

PREVENTING AND REDUCING LONG-TERM UNEMPLOYMENT AT THE LOCAL LEVEL

Far from invalidating this opinion, the pandemic and its aftermath have made it all the more relevant, given that the characteristics of long-term unemployment in France have not been fundamentally altered. Although the large influx of new jobseekers will mathematically reduce the proportion of long-term unemployed in the short term, not only will it fail to reduce their number, it may also prolong their exclusion from the labour market, with the associated social and human damage, both to the individuals concerned and to society and the country as a whole. More than anything else, preventing and reducing long-term unemployment at the local level requires setting and sticking to a course of action.

FINDINGS

LONG-TERM UNEMPLOYMENT (LTU), A LONG-STANDING SOCIAL AND ECONOMIC REALITY IN FRANCE

In 2018, as defined by the International Labour Office (ILO), 1,112,000 people (3.8% of the working population) had been unemployed in France for more than one year, making them long-term unemployed according to INSEE's definition. These figures illustrate that long-term unemployment has become a widespread problem in our country.

In 2019 and early 2020, improvements in the labour market resulted in a significant decrease in the number of job seekers. However, exits from unemployment or short-time work have mainly benefited jobseekers that have been on the market for less than one year. As a result, the proportion of long-term jobseekers increased again in 2019, to 47.5%.

A COMPLEX ISSUE WHOSE CONTOURS ARE DIFFICULT TO GRASP

The ILO's definition of unemployment does not fully cover jobseekers registered with the Employment Office, who may be either out of a job, underemployed, actively seeking work or exempted from the requirement. In addition to these categories of unemployed and jobseekers, there are also people in situations of near-employment, which INSEE has dubbed the "unemployment halo", estimated in 2018 at just over 1.6 million people, who may or may not be receiving minimum social benefits (welfare and disability benefits).

A WIDE VARIATION IN LOCAL LONG-TERM UNEMPLOYMENT, BUT A PERVERSIVE REALITY

Regarding the length of unemployment, there are marked differences across regions. Accordingly, the chances of returning to work differ depending on where the jobseeker lives. However, given its widespread reach, the problem of long-term unemployment is pervasive.



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AGE, HEALTH, AND LOW LEVELS OF EDUCATION AND QUALIFICATION: THE PRIMARY FACTORS THAT DISADVANTAGE PEOPLE ON THE LABOUR MARKET

A low level of education is a lasting handicap on the labour market, which is not sufficiently mitigated by work experience. Entry into the workforce is also marked by phases of unemployment. More than 50% of young people without a degree experience long-term unemployment before they get a job.

Despite an increase in their employment rate since 2008, older people are confronted with this reality more than other age groups. In 2018, 57.7% of the unemployed over 50 had been in this situation for more than one year, and 38% for more than two years.

A significant proportion of long-term unemployment is linked to disability or health problems that can lead to incapacity and occupational invalidity. Analysing employment situations as part of a health promotion strategy is a powerful mechanism for combating reduced employability.

THE DURATION OF JOBLESSNESS MAKES IT MORE DIFFICULT TO RETURN TO WORK

The duration of joblessness makes it more difficult to return to work. The tightening of compensation rules in the unemployment insurance scheme on 1 November 2019 is likely to shift many jobseekers from the compensation scheme, which is designed to encourage job searching, to the assistance scheme. Directing the unemployed more quickly to minimum social benefits can materially and psychologically jeopardise a return to employment.

INSUFFICIENT COORDINATION OF EMPLOYMENT, INTEGRATION AND ECONOMIC DEVELOPMENT ACTORS

There are many local actors and multiple initiatives with very different approaches to the problem. Too often, long-term jobseekers feel like they are “shuffled” between different services. However, good practices do exist: a network has been set up, and there has been a push to raise standards so that actors can receive certification and coordinate their support. In addition to purely voluntary approaches, these practices are consolidated through local contracts.

EFFORTS TO PREVENT DEBILITATING CONDITIONS STILL INSUFFICIENT

Coordination between prevention and occupational health actors still needs to be improved.

In addition, the French system for dealing with occupational illnesses and disabilities, which is mainly geared toward injury compensation, is failing to prevent early exits from the labour market, which are numerous among the over-fifties. Collective agreements on flexible work hours at branch or company level are also too rare.

A TRAINING SYSTEM THAT MUST BE MORE CLOSELY ATTUNED TO THE LOCAL REALITY AND INDUSTRY SECTORS

A reform of the jobseeker support process that is currently being implemented under the four-year agreement between the government, the Employment Office and UNEDIC aims to provide immediate and comprehensive support for a faster return to employment.

For those who lack easy access to training, an effort must be made to develop educational innovations, as some regions are already doing in their jurisdictions.

The burden of training employees and ensuring their employability falls to the employers. This obligation can be fulfilled through the companies' skills development plans. However, there are growing concerns over a lack of adequate funding for these plans. Public officials, who seem to have caught on to the situation, are announcing the relaunch of the National Employment Fund (FNE).

MEASURES TO SUPPORT EMPLOYMENT IN ECONOMICALLY DEPRESSED AREAS AND URBAN POLICY DISTRICTS REQUIRE FURTHER DEVELOPMENT

In the Pacte Ambition pour l'IAE (Back-to-Work Agreement), back-to-work organisations resolved to increase the number of employees and accommodate unemployed seniors by supporting them with permanent contracts until retirement.

Initial evaluations of the Zero Local Long-Term Unemployment scheme have highlighted its achievements, as well as the difficulties observed in its implementation. The success of the project will depend largely on developing ties between Job-Oriented Enterprises (EBEs) and the local economic environment, while also raising the professional standards of the actors involved.

THE ESEC'S RECOMMENDATIONS

The Covid-19 pandemic and the resulting economic recession have added urgency to the fight against long-term unemployment. Without strong measures to coordinate actors and optimise support schemes, this new crisis could prolong unemployment for many jobseekers and expose them to increased risks of exclusion.

That is why we are proposing the following recommendations, which are designed to be practical and rooted in the reality on the ground.

1. Define a new, productive strategy for goods and services in order to more effectively guarantee the vital interests of the country and its population and position it within an updated EU framework. This strategy must include investments in the skills required to complete the ongoing transitions and maintain social and regional cohesion.

↘ Ensure effective local governance to prevent and reduce long-term unemployment

2. Set up regional contracts as part of a consortium comprising the region, departments, local Skills Operators (OPCOs), back-to-work organisations, and constituent agencies of the public employment service and the future public integration service, to ensure an effective distribution of roles in the monitoring and support of vulnerable individuals on the labour market.
3. In these contracts, include provisions relating to:
 - the identification of pre-training needs;
 - the role and function of each actor at different stages;
 - the monitoring of progress made by vocational trainees, without delaying their remuneration or preventing them from accessing their rights.
4. Expand the economic authority of the regions by giving them a role in anticipating economic changes and conducting strategic workforce planning (SWP) in the employment areas within their jurisdiction.
5. As part of the contracts with the national government, task the regions with ensuring sufficient regional coverage of public support facilities, in conjunction with the local authorities within their jurisdiction, Local Integration and Employment Plans (PLIEs), employment centres and local public employment offices.

↘ Provide comprehensive services to develop skills, qualifications and employment support

6. In the France Compétences planning and management agreement, include:
 - measures to monitor employee access to training, with a particular focus on companies with between 50 and 299 employees that no longer have full access to shared vocational training funds;
 - a number of shared indicators, such as the distribution of beneficiaries by company size, level of qualification, level of training and certification objectives, the measures used, and the professional prospects associated with the training (job retention, promotion, retraining).Finally, an indicator should be developed to measure the subsequent effects of the training on the employees' careers, using a cohort study.
7. In order to meet the challenge of long-term unemployment at a time when France is facing a new recession of unprecedented proportions, extend the Skills Investment Plan (PIC) beyond its planned end date of 2022, by expanding its target groups to include low-skilled employees whose jobs are under threat.
8. Ensure that information on individual backgrounds is shared between the integration networks and the public employment service through regional contracts.
9. Secure funding for Operational Preparation for Employment (POE) schemes in the Skills Investment Plan (PIC).
10. Entrust consular employer networks, the Regional Chambers of Social Enterprises, back-to-work organisations, industry sectors and apprenticeship training centres (CFAs) with the shared task of helping VSEs/SMEs recruit employees (or young apprentices, for the CFAs), accompanied by post-employment support.

↳ Facilitate access to employment and lifelong learning

17. At the national level, establish better linkages between the social assistance schemes available to the long-term unemployed and the compensation scheme for vocational trainees.
12. Set up an investment plan to promote educational innovation and ensure the growth of the EPIDE and E2C networks and, in the overseas territories, the SMA.
13. Encourage the development of on-the-job training initiatives (AFESTs), institutionalised by the Labour Code.

↳ Ensure job retention

14. Better define the respective roles of the DIRECCTEs and local authorities in maintaining local employment, in conjunction with all economic actors, as part of an effort to prevent cyclical crises and anticipate economic changes.
15. Increase coordination between health insurance medical advisers, CARSAT prevention engineers, occupational physicians, non-hospital physicians, and all other actors to address occupational risk prevention and ageing at work.
16. Ask the industry sectors and companies affected by the risk factors identified for the Occupational Prevention Account (C2P) to alleviate harsh working conditions, particularly with agreements on flexible work hours, in order to anticipate difficulties, particularly with regard to job retention.
17. To prevent the effects of hardship and safeguard career paths, task the industry sectors with identifying possible retraining jobs and the corresponding training courses by employment area.
18. Implement the proposal from the Pacte Ambition IAE to offer senior citizens supported by integration organisations the option to sign a permanent back-to-work contract with a non-decreasing job subsidy.
19. For senior jobseekers aged 57 and over who have been unemployed for more than a year, set up an employment contract that will allow them to return to work and remain in employment until retirement, with a financial incentive for the employer.
20. The ESEC supports a gradual extension of the “Zero Long-Term Unemployment Region” and “Job-Oriented Enterprise” experiments, relying on a shared assessment between local actors and the professional standards of the management teams and employees.