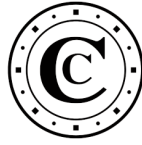


Cour des comptes



SCHEMES AND CREDITS IN FAVOUR OF EARLY SCHOOL LEAVERS

Communication to the National Assembly's Finance
Standing Committee

December 2015

DISCLAIMER

Pursuant to Article 58-2 of the Organic Law relating to Finance Acts of 1 August 2001, the Chair of the National Assembly's Finance, Standing Committee sent the Cour des comptes a letter on 17 December 2013 with a request to carry out a survey of the schemes and credits in place to support young people leaving the school system without qualifications.

This summary is intended to aid in understanding and using the report prepared by the Cour des comptes. Only the report is legally binding on the Cour des comptes.

Schemes and credits in favour of early school leavers

Contrary to popular belief, the number of young people leaving the French school system without qualifications¹ has been on the decline for a number of years. There are around 100,000 such school leavers each year in Metropolitan France, who join a population of approximately 480,000 unskilled young people aged 18-24. These numbers cast France in a relatively favourable light compared with its European partners, with 9% of young people leaving the school system early, compared with a European average of 11%.

A lack of qualifications continues to be a key factor in the difficulties facing unskilled young people trying to enter the job market, as reflected by the unemployment rate in this population, which stands at close to 50%. The effects of the 2008 crisis have exacerbated the situation by making it even harder for unskilled young people to find work.

This situation warrants the continuation of proactive policies in support of unskilled young people. Ambitious new goals have recently been set for these policies. The first is Europe's Youth Guarantee, which was adopted in 2013 and which aims to ensure that all young people not in employment, education or training should be given an opportunity to enter employment, continued education, apprenticeship or traineeship within four months of leaving education or losing their first job. The second is a "right of return" to training for all unskilled young people as adopted in French law in 2013.

The survey by the Cour des comptes revealed six key findings.

First, there is no unified training and inclusion policy in France for school leavers without qualifications. There are four main players in this area: the Education Ministry, the Employment Ministry, regional authorities and social partners. This situation reflects institutional developments over the last three decades, which have featured gradual decentralisation of vocational training policies, growing investment by social partners aimed at getting young people into the workplace, and the push from 2009 to establish an interministerial policy to prevent early school leaving.

Second, there is substantial public financial support for unskilled young people. Not including the cost of those merely going back to school, €1.4 billion is earmarked for inclusion and training programmes and €0.5 billion for subsidised jobs. Together, these funds account for approximately 35% of public financing channelled towards all people aged 16-25, while the proportion of early school leavers is 9%, indicating that funding is concentrated with this group. The State pays for 50% of this financing, regional authorities provide 25%, while social partners and France's employment agency each contribute 15%.

¹ i.e. holding no diploma or professional qualification, as defined by the French Education Code.

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Third, the Education Ministry has responded to the issue by seeking to take swifter action in relation to unqualified school leavers. From 2009, it took part in setting up partnership-based platforms to track and support early school leavers (PSADs). The platforms are backed by an interministerial information exchange system (SIEI), a semi-computerised system that identifies young people who have left school within the past year. The overall scheme is designed to identify, reach out to and guide early school leavers. Although it is bearing fruit, it suffers from three limitations:

- the SIEI system does not cover all early school leavers; only one-half of all young people identified as early school leavers are reached;
- coordination is not uniform within these bodies: the PSAD platforms are primarily led by the Education Ministry, with the result that other stakeholders have taken a back seat in some regions;
- about one-half of early school leavers identified by the system are steered towards a return to school-based training and alternatives to this are underdeveloped.

Overall, real advances have been made, enabling local synergies to be unlocked between parties that did not collaborate previously. However, this progress needs to be consolidated over the long run.

Fourth, unskilled young people aged 18-25, some of whom have been out of the school system for several years, are eligible for a number of specific programmes:

- social inclusion contracts (CIVIS), which have been issued since 2005 by local youth guidance centres, satisfy the legal right to support for access to employment. Unskilled young people are entitled to extra support in this context through enhanced CIVIS contracts, although in fact these enhanced contracts, which are issued to 80,000 young people a year, have become less distinct over time and are now virtually identical to standard CIVIS;
- second-chance programmes, including second-chance schools and special training centres run by the Ministry of Defence (EPIDEs), cater to much smaller populations and follow unique educational models. These models yield tangible results, which should be more effectively measured through rigorous assessments. But the specific nature of these programmes and the costs involved – €9,000 per person for second-chance schools and €24,000 for EPIDEs – mean that these initiatives cannot be opened up to large numbers of unskilled young people.

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Fifth, standard inclusion programmes, although unspecific, help a large number of unskilled young people. The vast majority of young people without qualifications are steered by local youth guidance centres and France's employment agency into general-purpose schemes such as standard CIVIS contracts and individual access to employment programmes (PPAEs), or towards more specific structures such as inclusion through economic activity schemes (IAEs) and local inclusion and employment plans (PLIEs). The Youth Guarantee, which was introduced on a trial basis in late 2013 and which the Government expects to cover 100,000 young people by 2017, could force some financial choices to be made and require the existing range of solutions to be streamlined. CIVIS contracts might be called into question as part of this.

As regards training programmes, regional authorities have set up a range of solutions (inclusion initiatives, training courses offering pre-qualifications, qualifications and certifications), which take in around 80,000 unskilled young people each year. As a rule, these solutions are poorly coordinated with the support initiatives run by the local youth guidance centres.

Heavy use is also made of other schemes, particularly the future jobs programme, which allows participants – more than 40% of whom have no qualifications – to get their first long-term job experience. However, the cost to the public purse of these schemes, which runs to €24,000 per person on average, is as high as or even higher than the second-chance schemes, without providing the same level of support. Once again, financial choices will have to be made.

The final finding is that the overall architecture of this system and the dispersed nature of the schemes on offer prevent the stated goals from being achieved.

Responsibility for unskilled young people is spread out among numerous different institutions, including local youth guidance centres, IAE facilities, second-chance schools, the employment agency, and EPIDEs. The overall range of solutions on offer is hard to understand and has been put together without sufficient thought to questions of efficiency and efficacy. This makes it harder to identify young people in difficulty and provide them with appropriate guidance. Each individual case is not covered by a systematic shared analysis, notably because there is no common reference framework on which to base such an assessment. Often one person, a representative of the education system, say, or an adviser at a local youth guidance centre, is responsible for steering the youth to a particular scheme or service, but a coordinated approach is much needed. The principle of holistic support for young people, which has been stressed since the Schwartz Report of 1982 and which in theory informs the work of the local youth guidance centres, has been undermined by the way that the schemes are segmented.

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Beyond the fragmentation issues, the system is also hindered by the manner in which that governance is split between the State, regional authorities, social partners and support and inclusion networks. These governance arrangements are cumbersome and not particularly operational. This situation is exacerbated by the many different sources of funding, which recently increased further with the addition of Europe's Youth Employment Initiative.

The overall combination of schemes and initiatives is neither efficient nor sustainable for the public finances. Assuming a constant budget, the general roll-out of the Youth Guarantee between now and 2017 is not compatible with continued delivery of older schemes and widespread take-up of subsidised jobs for unskilled young people. The necessary choices should be used as an opportunity to redesign the architecture of the governance and schemes to build a more unified inclusion policy.

Recommendations

Bring together the main coordinators and funders to build a common policy for unskilled young people:

To the State and regional authorities:

1. Establish regional programme contracts to achieve convergence in the policies pursued by the State, regional authorities and social partners to promote youth training and inclusion;
2. Set up an operational steering body to oversee application of the regional programme contract within a local employment pool; ensure coordination with platforms for tracking and supporting early school leavers.

Look after school leavers without qualifications more effectively:

To the State:

3. Redeploy Education Ministry credits to increase the number of spots available, particularly in back-to-school facilities, to offer availability to meet needs nationwide;

To the State and regional authorities:

4. Diversify the solutions offered by the platforms that track and support early school leavers by providing back-to-school programmes but also preparation for work/study schemes, community service and socio-professional support solutions.

Redefine the schemes designed to support young people in difficulty:

To the State and regional authorities:

5. Before providing guidance to a young person, draw up an in-depth assessment using a shared assessment framework for all stakeholders;
6. Reorganise youth inclusion schemes into four groups:
 - a limited support scheme, following phase-out of the CIVIS, focused directly on employment for young people who are closest to getting jobs;
 - a scheme modelled on the Youth Guarantee for young people requiring more support, combined with benefits for those in very challenging circumstances;
 - a scheme managed by regional authorities and tailored to the youngest early school leavers who are unlikely to re-enter the school system;
 - second-chance schemes, which need to be better coordinated with IAE programmes, for youth in the greatest difficulty;
7. Improve performance measurement for the different schemes by harmonising results criteria.

To the State:

8. Harmonise inclusion and professional training benefits to prevent young people from shopping between schemes based on financial considerations.

