

The German reforms compared with the French

Jean-Claude.Barbier@mail.enpc.fr

CNRS/Cee

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A comparative framework

- The necessary in-depth dialogue for translating the ‘un-translatable’
- Societal coherences and history matter
- What scope for the object of comparison?
- “Activation of social protection” as a tool, not employment policies alone

Activation of social protection

- Activation of systems, not only of people
- Activation of funding mechanisms: the role of social contributions, labour costs, full employment
- Activation and rights of insurance, of social citizenship

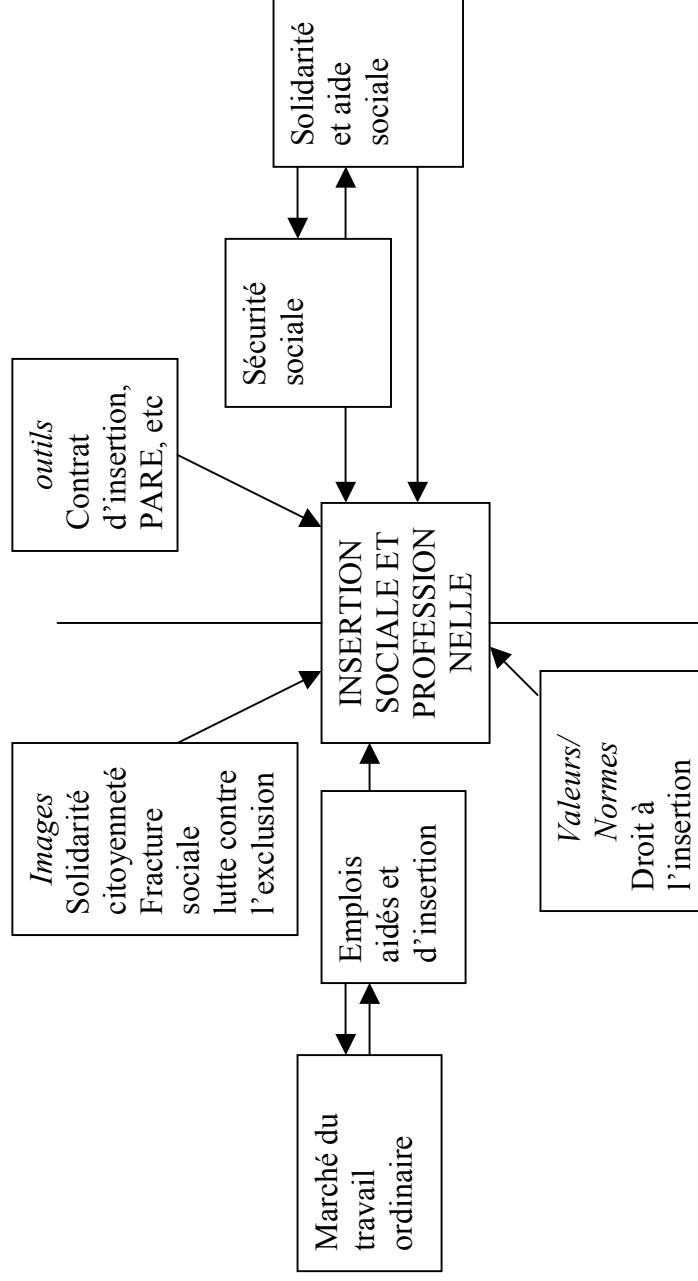
German reforms: seen from a provocative/French angle:
key differences at first sight

- Consistency in implementation and motto (fördern und fordern); the role of key “principles”
- Still so few “employment programmes” proper: why curse the ABM? [as against ‘ein Euro jobs’]
- Openness: BAA scandal; outputs: monitoring; number of people in PSAs; increase of unemployment figures; openness in the run-up to ALGII; « able-to-work/not able »
- Simplification (not to Danish extent: two-stops/one stop)
- Importing an element of Beveridgeism: revolution?
- Governance/Funding: Sticking to the old principle of parity for funding/autonomy of social partners [äquivalenz]

Germany in the French mirror

- **France**
 - Reforms announced and not implemented
 - Political communication
 - Reforms decided and cancelled
 - Plus ça change, plus c'est la même chose (continuity)
 - Some reforms are consistent (funding; pensions)
 - The advantages of being hybridised: Republican Beveridgism is taken for granted [RMI]
- **Germany**
 - Eins zu eins
 - Downplaying unemployment figures problems
 - Es geht nicht anders
 - Innovation despite
 - Consistent reforming but not so consistent? [social partners/communes]
 - The legacy of Bismarck?

France : institutions et réseaux significatifs



Activation: from programmes to the political notion

- ❑ The Swedish legacy : the 50s: labour market pol.
- ❑ Programmes across Europe and the USA: from the late 70s
 - *insertion* (France)
 - ‘workfare’ (USA)
 - The ‘New Deal’ in the UK
 - ‘*Aktivering*’ (Denmark; later: Sweden)
- ❑ ‘Activation’ in today’s political discourse (EU, OECD)

Activation: the concept

- Enhancing, Introducing systematic links between
- social protection and
- employment (labour force participation)
- Welfare-to-work or workfare (in the sense of ‘activating’ the unemployed, the poor) is only one (Anglo-Saxon) element of the wider picture
- Potentially all areas of social protection are concerned (pensions, assistance, education, labour market programmes, training...)
- Activating the individuals ⇔ Activating the systems

Two ideal-types

Activation of social protection: two Beveridgean ideal-types

	Liberal	Universalistic
The « problem »	(Major): targeted assistance caseloads (low flat rate benefits)	(Minor): work ethic: (generous benefits for all)
Rules/Values	Self-reliance: Versus ‘Dependency’ Market	Balance individual-society Market and state
The solutions	Incentives+sanctions underemployment	Activation Contract /full employment
Programs	Welfare to work+ tax credits	Services+reformed benefits

Ideal-types and real countries (1)

- The closest to the 'liberal': the UK
- Massive problem of assistance (worklessness/disability benefits)
- The 'making work pay' policy: Shifting to generalised tax-credits (incentives)
- 'Activating' the unemployed and the assisted: enhancing services and sanctions
- Outcomes: Inactivity? still to be assessed + increasing inequality + targeting poverty

Ideal-types and real countries (2)

- The closest to the universalistic: Denmark
- 1994-1998: universal activation for all insured and assisted unemployed: high quality training
- High socialisation of risks/High flexibility of the labour market
- Outcomes: equality maintained +quasi-full employment
- But: the ‘marginalised’ people

FRANCE

- As a 'continental' country
- A hybrid between Beveridgism and Bismarckism: historical legacies are mixed and might explain the current process of reform

France and the continental countries

- There is no third 'activation' model yet => heterogeneity: Italy, France, Germany..
- The French case: a mix of both activation types
 - o extensive job creation programmes and solidaristic '*insertion*'
 - o reforming the funding of social protection (employers' social contributions => taxes)
 - o 'Outcomes': persistent unemployment /segmentation of the labour market (two-tier)

France: a more detailed picture

(1)

- A three-tier 'income replacement' system (insurance+ two assistance benefits, cf. Germany)
- A peculiarity: familialism
- Minimum income benefits: three generations
- The *insertion* rationale from 1975 (disabled, the young, the hard-to-place, the 'excluded' (not 'marginalized')
- Employment programmes: the CES as a symbol
- 'Evaluation' (?)

Overview of minimum income recipients(1990-2000)

Table 2 – Benefits’ Recipients

	1990	1995	1999	2000
RMI	510,100	946,000	1,017,800	965,200
AAH	538,700	615,600	671,000	689,000
API	151,000	163,600	155,200	156,000
ASS	330,200	481,100	470,800	429,700
Total	1,530,000	2,206,300	2,315,100	2,240,700

Source: DREES

Table 3 – Beneficiaries including members of households

	1990	1995	1999	2000
RMI	1,072,000	1,876,400	Na	1,891,800
AAH	861,900	984,900	Na	1,075,000
API	398,300	431,500	Na	426,400
ASS	825,400	1,202,400	Na	1,032,800
Total	3,157,600	4,495,200	na	4,426,000

Source: DREES

France: a more detailed picture

(2)

- Reforming the funding of social protection: transfer from social contributions
- Employees social contributions
- A new brand of 'employment policies' => combined with the RWT: Reducing the cost of labour
- Adding an incidental 'tax credit' (*the prime pour l'emploi*)
- Piecemeal reforms of minimum income benefits ('traps')
- Reforming the Public employment service
- Evaluation (?)

Tableau 2 : Les transferts entre régimes en 2001

	Transferts reçus			Transferts versés		Solde des transferts
	Montant t Million s €	Struc- tur e %	Part dans ressour- ces %	Montant t Million s €	Struc- tur e %	
Régime général	29 694	39,4	13,8	16 659	22,2	13 035
Fonds spéciaux	734	1,0	3,4	22 443	29,9	-21 709
FCOSS (1)	13 161	17,5	100,0	13 129	17,5	32
Régimes particuliers	5 444	7,2	20,4	3 108	4,1	2 336
Régimes directs	14	0,0	0,0	3 377	4,5	-3 363
Salariés agricoles	4 111	5,5	49,6	361	0,5	3 750
Exploitants agricoles	5 860	7,8	39,9	151	0,2	5 709
Régimes complémentaires	8 068	10,0	17,0	575	0,8	7 493
Non salariés non agricoles	3 766	5,0	24,4	1 156	1,5	2 610
Assurance chômage	765	1,0	2,5	7 859	10,5	-7 094
Régimes d'intervention sociale des pouvoirs publics	3 562	4,7	7,7	6 361	8,5	-2 799
TOTAL	75 179	100,0		75 179	100,0	0

Source : DREES ; (1) le FCOSS est un fonds de passage, théoriquement équilibré

**Tableau 5 : Structure du financement de la dépense de
protection sociale, 1959-2002**

Ressources nettes	1959	1974	1979	1981	1985	1989	1991	1995	1999	2002
cotisations employeurs	57,4	57,8	54,7	55,2	52,4	52,0	50,4	47,4	46,4	45,9
Effectives	43,3	46,1	44,6				41,3	38,2	37,5	37,0
Fictives	14,1	11,7	10,1				9,1	9,2	8,9	8,9
cotisations salariés	13,2	14,7	17,2	18,4	19,4	22,4	22,8	22,6	16,7	17,0
cotisations non salariés	3,9	4,3	4,7	5,1	4,8	5,2	5,6	4,9	3,7	4,0
Total cotisations sociales (1)	74,5	76,9	76,6	78,8	77,3	80,3	78,8	74,9	66,7	66,9
impôts et taxes spéciaux (2)	2,6	3,8	3,3	2,3	3,2	3,1	3,9	7,2	16,6	19,0
Total Ratio (1+2)	77,2	80,7	79,9	81,1	80,5	83,4	82,7	82,1	83,3	85,9
Contributions budgétaires	20,3	16,1	17,2	15,7	16,4	14,2	13,7	14,3	13,8	11,4
Total impôts et taxes	23,0	19,9	20,5	18,0	19,6	17,3	17,6	21,5	30,4	30,4
autres ressources	2,5	3,3	2,9	3,2	3,1	2,4	3,6	3,5	2,8	2,7
TOTAL	100	100	100	100	100	100	100	100	100	100

Sources : SESI, DREES

III – the French NAPES

- Analysing the EES
 - -activities
 - -political discourse
 - -national programmes
- The French context of employment and employment policies

**Tableau 16 : Chômage, emploi et politiques de l'emploi
(1973-2002)**

	Milliers	1973	1996	Variation 1996/1973	2002	2002/1996
1	Emploi total (2+3)	21 122	22 287	+ 1 165	24 563	+ 2 276
2	Dont: subventionnés	2	1 962	+ 1 960	1 857	- 103
3	Dont : Autre	21 119	20 325	- 794	22 706	+ 2 381
4	Chômage (BIT)	593	3 075	+ 2 482	2 405	- 670
5	Population active (1+4)	21 715	25 362	+ 3 647	26 968	+ 1 606
6	Pré-retraites/autres cessations d'activité	44	465	+ 421	481	+ 16
7	Stages de formation	57	300	+ 243	210	- 90
8	Population potentiellement active (7+6+5)	21 816	26 127	+ 4 311	27 659	+ 1 523
9	Total des bénéficiaires des politiques de l'emploi et chômeurs (2+4+6+7)	696	5 802	+ 5 106	4 953	- 849

Source: Ministère du travail (DARES, 2003)

Table 1b – Activity and employment regimes (1999) (%)

Pays	Italy	Spain	France	UK	Denmark
Global labour market participation rate ¹	60.2	62.7	68.4	76.3	81.1
Female employment rate, (full-time equivalent) ²	33.3	32.5	45.3	45.1	58.6
Young people employment rate (15-24)	25.5	33.9	20.8	60.8	66.0
Senior people employment rate (55-64)	27.5	34.9	34.2	49.4	54.2

Sources : OECD (Employment Outlook, 2000) ;
Employment in Europe, EU, 2000. © *Centre d'études de l'emploi*
– J C Barbier.

¹ Calculated on the basis of working age population: 15-64 years (European Union)

² Calculated on the basis of working age population: 15-64 years (European Union)

Employment policy

- « Politique de l'emploi »
- Only relatively autonomous policy area in the 80s
- The young unemployed
- Accompanying « restructurations »
- Large scale programmes of temporary jobs in the non-profit/public sector
- Targeted subsidies and social contributions

Employment policy and the NAPE

- The NAPE exceeds employment policy: education, relation with social protection, etc..
- (one of the EES 'effects'): no such document existed

IV- PES and networks

Actors

- Employment policy actors: an outline
- The 'PES system' rather than the PES: ANPE; UNEDIC ; others
- New public management?
- Out-contracting
- Actors pluralism (all levels) / difficult/absent coordination

Table 2 – Performance contracts - Objectives and Outcomes – 1990-2003

<i>Performance contracts</i>	<i>Key Overall Objectives</i>	<i>Indicators</i>	<i>Key Targets</i>	<i>Key achieved/outcomes</i>	<i>Targets</i>
1 st contract (1990-93)	Collect more vacancies/ increase success rates of placements	Matching vacancies and candidates Vacancies collected	Increase success rate of placements Increase share more than job creation	‘Market rate 22,4%’	share’:
	Enhance services for the unemployed	Reorganise service areas Focus those with more than 6 months/one year registration	Registration time decrease	‘operational time’ devoted to employers: 35%	
	Modernise management and organisation	Internal development plan ‘ <i>déconcentration</i> ’ for funding		70% of units are modernised	are

Table 2 (following)

<i>Performance contracts</i>	<i>Key Overall Objectives</i>	<i>Indicators</i>	<i>Key Targets</i>	<i>Key achieved/outcomes</i>	<i>Targets</i>
2 nd contract (1994-98)	Increase ANPE's 'market share' for vacancies; ANPE correspondent employers subsidies: focussing on firms		Collect 1,5-2 million (1994-95) vacancies Increase market share to 40%	achieved	
	Enhance service for the unemployed, especially the very LTU (over 2 years)	Decrease the share of LTU by one point % per year [12% -1993]		Not achieved: share superior to 15% and reaching 17.6% in 1998	
	Develop partnership with AFPA, missions locales, PAJO, Agefiph and ASSEDICs	Co-operation with ASSEDICs		Registration of the unemployed transferred over to ASSEDICs	
	Modernise and 'déconcentration'	management Across the board organisation 'déconcentration'		New tailored services in 250 local units (1998)	

Performance contracts	Key Overall Objectives	Indicators	Key Targets	Key achievements/outcomes	Targets
3 rd contract (1999-2003)	Better services for the unemployed; ANPE single correspondent (' <i>interlocuteur unique</i> '); 'New Start' programme (cf EES – NAPE) Fighting social exclusion Increase collection of vacancies on the market Develop partnership and 'local coherence' of service delivery (' <i>cohérence territoriale de l'offre de services</i> '); ANPE-partnership AFPA Modernise management and organisation	Preventing and decreasing LTU for assisted persons and young people: 2.5 million in Dec 2002) 200 local units were certified for quality (2003)			