

The “ Nouveaux Services, Emplois Jeunes ” (NSEJ) programme : the challenges of innovation

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I - The NSEJ programme in perspective

General context

1 - The government report mentions two justifications to launching the NSEJ¹ programme at the beginning of the new Parliament, in 1997 :

- a particularly high level of unemployment of the young in France ;
- a relative underdevelopment of services in France.

* Concerning the first point, the table below gives recent standardized rates of unemployment in five member states, for young men and women :

(source OECD,1999)

Country/// % young unemployed (15-24)	1995	1996	1997	1998
France	25.9	26.3	28.1	25.4
(men)	21.0	22.1	24.6	21.9
(women)	32.2	31.9	32.8	30.0
Germany	8.5	9.6	10.7	9.4
(men)	8.7	10.5	12.0	10.4
(women)	8.2	8.6	9.2	8.2
Italy	32.8	34.1	33.6	32.1
(men)	29.0	30.0	28.7	28.1
(women)	37.6	39.2	39.9	37.2
UK	15.3	14.7	13.5	12.3
(men)	17.9	17.8	15.6	13.8
(women)	12.2	11.1	11.0	10.5
Spain	40.3	39.8	37.1	34.1
(men)	33.6	33.0	30.3	27.1
(women)	49.1	48.8	46.1	43.4

These data clearly confirm the government's diagnostic as to the specific situation in France if compared with the German and British cases. It should however be stated that patterns of activity, employment, higher education participation and unemployment are very diverse across Europe (Lefresne and Fondeur, 1999) due to national institutions and very different configurations of their systems of social protection and education/vocational training. France is among the European countries where young labour force participation is the lowest (around one third of 15-24 are active). That reduces the *relative prevalence* of

¹ See appendix 1 for abbreviations.

unemployment among the young men and women. Incidentally a persistent - however declining - gap between male and female unemployment rates is also to be noted among under 25s.

*As for the comparison of the development of services among industrial countries, recent studies suggest that the relative French deficit might not be so obvious and concentrates on certain types of services (Gadrey and al., 1999 and Piketty, 1997) but we will not get into the details on that matter.

2 - The NSEJ programme's justifications are undeniably inspired by a specific conception of the French government : this clearly differs from most active labour market programmes (ALMP) for the young currently implemented in other member states.

Specific policies/programmes for the young should be considered as only one part - however important - of the national employment policy ; the NSEJ programme should first be seen in the wider context of the French current « employment policy mix », consisting of six main components :

- 1) a general policy of reducing indirect labour costs (via social contributions) ;
- 2) “ traditional ” temporary public employment (TPE) targeting groups in the potential labour force considered as lacking “ employability ”, among which the non qualified or « socially excluded » young ;
- 3) complementary to TPE programmes, (consistent with a broader inspiration of “ *insertion* ”² programmes), special schemes have catered for the less qualified young unemployed that recurrently fail integrating in society (social integration as well as labour market integration). Here "paths to integration" are concerned as is exemplified in the recent TRACE programme³.
- 4) targeted employment subsidies in the private sector ;
- 5) vocational training for the unemployed (and notably contracts for the young mixing training and work experience, among which apprenticeship) ;
- 6) working time reduction (including part time contracts subsidization in the private sector).

² There is no English equivalent of "*insertion*", of which the closer approximation could be "social integration"; in international comparative terms "*insertion*" programmes' objectives may be defined as combining (integrating) labour market services with welfare/social services (Barbier et Simonin, 1997).

³ Included into guideline 1 of the 1999 French national action plan (PNAE, p. 26). The French NAP mentions that 413 350 (in flows) young participated in apprenticeship or work based training in 1998 (425 000 is the forecast for 1999) ; NSEJ figures (stocks at end of year) were respectively 160 000 (1998) and 250 000 (1999, forecast). TRACE participants (flows) were 3 800 in 1998 (40 000 in 1999, forecast). Moreover, subsidized contracts in the private sector also cater for the young (*contrats initiative emploi- CIE*).

Assessment of particular ALMP programmes across countries should very much consider the *embeddedness* of programmes in very contrasted national systems (Barbier and Gautié, 1998). For that purpose it is useful to contrast the programme from the start with two well known ALMP instances outside France.

* NSEJ may be contrasted with the New Deal for the young in the UK : from its start in January/April 1998, this programme has consisted of a supply of services (on a mandatory basis) by the Public employment service (PES) to the 18-24 age group who had been on the Claimants' Count for more than 6 months. By April 1999, this programme has catered for about 285 000 participants (flows⁴) and has basically resulted in an enhanced and focused service delivery by the PES. Most New Deal leavers have left the "Gateway" to non subsidized jobs (and unknown destinations). The remaining options (training and education, subsidized jobs, environment task force and non profit organizations jobs) have played a limited part so far. Moreover, compared with the French case, PES intervention is limited in scope and short term⁵. The young either go over to ordinary jobs on the market or retain, for a limited period, their status of JSA/IS (Job Seeker's Allowance/Income Support) claimants. NSEJ jobs, as will be seen, are specific, and the young gain access to a fully fledged employee status.

*NSEJ also greatly differs from the German " emergency programme " [*Sofortprogramm zum Abbau der Jugendarbeitslosigkeit*] launched at the beginning of 1999. Also targeting the young unemployed, this programme has catered for 158.200 participants (flows to June, Ambassade de France, 1999). At that time, roughly one fourth of the young registered unemployed were participating in the programme. Although of course different from the New Deal, the *Sofortprogramm* is easier to compare with it (and also, to a certain extent, to the French TRACE programme - see note 2 and 3) : it targets all the young unemployed and they are offered the whole range of PES services, including of course TPE (like in ABM measures), but also training, counselling, qualification experience, preparation to apprenticeship and so on. Originally aimed at 100 000 young unemployed, the programme is presently being extended. The *Sofortprogramm* should of course be assessed in the context of the well known prevalence of apprenticeship among vocational training/education for the young Germans⁶.

⁴ Department for Employment and Education statistics are analysed in Bivand (1999).

⁵ This implies, *inter alia*, that no easy comparison can be made of cost units for putting a young person into a job in both cases.

⁶ Despite a remarkable development of apprenticeship in France for the last 5 years (see note 3), these training programmes are not comparable to the German ones for their relative impact on the young.

TPE of a special type⁷ : the programme's theory of action

From an international perspective, NSEJ may be viewed as an innovative TPE programme, with original characteristics and objectives.

NSEJ should be considered among the array of TPE programmes first initiated in 1984, from Swedish inspiration, with the TUC (*travaux d'utilité collective* - socially useful work⁸) ; under varying denominations, these programmes have kept ranking among the most important components of the French employment policy ever since⁹. Actually, in the French context, the most immediately convenient term of comparison to the NSEJ is the CES/CEC programme. But NSEJ contracts have explicitly been designed with objectives in opposition to CES/CEC, precisely to address their limitations (essentially regarding the poor/traditional content of the jobs and the limited outcome in terms of leaving to better and market jobs). Because of that specific endeavour, which should be seen as clearly innovative, future evaluation will have to contrast NSEJ and CES/CEC outcomes ; on that line, only limited analysis has been available so far.

Moreover, NSEJ jobs are implemented while "traditional" CES and CEC programmes (where the young have traditionally been eligible, as said before) are still currently implemented : however the latter have been redesigned so as to target, whatever the age group, the least "employable" persons.

From an international perspective, four main features contrast NSEJ with traditional TPE programmes (in their initial theory of action, i.e. the main underlying assumptions as to how the programme is supposed to perform).

⁷ Apart from the general provisions of the law (*Loi n°97-940 du 16 octobre 1997 relative au développement d'activités pour l'emploi des jeunes, J.O. du 17 octobre 1997*), the main regulatory source is the instruction to the *préfets* (*CDE 97-25 du 24 octobre 1997*), which contains a thorough description of the initial objectives of the programme.

⁸ TUC were created as a training scheme whereas CES have from the start been contracts to which standard employee status is attached (half a full time, with a wage based on hourly SMIC for CES ; CEC being longer hours contracts) (as CEV have now been cancelled, we will only deal with CES/CEC). This should be stressed notably for comparisons with the UK where participants in schemes remain on welfare, in spite of possible "top-ups" to their benefits. CEC are yearly renewable contracts up to five years while CES have had a standard one year duration. CEC are targeted at people that do not find jobs after their CES (the young only marginally participate in this programme). Also contrary to the UK, a unique minimum wage rate (SMIC) also applies to the young.

From 1984 to 1989, roughly one million young unemployed entered the TUC programme. From 1990 TUC was replaced by CES and increasingly catered for adults with relatively low "employability". From 1990 to 1998, the flow of CES participants was about 3.5 million (of whom 1 million young people). Roughly 200 000 participants (flows) have entered the CEC programme so far.

⁹ In 1997, TPE programmes accounted for about 27% of flows of participants in the employment programmes altogether (17% in stocks) (DARES, 1999c).

1 - Basic characteristics

Employers/Activities

NSEJ jobs creations are possible in three sectors :

- (i) *Education nationale (écoles, collèges and lycées)* ; (ii) the police force (*Police nationale*) ; specific regulations have been set up for each of these branches of the programme ;
- (iii) the *mainstream* programme consists in local administration (*Communes, Départements, Régions*) or in public agencies (hospitals, housing agencies, etc.) and non profit/voluntary organizations (*associations*, mainly) : NSEJ jobs may only be created in *certain activities* to be defined locally (see further).

Compared with the traditional French TPE programmes, NSEJ targets the same employers : however, as will be seen below, eligibility to the subsidy is thoroughly modified.

In all three sectors, jobs are created with a 5 years state subsidy (incidentally, it has also been the case for the CEC scheme¹⁰). However actual contractual conditions are significantly modified : from the start, contrary to the previous system, the job's duration is a full 5 years (and not a possible yearly renewal for 5 years as in CEC)¹¹.

In local administrations and public agencies (including *Education nationale*) regular private law contracts (5 years fixed term ones) are used while in the voluntary organizations, roughly one half of the ones monitored (DARES, 1999b) have been standard contracts *without* a fixed term (*contrats à durée indéterminée*).

In all cases, the young benefit from the entire range of social entitlements as employees, paying social contributions and as will be seen, the overwhelming majority of the jobs surveyed so far have been quasi-full time. In that sense, 1998 outputs of the programme sharply differ from CES (a 50% part time) and substantiate the judgement that the jobs created are proper mainstream jobs - officially termed as “ *vrais emplois* ” - as opposed to « make work » schemes - “ *stages parking* ”).

¹⁰ However, contrary to CES and CEC, the eligibility basis is the *activity* funded and not the *individual* (another young unemployed person may be recruited if the first one leaves).

¹¹ In the police force, jobs are regular public fixed term contracts (renewed each year for five years) and the young will be integrated into the police force via standard recruitment procedures.

Target population

Originally, the programme aimed at creating 350 000 jobs in the three sectors mentioned by the year 2001¹². Eligible regardless of their qualifications, the young should be unemployed and under 26¹³. A state subsidy equivalent to 80% of the minimum wage is delivered to the employer (roughly a yearly FF 95,000 presently). The jobs should be either full time (35 to 39 h) or no less than half the full time¹⁴. Employers who pay more than the SMIC nevertheless get the flat rate subsidy¹⁵. A special provision states that the PES' s duty is to ensure that the less qualified are not excluded from eligibility, especially those who live in disadvantaged employment zones.

Thus, the programme is *mainstreamed* for all the young unemployed, contrary to other TPE schemes. Young participants in the latter (CES, CEC, and CEV) are nevertheless also eligible to NSEJ ; apprentices and other young on work based training are only eligible when these come to term. Regulations specify that implementers should not recruit “ overqualified ” people and should heed the principle of equal opportunities for men and women.

Finally, the programme entails a general objective that the young receive proper training for their jobs, which implies designing new qualifications standards and appropriate training, inasmuch as the jobs are created in “ new occupations ” linked to “ emerging/new services ” (see further). This objective also differ significantly from traditional TPE programmes.

2 - Jobs in innovative/emerging services

NSEJ jobs are supposed to be state funded *only in activities where the market forces fail to create them* [as the government report states, this is the major justification of state intervention]. For the Government, whereas social/collective needs exist, the market is unable to deliver the services because either those in need of them are unable/unwilling to pay or investors do not intend to invest in relatively less profitable markets. Specific state funded and supported investments cannot then be dispensed with.

¹² The French 1999 NAP anticipates that 350 000 jobs will have been created by the end of the year 2000 (PNAE, 1999).

¹³ The age limit is extended to 30 when the young person is unemployed and without benefit or when he/she is handicapped. Only for the 26-30 is the programme targeted on a traditional group with important relative "employability" problems.

¹⁴ In that case, the state subsidy is reduced accordingly. Nearly all the jobs are *de facto* full time, even those in the 33-38 hours band, where the future 35 h full time standard is anticipated (DARES, 1999b).

¹⁵ This of course might create a disincentive effect for employers to pay wages higher than the minimum wage.

Emerging informal/slack supply of these “ new services ” ought to be helped structuring and become sustainable ; *transitional subsidization* will foster their development and employment content (here again, the programme innovates inasmuch as activities funded are supposed to be new and only in certain sectors, whereas traditional TPE programme only envisaged a general support to needs not clearly identified).

The administration should identify emerging service activities and their corresponding occupations. In the mainstream option, whereas an indicative list of occupations was issued¹⁶ the implementation rationale of the programme assumes that the local public administration (the PES under the *préfet*) responsible for testing the eligibility of *projects* submitted by employers¹⁷ is in charge of a local identification of the new services and occupations, as well as their inherent capacity to yield *sustainable services* after the transitional five years subsidizing period (i.e. services that will by then have found either their market demand, or will be integrated in the public sector, or a mix of these).

The following instances, quoted in the initial instructions, illustrates possible eligible activities :

- increasing needs in health care, cultural activities, and daily support for the old due to the rapid increase in their number ;
- increasing needs for fostering and sustaining the social fabric in cities and at school ask for new types of “ *médiation* ”(mediation) and prevention services ;
- actions are needed to protect the environment ;
- new needs are also experienced by society for enabling individuals to achieve greater control of their increasingly complex environment and have access to democracy, whether through information, education or culture.

3 - The programme should avoid substitution effects (in both private/public sectors) or deadweight effects

Previous TPE programmes' implementation has certainly been marked by a particular attention for controlling possible substitution effects. In NSEJ, explicit regulations for project eligibility state that jobs should not be created in the public sector as substitutes for existing occupations ; in the private sector as substitute for marketable services. Present state subsidized “ *insertion économique* ” activities, and more generally, other TPE programmes

¹⁶ When the programme was being designed (1997) ten sectoral reports were commissioned by the minister but have not been published so far (health and solidarity ; housing ; justice ; transport ; education ; security ; sport ; environment ; culture and tourism).

¹⁷ The project concept constitute another innovation of the programme.

catering for the « socially excluded » groups should also be taken into account to avoid overlap.

4 - A “ social investment ” objective

From the start, the programme’s objectives have included the will to contribute to a renewal of public policy. Implementing “ a new type of public policy ” was one of the mottoes of the first draft of the instructions to the *préfets*.

In international comparative terms, this ambition may certainly be related to reforms that have developed in many member states under the heading of NPM (new public management) as is exemplified in Denmark and Finland (Barbier and Gautié, 1998 ; Jorgensen et al., 1998 ; Arnkill and Nieminen, 1998). Enhance co-operation, build more efficient partnerships, involve local actors, tailor intervention to individual/local needs for development and limit nation wide mass standard services delivery, decentralize, etc.. are known ingredients of these policies.

In terms of ALMP types, it is probably proper to characterize the NSEJ programme initial rationale as *social investment* , along Esping Andersen (1996) well known categories¹⁸ and innovative in European terms : the service involved should differ sharply from short term one-off services delivered by the traditional PES, whatever their enhanced quality might be. Far from only aiming at matching a supposedly well known supply and demand of jobs resulting from the market’s invisible hand, at the core of the programme lies the assumption that complex/professional services (engineering new jobs’ contents, new qualifications) need to be built under decisive PES impulsion, but in co-operation with a wide array of social actors : private firms, non profit organizations, local authorities, training and education agencies, etc..

A first testimony to that ambition was the implementation of a new organization within the PES administration (specifically leading to the nomination of a “ *pilote* ” for each “ *zone d’animation* ” - more than 600 of them either local councillors, mayors or public officials¹⁹). Early evaluation of implementation shows that change at local level (Simonin et al., 1999).

¹⁸ There is widespread use of this "social investment" objective which may cover very different orientations of policies across Europe (Barbier and Gautié, 1998) : the Scandinavian programmes are certainly closer to the French and contrast with the "welfare-to-work" rationale exemplified by Giddens (1997).

¹⁹ one third of pilots are elected councillors or mayors (DARES, 1999b).

II - Material for discussion

The information available as of August 1999 shall : (i) first be described roughly before turning to (ii) the presentation of the main findings and (iii) insisting on some items for the discussion of the peer group meeting.

A very important feature of the programme being its long term and social investment objectives²⁰ and, most importantly, the duration of NSEJ contracts (the 5 years standard), it should be stressed from the start that data currently available only allow for a very preliminary contribution to the evaluation ahead.

1 - Evaluation and monitoring information available (as of August 1999)

The official launch of the programme dates from October 1997 and will enter its second year from October 1999. Overall quantitative monitoring information is updated to August 1999. Other data available stem from qualitative surveys conducted in the early phase of the programme (spring-summer 1998).

(1) The basic information system (*ministère de l'emploi et de la solidarité* - DARES) produces regular surveys on the basis of questionnaires collected when contracts are signed (exhaustive basis). A first analysis of this information was made in DARES (1999a), for the period October 1997 to December 1998.

The *ministère de l'emploi* Internet site (<http://www.travail.gouv.fr>) has updated some data as of August. The government report to the conference is based on June 1999 data.

(2) The *Centre d'études de l'emploi* (CEE) reported on the " implementation " of the programme (Simonin et al., 1999). Actually the domain covered by the report far exceeds " process evaluation ". It provides extensive qualitative data on the main aspects of the programme (nature of the jobs created and their innovative content ; occupations and qualifications, employers, and so on). The report is based on 200 qualitative interviews in 20 different " monitoring zones " (" *zones d'animation* ") in 10 different *départements*. Interviews were made between April and July, 1998, at the early stages of the programme.

Interviewees were (i) officials in the regional and *département* administration (including the " *pilotes* " of the programme, i.e. local co-ordinators who report to the *préfet de*

²⁰ Initial ex ante provisions supposed that the programme would be in its full implementation by the year 2001 (PNAE, 1999). The anticipated expenditure was of 35 billion francs for that fiscal year (see later).

département) ; (ii) directors of local PES agencies (ANPE), job centers for the young (PAIO and *missions locales*) and AFPA (training agency) ; (iii) local councillors and mayors ; (iv) consultants.

(3) Two further surveys were analysed by DARES (1999d). These addressed employers and young “ *emplois jeunes* ” representative of the first waves of entrants in the programme (surveys conducted in June and July 1998).

The first one, by CREDOC, consisted in interviewing 412 employers in 15 *départements* (these altogether employed 2.218 “ *emplois jeunes* ”). They belonged to five types : (i) schools, *collèges* and *lycées* ; (ii) police services ; (iii) local and regional councils’ administrations ; (iv) public agencies ; (iv) non profit/voluntary organizations (*associations*). They cover the whole range of possible employers in the programme.

The second survey (telephone interviews) was conducted by SOFRES with a sample of 2.000 young beneficiaries or ex-beneficiaries (500 in *Education nationale* and 500 in *Police nationale* ; 400 in public agencies ; 300 each for local authorities and non profit organizations).

(4) In November 1998/May 1999, DARES published a report (DARES, 1999b) based on the synthesis of the different data above and of administrative reports issued by the *direction générale de la Police nationale (ministère de l’intérieur)*, *direction de l’administration et de la modernisation des services (ministère de l’emploi et de la solidarité)* and *ministère de l’Education nationale*²¹.

2 - Essential outputs and preliminary outcomes to June 1999 (1,5 year)

Three very different cases

Notwithstanding the requirement that the results achieved by the programme be aggregated in the future, considering that evaluation data deals mainly with its initial stages, the crucial differences existing between its three “ branches ” will lead us to focus on the mainstream branch, leaving aside *Education nationale* and *Police nationale* where qualitative data has been more difficult to collect so far.

From the start it was clear that the *Police nationale* branch of the programme ought not be assessed through the same evaluative questions as the mainstream one, be it only because the *ministère de l’intérieur* has declared its intention to recruit the “ *adjoints de*

²¹ To our knowledge, these reports have only been circulated within the administration so far and the present report was unable to benefit from their data.

sécurité” (deputy constables), after their EJ term, through ordinary public recruitment procedures (in their case, the programme’s sustainability could be related to how the young participants leave the programme to ordinary public employment and possibly to the extent of the transformation of the content and delivery of police services).

The *Education nationale* branch of the programme has a rationale of its own and data available so far almost exclusively deals with quantitative outputs²².

This does not imply that internal diversity is absent within the mainstream branch ; significant differences have already been pointed between occupations/jobs/projects ; for instance between sport jobs and those in “ *action sociale* ” (assistance and health care) ; and within *action sociale* itself as well (services for the old versus other mediation services) (Simonin et al., 1999, p. 16,17, 24). These “ sub-sectoral ” diversities will have to be addressed in future evaluation studies, considering that the “ mixed economy ” of each sub-sector is different (the specific combination between state/non profit/private provision and funding)²³.

Overall intermediary objectives are met : outputs

As is clear from monitoring data, as of August 1999, the objectives of the first stage of the programme have been met :

NSJE “ branches ”	Number of jobs created		Number of young recruited effectively	
	to end of August 1999	October 1997 to October 98	to end of August 1999	October 1997 to October 98
<i>source : DARES</i>				
<i>Education nationale</i>	75000	60.000	68000	34.240
<i>Police nationale</i>	17550	8.250	12599	6.197
Mainstream	117000	63.000	105730	38.715
total	208550	131.250	186329	79.152

The delay between the decision to create the job and the effective contracting of the young person accounts for the differences in the above table. Job creation and recruitment

²² Administrative audit reports known to DARES show that the programme performed well in *Education nationale* ; candidates for the jobs were numerous - apart from *Ile de France*, where vacancies remained. Allocating jobs between the projects submitted was made on the basis of the quality of projects and the local social context of colleges and schools. “ *Aides éducateurs* ” (deputy teachers) apparently liaise well with other jobs in the institutions ; they deliver important extra educational services for the underprivileged pupils. On the other hand, previously anticipated training for the NSEJ *Aides éducateurs* lags behind the schedule worryingly.

²³ Private marketable services are extensively available for the old ; public employment in sport is fostered by a specific programme ; traditional “social assistance” services are delivered by non profit organizations, and so on.

rates proved much quicker both in the *Education nationale* and the *Police nationale* in the early stage of the programme (1998).

The essential remaining target will be in the mainstream branch and recruitment may be considered as nearly completed in both others. It is reasonable to assume that the rate of creation of jobs might be affected by time in the mainstream branch : “ dormant ” projects in non profit organizations, public agencies and the local authorities were certainly present at the early stages (Simonin et al., 1999).

In terms of the total quantitative output expected (350 000 jobs) half the programme has been completed (53% of the young are recruited or 60% of the jobs are created as of August 1999).

Characteristics of participants

Monitoring data provide interesting information as to the participants' main characteristics :

- In the mainstream branch, their mean age is 24.6 (respectively 23.2 and 23.4 in *Education nationale* and *Police nationale*).
- Young women make for the majority of participants (58.5%)²⁴ ; young women are a clear majority in *Education nationale* (74%) whereas young men make 80% of the police NSEJ.
- As they joined the programme, 7 out of 10 young recruits were unemployed and 2 employed, the remaining one was in education.
- In the mainstream branch, three quarters of the young were unemployed [80% were registered and receiving unemployment benefit ; 8% were RMI - *revenu minimum d'insertion* - claimants] and the remaining 20% were employed (the overwhelming majority (70%) on a subsidized TPE contract, mainly CES, CEC or CEV and 3% on an ordinary job).
- The proportion of unemployed is lower in both other branches (66% and 50% in *Education nationale* and the police)²⁵.
- In terms of labour force participation, a positive effect is registered for the under 26 (see below). On the whole, the ex-ante target (the unemployed/the young in other TPE contracts) is met²⁶.
- 6 out of 10 participants in the mainstream branch had at best passed a *baccalauréat* (end of secondary education degree) while less than three had at most achieved lower degrees. The higher qualified (two years after *baccalauréat*) tended to be

²⁴ This should be compared with the present proportion of women in the unemployed young (52 to 53%).

²⁵ DARES (1999b, p. 68) notes that young people in education and conscripts were the main other categories.

²⁶ Further evaluation should analyse the characteristics of the young that joined CES/CEC programmes to replace leavers to NSEJ.

recruited by voluntary organizations. In *Education nationale*, the young have almost all passed their *baccalauréat* (50% of them in the police).

Extensive comparison remains to be done between CES/CEC and NSEJ participants in terms of qualifications, but the global picture is one of a significantly higher qualification structure.

While these monitoring findings roughly show outputs conforming to the ex-ante objectives of the programme, it will be important to assess how structural characteristics evolve in time for two reasons : a first development will be the relatively declining part of *Education nationale* and the police in the aggregate number of participants ; another one is related to earlier evaluation findings about other TPE programmes which tended to grow more selective over time. Another particular subject of scrutiny should be the ratio of young women to men (presently in favour of the former).

Contracts, wages and employers/sectors

More than 68% of contracts are 39 hours (the legal working time until January 2000) whereas the rest of them (30%) are 33 to 38 hours contracts (DARES, 1999b) : as the latter are *de facto* full time (the 35 hours future legal working week), NSEJ jobs are roughly all full time.

In *Education nationale* and the police, the young are paid the minimum wage (SMIC). In the mainstream branch, the overwhelming majority of them are paid either the SMIC (56%) or 10% more (31%). The subsidy mechanism (a flat rate per contract) certainly provide no incentive to higher wages (Simonin et al., 1999, p 41- 42). However non profit organizations tend to pay the young relatively better (23% get more than 1.1 SMIC), a fact also linked to higher qualifications recruitment for these employers (and to their sector collective agreements' provisions).

Data comparing structures with equivalent market or public jobs have not yet been analysed.

Types of employers

In the mainstream branch, non profit organizations make up for 61% of employers ; local and regional councils for roughly 30% and public agencies remain marginal (9%). However percentages of the young recruited in each type are very different due to size effects : public agencies (15%²⁷) and councils (42%) together accounted for nearly 60% of the young employees as of October 1998. After that date, the proportion of recruitment in non profit organizations has increased.

Simonin et al. (1999, p.22) have noted that in the early stages of the programme, big employers were privileged NSEJ users for various reasons (management, capacity to integrate new employees, long term planning)²⁸. One interesting development of the programme to be scrutinized will be the evolution of the structure and size of employers in the mainstream branch.

In *Education nationale*, a sole employer in itself, schools (up to primary) make up for the bulk of the recruits (70%), the rest of the young holding jobs in *collèges* (the first stage of secondary education) (27%) (*lycées* are marginally concerned).

Sub-sectors in the mainstream programme

Social services are dominant in the activities created : whether they be family care, health care or housing services (25% of jobs) ; environment services contribute for 15% and education services for 8% (outside *Education nationale*) ; sport services and cultural services each contribute for 10% of the total.

Comparing this sectoral structure with the CES/CEC programmes' one is not straightforward because of data heterogeneity. However, CES/CEC participants comprise about one third of "*agents d'entretien*" (unskilled employees) ; none of the NSEJ are in such occupations. NSEJ are relatively much more represented in social services, culture and sport whereas CES/CEC participants have often been confined to unskilled menial tasks.

²⁷ These include the Post office, SNCF, RATP, hospitals and the housing agencies.

²⁸ Data analysis on the size of employers has not been completed so far.

Costs :

Budgeted expenditure may be estimated as follows :

Year	1997/ 1998	1999	2000	2001
cost budgeted (billion FF)	2 (1997) and 8 (1998)	17-18	25-30	35
roughly as % of the "ALMP expenditure"	7	11-12	15	<20

source : CEE estimates²⁹

Of course, the bulk of public expenditure consists of the individual subsidy (a rough yearly 100 KF per job) ; nevertheless, training costs are not identifiable yet and will be funded mainly by employers (either directly or through special funds) and the Regional councils (as of their legal competence). The specific cost within the PES is not known so far. It should be noted that for the first time, budget expenditure caters for the purchase of consulting services : these funds, however modest in relative terms (180 million as of October 1998) are managed by local state administration and provide the opportunity of funding feasibility studies for the projects (thus pointing to possible wider public management effects).

Main labour market effects*Immediate*

On the basis of 85 000 jobs effectively filled in September 1998, DARES (1999b) estimated³⁰ the overall net creation of jobs attributable to the NSEJ programme at 70 to

²⁹ Figures in the table are rudimentary calculations based on our own estimates of programmes expenditure.

³⁰ On the basis of a flow of 89 000 recruits to September 1998 and allowing for an estimated 5% rate of job termination. Following DARES (1996, p. 202) estimates, one standard TPE job corresponds to 0.9 net job creation, when state subsidy is close to 100% of the wage paid ; in the NSEJ programme, this ratio is more difficult to estimate in the mainstream branch, and it only amounts to 100% in *Education nationale* and the police, which would lead to a mean ratio of 0.8 to 0.9 net job creation for one NSEJ job.

75°000 jobs. Although not strictly, this figure may be compared with a total net job creation of around 400 000 in 1998 ; NSEJ would then have contributed 17 to 19% to the total.

The overall impact on unemployment has to allow for a positive labour supply effect for the under 26s³¹ (it is estimated that 20% of NSEJ entrants were inactive as they joined). The NSEJ would thus have allowed for a reduction of youth unemployment by 50 to 60 000 (September 97 to September 98). Using similar assumptions to estimate youth unemployment reduction to August 1999 would lead to a 120 000 reduction figure but general economic growth's impact has to be taken into account.

Moreover, the number of « category 1³² » under 26s unemployed registered with the PES (ANPE) from June 1997 to June 1999 fell only by 113 000 (from 617 000 to 504 000³³). Under the assumption that this number would have dropped along the adult registered unemployment trend for the same period (- 8%), the reduction of youth unemployment would have been 50 000 if NSEJ had not been implemented. According to this (fragile³⁴) estimate, net unemployment reduction attributable to the NSEJ programme would thus have been around 60 000. When adding a further NSEJ impact on the 26-30 age group (a 20% decline for the same period), the total programme impact would then amount to a drop of 75 000, as against the above 120 000 estimate. One rather plausible explanation for that difference would lie in the positive effect on youth labour supply (especially those who left education) but these tentative figures ought to be substantiated by further analysis.

³¹ Traditional statistics indicate figures for the under 25s, our analysis of ANPE statistics used the under 26 limit.

³² Category 1 registered ANPE unemployed are actively seeking a full time job with no fixed term. Due to historical reasons, the category 1 index in France has been the standard administrative measure (it excludes category 6 job seekers who held jobs of less than 78 hours in the previous month). For international comparison, one should be reminded that only about 50 to 60% of the registered unemployed in France are eligible to unemployment benefits (insurance and assistance altogether excluding RMI). Obviously the registered unemployed index differ from the Labour Force Survey conducted by INSEE on a yearly basis according to ILO standards. Nevertheless the ANPE index provides appropriate data for analysing trends.

³³ These figures are not seasonally adjusted and seasonal variation is known to be particularly important for the young.

³⁴ One must be wary of other effects here not taken into account : in the absence of the NSEJ programme, the young unemployed would have competed with the over 25s on the labour market and the over 25s unemployment figure would have remained higher.

Other interesting elements derive from the analysis of ANPE statistics (table below gives the evolution of the number of the *registered* unemployed).

Yearly reduction of unemployment (%)	Category 1 ANPE registered under 26 unemployed	Category 1 ANPE registered unemployed (all ages)
June 1997 to June 1998	- 13.2	- 5.6
June 1998 to June 1999	- 5.8	- 4.9

Further analysis show that the reduction of under 26s registration is mainly due to a lower number of young returning to registration after having taken a short term, precarious job (Destéfanis, 1999). The NSEJ programme thus seems to have helped a significant number of them to avoid experiencing precarious jobs spells as has recently been the case for a majority of the young education leavers (*Bref CEREQ*, 1999).

Moreover, given the fact that most participants in the NSEJ are relatively highly skilled, one would have anticipated an increasing divergence between rates of unemployment (skilled/unskilled groups). Our analysis of ANPE statistics show that, on the contrary, the qualification structure of the young unemployed population has remained unchanged for the last two years.

As for gender differences, the number of category 1 (seasonally adjusted) under 25 unemployed young women decreased by 14% from 301 600 (September 1997) to 263 300 (April 1999) while corresponding figures for young men decreased only by 10.8% (264 900 to 236 300).

Substitution effects are estimated on a macro economic basis ; it has been noted (Simonin et al., p. 37) that it is often difficult for the PES administration to control ex ante possible substitution effects. Substitution/overlapping of programmes may also be assumed to be higher in certain activities ("*animation*" and environment services are among them - Simonin et al., 1999, p.38, 42). The question remains as to whether these qualitative findings point to an underestimation of the macro economic effects.

In the early stages of the programme, some deadweight effect could be ascribed to the fact that the young recruited were already known from employers ("*recrutements de proximité*", Simonin et al., 1999, p. 44). Also in the early stages, in the mainstream branch, NSEJ job creation corresponded to accelerating job creation in sectors where an existing

momentum already existed (Simonin et al., 1999, p. 24) ; this is part of a noted effect of the programme towards accelerating needs to transform management and service delivery in the public sector (ib., p. 38).

Finally, it is possible that traditional estimates for the effects of programmes on the under 25s labour supply underestimate actual NSEJ effects : a significant number of the young having passed their university degrees might have decided to enter the labour market³⁵.

Macro economic effects

Evaluation of labour market policies traditionally show negative macro-economic effects when the creation of TPE is involved (DARES, 1996). However the Philips curve does not behave similarly when TPE is created for the young (inflation effects are lower) (Gautié, 1996). Nevertheless as has also been shown in previous evaluation material, the comparison of cumulative effects is not so straightforward.

What is of further relevance is that macro economic evaluations do not take other criteria into account (for instance "social cohesion" objectives). As is well known their final results are highly dependent on assumptions in the models concerning middle term effects (on GNP, inflation and foreign trade) of increased public expenditure, budget deficit or reduction of labour costs in the private sector.

In this perspective, existing French evaluation findings concerning TPE programmes may be used cautiously to anticipate future NSEJ macro-economic effects : these findings differ according to the time period chosen. Compared to labour costs reduction programmes, macro-economic models find significantly higher effects on unemployment for TPE programmes in the short time ; however this comparative TPE advantage tends to disappear in the long term (DARES, 1996, p. 241-243) because of other effects on the GNP and the level of employment in the business sector.

³⁵ Our data are limited on the question. *Ministère de l'Education* sources for instance (note d'information N°99-02) indicate a lower number of university starts as was originally anticipated in 1998.

3 - Discussing challenges ahead

As said before, evaluation and monitoring data are scarce so far for a programme which became fully fledged only in 1998, and especially for a programme whose main distinctive objectives are *long term* ones.

To stimulate discussion among experts from the other member states questions below are grouped into two sections : (i) important qualitative findings deriving from process evaluation conducted in the early stage of the programme and (ii) more open questions to discuss in an international comparative perspective³⁶.

■ Important findings

1 - The nature of jobs created/occupations :

Contrary to the initial theory of the programme, its innovative content might not lie in the fact that thoroughly new *métiers* (occupations) with their own set of competences and skills (and the qualifications to be designed accordingly) have been created. Innovation would rather consist of :

- jobs demanding different skills usually not associated with one another in existing standard occupations/qualifications (especially, those defined in sector collective agreements or in public administration) (for instance : gardening and child education ; sport and management) ;

- jobs leading to the performing of already existing occupations, but in new locations, with new client groups and different timing : a "*médiateur du livre*" (a library liaison officer) will for instance visit a particular target group or a district and establish relations with them, thus enhancing traditional library services towards « socially excluded » persons ; "*correspondants de nuit*" (night social workers) will deliver personal services to user groups after social centres ordinary working hours.

What might be interesting to analyse further is how NSEJ addresses emerging/developing needs in such innovative manner as could not have been achieved via the creation of traditional statutory public jobs or jobs with the non profit organizations.

³⁶ "Transferability" is a word we prefer not to use in the report, because we are convinced that national diversity and societal coherence lead to path dependency effects within each member states (Barbier et Gautié, 1998). Temporary public employment programmes in general, even with a distinctive innovation content as in the NSEJ, only fit in with certain national structures.

In fact, local administration usually discriminates between projects on the basis of a particular emerging need for which existing public administration (or public funded services delivered by voluntary organizations) offer no alternative answer.

The wide consensus existing as to this positive impact of the programme explains that young participants demonstrate very high satisfaction³⁷ rates (DARES, 1999d) : 90% think that their work is useful for society and 80% tell that the service they deliver did not exist before. Employers interviewed stress the multiple skills associated with the jobs and the necessity for the young to be adaptable and use competences for interaction with the public and other staff.

The multiple skills element is probably more of an innovation for the big employers and especially the public agencies, because voluntary organizations have already started to create such jobs for some time.

However, in NSEJ early stages (Simonin, 1999), it was noted that local administration's capacity to assess projects in terms of their coherence and their integration into local development, was still very far from the ex-ante theory of the programme : only a minority of projects (and especially in rural zones) did address the challenge of anticipating a coherent development of the services supply locally³⁸.

2 - "NSEJ *professionnalisation*" (the design/validation of new occupations and activities)

An obviously important aspect of the programme lies in its ability to deliver *quality vocational training* for the young : such training would enable them to either stay permanently in their jobs turned sustainable or to go over to other jobs on the market or in the public sector.

"*Professionnalisation/professionnaliser*" are catchwords of the programme and it refers to three different meanings : « *professionnaliser* » new *activities*, is acknowledging their status as socially useful and permanent social services' sources ; « *professionnaliser* » new *occupations* is validating skills into qualifications transferable on national/regional labour markets ; and « *professionnaliser* » the *young* is effectively training them for the jobs.

As for the latter, DARES (1999d) indicated that significant disappointment existed among participants concerning their employers' reluctance to kick off training programmes (the employers considering the young NSEJ jobs holders as sufficiently trained).

³⁷ No such survey has been conducted so far among users of the services delivered.

³⁸ The specific case of the sport sector should also be mentioned, where there exists a central government objective to use the NSEJ programme in order to reorganize the sector and increase its services output significantly.

It is clear that the training element of the programme had only been tentatively implemented when surveys were conducted. Regional structures (*plates formes de professionnalisation*) have been gradually set up.

These structures will obviously have to confront two main obstacles :

- given the fact that NSEJ jobs' contents bear an intrinsic multiple skills heterogeneity, it is difficult to see how this mix of existing skills and competences could translate into fully accepted occupations ;
- considering the fact that job contents are certainly evolving, designing new skill standards is not easy and might produce effects contrary to NSEJ jobs' comparative advantages (their flexible/adaptable content).

3 - Transformation of public action :

The NSEJ programme implementation must be considered in the wider context of the PES administration and its complex and changing relationships with the regional councils and social partners (central government in the programme needs active co-operation from these actors whose priorities might prove different).

Qualitative observation shows that, at the early stages of the programme :

- a high satisfaction rate among public administration agents and the feeling that their work was more rational and effective, especially due to the « project » concept ;
- good co-operation between various state administrations under the *préfet* ;
- an important support from local councillors and mayors allowed for a quick start of NSEJ locally ;
- national agreements signed with the bigger public agencies and the main voluntary networks favoured smooth implementation.

Obviously early mobilization will have to be sustained in the future in order to better integrate projects within local development strategies targeting priority social needs : sectoral and territorial approaches have to be mingled. To achieve such objectives, considerable management and human resources progress in the PES is necessary : in the early stages of the programme, resources were obviously lacking to engage in a comprehensive monitoring of the projects funded (more recent implementation evaluation data are not available).

■ Questions for discussion

Four topics will probably be relevant for a (future) comprehensive assessment of the programme :

- Will the 350 000 objective be met ?
- What of the occupational status of the young when they have completed the programme ?
- What proportion of activities will prove sustainable and become permanent once state subsidy is over ?
- What macro-economic effects of the NSEJ in relationship with the future funding structure of services ?

1 - As for the overall quantitative target, NSEJ creation has been sustained (roughly 8 000 creations from October 98 to June 99) ; on that trend 350 000 jobs should be created by 2001. Nevertheless, considering that *Education nationale* and the police have completed their recruitment, the mainstream programme might lack behind the desired schedule (notably because of the potential small employers' reluctance to recruit in the absence of clearer perspectives as to what happens when the subsidy is over).

It is thus necessary to analyse the more recent NSEJ projects to better understand how they differ from the first wave.

2 - Initial monitoring data (DARES, 1999b) show a low rate of job termination (in the mainstream and police branches) : this would indicate that the majority of young NSEJ job holders wish to stay with the same employer not only for the five years but also afterwards. However, their chances that this happens clearly depend on what NSEJ branch they are in. In the police, as has already been said, the young are invited either to candidate via regular public procedures (when complying with standard qualifications requirements) or to look for another job. According to the surveys available (DARES, 1999d) 75% of voluntary organizations intended to keep their NSEJ participants when the subsidy was over ; this was the case for 2/3 of public agencies (outside *Education nationale*, where no such opportunity has been announced so far) and half the local councils' administrations. These findings must however be appreciated in a context of uncertainty.

3 - According to the Government's present doctrine, four possibilities are anticipated to transform the jobs into « permanent » employment :

- NSEJ activities market their services (services' users pay for them) ;

- Activities become a regular part of existing public services' supply (local and regional councils, public agencies) : these supplementary services would then be financed through new taxation, pricing of services or productivity increases ;
- NSEJ services go over to private firms ;
- Intermediary formulas mix private and public funding.

Patterns of development and funding will greatly vary according to sub-sectors ; the probability of a massive transfer to the market sector (and clients' payment) is however low, given that a crucial proportion of services target groups/zones with limited financial means. Such solutions would only be appropriate in certain sectors (sport is one of them, where there is room of manoeuvre for raising club fees ; services for the old is another instance). Moreover, in spite of interesting good practice (where big retail operators, federation of employers and chambers of commerce, etc.. participate), local NSEJ partnerships seldom include business representatives.

A dominant public funding would no doubt encounter much opposition, in the present context of European co-ordination of economic policies and have adverse effects on the public deficit.

A counter argument to this lies in the fact that NSEJ might prove a powerful vector for modernization and greater efficiency and productivity in the public sector. Such positive outcomes include a rationalization of public intervention through efficient partnerships (like in the example of *contrats locaux de sécurité*) and a synergy developing in local administration with the impulse given by the reduction of the legal working time. This scenario is a matter for conjecture. The reverse one is also possible where NSEJ has a « windfall » effect of a particular type, providing an opportunity to answer new demands from the population without changing partly inefficient structures.

In this respect, *Education nationale* (75 000 jobs, i. e. about 20% of the programme) embodies a clear obstacle to be experienced by NSEJ in the future : while the social utility of the new services provided cannot be denied (this is the object of a large consensus) no creation of new public jobs is envisaged neither contracting out the services permanently to the voluntary/private sector. If stabilizing the activities is anticipated, the Government's project seems to be limited if compared with the initial theory of the programme : organizing the rotation of young employees on the jobs (while they complete their education and vocational training to go over to other jobs in other sectors), would allow for permanent (specifically funded) activities.

Notwithstanding its remarkable start (qualitative and quantitative) and multiple outcomes, one would assume that the comprehensive impact of NSEJ will strategically

depend on central government's ability to embark on an important reform of the public sector including its missions, services, competences and human resources management.

Some abbreviations

ABM - Arbeitsbeschaffungsmassnahmen

ALMP - Active Labour Market Programme/Policy

ANPE - Agence nationale pour l'emploi

CES - Contrats emplois solidarité

CEC - Contrats emplois consolidés

CEV- Contrats emplois ville

IS - Income Support

JSA - Job Seeker's Allowance

NSEJ - Nouveaux services emplois jeunes

PES - Public Employment Service

RMI - Revenu minimum d'insertion

SMIC Salaire minimum interprofessionnel de croissance

TRACE - Trajets d'accès à l'emploi

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