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Public thematic report

THE "ZERO LONG-TERM UNEMPLOYMENT TERRITORY" EXPERIMENT

The "Zero Long-Term Unemployment Territory" experiment enables volunteer areas to coordinate the actions of social and economic stakeholders in order to provide an appropriate response to individuals who have been unemployed for an extended period. The experiment set up by two successive laws (2016 and 2020), unanimously adopted by Parliament, and ends on June 30, 2026. The implementation of this experimentation has provoked sharp reactions and a debate that is not always well-informed. This report analyses the efficiency of the implemented actions, their governance, the relevance of targeting beneficiaries and the sustainability of the financial model.

An innovative local project enabling people who have been unemployed for a long time to engage in useful local activities

The "Zero Long-Term Unemployment Territory" experiment stems from the reflections of the association ATD Quart-Monde. From the point of view of its initiators, it implements the "right to employment". The main feature of this experiment, compared with pre-existing schemes, particularly those relating to integration through economic activity, is to offer a permanent work contract tailored to the abilities, constraints and obstacles that have kept these persons unemployed in the long-term. By working through the Entreprises à but d'emploi (employment-oriented businesses - EBEs), adapting working conditions and allowing people to work part-time, with a chosen number of hours, the experiment has proven effective to facilitate the return to employment for individuals who had been excluded from the workforce, such as people with disabilities, senior citizens, single parents, caregivers, etc. The experiment has also enabled local authorities to develop activities that are useful to the territories and respond to unmet needs. These are often low-productivity activities that generate a modest turnover, but they reveal the potential for creating a range of socially-useful services and an inclusive approach to populations who have been excluded from employment: combating isolation, food insecurity and the digital divide, strengthening social links, supporting ageing and the ecological transition. The Court 'interviews revealed several characteristics of the beneficiaries of the experiment: for some, the passage through an EBE is very temporary and allows them to bounce back into a conventional job; others may benefit from long-term support with the aim of eventually also moving into mainstream employment. But for still others, the EBE represents a sustainable solution that enables them to return to a long term activity. The Court recommends promoting the concept of a pathway to mainstream employment and monitoring employment outcomes.

National governance and regional management need to be reviewed

The experiment is overseen by an association which manages the "Fonds d'expérimentation territoriale contre le chômage de longue durée" (ETCLD), monitored by government departments on a minimal basis. At a local level, a "local employment committee" and EBE management teams are established, involving stakeholders such as the local authorities involved in the experiment, are very active in the local deployment of this employment support mechanism. Given the direct relationship between the territories and the association managing the fund, the corollary of this structuring has been to keep the decentralised services of the State and those of France Travail, which are at the heart of the territorial deployment of national employment policy, at a distance from the implementation of the experiment. This atypical operation, which is developed within a specific legal frame, has often isolated the experiment from other employment integration schemes, such as integration through economic activity, and has given rise to a certain mistrust on the part of the economic stakeholders in the territories concerned. The Court therefore recommends putting an end to this associative management so that the "local employment committees", the empowerment of territories and the management of credits are carried out within the framework of the employment network set up by the law of 18 December 2023 for full employment.

A financial imbalance which needs to be addressed

The experiment relies on public funding, and the cost of each job there is no sufficient evidence to demonstrate the existence of this balance, and the cost per job created has risen significantly, in particular due to the costs inherent in running the association which manages the fund: the amount of public funding in 2023, in relation to the number of full-time equivalent (FTE) employees benefiting from the experiment, shows an annual cost of €28,000 per FTE. Rationalisation is all the more necessary as, in the absence of a *numerus clausus* for recruitment by the EBEs, these jobs could run the risk of a rapid and not sufficiently controlled increase in budgetary expenditure. Even if the EBEs develop their own resources, the financial imbalance of the experiment remains obvious. The EBEs continue to experience financial difficulties, reflecting their still precarious economic viability, and they are heavily dependent on public subsidies, which accounted for 85 % of their operating income in 2023.

The "Zero Long-Term Unemployment Territory" programme is an experiment that is proving its worth at the local level, but which requires considerable resources, both human and financial. The experiment is at a pivotal point in terms of the future of the scheme: the current experimental law will expire on 30 June 2026 and it is up to Parliament to decide what action should be taken. The Court's recommendations emphasise the need to integrate the experiment into the employment network's general legal frame: greater coordination with other supported employment structures is needed to enable the results of the experiment to feed more widely into policies designed to support the most vulnerable members of the labour market.

Read the report

The Court of Accounts ensures that public money is used properly and informs citizens accordingly.

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