entrepreneurship

The Eurostat 2011 data on start-up incentive is not sufficiently representative of the existing schemes for young people. Figures used here stem from statistics provided by the French authorities in the YG implementation plan. Costs for start-up incentives cover measures that promote entrepreneurship by encouraging the unemployed and other target groups to start their own business or to become self-employed. Assistance may take the form of direct cash benefits or indirect support including loans, provision of facilities, business advice, etc.

The DUCA experiment in the field of entrepreneurship (see section 4.2.5 above) is the closest scheme to inclusive pathways for the NEET group, but despite its encouraging results, only works in deprived urban areas and has not yet reached a critical mass, which makes it impossible to elaborate on unitary costs.

The NACRE estimate is certainly valid for young people, but would require additional expenditure for accompanying the NEET group into the creation of sustainable business activities.

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<sup>107</sup> Observatoire de la Jeunesse, Le service civique, un atout pour le parcours des jeunes

## 5 Concrete actions undertaken to implement the Youth Guarantee

### 5.1 New policies designed, implemented or approved in the framework of the Youth Guarantee

The intervention logic of the French Youth Guarantee Implementation Plan is user-centred. Beyond preventive actions, it is based upon solutions offered to young people along four components:

- Work-based integration (expérience professionnelle)
- Training (formation)
- Civil engagement (engagement civique)
- Entrepreneurship (entrepreneuriat)

These components are directly inspired from the National Plan ‘Priority: Youth’ adopted in February 2013<sup>108</sup>.

The novelties mostly relate to the educational field where a combination of services is better targeted towards early school leavers. Career guidance and information services are also being reshuffled in the context of the devolution process and the French Youth Guarantee intervenes in this reorganisation together with the regional authorities, under the banner of Regional Public Guidance Service (Service Public Régional de l’Orientation–SPRO). In the inclusion and employment fields, existing tools and services are reinforced, mostly through Local Youth Centres (Missions Locales) already offering specialised support to NEETs. These Local Youth Centres will play a crucial role in delivering the Youth Guarantee in France.

The following examples highlight some of the key measures included in the YGIP.

#### 5.1.1 Pilot scheme ‘GarantieJeunes’

France launched a national Youth Guarantee pilot scheme (‘GarantieJeunes’) in August 2013, based on the report of an ad hoc ministerial working group<sup>109</sup>. The guarantee is initially implemented in the form of pilot projects in ten of the French départements, with the goal of progressively scaling up to national level in 2016. The total budget earmarked for the policy is €500 million until 2016; this sum is to be used to target young NEETs aged 18 to 25. During 2013, the pilot projects are intended to reach 10,000 young people while it is planned to reach up to 100,000 participants by 2016.

While it does include provisions for mentoring and counselling, the GarantieJeunes is conceived as a spin-off measure to the Revenu de Solidarité Active (RSA – welfare benefit) rather than as a genuine Youth Guarantee. Local Youth Centres are coordinating the delivery of GarantieJeunes and it also includes a monthly integration allowance of €329.54.

An analysis by the workers union CFDT<sup>110</sup> reports that the nationally funded GarantieJeunes is qualitatively different from the Youth Guarantee suggested by the Council of the European Union, most importantly because it does not promise an offer of education, training or employment within a specified timeframe, and because the access to the scheme is means-tested. The contract of ‘mutual reciprocity’ signed with the young participant is nevertheless a guarantee for entering an integration pathway, with enhanced coaching from a dedicated social worker.

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<sup>108</sup> In particular (i) challenge nr 5 ‘encouraging access to employment’; (ii) challenge nr 6 ‘securing social and vocational integration’; (iii) challenge nr 10 ‘increasing and diversifying European and international mobility’

<sup>109</sup> GarantieJeunes: synthèse des travaux du groupe présidé par Emmanuelle Wargon (Déléguée Générale à l’emploi et à la formation professionnelle) et Marc Gurgaud

<sup>110</sup> <http://www.etui.org/content/download/12372/106452/file/13+Background+analys+2013+04+Bussi+and+Geyer+Web+version.pdf>

The trade unions did not take part in the negotiations on the GarantieJeunes within the ad hoc working group but were invited to present their opinions to the members of the group. Nevertheless, the trade unions welcome the GarantieJeunes as an effective policy option to improve the conditions of young people in society and on the labour market. However, they are concerned about the heavy workload entailed by this policy for the Local Youth Centres as well as about the future of the guarantee after 2016.

### ***5.1.2 Fight against early school leaving***

Targeted services to early school leavers are considered as a priority in the French Youth Guarantee. Some of these services have existed for decades but the combination of the 3 elements described above (see 4.2.5) is new and boosted through a very comprehensive roadmap launched in November 2014<sup>111</sup>. The main actor for the delivery of these services is the Ministry of National Education, although there are some tensions with regard to the status of educational counsellors recruited by the local platforms.

### ***5.1.3 Intensive case management on existing employment incentives and subsidised work***

The main input proposed by the Youth Guarantee in terms of access to employment and active inclusion is the level of intensity in the case management model. Several measures, either in the field of employability or social inclusion, use a ‘contract’ to get each NEET engaging in a pathway: Autonomy contract, Generation contract, Single Inclusion Contract, CIVIS, etc. For all these contracts, the European Youth Guarantee Implementation Plan foresees intensive case management.

## **5.2 Source of funding for the concrete actions**

### ***5.2.1 Pilot scheme ‘GarantieJeunes’***

The budget for this pilot scheme stems from the anti-poverty plan and its national budget of €30 million in 2014. The decision not to claim ESF for this pilot scheme is due to administrative constraints linked to the monitoring of the welfare benefit (RSA). The key figure is €1,600 per young person and per year, as the budget for delivering the service in the Local Youth Centre. Each young person gets a monthly financial support of €329.54, without the housing allocation (which can be added if necessary).

The pilot scheme represents a small share of the Youth Guarantee Implementation Plan, targeting 10,000 NEETs in 2013, 20,000 in 2014 and 111,000 by 2016.

### ***5.2.2 Youth Employment Initiative***

All other interventions mentioned in this report are supported through the ESF Operational Programme for Youth Employment (YIE OP) under the Investment priority ‘8ii – Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee. The total investment amounts to €434 million.

These interventions are deployed at regional level through call for proposals. Since the YEI OP was officially signed during summer 2014, only a few regional authorities have launched their calls at the time of writing this report.

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<sup>111</sup> <http://www.education.gouv.fr/cid55632/la-lutte-contre-le-decrochage-scolaire.html>

## 6 Conclusions and recommendations

In France, statistics on young people have shown a worsening of the situation in recent years, with an unemployment rate close to 24% since 2009. Early school leaving and at-risk-of-poverty rates are also alarming. These negative trends do not reflect a culture of supporting social groups in difficulty which has been developed since the 1980's. Indeed, youth policies have been adjusted to the needs of vulnerable young people, but create over time a piling up phenomenon where new measures and schemes are added to former interventions, often hindering their efficiency.

Young French people aged between 15 and 24 years old nearly reach 8 million in 2013, and among them, 971,000 are not in education, employment nor training (NEET). This report examines the employment and social situation of young people in France, as well as the conditions for the successful implementation of the youth guarantee.

The Government's response to the increasing challenges met by the young NEET group is detailed in the Youth Guarantee Implementation Plan submitted to the European Commission in December 2013 and further reviewed in May 2014. As we have seen in previous chapters, the Youth Guarantee stems from three major national roadmaps: (i) the National Plan to 'Fight against poverty' (January 2013) (ii) the 'Priority: Youth' National Plan (February 2013), and is complemented by (iii) the National Plan to 'fight against early school leaving' (November 2014). The financial resources of the Youth Guarantee mostly come from the European Social Fund Youth Employment Initiative Operational Programme, with State funding and additional contributions from regional and local authorities.

The process for establishing the Youth Guarantee relies upon a robust institutional framework at central level. In fact, a pilot scheme called 'GarantieJeunes' was launched in 2013, focusing on specific deprived urban areas stemming from urban policy. The GarantieJeunes does not claim European funding even though it follows exactly the same goals and should reach 110,000 young NEET by 2016. The distinction between the pilot scheme 'GarantieJeunes' and the Youth Guarantee was not easy to establish during the course of writing this report, as financial decisions over the regional delivery of the ESF were still under progress.

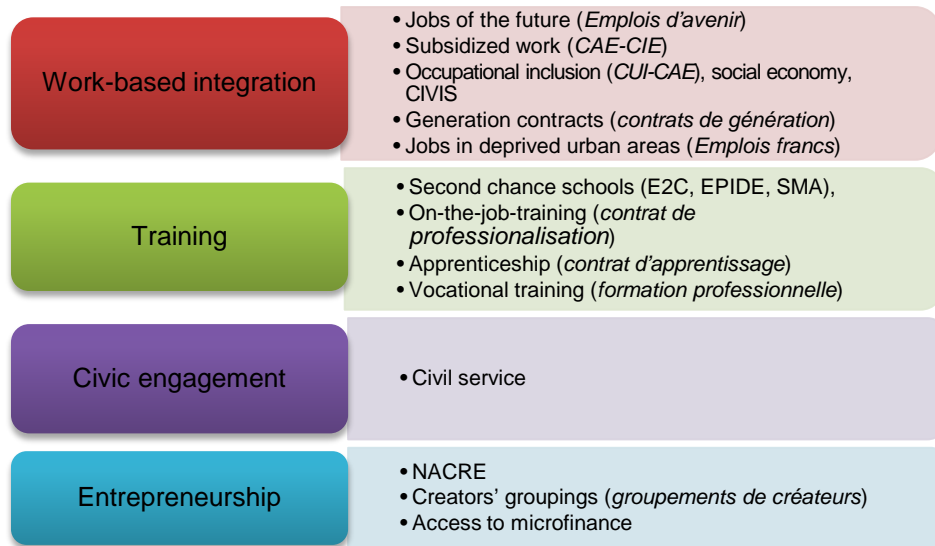
With the Youth Guarantee Implementation Plan, it seems clear however that cooperation and partnerships are being reinforced, especially with the Public Employment Service 'Pôle Emploi', as well as with the Ministry of Education for early school leavers. The Ministry of Social Affairs and Health and its Directorate for Social Cohesion ought to become more involved in the future (Recommendation nr 1).

In terms of methodology, the French approach insists upon reinforcing tailor-made solutions for the target group of NEETs. One of the key stakeholders in the field are the 400+ Local Youth Centres (Missions Locales) that have delivered case management services for several decades. When getting help from the 'Mission Locale', each young person co-develops a personal pathway to social and vocational integration, with a dedicated advisor. This advisor will be the young person's sole point of contact and will coordinate all the necessary measures and interventions into a made-to-measure pathway; it includes guaranteed first work experience and guaranteed resources, and is based upon a signed contract whereby the young persons formalises his/her desire to become autonomous.

This intensive case management model is seen as a successful method for decreasing the number of NEET. Educational remediation with early school leavers also adopts a similar approach with educational counsellors.

The Youth Guarantee has thus a user-centred approach and aims at offering four types of solutions to 600,000 young people, as indicated in the figure below:

Figure 5: Youth Guarantee



According to youth organisations, the ultimate goal of the Youth Guarantee should be to push the NEETs towards a more productive life and fast track measures for work-based integration ought to belong to common law (*droit commun*). Such high expectations of the mainstreaming of the Guarantee are being corroborated by various monitoring and evaluation schemes currently being set up.

From the documentation gathered for this report it can be concluded that the support to NEETs in France is done through integration pathways where a mix of measures combined under several major policies are delivered along the case management model (person-centred approach with enhanced support from social workers/advisors/mentors). It is therefore very difficult to isolate costs related to training or employment incentives only, and extrapolate on them.

This report also gives a preliminary estimate of the costs of the implementation of the youth guarantee. Data extracted from the Labour Force Survey shows unitary costs per participant calculated on a yearly basis. In order to calculate unitary costs, the Department in charge of Studies and Statistics at the Ministry of Employment recommends (i) to spread the calculation over 3 years and obtain an average unit cost, and (ii) not to use the data in the first or last year of implementation because unit costs do not mean anything for this specific year of activity. (Recommendation nr 3).

All in all, France is on track in the implementation of the Youth Guarantee with a range of robust measures on offer to NEETs. The main vehicle for delivering the Youth Guarantee is the Youth Employment Initiative, which starts being unrolled through regional calls for proposals since October 2014.

**Table 20: Summary of conclusions, recommendations and costs**

<b>Preconditions for implementing a YGS</b>	<b>Conclusion: Is the activity transferable (i.e. good practice)?</b>	<b>Recommendation (what should be done to satisfy the condition) – see chapter 4</b>	<b>Could we put a reasoned financial estimation on realising this condition (what does it cost). Please indicate No, Yes, and the estimation in Euros.</b>
<b>Institutional frameworks</b>			
Legal framework	No		
Policy framework	No		
Clear authority in place	Yes		
Clear financial framework	No	A common financial framework for displaying youth policy expenditure stemming from different ministries or public sources would be very useful.	
<b>Cooperation / partnerships</b>			
Cooperation and partnership among social partners	Only one workers' union is represented;	The Ministry of Social affairs and Health and its Directorate for Social Cohesion ought to become more involved in the future.	
Interlinkage between education providers and companies (design and implementation apprenticeship training)	No		

<b>Preconditions for implementing a YGS</b>	<b>Conclusion: Is the activity transferable (i.e. good practice)?</b>	<b>Recommendation (what should be done to satisfy the condition) – see chapter 4</b>	<b>Could we put a reasoned financial estimation on realising this condition (what does it cost). Please indicate No, Yes, and the estimation in Euros.</b>
<b>Activities</b>			
Systems and structures preventing Early School Leaving	No		
Infrastructure that provide training to young people (including second chance, skills training) for NEETS	Yes: Second chance schools Small-scale local initiatives for inclusion	Increased local governance	
Systems and in place that provide quality apprenticeship / work experience places / job placements to young people (e.g. subsidies, matching services, mentoring)	Yes: CIVIS mentoring	Implemented through neighbourhood youth centres	
Systems and structures in place that provide guidance and counselling to young people	Yes: Local Youth Centres (Missions Locales)	Often under-staffed; need strong local stakeholders, including employers	
Systems and structures in place for the validation of non-formal and informal learning and for the accreditation of prior learning (ALP)	Yes	Could be better prioritized in YGIP	
Systems and structures in place for reaching out young people	No	More involvement Ministry of social affairs	
Existence of an integrated approach (combining different	Yes		



<b>Preconditions for implementing a YGS</b>	<b>Conclusion: Is the activity transferable (i.e. good practice)?</b>	<b>Recommendation (what should be done to satisfy the condition) – see chapter 4</b>	<b>Could we put a reasoned financial estimation on realising this condition (what does it cost). Please indicate No, Yes, and the estimation in Euros.</b>
instruments like training, apprenticeships, guidance and counselling)			
Existence of a personalised approach toward young people, providing guidance and individual action planning, including tailor-made individual support schemes, based on the principle of mutual obligation at an early stage	Yes		
<b>Quality of PES</b>			
Availability of sufficient infrastructure, capacities and quality of (employment) services to implement YGS	No	Often under-staffed	
Information services in place within the PES to operate the YGS	Yes	Enhanced support is key to success	
Individual case-management services in place within the PES to operate the YGS	Yes but delegated to Local youth centres		
Administration of youth related measures in place within the PES to operate the YGS	Yes but delegated to Local youth centres		
Engagement of youth (organizations) in the design of initiatives for youth	No (very formal)	Ongoing exchanges (e.g. Parliamentary hearing)	
<b>Monitoring &amp; evaluation</b>			
Statistical information on NEETS to monitor indicators for monitoring and evaluating the success of newly designed initiatives; Be cautious with the calculation and interpretation of unitary	Yes but with improvements to be made	(i) to spread the calculation over 3 years and obtain an average unit cost, and (ii) not to	

<b>Preconditions for implementing a YGS</b>	<b>Conclusion: Is the activity transferable (i.e. good practice)?</b>	<b>Recommendation (what should be done to satisfy the condition) – see chapter 4</b>	<b>Could we put a reasoned financial estimation on realising this condition (what does it cost). Please indicate No, Yes, and the estimation in Euros.</b>
costs		use the data in the first or last year of implementation because unit costs do not mean anything for this specific year of activity.	
<b>Absorption capacity of VET and economy</b>			
Absorption capacity of VET systems to place NEETS	Yes for early school leavers		
Absorption capacity of employers to provide apprenticeships	No		
<b>Other barriers and challenges for implementing a YGS</b>			
Inter-ministerial cooperation to be further expanded	No	The Ministry of Social affairs and Health and its Directorate for Social Cohesion ought to become more involved	Low cost

## Annex 1: List of national experts interviewed for this report

	Organisation	Units and roles
1	Ministry of Employment	DGEFP Coordinator for YG
2	Ministry of Employment	DGEFP Service in charge of the evaluation of YG
3	Ministry of Employment	DARES (directorate for research studies and statistics)
4	Ministry of Employment	DARES (directorate for research studies and statistics)
5	Ministry of Education, Higher Education and Research	Ministry of Education, Higher Education and Research– DREIC
6	Ministry of Education, Higher Education and Research	Ministry of Education, Higher Education and Research– DGESCO
7	Ministry of Education, Higher Education and Research	Ministry of Education, Higher Education and Research– DREIC
8	Ministry of Education, Higher Education and Research	Ministry of Education, Higher Education and Research– DEPP
9	Pôle Emploi	PES – Director of international affairs
10	UNML	Federation of Local Youth Centers ( <i>Missions Locales</i> ) – General Secretary
11	CFDT	French Democratic federation of Labour – In charge of Youth
12	INJEP	Observatory for Youth – General Secretary in charge of the Erasmus+ programme
13	Univ Paris Est Marne La Vallée	Social sciences Professor with specialty in Youth Employment
14	FFJ	Coordinator of the French Youth Forum, gathering national students' organisations
15	CEMEA	Federation of NGOs responsible for 'active' education and homelessness, Expert for social affairs and Youth

Besides these interviews, the national expert also analysed the online webcast<sup>112</sup> session of the French National Assembly on 13<sup>th</sup> May 2014, where the Committee of European Affairs organised a roundtable on Youth & Europe<sup>113</sup>.

<sup>112</sup> <http://videos.assemblee-nationale.fr/video.5402.commission-des-affaires-europeennes--table-ronde-sur-les-jeunes-et-l-europe-13-mai-2014>

## Annex 2: Literature

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<sup>113</sup> The following representatives contributed to the debate, which included the issue of the Youth Guarantee: Danielle Auroi, National Assembly Deputy, Chair of European Affairs' Committee; Elise Drouet, Board member, European Youth Forum; Morgan Marietti, General Secretary, ANAF (National Association of French Apprentices); Emmanuelle Bertrand, Vice-President, CNAJEP (Comité pour les relations nationales et internationales des associations de jeunesse et d'éducation populaire); Laure Delaire, Vice-President, UNEF (National Students Union of France); Bérénice Jond, Member, French Youth Forum (FFJ); Sandrine Doucet, Philip Cordery, Joaquim Pueyo and Jean-Patrick Gille, National Assembly Deputies.

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