



Integration through economic activity: current situation and outlook



Report

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SUMMARY

Integration through economic activity is an original scheme whereby long-term unemployed people benefit from a salaried contract within private organisations. From an associative perspective, the IEA programme is organised around three levers: professional placement, socio-professional support and the mobilisation of training initiatives. At the end of 2021, 137,869 beneficiaries were employed in one of the 4,000 structures for integration through economic activity (SIEA)¹ with public funding estimated at €1.5 billion.

Despite notable improvements over the last decade, particularly in terms of administrative simplification, a comprehensive review of the IEA programme revealed room for improvement.

Firstly, the mission identifies significant scope for improvement in terms of targeting the IEA programme to those most alienated from the workplace. Despite a period of realignment that has been underway since 2010, it should be noted that the proportion of beneficiaries of income support (RSA) enrolled in an IAE programme in 2021 remains relatively low: 6% on average, with the Hauts-de-France region being the only region to report a rate above 10%. The mission considers that IEA management through mainly quantitative methods (the 2018 National agreement for integration via economic activity - *Pacte d'ambition pour l'IAE* - targeted +100,000 contracts by 2022) is likely to impair the quality of profile targeting. This dimension should nevertheless be a priority, *especially* in times of a favourable labour market climate.

Secondly, the mission considers that the overall assessment of the impact of the IEA programme is misunderstood. Indeed, the IEA results are still measured using the dual criteria of end-of-career integration into employment and integration into sustainable employment, which are neither relevant nor sufficient to assess the IEA results. In that respect, there is no indicator capable of assessing the removal of peripheral barriers (difficulties connected with housing, mobility, addiction, etc.) occurring within the framework of the IEA pathway even though this contributes to improving employability. In addition, the mission notes that in 2020, less than one in two IEA employees received training, although this was designed as an essential step in the IEA pathway as a factor of social and professional empowerment.

Thirdly, the mission notes the persistence of territorial inequalities in terms of the offering of IEA jobs. As a result of a method of allocating funding to regions and departments, which is mainly a continued renewal of the existing method, the link between the IEA offering and the socio-economic needs of the territories is flawed. There are for example significant disparities between regions and between departments (the Somme benefits from an offering twice as large as that of Seine-Saint-Denis, whose social needs are four times higher).

Finally, the mission considers that State financing of Structures for Integration through Economic Activity (SIEA), the level of which increased by 21% over the period 2018-2022, is not efficient. Effective since 2015, the implications of the widespread use of job subsidies with a modulated share (between 0 and 10%) are now absorbed by IEA stakeholders. However, the amount of job subsidies, depending on the nature of the SIEA, remains unrelated to the costs incurred by the

¹ In 2021, the IEA programme included five categories of structures (SIEA): integration enterprises (EI) and integration workshops and workcamps (ACI) whose activity is linked to production; temporary integration employment enterprises (ETTI) and intermediate associations (IA) whose activity consists in making their employees available to companies or individuals; companies for integration through self-employment (EITI).

socio-professional support provided and to the financial situation of the SIEA. Determined according to the pre-existing system in order to ensure the absence of “losers”, the amounts reported in 2015 sustain differences in treatment that cannot only be justified by the typical profile of the audiences employed by each SIEA. Furthermore, although designed as a lever to stimulate the performance of structures, modulation is in practice paid according to an almost flat-rate approach (range between 4 and 6%).

Taking all these findings into account, the mission made a series of recommendations structured around six main areas.

1. The continuation of the IEA’s focus on long-term unemployed people, considering the existence of more appropriate schemes to satisfy a quantitative employment integration approach. The mission considers that the deployment of unified management and governance of employment and integration schemes within the framework of France Travail offers the opportunity to proceed with this repositioning. With regard to the IEA, the mission recommends perfecting strategic management by supplementing the quantitative approach with a qualitative targeting approach. To this end, it recommends setting a target of RSA (income support) beneficiaries and long-term job seekers enrolled in the IEA programme expressed as a proportion, since this choice allows the economic situation to be integrated mechanically, as it is expressed as a percentage and not as an absolute value. At the same time, it recommends integrating the assessment of the quality of audience targeting into the IEA results measurement indicators. In the same spirit, the mission deems it essential to initiate, as part of the deployment of France Travail, work to objectively define a long-term unemployed chart, which could in the longer term be accompanied by price adjustments. Finally, the mission considers that aggregating all financial data and monitoring of profiles and IEA pathways within one of the existing information systems would contribute to the overall improvement of management.

Considering that the fear of losing certain related rights fuels a reluctance to enrol in an IEA programme, the mission suggests examining the ways in which these rights can be sustained when a beneficiary of the RSA (income support) or a long-term job seeker enrolls in a fixed-term scheme in the field of integration.

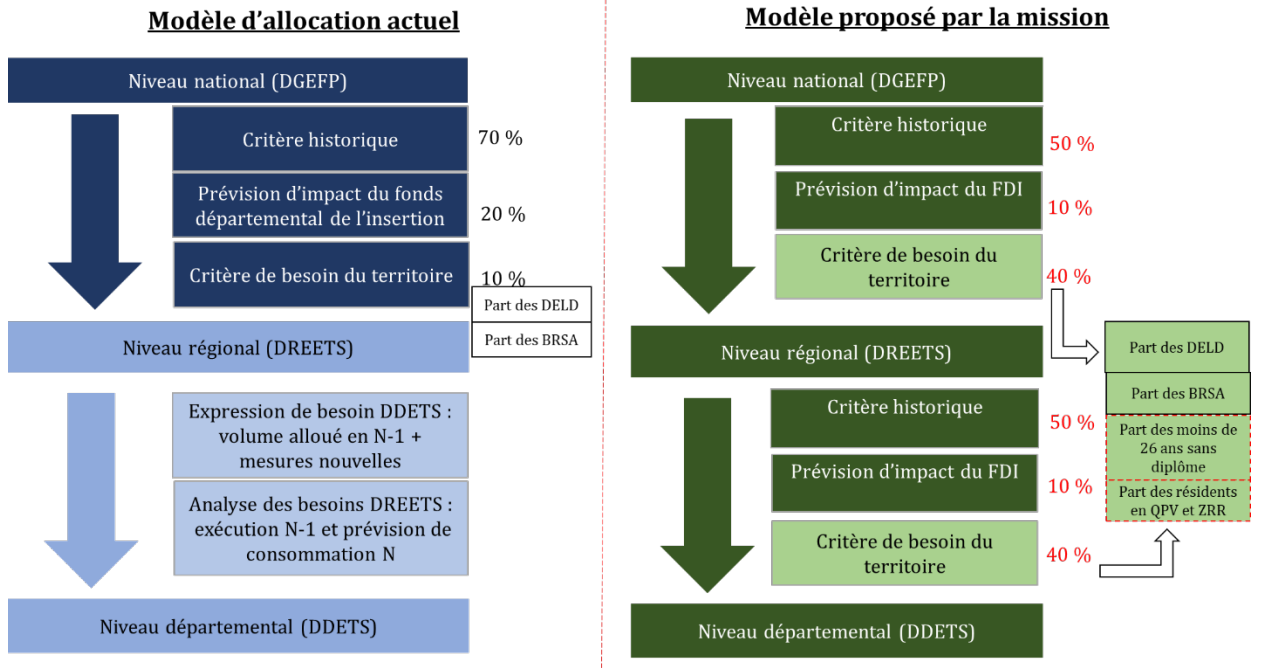
Finally, the mission encourages the reorientation of financing instruments towards qualitative targeting objectives. Thus, the integration development fund (IDF) should be refocused on improving social support objectives. While the mobilisation of the IDF in 2020-2021 helped to mitigate the impact of the health crisis on SIEA, the mission notes the methodological impossibility of both assessing the contribution of the IDF to growth objectives and excluding the possibility that the IDF would have fuelled a crowding-out effect. Fundamentally, in view of the above, the mission considers that the mobilisation of the IDF towards a quantitative objective contravenes the principle of good management of public funds due to the mechanical effects that the pursuit of such an objective would have on the envelope dedicated to job subsidies.

2. The simplification of the administrative management of the IEA in favour of reinvigorating the strategic management of decentralised State services. A series of measures aimed at streamlining agreement procedures could be promptly deployed by adopting the practices and instruments deployed in the context of the health crisis (dematerialisation, experimentation with multi-year financial agreements, limitation of the agreement signature circuit to the SIEA and their financiers). Similarly, the possibility of establishing differentiated management reviews between the SIEAs and the Departmental Directorate

for Employment, Labour and Solidarity (DDETS) would enable efforts to be focussed on the situations at stake (financial difficulties, extension project, new agreements, etc.). The job margins resulting from these developments could be put to good use, subject to adequate tools (training, IS) for reinvigorating territorial management. The mission suggests formalising this process by initiating the commitment of departmental plans for the strategic development of the IEA combining a territorial approach and a sectoral approach.

3. The promotion of social support for SIEAs. The assessment of the progress made in social matters by employees on an IEA contract should be measured periodically by means of an evaluation chart. Those used in the assessment of the “Convergence” and “First hours on site” experimental schemes could be used as models. These assessments would strengthen the State’s ability to make modulation a tool for valuing the performance of SIEAs. With this in mind, the mission recommends reforming the modulation system from the draft finance law for 2024 in order to increase its weight (increase the ceiling from 10% to 30%) and enrich it with a criterion for measuring the training of employees in the programme.
4. Consolidation of the professional integration of IEA beneficiaries. The mission noted the existence of successful territorial initiatives whose success is based on a partnership dynamic in a given territory. In particular, the mission has identified two approaches that it deems would be appropriate to pilot. On the one hand, the recognition of skills acquired by IEA employees by means of the “open badge”,² the piloting of which is planned in Occitania in 2023 could be extended to other regions. On the other hand, the structuring in voluntary territories of a mediation service inspired by accompanied employment, guaranteeing, at the time of entering ordinary employment, the continuation of support within the framework of a transitional period of fixed duration.
5. Optimisation of the match between the IEA offering and the socio-economic needs of the territories.
The mission proposes an allocation model in which the weight of the territory’s need criterion, currently measured via the share of RSA (income support) beneficiaries and long-term job seekers, would be increased and whose components would be enriched with two new criteria in line with the target audience of the IEA (share of people under 26 without a diploma and share of residents in priority urban neighbourhoods and rural development zones). The dual variation, regional and then departmental, should in any case help to reinforce the redistributive nature of the model.

² The Open Badge is the digital image attesting to someone’s experience, skills or knowledge. Open badges can be used to confirm the acquisition of skills, knowledge or competencies that are not recognised by a formal diploma or certification.



Modèle d'allocation actuel	Current Allocation model
Niveau national [DGEFP]	National level [General Delegation for Employment and Vocational Training - DGEFP]
Critère historique	Historical criterion
Prévision d'impact du fonds départemental de l'insertion	Forecasted impact of the Departmental Integration Fund
Critère de besoin du territoire	Territorial need criterion
Niveau régional [DREETS]	Regional level [Regional Directorates for The Economy, Employment, Labour And Solidarity - DREETS]
Expression de besoin DDETS : volume alloué en N-1 + mesures nouvelles	DDETS (Departmental Directorate for Employment, Labour and Solidarity) expression of requirements volume allocated in previous year + new measurements
Analyse des besoins DREETS : exécution N-1 et prévision de consommation N	DREETS (Regional Directorates for The Economy, Employment, Labour And Solidarity) needs analysis: Previous year's implementation and current year's consumption forecast
Niveau départemental [DDETS]	Department level [Departmental Directorate for Employment, Labour and Solidarity - DDETS]
Part des DELD	Long-term job seeker share
Part des BRSA	RSA (income support) beneficiary share

Modèle proposé par la mission	Model proposed by the mission
Niveau national (DGEFP)	National level (General Delegation for Employment and Vocational Training - DGEFP)

Critère historique	Historical criterion
Prévision d'impact du FDI	IDF impact forecast
Critère de besoin du territoire	Territorial need criterion
Niveau régional (DREETS)	Regional level (Regional Directorates for The Economy, Employment, Labour And Solidarity - DREETS)
Critère historique	Historical criterion
Prévision d'impact du FDI	IDF impact forecast
Critère de besoin du territoire	Territorial need criterion
Niveau départemental (DDETS)	Department level (Departmental Directorate for Employment, Labour and Solidarity - DDETS)
Part des résidents en QPV et ZRR	Share of residents in priority urban neighbourhoods (QPV) and rural development zones (ZRR)
Part des moins de 26 ans sans diplôme	Share of under 26 year olds without diploma
Part des BRSA	RSA (income support) beneficiary share
Part des DELD	Long-term job seeker share

Increasing the efficiency of public funding. The mission considers that an additional step should be taken since the widespread use of job subsidies. It recommends that work be initiated to eventually achieve a job subsidy target model based on two criteria (the distance to employment of the target audience, the overall financial situation of the SIEA³) and, if relevant, territorially differentiated (metropolitan area, white zones and the rest of the territory). However, the construction of such a model requires meeting time-consuming technical conditions (construction of an objective chart of distance to employment within the framework of the France Travail project, study of analytical accounting of SIEA costs on the basis of a representative sample) and carrying out simulations to model the financial effects resulting therefrom for the structures and subsequently, to provide for appropriate deployment methods (schedule and exceptional financial support).

In view of the above, the mission outlines an intermediate scenario based on a modular approach (see diagram below) that would mitigate the negative effects of the current system.

³ The level of aid could be reduced in the event of an extremely favourable financial situation according to financial ratios to be determined in order to avoid two pitfalls which would be, on the one hand, a disincentive to employment of an IEA beneficiary and, on the other hand, the financing of the SIEA whose economic and financial model would be unsustainable.

Bonification « public en situation de grande exclusion »	Supplément	Montant forfaitaire fixé au niveau national
Qualité organisationnelle	5 %	Montant déterminé par les DDETS sur la base des résultats des dialogues de gestion et dans le cadre de d'un barème progressif fixé au niveau national
Développement des capacités professionnelle	20 %	
Performance insertion	15 %	
Socle	60 %	Montant forfaitaire fixé au niveau national
Bonification « public en situation de grande exclusion »	Bonus for “people in a situation of serious exclusion”	
Supplément	Supplements	
Montant forfaitaire fixé au niveau national	Flat-rate amount set at national level	
Qualité organisationnelle	Organisational quality	
Développement des capacités professionnelle	Developing professional skills	
Performance insertion	Integration performance	
Socle	Base	
Montant forfaitaire fixé au niveau national	Flat-rate amount set at national level	
Montant déterminé par les DDETS sur la base des résultats des dialogues de gestion et dans le cadre de d'un barème progressif fixé au niveau national	Amount determined by the Departmental Directorates for Employment, Labour and Solidarity (DDETS) based on the results of management reviews and within the framework of a progressive scale set at national level	

Recognising the systemic nature of the developments recommended, the mission stresses the crucial nature of the methodological choices (consultation, prior simulations, support for any “losers”) and schedules proposed, which are based both on a dual criterion of priority and technical maturity and on the concern of guaranteeing their acceptability. It believes that the commitment of stakeholders to work on preparing the reform of job subsidies in 2025, i.e. ten years after their widespread use, could be obtained in return for the stabilisation by 2025 of the budgetary acquis for the period 2018-2022.