



Labour market change
**Assessment of public initiatives to
combat labour market segmentation
in the EU Member States**

**Case study: Assisted contracts
(France)**

**[Labour market segmentation:
Piloting a new quantitative and policy analysis](#)**

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Introduction

This report presents an analysis of the assisted contracts that have been used in France since 1984. For more than three decades, the French [Ministry of Labour](#) has incentivised employers to sign contracts, usually for a fixed period, to encourage the integration of certain categories of people into the labour market. Although not explicitly, these assisted contracts are intended to combat labour market segmentation (LMS), as they specifically aim to integrate people of lower employability, who more often than others are affected by LMS. These groups of people include young people, individuals without vocational training, people with disabilities, and the elderly. While assisted contracts have most often been precarious, they were initially designed as a ‘stepping stone’ to stable employment. These contracts theoretically cover all sectors, but in practice they are mainly intended for the non-market sector, particularly non-profit organisations. These contracts have had several names and have taken different forms over the years, including the ‘work of collective utility’ (*travaux d’utilité collective*, TUC), the ‘single integration contract’ (*contrat unique d’insertion*, CUI), and the most recent ‘employment and competence path’ (*parcours emploi compétence*, PEC), which is the one valid in 2019.

The state, via the Ministry of Labour, partially finances these contracts and therefore helps employers to hire. These aids have varied greatly depending on the type of the contract offered. Most often, it has been a question of partial or total payment of employers’ social security contributions. The assisted contracts have therefore had a significant cost for the state budget.

Between 1984 and 2019, the system of assisted contracts has undergone constant legislative changes, making it difficult to describe and evaluate it overall. Almost every government in the last 35 years has changed the applicable law, created new types of contracts, and discontinued others. The laws, decrees or circulars on assisted contracts were adopted in 1984, 1985, 1990, 1992, 1996, 1997, 2002, 2005, 2010, 2012 and 2018.

Although the practical modalities, and the extent of the financial support provided, have varied, the legislator has been generally in favour of the assisted contracts since the establishment of the system in 1984. There was a historical peak in the assisted contracts used in the late 1990s (831,000 assisted contracts in 1998, 4.3% of all employees that year) (DARES, 2017; Eurostat data). Since then, the number of contracts has substantially decreased. There were still 600,000 of them in 2016, but then came a significant policy change with the aim to drastically reduce the use of the assisted contracts (Le Figaro.fr, 2018). Eventually, the [circular of 11 January 2018](#) created a new form of the assisted contracts – PECs. Given reduced funding from the state and additional training requirements for employees which tightened eligibility criteria to receive state support, the introduction of PECs meant more limited access to the assisted contracts for the potential beneficiaries. For 2019, the number of the assisted contracts was expected to be only 200,000 (forecast by the Ministry of Labour).

Applied methodological approach

This case study is primarily based on desk research of both secondary and primary information from a number of sources.

DARES ([Direction de l’animation, de la recherche, des études et des statistiques](#)), the Ministry of Labour’s research centre, regularly produces work evaluating the effectiveness of the assisted contracts. They have specifically measured effects of these contracts on employment, assessed their direct and indirect costs, studied career and integration paths of people who have benefited from the system. The latest in-depth study of DARES on the assisted contracts dates back to 2017 (Bernard and Rey, 2017). Aside from other sources of DARES, it has been extensively used for this case study.

The French Court of Auditors ([Cour des comptes](#)), which is responsible for auditing public accounts and spotting abuses (if any), has also studied the system, focusing on the significant costs of the assisted contracts. This was particularly emphasised in the 2013, 2017 and 2018 reports (Cour des comptes, 2018) which have been used for this case study too.

From a more political point of view, many reports either in favour of or critical of the assisted contracts have been published over the years. The most recent ones include:

- Borello (2018): Commissioned by the Minister of Labour, Muriel Pénicaud, this report is a rather sharp criticism of the arrangements made for the assisted contracts; and it calls for a new, lighter form of the assisted contracts called PEC (*Parcours emploi formation*).
- Collignon (2018): This report was prepared for the Superior Council of the Territorial Civil Service (*Conseil Supérieur de la Fonction Publique Territoriale*, CSFPT). As civil service at the local level (*fonction publique territoriale*) has been very affected by the decline in the volume of the assisted contracts, CSFPT aims to defend the use of these contracts in local administrations countrywide.
- [Le Mouvement associatif](#) (2018): This collective report prepared by a non-governmental organisation pleads for the return of significant funding for subsidised jobs to the non-profit sector.
- Dufaut and Magner (2018): This report prepared by opposition senators is also a plea for the return of more significant funding for the assisted contracts targeting non-profit organisations.

Many economists have also studied the system of the assisted contracts. Benoteau's (2015) research concerned a panel of workers hired on the assisted contracts in 2008, and the long-term unemployed. The survey sought to determine whether two and a half years after the intervention workers hired on the assisted contracts gained a stable place in the labour market. Other economists have focused on the different forms of possible windfall effects (Fendrich and Rémy, 2009) as they raised questions whether employers who recruited on the assisted contracts would have hired the same people in the absence of the state aid.

In addition to desk research, two semi-structured interviews were conducted with a statistician and a trade unionist from the organisation [Force Ouvrière](#).

Description of the initiative in focus

Type of initiative

The system of the assisted contracts has been launched as an incentive-based initiative related to employment/job stability. The use of these contracts is always optional for employers, whereas the aim of the system is to encourage hiring and to consequently boost the employment.

Nevertheless, these contracts are specifically reserved for people who have difficulty integrating into or re-entering the labour market. These include young people, unskilled workers, and the long-term unemployed.

Beneficiaries of the scheme receive financial assistance from the state (through the Ministry of Labour). This aid can take various forms such as direct subsidies for hiring, exemption from social security contributions, training aid, and others. The volume of the assisted contracts is directly controlled by the state through budgetary adjustments. In particular, the provisional number is determined each year in the Finance Act under the budget of the Ministry of Labour. A corrective budget may be adopted via an amending law during the year if the credits are exhausted. The actual number of the assisted contracts used might, thus, in practice differ from what was anticipated in the initial act. It may be higher in case of amendments or lower if not all the funds allocated were used in that particular year.

Rationale and objective

Since 1984, the system of the assisted contracts has aimed to reduce the level of unemployment. In particular, it has intended to enable people furthest from the labour market to obtain employment through specific contracts financially supported and supervised by the state. The system aimed at boosting the employability of these people by providing them with access to work experience, skills, training and personalised professional support as well as a network of contacts. This was expected to

serve as a stepping stone for the sustainable integration of excluded people into the labour market. Furthermore, as beneficiaries of the assisted contracts are omitted from the official unemployment figures in France, the system has served as a tool for not only tackling the unemployment but also for the social treatment of unemployment.¹

The system of the assisted contracts has also aimed to address social needs which call for state intervention in terms of support. Indeed, some activities are difficult to finance for the non-governmental actors themselves, although they do generate positive externalities that help to meet the collective, particularly social needs. With the support of the state through the assisted contracts, such important work can be financed and paid for the people involved. Therefore, employers benefiting from such state assistance have often been non-profit organisations ('associations' within the meaning of the [law of 1 July 1901](#)).

The introduction of the assisted contracts back in 1984 was also a manifestation of the experiments with new forms of support for school-to-work transitions.

Although LMS has not been explicitly mentioned in the political or legal discourse, the assisted contracts have attempted to address LMS as they have aimed to integrate people far from employment into the labour market. Moreover, they have specifically focused on supporting those groups who are at a higher risk of getting trapped in inactivity, unemployment or marginal jobs as compared to the rest of the population (such as the young, the long-term unemployed, elderly workers and people with disabilities). However, this fight against LMS has been limited by the fact that the assisted contracts are mostly fixed-term and often precarious contracts.

Though integration into the labour market has been the main aim throughout the 35 years, it has not been the only one of the assisted contracts. The plurality of objectives of the assisted contracts makes any evaluation challenging. Above all, the afore-mentioned objectives have remained rather unchanged since 1984. However, the names of the contracts have significantly varied, no less did their financing methods and the volume of the assistance provided.

Time frame

Since 1984, France has experienced at least 19 different types of the assisted contracts, each with a validity over time determined by laws or decrees. Some of these assisted contracts existed during the same period, others followed one another. Despite such changes, France has continuously provided financial assistance for contracts over the past 35 years.

Target groups

Given the aim of the assisted contracts to integrate people into the labour market, the broad target group of the system has always been the job-seekers. Nevertheless, the specific target groups of the scheme have evolved significantly over the years:

- The main target has historically been young workers, with varying conditions on age (between 16 and 21 or even 26 years old, depending on the type of contract). Some assisted contracts for young people have also required the young person to be long-term unemployed, to have no vocational training qualification, or to reside in a disadvantaged neighbourhood.
- Some assisted contracts have been created for the long-term unemployed or beneficiaries of minimum social benefits, regardless of age.
- Some assisted contracts have been designed or adapted for workers over 50 years of age in order to reintegrate them into the labour market.
- Some assisted contracts have been specifically targeted at people with disabilities.

¹ The term 'social treatment of unemployment' was first used in 1981 by the then Prime Minister Pierre Mauroy. It refers to a policy aimed at taking care of the unemployed to avoid their exclusion and to restore, at least partially, their purchasing power.

Delivery methods

The incentives have always been financial and provided at the expense of the state, using the budget of the Ministry of Labour. Financial assistance has taken different forms:

- Quite rarely, assistance has been provided as an employment subsidy (one-off monetary contribution to the employer at the time of signing the assisted contract).
- Most often, assistance has taken the form of a partial or total exemption of the employer from social security contributions.
- Funding may also consist of monthly financial assistance paid to the employer to supplement remuneration of employees.

Most contracts are signed for a fixed period and are governed by regulations that derogate from those applicable to standard employment. If willing to retain such temporary workers, employers must sign new open-ended contracts and enter traditional contractual arrangements governed by labour law. None of the main types of the assisted contracts (see Table 1) had any conditions on sustainability to maintain employment after the end of the assistance provision or stipulations to avoid crowding out and replacing regular contracts with the assisted ones.

Since 1984, the different types of the assisted contracts have mainly focused on the non-market sector and have been primarily used by non-profit organisations as well as state and local authorities. To a minor extent, the assisted contracts have been also used in the market sector, and for the integration of people through economic activity, which can be treated as a separate sector in France. Since 2018, all the assisted contracts have been replaced by the ‘employment and competence path’ (PEC).

Assisted contracts in the non-market sector

The following types of assisted contracts in the non-market sector have been in place since 1984:

- Collective utility work contracts (TUC) (1984-1990): This was the first scheme of the assisted contracts in the non-market sector (excluding experimental schemes). TUC were initially intended for young people aged 16 to 21. From August 1985, they were also used for young people aged 21 to 25 who had been registered for unemployment insurance for at least 12 months. The contracts were of a duration of 3 to 12 months and extended to 24 months in 1987. These contracts were used for small domestic chores such as gardening, and to provide assistance to people with disabilities among other. Within this scheme, the state provided either monthly financial support to partially cover expenses of employee remuneration or the exemption from social security contributions.
- Solidarity employment contracts (*contrat emploi solidarité*, CES) (1990-2005): Replacing the TUC, CES were extended to all people encountering difficulties in accessing the labour market such as young people, the long-term unemployed, people with disabilities and others. The contracts could be signed for a period of 3 to 12 months (which could be extended in some cases to 24 or 36 months). As for TUC, the state provided either monthly financial support to partially cover expenses of employee remuneration or the exemption from social security contributions.
- Consolidated employment contracts (*contrat emploi consolidé*, CEC) (1992-2005): Their purpose was to promote the sustainable integration of the most disadvantaged CEC holders who have no other employment or training solution after their CEC, by offering the employer degressive financial assistance for up to five years. Part of the employee’s remuneration was paid by the state or the latter exempted employers from social security contributions.
- City employment contracts (*contrat emploi ville*, CEV) (1996-1997): Reserved for young people from disadvantaged neighbourhoods, CEV provided financial assistance to employers for five years and in the form of exemption from social security contributions. CEV were absorbed in 1997 by the ‘youth employment’ scheme.
- The new youth employment service, commonly known as ‘youth employment’ (*emploi jeune*) (1997-2002): Promoting five-year contracts open to unemployed young people under 26 years

of age and unemployed young people aged 26 to 30 either not eligible for unemployment insurance or recognised as disabled, the youth employment scheme aimed to create and develop new socially useful activities in line to emerging or unmet local needs, and to enable young people to carry out these activities and to become more experienced in the corresponding professions. As part of this scheme, the state exempted employers from social security contributions.

- Employment support contracts (CAE) (2005-2010): Implemented within the framework of the 2005 Programming Act for Social Cohesion ([*Loi n° 2005-32 du 18 janvier 2005 de programmation pour la cohésion sociale*](#)), CAE replaced CES and CEC, maintaining their main characteristics but in a simplified way. They offered contracts from 6 to 12 months, renewable for up to 24 months. As part of this scheme, the state provided employers with full or partial exemption from social security contributions.
- Contracts for the future (*contrat d'avenir*, CAV) (2005-2010): Also created by the Programming Act for Social Cohesion, these contracts were aimed at the most disadvantaged groups, in particular beneficiaries of the minimum integration income (RMI) or special long-term unemployment benefit (ASS). The implementation of CAV was entrusted to local authorities. The contract duration could reach three years, and five years for beneficiaries over 50 years old. As part of this scheme, the state provided employers with full or partial exemption from social security contributions.
- Single integration contracts – Contracts to support employment (*contrat unique d'insertion – contrat d'accompagnement dans l'emploi*, CUI-CAE) (2010-2018): CUI continued the provisions of the 2005 law, yet aimed to simplify them and to avoid the negative effects of contracts reserved for beneficiaries of minimum social benefits. CUI-CAE kept two distinct modalities: for profit-seeking employers operating in the market sector and for non-profit employers (such as local authorities and non-profit organisations) operating in the non-market sector. CUI-CAE offered renewable contracts from six months to two years, and up to five years for beneficiaries over 50 years of age. As part of this scheme, the state exempted employers from social security contributions.
- Jobs of the future (*emplois d'avenir*) (EA) (2012-2018): With the objectives to offer employment to young unemployed people with low or no qualifications, to give them access to a qualification and to sustainable professional integration, these contracts were open to unemployed people aged 16 to 25 and to people recognised as disabled under 30 years old. Jobs of the future were primarily full-time jobs concluded for an indefinite or a fixed period (of one to three years). In all cases, the employer had wide discretion to decide on the duration of a specific contract. In practice, only fixed-term contracts had been signed. As part of this scheme, the state provided either monthly financial support to partially cover expenses of employee remuneration or the exemption from social security contributions.
- Jobs for the future teacher (*emplois d'avenir professeur*, EAP) (2012-2018): While these contracts were, like other 'jobs for the future', intended for people under 26 years (or under 31 years if with a disability), they were more specific than EA. The young people concerned were scholarship students who wanted to become teachers. They worked in educational institutions, on fixed-term contracts, 12 hours per week for a period of teacher training, which in France usually takes one or two years. As for EA, the state provided either monthly financial support to partially cover expenses of employee remuneration or the exemption from social security contributions.

Assisted contracts in the commercial sector

The following types of the assisted contracts have been introduced in the commercial sector since 1984:

- Contracts for returning to work (*contrat de réinsertion-emploi*, CRE) (1990-1995): Created at the same time as the CES, CREs were the first assisted contracts intended for employers in the commercial sector to whom they offered flat-rate assistance, partial exemption from social security contributions and the payment of training costs. The aid was granted for an amount and duration depending on the characteristics of the person recruited.
- Cooperation agreement (1994-2000), followed by the Degressive aid to the employer (2002-2008): Measures to ‘activate unemployment insurance expenditure’ resulting from agreements between the social partners in unemployment insurance. These contracts aimed to encourage the recruitment of unemployed people who had been receiving benefits for a certain period. In return, the hiring companies received unemployment benefits (for 12 months for the first scheme and for up to three years but on a declining scale for the second one).
- Employment initiative contracts (*contrats initiative emploi*, CIE) (1995-2005): Replacing the CRE, CIE simplified the system by offering a single flat-rate aid, exemption from social security contributions and training aid for permanent or fixed-term contracts of more than 12 months. Initially quite broad, the definition of target audiences was narrowed down in the autumn of 1996.
- The new CIE (2005-2010): Reformed within the framework of the 2005 Programming Law for Social Cohesion, the new CIEs largely reflected the modalities of the CIEs, the main point of the reform being to decentralise the management of the system enabling regional prefects to define the levels of assistance according to the target audience. The aid was granted for a maximum period of 24 months for a fixed-term contract or permanent contract at the employer’s discretion.
- Integration contracts – Minimum activity income (*contrats d'insertion-revenu minimum d'activité*, CI-RMA) (2004-2010): Created as part of the reform of the minimum integration income (*revenu minimum d'insertion*, RMI), these contracts (from 6 to 18 months) were covered by the 2005 Programming Act for Social Cohesion, which refocused them solely on the market sector (as a corollary to the creation of the future contract in the non-market sector) and extended them to beneficiaries of the unemployment benefit for the long-term unemployed (*allocation de solidarité spécifique*, ASS). As part of this scheme, the state provided employers with full or partial exemption from social security contributions.
- Single integration contracts – Employment initiative contracts (*contrat unique d'insertion – contrat d'accompagnement dans l'emploi*, CUI-CIE) (2010-2018): Like their counterpart in the non-market sector, these contracts aimed to rationalise and to simplify existing mechanisms in the market sector. The aid was conditional on hiring on permanent or fixed-term contracts of at least six months. As part of this scheme, the state provided employers with full or partial exemption from social security contributions.
- ‘Jobs of the future’ (*emplois d'avenir*) (2012-2018): Jobs of the future in the market sector were intended for the same groups, with the same criteria as their corollaries in the non-market sector.

Assisted contracts for the integration of people through economic activity (insertion par l'activité économique, IAE)

Experienced locally by social workers in the late 1970s, integration through economic activity developed gradually in the 1980s, before being institutionalised in 1991 with the creation of the National Council for Integration through Economic Activity, then in 1998 under the law to combat labour market exclusion. The IAE is thus the result of the combined initiative of social partners and public authorities and falls within the scope of the social and solidarity economy (*économie sociale et solidaire*, ESS). In 2017, France had 3,881 specialised structures, including the following types (Ministry of Labour, n.d.):

- Intermediary associations (*associations intermédiaires*, AI): These support people who face social or professional problems by providing them with opportunities for paid work, which is most often fixed-term.
- Workshops and integration projects (*ateliers et chantier d'insertion*, ACI): These offer the opportunity to engage in a professional activity for unemployed people who face social or professional problems. These workshops and projects were introduced within the framework of the 2005 Programming Law for Social Cohesion, Workshops and Integration Projects.
- Companies for integration (*entreprises d'insertion*, EI): These are the structures for the integration of people through economic activity that have been in place the longest. They operate as companies in the market sector and offer people in difficulty the possibility to engage in commercial activities and to receive benefits.
- Companies for integration through temporary work (*entreprises de travail temporaire d'insertion*, ETTI): These are companies for temporary employment and their activities are focused on the professional integration of people furthest from the labour market.

All of the above-mentioned structures sign agreements with the state which allow them to later welcome and support workers furthest from the labour market through the assisted contracts.

The new 'Employment and competence path' (PEC)

Since January 2018, assisted contracts have been transformed into PEC in order to facilitate the professional integration of people furthest from employment. PECs are only allowed in the non-market sector (for public employers and non-profits). This scheme applies to Single integration contracts - Employment support contracts (CUI-CAE). The contract must be signed for at least nine months to be eligible for the state assistance.

The PEC provides for:

- The acquisition of transferable skills: These skills must correspond to local needs and to occupations for which employers are struggling to recruit.
- An accompaniment: The employer must help the employee in case he/she encounters problems while integrating in the workplace. The law does not provide the specifics on the nature of the support to be provided, but employers are generally expected to check if employees under assisted contracts are well integrated into their companies.
- Access to training.
- Financial assistance to employers selected based on their ability to remunerate their employees: Between 30% and 60% of the gross minimum wage is covered by the scheme, depending on the decision of the regional prefect.

The process of execution of PECs includes three key moments:

- An entry interview between the representative of the state or local administration, the employer and the future employee. It takes place at the time of signing the request for assistance. The purpose is to formalise the commitments of different parties and to agree on skills that the job should enable to acquire (skills are defined in an online form).
- Monitoring throughout the period of the contract: An employer concerned must inform the public administration assisting the contract of the progress of the employee. This information is provided via the Internet.
- An exit interview between the representative of the state or local administration and the employee depending on the person's needs: It takes place between one to three months before the end of the assisted contract.

The new PEC scheme differs, from a legal point of view, relatively little from the previous versions of the assisted contracts. The minimum duration (nine months) is slightly longer compared to the former version of CUI (six months). The main new feature is the obligation for the employer to monitor the

worker. It is more demanding for the employer because of a mandatory interview before leaving the contract, and regular appointments throughout the contract.

Table 1. Summary of the main types of the assisted contracts in France (1984-2018)

| Contract | Type of contract (and duration) | In place (from-to) | Target sector | Target group | Delivery methods |
|--|--|---------------------------|--|--|--|
| TUC | Fixed-term contract (minimum 3, maximum 24 months) | 1984-1990 | Non-market sector | Young people | Monthly financial support to cover some % of employee remuneration Partial or full exemption from social security contributions |
| CES | Fixed-term contract (minimum 3, maximum 24 month) | 1990-2005 | Non-market sector | People encountering difficulties in integration into labour market | Monthly financial support to cover some % of employee remuneration Partial or full exemption from social security contributions |
| CEC | Fixed-term contract (minimum one, maximum five years) or a permanent contract | 1992-2005 | Non-market sector | People encountering difficulties in integration into labour market | Monthly financial support to cover some % of employee remuneration Partial or full exemption from social security contributions |
| Youth employment (<i>Emploi jeune</i>) | Fixed-term contract (maximum five years) | 1997-2002 | Non-market sector | Young people under 26 years or young disabled people under 30 years. | Partial or full exemption from social security contributions |
| CAV | Fixed-term contract (maximum 24 months) | 2005-2010 | Non-market sector | Job seekers in difficulty receiving social assistance | Monthly financial support to cover some % of employee remuneration |
| CUI-CAE | Fixed-term contract (minimum 6, maximum 24 months, in some cases derogations are allowed – | 2010-2018 | Market or non-market sector or for the integration of people through economic activity | Young people without a qualification; people over 50 years | Partial or full exemption from social security contributions |

Assessment of public initiatives to combat labour market segmentation in the EU Member States
Case study: Assisted contracts (France)

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| | contracts up to 60 months) | | | | |
| EA | Fixed-term contract (maximum three years) or a permanent contract | 2012-2018 | Market or non-market sector | Young people (under 26, or under 30 years) | Monthly financial support to cover some % of employee remuneration Partial or full exemption from social security contributions |
| CIE | Fixed-term contract (maximum 24 months) or a permanent contract | 1995-2005 2005-2010 | Market sector | Different employee profiles possible | Monthly financial support to cover some % of employee remuneration n Partial or full exemption from social security contributions |
| PEC | Fixed-term contract | 2019-present | Non-market sector or for the integration of people through economic activity | Different employee profiles possible | Monthly financial support to cover some % of employee remuneration Partial or full exemption from social security contributions |

Source: Compiled by the authors

Key actors involved in implementation

The Ministry of Labour has managed the system of the assisted contracts for more than 35 years. It can decide quite quickly to finance new contracts or, on the contrary, to drastically reduce the volume of the assistance provided. In fact, the government has often used its discretion to alter the total number of the assisted contracts in light of financial and economic developments in the country from 1984 to 2018.

Social partners have a very limited role in the system. Trade unions are, at best, consulted, and have long been hostile towards the scheme which facilitates the transitions from unemployment into fixed-term and often precarious but not stable jobs. However, their position has now changed in favour of the assisted contracts that are financially supported by the state.

Important for the implementation of the initiative are also employers. For a long time, these could be public, private employers or non-profit organisations operating in the market, non-market sectors or providing support for the integration of people through economic activity. Since the introduction of PEC, only non-commercial actors can be involved in the scheme.

Sectoral focus

The assisted contracts concern three main fields of activity:

1. The 'non-market' sector: This is the priority area for the government. It encompasses a wide range of employers, primarily non-profit organisations (associations) in the areas of culture, sports, personal assistance, and other. They work with many volunteers, but often also need employees to successfully operate. As their economic model is fragile, it is crucial for them to receive the financial support from the state to be able to remunerate their employees. In the non-market sector, public employers include state and local authorities.
2. The commercial sector: All private employers, regardless of the sector of activity, were eligible to the assisted contracts up to 2018 when these contracts were abolished in the market sector. However, commercial employers had not used the assisted contracts often and the assisted contracts in the market sector had usually accounted for less than 10% of all contracts supported.
3. Integration of people through economic activity (IAE): The area concerns employers in the social and solidarity economy sector. The structures involved are often non-profit organisations but there are commercial companies too, such as companies for integration or companies for integration through temporary work as described in the section on IAE. These commercial companies may be profit-making but that is not always the case. In general, IAE structures can have different legal forms (such as non-profit organisation, commercial company). Their main or secondary purpose is to support the integration of people into the labour market. To achieve that, they receive the financial support from the state in the form of the assisted contracts.

Funding arrangements

The financing of the assisted contracts is determined each year in the finance law (*Loi de finances*) passed in December. However, during the year, real time adjustments are possible, both upward and downward. Although budgetary choices are centralised at the national level, they are implemented at the sub-regional level (by prefects in each department).

Linkages with/embeddedness into other measures (at national and EU level)

The legal provisions that have governed the system of the assisted contracts have often been linked to those of unemployment insurance and minimum social security benefits. In many cases, the beneficiary of the assisted contract has to be registered for the unemployment insurance, and sometimes even be a long-term unemployed person (unemployed for more than two years). The provisions of the assisted contracts and those of the unemployment insurance are therefore intertwined.

Sometimes, the assisted contracts have been intended for people receiving minimum social benefits such as the minimum integration income, the active solidarity income or the activity bonus² (*prime d'activité*). Thus, the system of the assisted contracts is closely linked to the national social protection schemes against poverty.

Finally, in some cases, eligibility to the assisted contract has been linked to the status of disability. The system is therefore linked to the French disability policy, particularly the benefits such as the disabled adult allowance (*allocation adultes handicapé*, AAH).

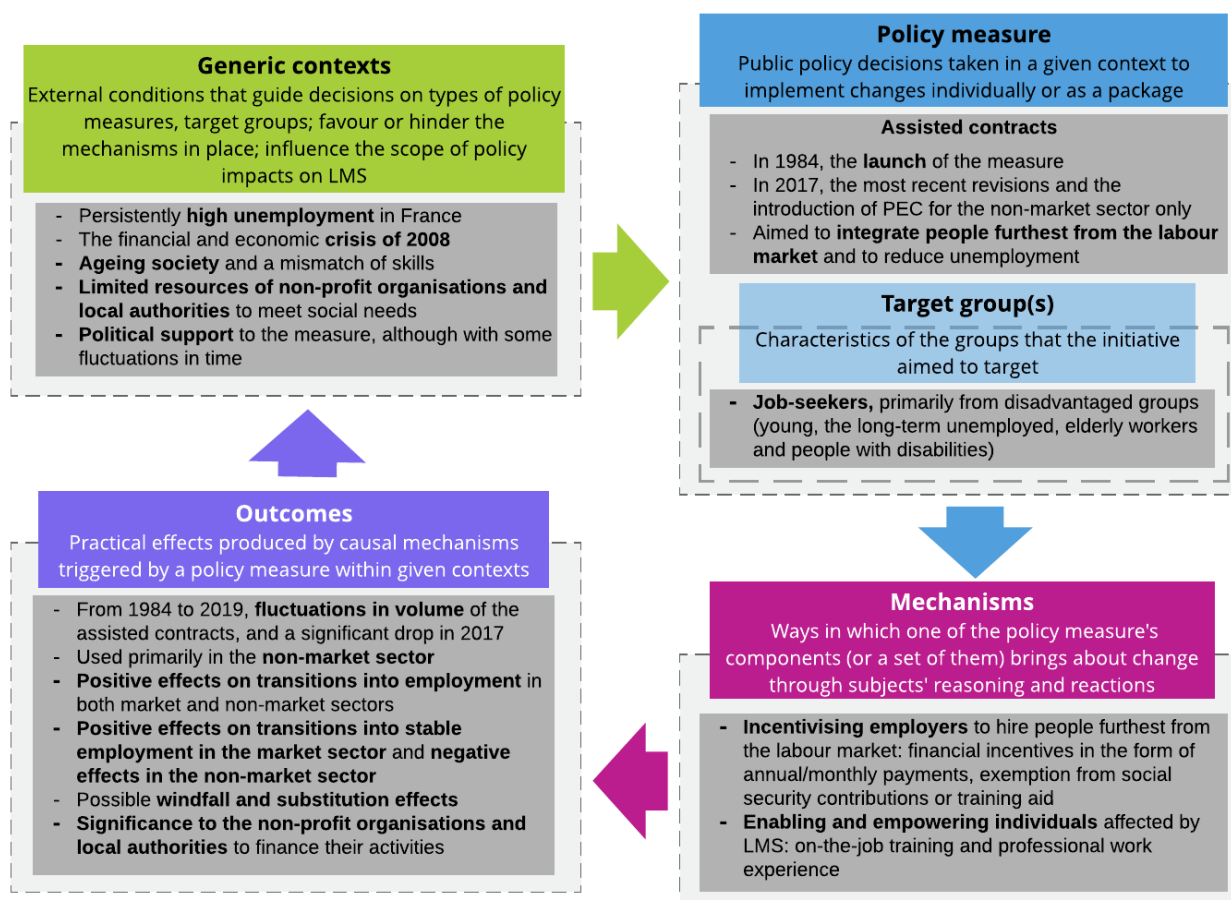
At the EU level, assisted contracts have long been recognised as a measure that can be used to support job creation. For example, in 2010 the Commission suggested that wage subsidies aimed at encouraging hiring can strengthen employment (especially among groups that at the time were at risk of suffering continuing strong negative effects of the crisis), unless they are permanent or poorly targeted (European Commission, 2010). Accordingly, the [Employment package](#) launched in 2012 proposed wage subsidies to boost net new hiring (European Commission, n. d.). The same year, the European Council concluded that Member States should use the possibilities of financing temporary recruitment subsidies from the European Social Fund (European Council, 2012). This was reiterated by the Council of the European Union in the Recommendation on establishing a Youth Guarantee (2013/C 120/01). At the time, the Member States were invited to ‘use targeted and well-designed wage and recruitment subsidies to encourage employers to create new opportunities for young people, such as an apprenticeship, traineeship or job placement, particularly for those furthest from the labour market’ (Council of the European Union, 2013, p. 5).

In-depth analysis of the initiative in focus

This section presents an in-depth analysis of the context of the initiative, mechanisms and outcomes. These separate elements are represented in Figure 2 below.

² The RMI and RSA have been replaced by the ‘activity bonus’.

Figure 1: Visual presentation of the initiative



Source: Compiled by the authors

Overview of the context

Socio-economic developments in the country accompanied by the changing political climate have been two main factors influencing the system of the assisted contracts in France for the past 35 years.

Since their creation in 1984, the primary goal of the assisted contracts has been to reduce unemployment. Indeed, for more than 40 years, France has been confronted with high unemployment, which has particularly affected the low-skilled and young people. The system of the assisted contracts has thus been created to help the job-seekers from excluded groups to integrate into the labour market by providing them with opportunities for training and work (most often temporary).

Crucial against this background is that the unemployment rate as defined by the International Labour Organization (ILO) and understood by the National institute for statistics and economic studies (*Institut national de la statistique et des études économiques*, INSEE) in its Quarterly Employment Survey favours a restrictive definition of unemployment. It excludes people in the 'halo' around unemployment which represents inactive people who want a job but are not available within 15 days to take up a job; or people who have not actively searched for a job in the last four weeks. According to INSEE (2017), in the second quarter of 2016, 1.5 million people in the metropolitan France were in one of these situations and thus omitted from unemployment statistics, though having no permanent job. These included people in training and workers under the assisted contracts. This means that the higher the number of the assisted contracts, the lower the unemployment. Such impact of the assisted contracts on the statistics of unemployment is not open to criticism as long as it is only a consequence of the policy pursued. Faced with rising unemployment figures, however, the government might be tempted to increase the number of the assisted contracts with the sole aim of reducing the number of

job-seekers, even though the assisted contracts most often provide for temporary employment only. Indeed, past governments have sometimes used such a strategy in line with socio-economic developments in the country.

Having come to power in 2007, President Nicolas Sarkozy significantly reduced the number of the assisted contracts (from 390,000 in 2007 to 295,000 in 2008 in the non-market sector, according to DARES data). However, the government abruptly changed its doctrine following the 2008 financial crisis and sharp deterioration of the employment situation in France from spring 2008 onwards. The number of the assisted contracts was thus increased again and reached almost 375,000 in the non-market sector in 2009. In the same year, their number almost doubled in the market sector to reach 117,000 against 64,000 in 2008.

During the 2012 presidential campaign, François Hollande pledged to create 150,000 jobs for young people to cope with the upsurge of unemployment. This was because since 2008, the increase in unemployment had been continuous in France and particularly marked from spring 2011. In the second quarter of 2012, the unemployment rate as defined by ILO was 10.2% of the working population in the metropolitan area and in the overseas departments combined, compared to 9.6% a year earlier. In 2010, according to INSEE, the unemployment rate among young people under 26 years and looking for a job reached 22.2% (excluding young people in school). Indeed, young people were left particularly vulnerable in the midst of the financial and economic crisis, thus the creation of 'Jobs for the future' (*emplois d'avenir*) in 2012. This initiative aimed to better integrate into the labour market young people without qualifications or professional experience. It was intended to limit the increase in the unemployment rate and to boost youth employment statistics. Thus, in 2013 alone more than 88,000 jobs for the future based on the assisted contracts were created. Their number increased to 97,000 in 2014 and was then gradually lowered to reach 72,000 in 2016. In contrast to the previous versions of the assisted contracts, there was also a willingness to take into account the needs of employers. Faced with the ageing of employees, some companies were in need of a transfer of skills and of know-how to younger generations. With these jobs of the future, employers could hire young people under the assisted contracts and, when needed, they could use them to replace the retiring employees.

Given a limited success of the measure, Emmanuel Macron's election in 2017 constituted a rupture. As early as 2017, the Ministry of Labour drastically reduced funding for the various types of the assisted contracts (CUI, then PEC). As of 2019, the number of the assisted contracts is in rapid decline. Initiated by the Minister of Labour and Social Affairs Muriel Pénicaud, the scope of this decrease is unprecedented since the creation of the assisted contracts in 1984 and it reflects a new restrictive doctrine of the Ministry of Labour regarding this policy measure.

Overview of the mechanisms

The system of the assisted contracts is the so-called active labour market policy (ALMP). These active policies are designed to facilitate the integration of job-seekers into the labour market. They are therefore distinct from the so-called passive labour market policies which focus solely on providing financial assistance to the unemployed. These active policies are usually costly in absolute terms. The system of the assisted contracts in France is no exception (more than €25 billion in public expenditure between 2005 and 2010), thus the constant political debates on the measure (Benoteau, 2015).

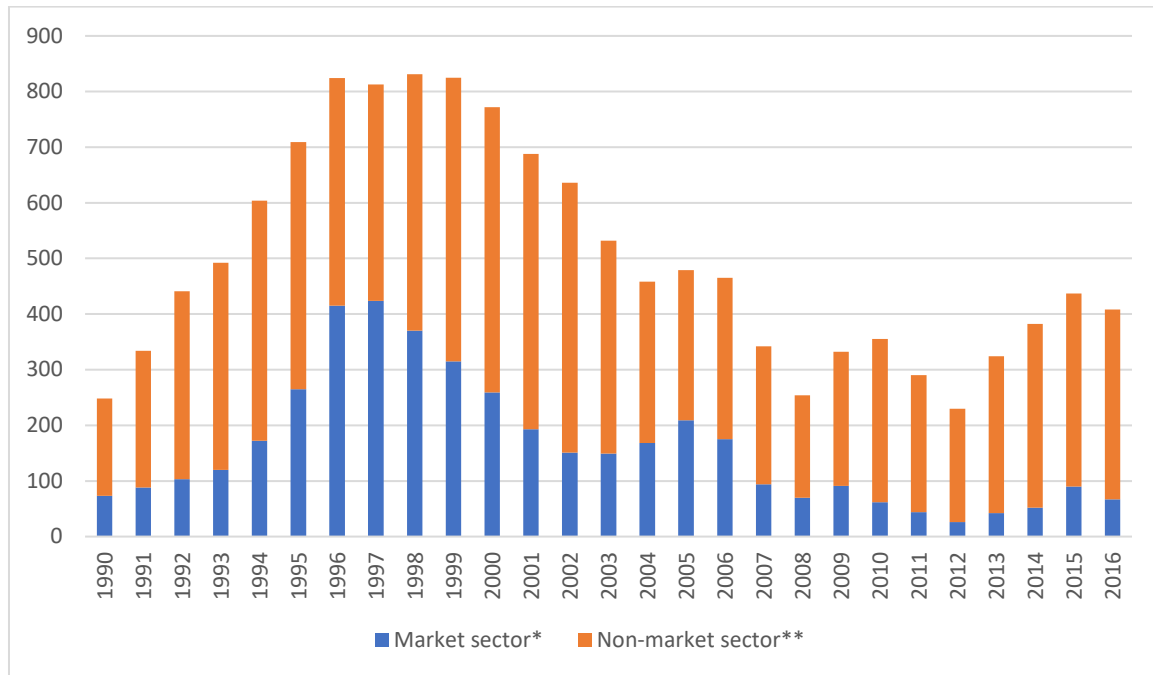
Although costly, the system of the assisted contracts in France has been expected to substantially alter employers' incentives to hire people excluded from the labour market (such as the long-term unemployed, people with disabilities, low-qualified people, the young). Financial assistance (such as one-off subsidies, monthly payments or exemption from social security contributions) have been intended to lower the labour costs for employers and to stimulate the recruitment of employees with lower productivity, or other characteristics adverse to their successful integration into the labour market. The high cost of the assisted contracts has therefore been, at least in part, offset by the fact that these people no longer depend on the social benefits and can make a living themselves, even if for a limited period.

Given the specific delivery methods of the measure, the system of the assisted contracts has also intended to enable and empower the job-seekers. Within the scheme, not only the state but also employers have had some commitments. In fact, employers receiving financial assistance from the state have been obliged to provide support and training for employees under the assisted contracts. The aim has been for employees to be able, in the end, to sustainably integrate into employment using the regular contracts.

Overview of the results and impacts

As argued in the sections above, the volume of the financial assistance provided by state to employers has fluctuated in time. Naturally, this has affected the annual outputs of the system since its establishment back in 1984. Complementary to what is presented in Figure 2, the number of the assisted contracts has started significantly decreasing since May 2017. In that year, according to DARES (Bernard and Rey, 2017), only 227,000 assisted contracts (CUI-CAE) were signed in contrast to 408,000 signed a year earlier. In November 2018, 11 months after the gradual replacement of the previous versions of the assisted contracts with PEC, as few as 99,538 contracts were signed (DARES, n.d.). This sudden drop in the number of state-assisted contracts is subject to fierce opposition from non-profit entities and local authorities (in municipalities, departments and regions) as they have extensively used state support within this system. For 2019, the Finance Act ([Loi de finances 2019](#)) allows for a maximum of 200,000 assisted contracts, adding up the latest CUI-CAEs and PECs.

Figure 2. Beneficiaries of the assisted contracts by year (in thousands)



* Types of assisted contracts included: CUI-CIE, 'Jobs of the future', CIE, CRE, the new CIE, 'Cooperation agreement Unedic', 'Degressive aid to the employer Unedic', CI-RMA.

** Types of assisted contracts included: CUI-CAE, EA, EAP, CES, 'Youth employment', CAE, CEC, CAV, CEV, TUC.

Source: DARES, 2017.

Furthermore, substantial differences in the use of the assisted contracts are observed between the market and the non-market sectors. Throughout the years, employers in the market sector have used the assisted contracts to a much smaller extent (less than 10% of all contracts supported) than those operating in the non-market sector. This is partly because one of the original objectives of the initiative concerns efforts to meet social needs that are often difficult to finance. It is primarily non-profit entities that work in the non-market sector and are involved in the activities aimed to address

such collective needs. Furthermore, ever since launching the scheme in 1984, the French legislator has increasingly given priority to the non-market sector by making the scheme easier to access for the non-commercial structures. Thus, non-profit entities and local public authorities usually account for 90% of the beneficiaries of the assisted contracts which make it possible for them to limit their payroll without reducing the scope of their actions aimed at meeting collective needs. With the introduction of PEC, market entities are no longer eligible to sign the assisted contracts as it is now considered that the market sector should not use the contracts financially assisted by the state.

In terms of results of the measure, in 2014, 67% of beneficiaries of the assisted contracts in the market sector and 41% of beneficiaries in the non-market sector were in employment after the assisted contract had ended (Benoteau, 2015). Nevertheless, evidence on the successful transitions of beneficiaries into stable employment (permanent jobs) is mixed and depends on the sector. Within the market sector, the unemployed who signed assisted contracts in 2005 were more likely to be in permanent jobs two and a half years later compared to similar people that had not been involved in the scheme. However, within the non-market sector, people who entered the assisted contracts in 2005 were 1.08 times less likely to be under permanent contracts, and 1.05 times less likely to be in non-assisted employment two and a half years later compared to those who had not benefited from the scheme (Benoteau, 2015). These results suggest that the assisted contracts have a positive impact on transitions into more stable employment in the market sector and a surprisingly negative effect in the non-market sector. Thus, total net effects on LMS across sectors are relatively marginal. While assisted contracts in the market sector help to reduce it, those in the non-market sector might even fuel the problem if the ‘stepping stone’ rationale does not work, and beneficiaries of assistance get stuck in precarious fixed-term employment.

According to DARES (Bernard and Rey, 2017), such results can be explained by a ‘confinement effect’. Beneficiaries of the scheme tend to look less for another job while still under the assisted contract, although the latter is most often fixed-term. Thus, they lag behind those in the control group who have not benefited from the scheme and, being unemployed, continue their job search. This would suggest that the effectiveness of the assisted contracts also depends on the duration of the agreement between the employer and the person assisted. Furthermore, activities performed by beneficiaries of the assisted contracts in the non-market sector are likely different from the ones for which employers in the market sector are seeking to recruit. Thus, the professional experience gained while under the assisted contract in the non-market sector might be valued less than that of the scheme’s beneficiaries in the non-market sector or not valued at all by recruiters (Bernard and Rey, 2017). This would suggest that the content of the assisted contracts (including provisions on training and nature of professional skills to be acquired) might influence the effects of these contracts on their beneficiaries and on LMS. Given that mainstream private employers are quite reserved about the value of skills and experience gained of assistance’s beneficiaries in the non-market sector, this policy scheme is doubtful to act as a stepping stone to stable open-ended employment. On the contrary, focused on the non-market sector, it might result in people ending up trapped in precarious fixed-term work and dependent on state’s assistance. Nevertheless, the results and their explanations are to be treated with caution as measuring the transitions into more stable employment just two and a half years after the unemployed have signed the assisted contracts might lead to an overestimation of the confinement effect, particularly given the fact that the duration of the assisted contract might be up to two years and even more for beneficiaries over 50 (Bernard and Rey, 2017).

Given the afore-mentioned results, the Court of Auditors has regularly objected to the system of the assisted contracts, particularly as implemented in the non-market sector. In its 2013 report, the Court concluded that, in the end, one can only be struck by the persistence of the use of the assisted contracts in France, even though all the available evaluations show that this type of the system is ineffective at least in the non-market sector. In its 2017 report, the Court reiterated its criticism claiming that despite their high cost to public finances, the assisted contracts in the non-market sector have a limited impact on transitions of job-seekers into stable employment.

In 2017, upon request of the Ministry of Labour, a committee of experts prepared a report on the assisted contracts and the reforms to be considered (Borello, 2018). Critical of the system, the report

pointed out its significant cost (around €1.1 billion per year) just for the contracts in the non-market sector and that they have proven to be inefficient. The experts further suggested that such a significant cost does not only burden the state budget in absolute terms but also raises concerns of fair and equal treatment. This is because the non-profit organisations rather than commercial entities have long been prioritised by the policy and individual beneficiaries are often selected by local authorities, according to their own criteria as there are no unified rules at the national level. Against this background, it was recommended to create a new type of the assisted contracts called PEC, which would include better developed mechanisms to follow-up on employees throughout the period of their assisted contract; and to significantly reduce the volume of public resources allocated to the scheme (Borello, 2018). These recommendations were soon adopted by the Ministry of Labour as it launched PEC by a circular on 11 January 2018.

In its 2018 report, the Court of Auditors welcomed the policy change but remained cautious. The Court particularly praised the government's effort to refocus the system on the sole objective of integration into the labour market and called for the restoration of the budgetary control to better meet the needs of those furthest from the labour market. It further noted that the ambitious system will only be successful if it is reserved for those for whom it is the most appropriate tool; whereas the content of contracts in terms of the professional support and training to be provided must be clearly defined and respected. The latter also implied the need for public authorities to effectively monitor the employers and the scheme's beneficiaries (Cour des comptes, 2018).

However, some senators and non-profit organisations criticised the policy change and aimed to rehabilitate the system of the assisted contracts (Collignon, 2018; Le Mouvement associatif, 2018; Dufaut and Magner, 2018). They argued that the non-profit organisations and local authorities need state's financial assistance to be able to operate as their economic models prevent them from hiring employees under regular contracts due to lacking resources. Indeed, the abrupt withdrawal of funding put the activities of some of these structures at risk. As a result, some non-profit organisations that help to meet the collective needs of the French might disappear, whereas some social activities conducted by local authorities might be discontinued. Furthermore, it was argued that even if precarious, employment is always better than unemployment for people excluded from the labour market. The logic suggested was that even if beneficiaries do not have sufficient access to permanent contracts, they are nevertheless reintegrated, for a limited time period, into the labour market through the assisted contracts.

Interviews conducted for this case study also reveal the ambiguity of the scheme. First, the assisted contracts have long been aimed at the most vulnerable groups such as the young who are unemployed and unskilled. However, this can lead to tensions concerning social justice as, for example, the population of young, unemployed but skilled workers might be equally in need of a job. Second, significant are the risks of the windfall effects as many employers could have hired the same or similar people even if the assisted contracts had not existed. Third, there is a risk of 'substitution' which relates to the fact that the scheme might become too easy to access, which would result in exploitive use of the assisted contracts as employers would be less prone to hire people under the regular contracts. Nonetheless, no empirical evidence is available at the time of writing as regards these windfall and substitution effects. Fourth, the assisted contracts offer more modest employment protection compared to the regular contracts as they are often signed for precarious work which implies poor remuneration and worse working conditions.

Above all, the system of the assisted contracts has encouraged upwards transitions from unemployment into employment and in this manner has helped to integrate people suffering from exclusion into the labour market. Such effects might also be treated as evidence on the positive impacts on LMS assuming that people who have any kind of a job are in all cases better off than the unemployed. However, the assisted contracts have most often been signed for a fixed period, which implies transitions into employment but not necessarily into stable employment. In fact, the latter has been the ultimate goal of the system, but also very hard to achieve, particularly in the non-market sector. There is always a risk that employees who have signed the assisted contracts will remain trapped in precarious work or dependent on state's assistance. Thus, the system of the assisted

contracts in France has failed to reduce the extreme forms of LMS as it helped to re-integrate some most vulnerable categories of workers but encouraged transitions into precarious and not stable jobs. This might, in fact, have even strengthened the manifestations of LMS and it explains the historical mistrust of the scheme among trade unions as well as the constant policy change.

Conclusions and policy pointers

The system of the assisted contracts has had a dual and slightly paradoxical effect on LMS, thus can be considered to be only partially effective. Since 1984, the assisted contracts have undoubtedly helped to reintegrate inactive people, primarily from the groups disadvantaged in the labour market. However, in most cases, they encouraged transitions from unemployment into precarious work which has proven to be difficult to convert into a permanent job governed by labour law. Despite this shortcoming, the French government, regardless of its political orientation, has continued to implement such a policy for more than 35 years, both in the market and in the non-market sectors. This has been long justified by the aim to immediately reduce unemployment figures, even if for a short period.

To improve the system, the assisted contracts were completely abolished in the market sector in 2017, which is counter-productive because that was the sector where the financial support of the state had generated transitions into stable employment contrary to the non-market sector. Nevertheless, the government argued that commercial entities do not require any specific financial assistance from the state. As of 2019, the system is still applicable to the non-market sector in the form of PEC, although with reduced financial contributions from the state, which caused a hard decline in the total number of the assisted contracts signed. With the introduction of PEC, the French government has also strengthened the training requirements and monitoring of the system, which are expected to help to make sure that the assisted contracts bring workers into the labour market in a more sustainable way. It is too early to assess the effectiveness of the new system. It should be noted, however, that the employer's obligation to provide training for employees remains limited. In addition, the state's financial disengagement immediately produced a significant drop in the number of these contracts, putting employers in the non-market sector at risk.

The system of the assisted contracts is therefore a tool to combat LMS that is effective in the short term, but less so in the long run. Above all, it is very burdensome on the state and therefore more difficult to justify in the periods of fiscal austerity. Although the success of assisted contracts in France has been limited, the case suggests some policy pointers for future actions to boost the effectiveness of similar measures:

- Mechanisms to make sure that the skills and experience acquired while being hired under the assisted contract meets the needs of commercial employers;
- Legal provisions to prevent exploitation of the assisted contracts and their use as a substitute to regular contracts;
- Mechanisms to ensure thorough monitoring of the implementation of contracts and regular follow-up on employees' integration; and
- Measures to ensure sustainability of integration and to support hiring on open-ended contracts.

The French experience does not reveal what preconditions would be needed for similar measures to work. France has subsidised employment for more than three decades; the types of assisted contracts and conditions have changed. This challenges efforts to gather evidence on what contexts may have influenced the effectiveness of assisted contracts throughout the years. Moreover, accessible evaluations do not provide data which would help to verify the necessity of conditions mentioned in broader literature.

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List of abbreviations

| | |
|-------|---|
| ACOSS | Agence centrale des organismes de sécurité sociale |
| CAE | Conseil d'analyse économique |
| CES | Contrat emploi solidarité |
| CSFTP | Conseil Supérieur de la Fonction Publique Territoriale |
| CUE | Contrat unique d'insertion |
| DARES | Direction de l'animation, de la recherche, des études et des statistiques |
| DGEFP | Délégation générale à l'emploi et à la formation professionnelle |
| DGCIS | Direction générale de la compétitivité, de l'industrie et des services |
| IAE | Insertion par l'activité économique |
| IGAS | Inspection générale des affaires sociales |
| INSEE | Institut national de la statistique et des études économiques |
| PEC | Parcours emploi compétence |
| RMI | Revenu minimum d'activité |
| RSA | Revenu de solidarité active |
| SMIC | Salaire minimum interprofessionnel de croissance |
| TUC | Travaux d'utilité collective |

Table 2: CMO configurations of the ‘Assisted contracts’

| | |
|-------------------------------------|--|
| Initiative | Since 1984, the legislator has intervened on at least 10 occasions to legislate on assisted contracts. By partially financing an employment contract, public authorities (states or local authorities) incentivise the hiring of certain employees considered to be having difficulty integrating into the labour market. |
| Target group characteristics | <p>These assisted contracts are always targeted. They concern certain workers (young, unskilled, long-term unemployed, etc.) and certain fields of activity (market, or often primarily non-market).</p> <p>The assisted contracts are first of all classified by sector of activity.</p> <p>The most important sector is the non-market sector, such as non-profit organisations. Since 2010, there has been a standard assisted contract, the CUI-CAE. These contracts are for a fixed period of six months to two years, or exceptionally five years for employees over 50 years of age. Since 2012, there have also been the EA for unemployed young people.</p> <p>In the commercial sector, since 2010 there has been the CUI-CIE and since 2012 the EA. Since January 2018, assisted contracts have been transformed into competence employment paths (PECs) in order to facilitate the professional integration of people furthest from employment. The workers can have different profiles: young, unemployed, disabled, etc. The PECs are only allowed in the non-market sector (public employers and associations).</p> |
| Contextual features | <p>High unemployment in France, particularly among young people.</p> <p>The financial and economic crisis of 2008.</p> <p>Ageing society and a mismatch of skills resulting from that.</p> <p>Limited resources to meet social needs at the local level without the financial assistance from the state.</p> <p>Political support to the policy, although with some fluctuations in time in line with the socio-economic developments in the country.</p> |
| Mechanisms | <p>Financial incentives for employers (one-off monetary contributions, monthly payments, exemption from social security contributions) to hire people furthest from the labour market.</p> <p>Changing mindsets of employers towards people disadvantaged in the labour market, including youth, long-term unemployed, elderly workers and people with disabilities.</p> <p>Enabling and empowering individuals disadvantaged in the labour market by offering on-the-job training and professional experience.</p> |
| Outcomes | <p>The volume of the assisted contracts has fluctuated since 1984 and was significantly reduced in 2017.</p> <p>Historically, the system has been mostly used in the non-market sector.</p> <p>Positive effects on transitions into employment in both market and non-market sectors.</p> <p>Positive effects on transitions into stable (permanent) employment in the market sector and negative effects in the non-market sector.</p> <p>Possible windfall and substitution effects.</p> <p>Complementary funds to the non-profit organisations and local authorities to finance their activities.</p> |

Source: Compiled by the authors

Table 3: Evaluation studies of the 'Assisted contracts'

| Evaluation study | Period | Data source | Method | Outcomes | Author's assessment of the quality of the evidence |
|-------------------------------|-----------|----------------|---|--|---|
| Bernard and Rey (2017) | 2012-2014 | DARES | A survey of beneficiaries of assisted contracts six months after the end of the state aid | According to the most recent figures from 2014, six months after the end of the assisted contract, 67% of their beneficiaries in the market sector and 41% of their beneficiaries in the non-market sector were in employment. In addition, 71% of former beneficiaries of an assisted contract in the commercial sector were hired on permanent contracts. | Serious and documented study on the integration of employees on assisted contracts into the labour market. |
| Benoteau I. (2015) | 2005-2008 | DARES INSEE | This study aims to compare the future of groups of people with identical characteristics according to whether or not they have gone through an employment policy mechanism. Such work has the advantage of eliminating the 'selection bias' A counter-factual methodological approach is applied | Two populations were monitored: the first signed an assisted contract between the second quarter of 2005 and the second quarter of 2007, and the other was made up of people similar to the beneficiaries, but who did not enter into an assisted contract during this period. The assisted contracts considered are those foreseen by the 2005 Programming Act for Social Cohesion. Two of these contracts were quite similar to the single integration contracts and the current skills employment pathways. The results show that, in the market sector, integration into employment was better after an assisted contract than when the unemployed did not benefit from an assisted contract. On the other hand, in the non-market sector, integration into employment was less good for former beneficiaries than for the control group. They were 1.08 times less likely to be on permanent contracts two and a half years after entering an assisted contract, and 1.05 times less likely to be in unsupported employment (Benoteau, 2015). The author concludes that the system generates a positive effect on transitions into stable employment in the commercial sector, and a negative effect in the non-market sector. These results show that the effectiveness of the measures varies based on the way they are implemented, with the effects on access to employment varying according to the duration and content of | Major study on assisted contracts. From a methodological point of view, this is the most rigorous and comprehensive study. It makes it possible to understand the limits of this type of contracts regarding the professional integration of workers. |

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|--------------------------------|------|------------------|---|---|--|
| | | | | <p>the contract, but also depending on the type of employer. These results also underline the importance of targeting the assisted contracts properly, specifically based on the duration of the unemployment of the job-seekers. Such an approach should help to minimise windfall effects, and to reserve public assistance for those on whom these schemes are most effective.</p> | |
| Cour des comptes (2018) | 2016 | Cour des comptes | Evaluation of the costs of assisted contracts | <p>The cost to the state budget of the various assisted contracts is €3.3 billion in 2016, for just over 400,000 contracts in progress at the end of the year.</p> <p>The use of the assisted contracts is inefficient, particularly in the non-market sector.</p> <p>More thorough monitoring is needed.</p> | Rigorous evaluation of assisted contracts. Financial evaluation by the Court responsible for controlling public expenditure. |

Source: Compiled by the authors

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