

5 Local Employment Development : The French Model

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France assigns a relatively limited priority to Local Employment Development (LED), although over the last twenty years, statutory decisions or financing regulations have given more weight to the concerns of local actors, even extending somewhat their responsibility in employment matters. Moreover, the trend to decentralisation has been continuous, notably in the field of employment-related training. Nevertheless, employment has always been considered as a national issue in France, so that employment policy has fundamentally been thought of as falling under the responsibility of the central authorities.

Experiments or initiatives have always had to take the two following facts into account:

- employment issues are mainly evaluated from

the angle of international competitiveness ;

- equality means that personal rights have to be the same in every region of the country and in every sector of the economy. This implies a centralised employment policy.

At the same time, the focus on the development of local employment has been increasing, due to the marked differences in regional unemployment rates. The most recent data show the extent of these differences (Table 1).

The term Local Employment Development is neither current in the French language nor well defined. For some observers, LED deals with the use of specific local resources. For others the term relates to policy and action bearing on employment and social inclusion,

Table 1. Unemployment Rate by Region (second quarter, 2004)

AREA	RATE OF UNEMPLOYMENT	AREA	RATE OF UNEMPLOYMENT
France (National average)*	9.9%	Languedoc-Roussillon	13.6%
		Limousin	7.6%
Alsace	8.3%	Lorraine	9.6%
Aquitaine	9.8%	Midi-Pyrénées	9.6%
Auvergne	8.5%	Nord Pas-de-Calais	12.9%
Bourgogne	8.5%	Basse-Normandie	9.2%
Bretagne	8.0%	Haute-Normandie	10.7%
Centre	8.6%	Pays de la Loire	8.2%
Champagne Ardennes	10.2%	Picardie	10.7%
Corse	10.0%	Poitou-Charentes	9.2%
Franche Comté	8.8%	Provence-Alpes-Côte d'Azur	11.7%
Ile de France	10.0%	Rhône-Alpes	8.8%

*Second quarter of 2003

Source: Institut National de la Statistique et des Études Économiques (INSEE).

<http://www.insee.fr/fr/region/tabcomp/RGEMPR01.htm>.

based on self-governing local actors, interlinking their programmes and initiatives within a geographical area, and integrating the programmes into the development process of the territory. Under this approach, the constitutive elements of the LED are partnership, comprehensiveness, and self-governance.

1. The Development of the French Approach to LED

The relevance of the local social environment has been progressively recognised:

- A first phase goes back to 1981 with the beginnings of the policy of decentralisation, and until 1988. The local dimension was recognised but not allowed to play any considerable role in the determination of employment policies. Local actors were recognised too, such as the local employment committees (*Comité de Bassin d'Emploi*, CBE), but were given no role in the decision process. Specific institutions were then organised and a statistical effort was made to define relevant territories of employment.
- A second phase began in 1990 and up to present, in which the central authorities have begun to recognise the place of local actors and local actions in the institutional framework and the decision making process. They have, however, retained control since these aspects are perceived essentially as helping to enhance the efficacy of employment policies. Transfers of competence have in practice only concerned training.

Concern with local employment matters first became apparent following the regional crises of industrial reorganisation which emerged in the late 1970's and reached their paroxysm at the beginning of the next decade, notably with the challenges of industrial restructuring in the Nord-Pas-de-Calais and Lorraine regions. At that time, French policy essentially viewed the localisation of employment policy as a means of defense of the afflicted territories. The instrument that had been created in 1963 to implement and finance employment policies, the National Agency for Employment (the ANPE, *Agence Nationale pour l'Emploi*) did not concern local employment as its jurisdiction: industrial reorganisation counted for more than action on the labour

market or the promotion of employment. It was impossible to define industrial recovery policies without considering the specificity of the target groups that are in difficulties, and therefore the notion gradually came to occupy the government's attention. The concept of the local area, on the other hand, has receded to second place.

Two mechanisms appeared then which helped to advance the concept of local area. The first was the creation of CBE, in which the social actors of troubled territories try to make diagnoses and suggest initiatives to the appropriate authorities. However, their role was purely consultative, and the administrative bodies paid little heed to them.

The second mechanism was the creation of Local Missions for Employment (MLE, *Missions Locales pour l'Emploi*) to deal with social inclusion of young people. This was the first time that the local level coordinated its resources with those of the central authorities. Implementation was difficult because of the limited ability of the centre to act with the degree of closeness desired by the regions and local actors.

At all events, the tendency to localise employment policies was considered to be a step in the right direction. It also appeared to be indispensable as a complement to the efficiency of the public sector's policies when the move to decentralisation began. This was recognised in the definition of the first measures taken to support local employment initiatives: the Local Jobs Initiative (1982), Community Works Programme (1984), the "*Contrat Emploi Solidarité*" (providing part-time low-paid work for the long-term unemployed, 1989), and the Regional Fund for Local Jobs Initiatives (1989). These developments, however, failed to recognise the territorial unit as an actor in the employment policy system.

Through such efforts, the necessity for the concept of multi-faceting was recognised, i.e., in this context the fact that unemployment problems are interwoven with other dimensions, such as housing, training and health. The regard paid to employment of young people had shown that solving their problems required the association of a certain number of instruments. To implement this multi-faceted approach, two lines of attack were developed: decentralisation of the instruments of State intervention, and the diagnosis of the needs of the territories afflicted by unemployment. During 1990's, a substantial degree of recourse to both measures was evi-

dent, but the State managed them in terms of intervention in the labour market designed to ease the plight of unemployed persons rather than as policies to foster the creation of new jobs at the local level.

2. Recent Developments and Main Instruments

As noted above, local employment policies in France were originally intended to favour social and economic integration of the labour force and this dimension continues to play a central role, through two main channels: Municipal Plans for Inclusion and Local Plans for Training. More recently, other tools have been developed such as the creation of New Services, the Labour Sharing Contract, territorial fiscal exemptions and clusters.

2.1. Municipal Plans for Inclusion

The core of this policy is the Local Plan for Inclusion (PLIE, *Plan local d'insertion par l'emploi*), now entitled the Local Plan for Inclusion and Employment (*Plan local d'insertion et d'emploi*) since the Law of July 29th, 1998.

These plans are intended to be devised on the initiative of municipalities to find employment opportunities for people who have lost their jobs and suffer from an accumulation of health, professional, social or other handicaps. They generally cover a three year period and seek to enlist the support of partnerships and other levels of local government (*département, région*). The objective is to offer a fixed-term labour contract to an unemployed person within six months. A given plan should cover at least ten percent of the population of the relevant geographical area.

Implementation of a Plan is subject to certain procedures. First, a municipality or a grouping of municipalities designates the location of the districts or areas

for which action is justified. Each location is identified in cooperation with the administrative authorities and in consultation with the local council for inclusion (*Comité départemental d'insertion*). This shared diagnosis leads to the specification of a project, and a protocol associating the various partners is drawn up. A managing committee and a technical committee are established. Financing is provided by various national and local contributors. Resources provided by the European Structural Fund (ESF) must be in conformity with its Objective 3, meaning that funds other than the ESF have to contribute at least 55% of the total. There are two other constraints : a 10% ceiling for the contribution of private companies and operating costs below 10% of the eligible expenditures.¹

There are approximately 200 PLIE, each covering an average of between 70 and 300 people for a total of 130,000 persons between 1996 and 2000. On average, new jobs were found for about 60% of the unemployed concerned (2).²

2.2. Regional Plans for Training

Responsibility for occupational training policy has gradually been transferred to the regions, first for adults in 1983, then for young people in 1993. In this system, regions establish multiyear training programmes and define a list of the specialisations available (Regional Training Scheme, *Schéma Régional des Formations*). These lists are quite flexible inasmuch as certificates of proficiency in skills related to the needs of the local employment market can be awarded. The courses may last for quite long or very short periods as required by the existing situation and changes in it. Other provisions have since been added to strengthen the competence of regions, but some difficulties remain.

Occupational training policy still relies heavily on the training offered by the Department of Education, which is very centralised. It was thus necessary to organ-

¹ Letter of EEC N°34 Juillet 1999.

² An important project may give an impetus to local employment policy. The system of Minimal Guaranteed Income (*Revenu Minimum d'Inclusion*, RMI) should be revised during next spring. This programme created in 1988 had two components: the distribution of an income; the experimentation of inclusion pathways. This second part of the programme did not perform well. According to the central government intentions, the local government (mainly the *département*) would be in charge of the inclusion dimension of this assistance system which integrates more than 700,000 people. If this new law is adopted, the employment initiatives and actions of the local government will be highly important.

ise sometimes difficult transfers of responsibility. Even today, arrangement of such transfers depends on close cooperation between the Department of Education and the Regions. The other actors involved — training schools and Centres for adult training — are less formalistic.

The efficiency of policy implementation is hindered by a unanimously recognised difficulty: the separation of responsibilities for employment, training and integration respectively. Competence in employment matters is, as already underlined, centralised at the level of the State. Responsibility in training is thus separated from responsibility in the field of employment, while the logic of training may further still not correspond to the requirements of social and economic integration. This risk is especially significant for young labour market entrants newly graduated from the school system.

2.3. New Services and New Jobs

After 1990, first as an experiment, then given statutory force, a number of initiatives were undertaken to link the satisfaction of new needs with the creation of jobs, notably for the benefit of young people. In 1997, a very large programme was introduced for exactly this purpose. It is now entitled *«New Services - Jobs for the Young»* (NSEJ, *Nouveaux services, emplois-jeunes*). Its object was to create 700,000 jobs, half in the public or associative sector and half in the private sector. The system proposed was particularly advantageous for employers: the wage was set at the legal minimum, national insurance contributions were taken care of by the state, and a specific training scheme had to be put in place so that at the end of five years, the prospect of a permanent position was transformed from a promise to a reality. From the beginning, the for-profit private sector refused to participate. Nevertheless, the other part of the programme worked well and the targets announced were effectively achieved (350,000 jobs were created). By the expiry of the five year term, two thirds of the young people covered by it had found permanent jobs. The government has taken measures to follow up the initiative, although they will be probably less favourable than the initial set.

A priori, it is not strictly accurate to speak in terms of local employment, since the system is centralised. However, most of the new jobs were connected with the servicing of local needs and were created by local partnerships, local authorities or local associations in order to satisfy demands for local services and amenities. As a result, this programme has effectively become a “local” programme, with the Local Public Employment Service mobilising joint efforts with local governments to disseminate information, screen the new services, and solve the problems of implementation. Accordingly, the 2002 National Action Plan for Employment (NAP) presented this programme as being in conformity with the objective of advancement of the localisation of employment policies.³

2.4. Labour Sharing Contracts: Clustering Employers around a Job

Groupings of employers were first created in 1985 and the mechanism has since been revised several times. Their object is to allow the formation of a “real job,” given that this job cannot be performed in support of a single activity or for a single employer. Various employers are therefore grouped in an association, which signs a contract with a worker whose activity is undertaken on behalf of these employers jointly and severally, and so benefits from full-time employment over the year as a whole.

The utility of employer groupings may be explained by one or more of the following three factors:

- The passage from one seasonal activity to another enables certain persons to work all year round, which explains why this type of grouping is especially frequent in the field of agriculture. There are today 2,700 groupings of this type, covering approximately 5,000 workers.
- Where a permanent activity in an employer is not large enough in its output, and may be too costly to justify the creation of a full time job, it may be worthwhile cumulating small quantities of work, and then associating a number of the employers concerned.
- A third type of employer grouping has emerged

³ NAP 2002, p. 49.

in recent years: groups of employers promoting the integration and the inclusion and occupational qualification of the labour force. These groups organise career paths involving working periods in different companies. There are some 80 groups in all, gathered in a national association (the CBCE-GEIQ). A subsidy of the order of 400 euros is paid for every job so created. Some groups exist in the performing arts: in Lyon, for example, three theatrical companies joined in a GEIQ and recruited 20 actors. These young actors spend three quarters of their time actually performing, and a quarter in training.

The policy of labour-sharing contracts can be considered as a typical of Local Employment Development initiative inasmuch as it mobilises networks whose members are in the same geographical area or branch, and as it necessitates the activation of the territorial logics.

2.5. Specific Area Policies : Supporting Job Creation through Fiscal Exemptions

Certain geographical zones benefit from fiscal exemptions which represent significant advantages to the companies that agree to create or maintain jobs there. Governed by the Law on Territorial Management (February 4th, 1995) and the Law on Municipalities (November 14th, 1996) three types of zone exist presently:

Sensitive Urban Zones (ZUS, *Zones Urbaines Sensibles*), created in 1995,⁴ are complexes or districts suffering from environmental deterioration and an imbalance between housing and employment. The roughly 750 zones that exist today benefit essentially from social measures such as the jobs-for-the-young programme (exoneration of 75% of social costs over a five year period).

- Among these 750 ZUS, some (currently 416) are victims of even graver imbalance, measured by an indicator, calculated on the basis of either

the number of unemployed or the number of totally unqualified young school drop-outs. These are the Zones of Urban Re-energization (ZRU, *Zones de Redynamisation Urbaine*⁵). They benefit not only from the ZUS exemptions noted above, but also from fiscal support for the companies that set up or develop operations there. Under this “professional tax exemption,” corporation tax is not levied if the company builds itself up over a period of at least two years, and an exemption from property taxes is granted for a maximum of three years.

- The urban free zone scheme (ZFU, *Zone Franche Urbaine*) addresses itself to city districts whose population is at least 10,000, and which are subject to very severe handicaps. In addition to the advantages conferred on the ZUS and the ZRU, they benefit from an important series of exemptions from welfare costs, generally over a period of five years, to further subsidise the creation or the maintenance of jobs. The management of these incentives (some 44 in number) is very strictly controlled by the State authorities.

2.6. Clusters and Other Industrial Districts

In 1998, The National Agency for Regional and Local Planning (DATAR) introduced a policy aiming at the creation of Local Productive Clusters (SPL, *Systèmes Productifs Locaux*). France did not have a concept of industrial districts like that in Italy but local clustering of enterprises clearly have generated reciprocal external benefits, allowing some local areas to enjoy a higher pace of development. It was left to enterprises intending to create a cluster to build up a common structure, in opening entitlement to benefit from public tools and incentives. This policy yielded mixed results. On the one hand, one hundred SPLs have been created, although some of them seem to exist only as an opportunity to tap the national programme for funds. It would seem that the most efficient SPLs are those initiated by

⁴ Article 42 of the Law LOADT (*Loi d'orientation pour l'aménagement et le développement du territoire*) ; article 2 Law of 1996; Décret 96-1156 of December 26th, 1996.

⁵ Article 42 and 52 of the Law LOADT, Article 2 of the Law of al's reflation city of 1996 + Article 2 of the Law of 1996 Décret 96-1157 and 96-1158 and 96-1159 of December 26th, 1996.

private companies, irrespective of whether they have recourse to or prefer to ignore the instruments at their disposal. On the other hand, the voluntary creations of clusters generated on the initiative of the central authorities have not been very successful.

3. Trends towards Decentralisation in Local Economic Development

3.1. The French Tradition of Centralisation

In France, employment has always been considered as a responsibility of the National Government with the single exception of occupational training, for which responsibility was transferred to regions (for adults from 1982 and for the young from 1994.) The national competence of the State is strengthened in France by the fact that no exception to labour legislation is allowed, even to undertake experiments. These two pillars of the system — national competence and the uniform application of labour law — have not prevented the State from recognising the value-added of a local approach, but in a limited way and under its control. Three examples follow:

- French Employment Policy used to be organised around two cornerstones: intervention in the labour market and job promotion. Intervention takes the form of the traditional actions in favour of target groups through the elimination of specific handicaps affecting the smooth functioning of the market process. The State considers that these actions are part of its responsibility, and also ensures local actors that the State only supports them to become efficient. Job promotion concerns actions to create jobs. In this context, the State cooperates with the other actors, who may or may not be local, so as to share such constraints as financing.

In general, the State has preferred to intervene on the labour market rather than to take measures directly to foster job creation. Accordingly, the State views local initiatives as activities that help to support its employment policy rather than as a means of organising territorial dynamics in which the State's policies have a place.

- Even regarding intervention on the labour market, the State remains prudent in its use of the local approach. Relevant actions should be inte-

grated with one another, but only too often, the integration of action at local level has been organised in a bureaucratic way. Two series of tools are resorted to: a model normalised by channelling information for the inventory of needs and demands upwards from the local level, and computerised displays of physical and financial data to follow the rates of utilisation of local and regional envelopes. The data drawn from local sources are used to achieve a balance between the objectives of the State and those of the local territories. This judgment is effected by the representative of the State at the regional level (The *préfet de région*) who is obviously very sensitive to the demands of the central State authorities. Moreover, the discretionary content of credits is limited to 20% of the overall envelope because of the hesitation of the Exchequer. This has not stoked a strategic mobilisation of local authorities and actors: they have remained simple users or “consumers of measures.” Integration has remained above all “a technique for application of national (policy).” It has not become “a principle of mobilisation of the actors on a territory in the era of decentralisation.”

- The territorialisation of employment policy implies a new way of working for the Public Employment Service (*Service Public de l'Emploi*), i.e., the network of administrations and agencies through which the central authorities implement State policy. The National Employment Agency (ANPE) is organised on a territorial basis, and the location of its premises was decided in the light of the local situations, albeit the enterprise culture of the ANPE made this difficult: the Agency was created as an operator for the application of State policy and not as a decision-maker, or even an entrepreneur.

3.2. New Channels for Decentralisation

From 1992, the Law on the Territorial Administration of the Republic began to change things. It asked the departments and agencies of the State to rationalise the organisation of their actions at the local level. One spoke at that time of the Local Public

Employment Service (LPES, “*Service Public Local de l’Emploi*”), this being defined as the network of employment administrations at the local level. CBEs were also set up to secure the connection between the LPES and the local actors. The circulars of 1999 and 2000 went even further by introducing the principle of territorial diagnosis and the formulation of local action plans.

The local public employment service (LPES)

The LPES is a State body. Founded in 1984, its mandate is to coordinate the action of the local representation of the Ministry of Employment (The Employment Departmental Direction, *Direction Départementale de l’Emploi*, DDTE), with that of the Local Agencies for the Employment (*Agences Locales pour l’Emploi*, or ALE) and the Agency for Adult Occupational Training (AFPA).

At the present time, the LPES is engaged in undertaking local diagnoses and devising local plans aimed to secure the synergy of all the existing mechanisms. Referring to the experience of the European Territorial Employment Pacts (TEPs), where they existed, rendered possible better understanding of the required partnerships. This was a notable result in Saint Herblain, where the TEP really played a major role and in turn stimulated the establishment of the Local Action Plan for Employment (LAP) of the city of Nantes and then that of the Loire-Atlantique *département*.

Difficulties stem from the fact that the levels of organisation of the participating bodies differ, so that they are never totally in phase. Furthermore, there are differences in the internal delegation of power: the services of both agencies are more willing to delegate than the State administrative bodies — although efforts are being made to increase their efficacy and efficiency.⁶

Local employment plans and European TEPs

Since 1999, each LPES has had to prepare a Local Action Plan for Employment (LAP). Usually, the frame for these plans is the *département*.⁷ Their purpose is to define the list of the local employment objectives and the programmes that need to be devised. To achieve this aim, it is provided that the LPES will consult its main

partners, local governments and the social partners in particular. The difficulty of this exercise stems from the fact that the work is begun by the State administration for its own account. In certain *départements*, the partners of the LPES are kept fully in the picture and the LAP is recognised as indeed being a local plan of action common to all. However, this is not true of every *département*. Moreover, arrangements to perform evaluations are few and far between. In the words of the central administration: «*Something is missing nevertheless: evaluation, that is, the measure of the impact of the local action plans.*» Actually, two problems affect evaluation. The first is a problem of method: how to measure impact (an internal working group in the Ministry of Employment is working on the construction of indicators of impact at the territorial level). The second is an even tougher problem: what should an evaluation of impact refer to? Is it:

- whether the local action plan influenced the proposal sent forward by the LPES, and if so, how?
- whether the implementation of the local action plan operated effectively?
- the extent of implementation of the quantitative objectives?

The question of evaluation set apart, the LAP system is presented as a success. The Director for Employment considers that since 1999, «*we abandoned the approach of using globalised measures and adopted a logic of territorialisation, that is the construction of partnerships between the actors on a given territory.*» He adds that ten years will be needed for full results.

Although France has paid only the most limited attention to the European TEPs and no descriptions of their experience have been circulated, two European TEPs prefigure the shape of French local action plans. Their logic is largely the same, except that the European TEPs extend far beyond the borders of the administration. Saint Herblain’s TEP serves in the Loire-Atlantique *département* as a prototype, subject to the reserve that the geographical coverage of this TEP was markedly narrower than that of the *département* of the Loire-Atlantique. On the other hand, the TEP of the Hérault is exemplary inasmuch as its borders corre-

⁶ Article 2 of the Law of 1996 Décret 96-1154 and 96-1155 of December 26th, 1996, and NAP, 2002, p.20.

⁷ But to arrive there, certain LPES divided their *département* into zones presenting a certain coherence, made the plans for each of them, and aggregated these plans in a unique document.

sponsored by definition to those of the *département*. It was able to advance ideas that have yet to be fully internalised by the local administration.

3.3. LED from the Standpoint of Local Actors

As noted, local authorities (regions, départements and municipalities) have little direct competence to act in employment matters, with the exception of regions' responsibilities as regards occupational training. They have however taken initiatives in recent years in a number of fields related to employment, in particular inclusion in the labour force and the creation of jobs in contact with the new services. Originally, local governments possessed no instruments of diagnosis or action other than those recovered from the LPES. Elected officials were often unwilling to take responsibility for decisions related to employment in view of the political risks involved. Finally, the social partners systematically supported the national management of employment. The unions wanted uniform working conditions across the national territory. Entrepreneurs prized speed of adaptation and the mobility of labour. In other words, the State's desire to manage employment policy coincided with the unwillingness of local governments to intervene in this complex and dangerous area. Correspondingly, local government's first reaction was to support the State's activity in favour of the inclusion of the young because this was a problem closely related to their mandate. They seized the responsibility for occupational training matters, but exercised it in a very careful way.

Two aspects of the distribution of responsibilities must be underlined.

- Regions have recognised competence in occupational training of both young people and adults, as was noted earlier.
- Government departments are likely to be the competent authorities in matters of inclusion through their role in managing and operating the system of minimum guaranteed income, which will no doubt be as much an instrument for the distribution of minimum income as a mechanism for securing economic and social integration.
- Municipalities have no direct or close powers in the field of employment. But over the past few years, the State has tended to turn to local gov-

ernments for help in achieving its employment objectives, namely through the contracts between the State, Regions and Municipalities.

3.4. What is the Relevant Area for LED?

Generally, local employment markets do not exactly match administrative territories. Indeed the less so the smaller the local government unit. On the other hand, as the size of these territories increases, for example corresponding to regional entities, another constraint emerges: a territory becomes too large to be associated in a regular way with place of residence and place of work.

Consideration of these discrepancies has a long history: they are at the root of the first debates in the local employment committees. The zone covered by these committees had to coincide with administrative borders or else be redrawn to correspond to real markets whose boundaries are set by the closeness of the relationship between the place of residence and the place of work. Since the end of the 1980's the discordance has been and is well recognised by the French administration. Indeed, the first real attempt to take account of the territorial scope of the problems of employment was an empirical one, conducted when the local employment committees were first put in place. Subsequently, the employment areas were defined by the INSEE (National Institute for Statistics) at the request of the administration (Circular of September 23rd, 1982, Ministry of Labour). They are 365 in number. The principle adopted was that they need not be subdivisions of municipalities, but on the contrary municipal areas aggregated into coherent zones defined by the density of movement between place of residence and place of work. There are on average three or four employment areas per *département*, and up to about twenty for the largest regions. This distribution, which at first was to serve only for the observation of the phenomena, ran into some problems. The employment areas as defined above matched the boundaries of neither the local employment committees nor the local missions (about 700). But the employment areas nevertheless survived as the basic geographical reference unit for the analysis and elaboration of employment policy.

The French system is thus organised fundamentally around two levels, the *employment area* and the *département*. The employment area is the basic unit for the

analysis of employment problems, and the INSEE regularly publishes its employment data using this frame. The employment area can also serve as an operational unit for the implementation of some programmes. But the *département* remains the basic unit for decision taking and the implementation of employment policies, for this is the level at which the LPES operates. However, as noted, problems relating to occupational training matters are dealt with at regional level.

This scheme was modified but essentially left intact when in 1995 a new unit of area, the “rural district” (*Pays*) was introduced in the Law of the Direction of Planning and Regional Development. There was a need to define wider territories than the municipalities, which very often are too small to be able to take on the problems of local employment development. It was hoped that the new units would perform the functions of employment areas, since, a priori, their geographical coverage tallied. In reality, the upshot was administrative congestion and the French system today tries to draw benefit from more coherent territorial management mainly by appropriate merging of municipalities.

3.5. Tools of Coordination

At the local level

Tools for coordinating all these actors exist at the local level, but generally with limitation to its power to consultative role. And although local governments do include some statutory authorities which participate in the implementation of policy, it is only under the responsibility of these local governments (Regional Economic and Social Council, Committee for Coordination of vocational training, Local Committee for Integration, etc.). Actually, as will be seen below, the number of committees responsible for piloting or managing policy has multiplied in recent years under the influence of the European programmes. At this stage, one coordinating authority which plays an important role is the CBE.

In 1981, the CBE's, a mainstream supporting component of the policy of facilitating industrial reorganization were set up, translating *«the desire of the State for a dialogue with the local socioeconomic actors on the question of unemployment. This was the result of*

*pressure from certain major political figures, both national and local, who represented stricken labour areas. During the years of industrial reorganisation the interests of these areas were for practical purposes ignored in the decisions taken by companies and the State, although they were the direct victims of the effects of the social and political plan.»*⁸ The composition of an CBE was originally tripartite: local government representatives, employers, employees. Ten years later, this institutional frame was modified to include associations and qualified structures. In 1984 a National Committee of CBEs (CLCBE) was created to form a contact network.

The organisation of the political and social plan changed things since the administration drew benefit from the CBEs as relevant partners for diagnosis, proposals and assessment. The role of these CBEs is now an accepted fact, although for a long time it was limited because of non-cooperation on the administration's side. One issue remains outstanding, despite repeated demands by the committees: they still have no role other than consultation. At best, they can ask for an allocation from the line for “experimental action” in the budget of the Employment General Office. It is never compulsory to call on them, and their decisions are mainly of informational value.

It has to be recognised that leadership can be a problem for such coordination. The variety of interested parties and actors creates a need for leadership. In the French experience, various figures have provided leadership, but in such a way that it is difficult to outline a general system. A point to be stressed is that there is no leadership without a consensus between the leader and the corresponding local government. Local elected officers are sometimes leaders, sometimes not. At all events it seems difficult to have efficient leadership without their support since they represent local people and its interests, and enjoy access to important local resources (real estate, funding, etc.).

Coordination between the national and local levels

The need for coordinated local policies is well recognised at national level. Coordination as understood by the French administration involves two dimensions:

⁸ *Ibidem*, 17.

- Harmonisation of local economic policies in order to maintain labour mobility. To implement this objective, national regulation scrutinises and assesses regional tools in order to eliminate those that hinder the mobility of labour.
- Compensation for major economic inequalities in terms of regional product or fiscal potential. Here, the French administration uses two specific tools. The first is the financial contract signed between the Central Government and a Region for a five year period (*Contrat de Plan Etat — Région*). In this contract, the Central Government defines the provision of financial resources to the region in light of its degree of prosperity in such a way that the poorer the region the higher the rate of public funding.

The French Administration uses a second tool: the General Agency for Territorial Action (*Délégation à l'Aménagement du Territoire et à l'Action Régionale* (DATAR)). This Agency gives specific support for creation of jobs, depending on the level of development of the geographic area in which the jobs are created. Initially, the system was used to prevent the excessive growth of jobs in Paris and the corresponding lack of jobs in more remote areas. Nowadays, it is used to create improved opportunities in comparatively less favoured areas in order to decrease the cost of job creation there.

In conclusion, it can be stated that in the French context, there is now agreement on a certain amount of substitution between flexibility and equality of treatment. Traditionally, differences of treatment were not tolerated, which hindered flexibility and obstructed local innovation. Today, it is accepted that room must be allowed for a certain amount of flexibility.

4. The Change in Financial Support

The general background of the financial system is as follows. Local authorities are funded both by a subsidy from the Central State and the proceeds of local taxes. Until recently, the state subsidy accounted for the larger share, but this is diminishing every year. The subsidy is in fact the total amount of some specific subventions, affecting the degree of control of the central authorities accordingly. In relation to the new channels for decentralisation, France has introduced two significant mech-

anisms for financing local employment development.

Consolidation of the public subventions

To the extent that the LPES disposes locally of means and resources, the scope for local initiatives in favour of employment depends on its real margins of operation: fragmented subsidies reduce its freedom of action whereas a global subsidy favours flexibility. Financial consolidation is thus a way to convey more flexible margins of operation, and progress in favour of local employment opportunities can be assessed by considering the pace of credit globalisation.

Until 1996, globalisation was mainly viewed as an instrument for improvement of public management. Most recently, it is considered as a means actually to decentralise employment policies to the regional level. Where previously globalisation was centred on financial tools, it is now centred also on the public and the territories. Several circulars issued between 1988 and 2000 define the stakes in globalisation in a way that goes well beyond its purely financial aspect. Each LPES has henceforth to produce a *territorial diagnosis* and a *local action plan*, define the *local teams* and regional consultants required, and simultaneously deal with measures of help to both companies and individuals.

This involves organisation of a new bottom-up logic of programming of public credits. The local action plan derived from the territorial diagnosis has the status of a *project*. It then rises to the regional level where it is defined as an element of the regional programme, which in turn rises to the national level where the final choices are determined.

This system is generally viewed as successful. It goes beyond simple financial globalisation to enter a logic of territorialisation, i.e., the construction of partnerships between the actors on a given territory.

Regional and municipal planning contracts

The 2002 National Action Plan for Employment (NAP) showed the relevance of “city contracts.” Before considering them it should be recalled that France has implemented decentralisation by using contractual relations, whatever the level of territorial organisation concerned. The planning contracts between the Central State and the regions constitute the best illustration, although they go well beyond the employment dimension.

Contracts between cities and the central State are presented as the most powerful mechanism of support for the efforts of local governments (in partnership with the social partners) to defend and create jobs at the local level. There may be contracts with other parties (between rural districts (“pays”) or unions of municipalities and the State), but the logic is the same. *«The contract defines programmes of action on the scale of the municipality and the town contributing to the fight against the processes of urban and social segregation.»*⁹ These programmes finance the construction and the implementation of actions for which financing can be secured within the framework of national mechanisms. They can also finance the implementation of projects intended to raise the level of activity of the territory, the transfer of good practices, etc. The contract document serves simultaneously as a framework for a development project, the organisation of the management of the work to be done, and the specification of the financial circuits to be addressed.

These contracts are generally signed with cities of more than 50,000 inhabitants. They imply a diagnosis that is aligned with the general aims of the political system. The realisation of the diagnosis implies convergence between the various stakeholders, whatever their specific sector of activity (Health, Housing, Welfare). At present, 220 contracts have been concluded; a further 30 are expected.

5. Changes due to European Integration

5.1. The Main Channels of the European Contributions

Europe can provide incentives to LED in two ways:

- through the use of the structural funds;
- through the influence of the European Employment Strategy (EES) on the contents of the NAP.

The mobilisation of the European Structural Funds (ESF) has been a lever for the realisation of numerous local employment development policies in France, but two factors have created a loss of efficiency:

- Since 1994, France no longer has any of the zones targeted in Objective 1 of the ESF, with the exception of the French overseas départements. She has zones targeted in Objectives 2b and 5b, essentially referring to depressed industrial or agricultural zones. She benefits from a large financial reserve, in conformity with Objective 3. The management of Objective 3 is strongly centralised in France, being integrated in an almost automatic way into the national-level employment mechanisms: the criterion of localisation operates only at the level of the review of proposals. Moreover, recourse to Objective 3 funding has in a sense been related much more to the pursuit of labour market policy than to the furtherance of job promotion. In reality, only Objectives 2b and 5b really lend themselves to a truly local approach.
- In France, the allocation of European structural funds is effected by a centralised procedure that the State manages from beginning to end. The prefectures of the *départements* analyse the proposals and the regional prefectures — more exactly the General Secretary for Regional Action (SGAR, *Secrétaire Général aux Affaires Régionales*) — chooses those to be followed up. Moreover, the principle of additionality leads the State to define the couplings of European funds with national sources of funding. In such a context, the correspondence of the projects with the objectives of the centralised public policies has more weight than the aptness of local considerations. This can be seen clearly from an examination of the very large programmes of construction of universities implemented during the 1990’s. The European structural funds made it possible to complete a national map of universities rather than to match the siting of university establishments with local needs.

The influence of the EES on the content of the NAP is very marked. In starting the procedure, the EES evokes the role of the local actors and governments, essentially at the local level: *«The member states will*

⁹ Circulaire du 31 Décembre 1999: nouvelle vague de contrats de ville — Grandes caractéristiques.

investigate measures to exploit fully the possibilities offered by job creation at local level in the social economy and new activities linked to needs not yet satisfied by the market, and examine, with the aim of reducing them, any obstacles in the way of such measures.» The NAP has had therefore to take into consideration the growing integration of the local dimension into the EES. But the NAPs are used to dealing with local implementation of national employment policies rather than with local policies per se. The challenge is to involve the local actors in the implementation of national policies rather than the promotion of local strategies.

The 2000 NAP deals with the joint mobilisation of the local actors, thus referring both to LPES and Local government: *«the application of prevention and the fight against unemployment is based on a joint mobilisation of the local actors and the Public employment utility, as well as their partners (promoters, governments, notably regional, and social partners.)»*

The 2003 NAP is more explicit, especially since it was formulated following European consultation. In EU campaign “*Act locally for Employment,*” it underlines that: *«the local level has to be considered as a strategic space for the quality of the implementation of national policies»* (p. 31-2). To this end, employment policies have to consider the variety and the disparities of territories. The instruments used must address the territorial dimension, increase the resources of the LPES, support the strategies of the local governments in favour of employment, and support the social economy. (LD11: it is necessary to exploit its potential). In addition, the NAP wishes to develop bottom-up methods, such as the participation of regions in the construction of individualised career paths (LD5 and 6) or of distance learning (LD7); and the participation of departments in the elaboration of local plans for inclusion; and the participation

of the municipalities in the TRACE (Access Routes to Employment for Young People) programme (LD12). The role of the local actors is particularly emphasised in connection with the programmes for the inclusion of the young (LD1), the fight against social exclusion (LD2), occupational qualification (LD4 & 5), the development of economic activity and local services (LD11) and the programme for employment of the young. (LD12 & 13).

5.2. The Specification of the European Inputs

The European programmes contribute to the implementation of LED Policies. Three principles underpinning this application will serve as a reference and will extend their influence:

- partnership.¹⁰
- complementarity. The issue here is to secure on the one hand consistency between the measures envisaged, and on the other hand between the horizontal and vertical logic.
- ex ante and ex post evaluation.¹¹

Regarding Objective 2. Objective 2 has to do with area restructuring — rural or urban — and it links two dimensions: sustainable development and equality of opportunity. In the case of France, the two objectives of job creation and regional competitiveness are strongly emphasised. Two programmes of community initiatives, Urban and Equal, have to be considered in addition to Objective 2. The funds involved are significant and considerably greater than in previous periods. But their rate of absorption has declined. The explanation is that French recourse to Objective 2 was mainly for training, a programme whose absorptive capacity is relatively low.¹²

Regarding Objective 3. The aim of Objective 3 is to reduce long-term unemployment and to facilitate the

¹⁰ It has a statutory role in the demand for European funds since the 1989 reform. But in French law it has very little legal recognition what thus leaves the door opened on the way of realising him. If it seems satisfactory relatively to objective 2, it does not also go away in objective 3, as we shall explain it lower.

¹¹ Efforts are made in this direction. Nevertheless, it has to be recognised that even this is not a tradition of the French administration. Two reasons explain such a situation: the concept of public utility is enough to justify many actions without looking at the result; the public accounting does not allow management control (with the exception of some local governments.)

¹² Domains privileged by the objective 2 are different in France of what they are in the other countries of the European union. They mainly focus on vocational training, which is very interesting for the Regions. We also find out important actions in the field of the environment and more specifically of the cleaning of greenfields. Finally, Research and Development is the third big consumer of the objective 2 funds. At the opposite, the actions in favour of SMEs are less important in France than in the other countries. If we consider besides the horizontal objectives, equality of opportunity has little place even if it is formally announced.

inclusion of the target groups in the labour force.¹³ Its more specific objectives are as follows: to facilitate access to the labour market; to promote equality of opportunity of the labour force in the market; to develop vocational qualifications and competence; and to encourage job creation. In contrast to Objective 2, the resources in support of Objective 3 generally depend in France on the mobilisation of certain specific instruments of national employment policy, so that on this point centralisation prevails.

France has a particular interest in the LEADER programme, despite the concentration of its visibility on a single sector. For many reasons, the LEADER programme was from a French standpoint the real laboratory for the development of local employment and the circulation of its main basic themes (the bottom-up approach, partnership, the creation of social capital, and so on). For the period 2000-2006, the envelope for France amounts to 268 million euros; 140 projects were proposed and adopted (August 7th, 2001). The implementation of this programme has generated a very close partnership between the State and the regional councils, much more balanced moreover than the other European partnership programmes.

5.3. The Evaluation of the Use of the European Programmes and Funding by LED

Four positive contributions can be considered here:

- *The incentive for a better analysis of local employment.* The best example here is given by the LEADER community initiative. The scope for and the menaces to local development are subjected to a very precise analysis. The diagnoses integrate the vertical and horizontal aspects of the European Economic Strategy; exemplified by the meticulous analysis of the status of the women and the equality of opportunity in rural areas. This can perhaps be explained by the important place women occupy in the life of farms and rural areas. There is here an actual ex ante evaluation. In the case of

LEADER, new tools and instruments have been experimented with. The projects prepared in connection with Objective 2 (management) were consistent with this. Subjects such as business plans or the catalogue of innovative actions were received more favourably by the actors in local development because they were incorporated in the agenda of European community financing intentions.¹⁴

- *The contribution to the constitution of partnership networks.* The Community Initiative Programmes have strengthened the instruments of evaluation of local resources, the renewal of know-how, the rehabilitation of Heritage resources, etc. They have allowed partnerships to become a constructed object and not a tool passkey. The Objective 2 programmes have operated in this direction too. As an example, in 1998 when preparing a programme under Objective 2, the département of the Loire-Atlantique created an ESPORA, an association grouping all the parties concerned, so as to proceed to the renovation of industrial greenfields. Recourse to this mechanism enabled the project to be effectively carried out.
- *The leverage effect on job creation and innovation.* The use of the Structural Funds has strengthened the local employment dynamics. All these actions were undertaken in the regions displaying the most unfavourable characteristics. This is fully verified for community development projects, for which French legislation has set forth relevant statistical criteria (PLIE) and similarly for the support extended to SMEs. It is less true for investment in new technologies and in information infrastructure.¹⁵ Considerable leverage was observed in the case of investments in infrastructure, for which large employment multipliers are found. The capital intensity of these investments was very high: we have assessed it at 59,000 Euros (of which 6,700 euros came from the European Regional

¹³ Rapport de recherche du Centre d'Études de l'Emploi: *La mise en œuvre du programme d'objectif 3 du FSE: Contribution aux réalisations et à l'impact du programme en France*, Juin 2002, TR 10 4.3 CEE MIS.

¹⁴ idem, p.40.

¹⁵ *Evaluation de l'objectif 2, 1994-1999*, Commission Européenne, DG Regio.

Development Fund (ERDF)).¹⁶ Job potentials in the environmental sector were mobilised, notably in the regions of the north or east where the needs arising from the greenfields rehabilitation were considerable. But although they are often put forward in terms of their impact on employment, the recovery effects are essentially long-term.¹⁷

- *The effects on international cooperation and the dissemination of good practices.* This effect is considerable and can contribute much to the development of the partnership concept in France. There is likewise a positive effect on the attitude of elected local government officers, who are made aware of the importance of the local employment policies and the corresponding innovations. On the other hand, international cooperation is strongly concentrated on frontier regions (Rhône-Alpes, Provence Alpes Côte d'Azur) or Corsica for agriculture and rural development.

Although the overall outcome is generally considered as favourable, there are certain reserves regarding the mode of allocation of this funding:

- At the end of 2002 programming had covered only 15% of the capital to be spent in France, and of this, only 6% had been effectively spent. This could induce a drop in funding through the application of the well-known rule on arbitrary withdrawal (*dégagement d'office*): at the end of two years, the financing source can retrieve

assigned but unspent capital with no further ado.¹⁸

- The lack of consistency of certain programmes is another limit. Many local actors perceive structural capital as a financial opportunity rather than as a means to improve the quality of their action.
- A third limit lies in the fact that this funding did not secure the implementation of the expected evaluation practices, notably in the phase 2000-2003 where the principle of ex ante evaluation is clearly required. This objective was even more important in that such evaluation is rarely performed in France.¹⁹
- A final limit has to be stressed. The more closely European funding is integrated with a local development project, the more efficient the project. The problem here is that some specific new projects are requested in order to tap European funds, resulting in the spread of resources instead of being aggregated with other projects and making them more relevant.

6. Assessment of French Local Employment Policies

While there are numerous evaluations of the national measures, there have been few attempts to evaluate the development effects of local employment policies. Different factors may explain this: the indefinite nature of the local employment concept; use of the local dimension only as an auxiliary of the national dimension, etc.

¹⁶ A similar calculation made on around thirty operations interesting business parks indicates even a 126,000 Euro investment by job created in the *Nord Pas-de-Calais*.

¹⁷ Often justified in the name of the job creation, the funding of R & D, had more unpredictable effects. It especially helped in the construction of university infrastructures or science parks having for vocation to welcome innovative SMEs (*Nord Pas de Calais*). Much less frequent were the actions in favour of the marketing of the innovation (*Franche Comté, Pays de la Loire*) which generally took the shape of heavy public structures (*Groupements d'Intérêt Public*). In a more general way, the structural Funds have not been able to correct an important bias of the French system : its inability to transform new industrial or scientific estates in genuine clusters. These financing favoured the innovation. We can be more reserved here on the projects of the objective 3. Incorporated into predefined national devices, they could not back specific and creative local projects such as those of the objective 2 or the Community Initiatives. Besides, they are strongly concentrated on the social inclusion, what limits their power of innovation to this only domain.

¹⁸ *The World of the economy*, in March 4th, 2003, p. IV.

¹⁹ Now, set apart LEADER where the way of preparing the programmes implies this practice, this exercise stays in the best formal. So it was tolerated that the evaluations reports are sent after the projects; or that the consultation was implemented only but after the first sending of the projects. The time constraints often evoked to justify the absence of this ex-ante evaluation show especially that the national and local actors did not understand its interest.

6.1. Some Elements Can Be Taken as Read

The relevance of local employment policies is recognised:

- As regards their formulation, guideline N°11 of the 2003 National Action Plan for Employment: (*local and regional action for employment*) provides that the application of employment policies has to be brought closer to the local actors, the main options still being defined at the national level. Three subjects are specified: the definition of local action plans by the LPES, support for bottom-up methods and the development of the social economy.
- As regards implementation, the LPES undertakes diagnoses, puts forward local plans, examines ways to make local public servants more accountable and sensitive to local realities, strengthens partnerships between State and Local government services, and develops synergies between the various programmes.
- The learning capacity of local governments has improved effectively: more and better data are now available; partnerships operate between state, regional and local authorities and LPES; the contractual instruments wielded are relevant to the objectives (about three quarters of the PLIES and city contracts were effectively in place at the end of 2002).
- It is difficult to say whether these policies cost more or less than national policies which would yield the same results. There is a statistical difficulty here: the most expensive programmes are unquestionably the inclusion programmes, which are precisely those that are charged to the local actors. In other words, it is not the local approach which is expensive in itself, but the nature of the programmes whose conduct is entrusted to the local actors.
- The rate of survival of initiatives is difficult to quantify. In a general way, all the projects set up work because they benefit from a sizeable mobilisation of public resources. On the other hand many of these projects are not renewed: more public money is not envisaged; the renewal procedures are lengthy; pioneers may modify objectives. Examples include: i) the TEPs have

been phased out (although some of them acted as references such as in the Provence Alpes Côte d'Azur region; and ii) many intermediary associations have completed their life cycle and then disappeared.

The balance sheet nevertheless leaves something to be desired. The course of events is what one would expect if the subject of local employment policies had acquired legitimacy and the main actors were persuaded of its value. And indeed, while at first the local focus was mainly viewed as the consequence of the multifaceted approach to unemployment, it is today considered as generating real value-added for the identification and the creation of new jobs. But it has not created a powerful dynamic and certain actors continue to view it askance.

6.2. Factors Accounting for the Difficulties

First of all, the distribution of responsibilities does not favour synergy between the actors. The State remains responsible for employment; regions are responsible for vocational training; *départements* and cities are growingly more responsible for programmes of inclusion. The resulting allocation of competence is illogical: it is not illegitimate to suggest that employment, training and integration could be handled in a connected way. Regions have complained that they were not consulted when the NSEJ (Youth Employment Services Programme) or TRACE programmes were being drawn up, even though these programmes concern training. Doubtless an optimal allocation of responsibilities is inconceivable. But the current situation in this regard generates complex relationships, and raises the costs of the arrangements made.

Secondly, there are powerful mechanisms working to restore centralisation. Policies involving fiscal exemptions imply strict controls on behalf of the State. And as regards information, the State remains attached to the rate of unemployment as an indicator, monitoring its production and putting its own spin on the figures that are published.

Finally there is always a certain tension between two views of the local dimension. One starts from the centre to improve action affecting the labour market generally. The other starts from the local base and targets the development of local employment:

- In the first case, the intervention and the means brought to bear are concentrated on precisely identified target groups to improve both their occupational qualifications and their access to employment. The aim in the second case is directly to foster local economic and social development.
- In the first case, the State will operate a policy that is worked out and implemented centrally (downward logic); in the second case, the State must take account of projects for creation of activity designed by local actors (ascending logic).
- In the first case, the territory is perceived as the administrative area for the application of a national policy. In the second case the territory is perceived as the economic and social development unit.

The French tradition in the field of employment policy mainly remains the target groups approach. The local dimension often receives attention only as a means of individualising the answers to be applied in this frame, which reduces its reach. In the last analysis one might almost say that the local dimension serves to support a model of negotiated integration. Moreover, local development, the concept of the public utility, and the culture of centralisation make uncomfortable bedfellows, so that the State is hesitant to fully update the set of local mechanisms. Indeed, the central State, the regional authorities and the local authorities all hesitate to push the local approach to its logical conclusion, for want of the ability to control all the instruments involved.

6.3. An Economic Illustration of the Efficacy of Local Employment Policies

A more economic illustration is given by the analysis of the French TEPs.²⁰ It shows that their efficiency depends closely on their ability to create large and significant local partnerships, which generally means that the expected positive effect of local employment policies will depend on its ability to create local partnerships. A sample has been selected that includes four representative TEPs (Albertville, Hérault-Montpellier, Saint Herblain & Pays de Valois). Their employment efficacy was measured using three indicators:

I: direct creation of jobs through the development of local neighbourhood services,

II: direct creation of jobs through the creation of new enterprises,

III: materialisation of jobs through improved matching of demand and supply of labour and the creation of full time jobs by employer groups (*groupements d'employeurs*).

The results are significant (Table 2):

- Lower for Montpellier-Hérault, which is a much bigger area. The relative effect in terms of jobs is approximately the same. This is quite logical, as the relative effect of a local employment policy will depend on the size of the population.
- The pattern of the effects of the two TEPs supported by a local partnership (Albertville, Saint Herblain) is similar and quite different from that of the two TEPs supported by local authorities (Montpellier- Hérault- & Pays de Valois). The difference lies mainly in the relative importance of traditional employment actions.

Table 2. French TEPs Employment Impacts

	NUMBER OF JOBS	I	II	III
Albertville	400 (0.04%)	140 (35%)	120 (30%)	140 (35%)
Hérault- Montpel.	1,042 (0.015%)	179 (17.1%)	162 (15.5%)	701 (77.4%)
Saint Herblain	395 (0.05%)	138 (34.9%)	173 (43.7%)	84 (21.2%)
Pays de Valois	234 (0.04%)	10 (4.2%)	60 (25.8%)	164 (70%)

²⁰ Greffe, X. *L'évaluation des Pactes territoriaux pour l'emploi dans le cas de la France*, Rapport à la Commission européenne, DG Emploi (2002).

- The distribution between active (I+II) and passive (III) LMP is related to the nature of the industrial structure of the TEP: Albertville and Saint Herblain are more actively policy-oriented than the two TEPs organised and steered by administrative structures (Montpellier-Hérault & Pays de Valois).
- In terms of development, which is mainly represented by the relative share of II, the two TEPs based on a more open partnership structure are more efficient. This result has been recognised and stressed differently in the assessment of Saint Herblain. The report states that the TEP has become more efficient since it has started promoting actions that are more promising in development terms than traditional actions.

Moreover, the situation of the Labour Market has improved by the end of the TEP; on average, the rate of unemployment has declined by approximately two points. But this satisfactory result must be interpreted cautiously. The macroeconomic situation improved during the period, and the negative structural characteristics of the labour market changed during the time the TEP was in effect. In some of them, long-term unemployment declined (Saint Herblain & Pays de Valois) while elsewhere, the rate of long-term unemployment was approximately unchanged (Albertville).

The Local Employment Development Policy framework changed at the end of the Pact since many more actions were undertaken after allowance was made for the processes underlying the TEP. The partnership was unanimously considered a good opportunity. In a sense, it is true to say that a new employment culture has been created by the TEP. But this is probably much more true in the case of the larger TEPs than in the case of the smaller ones which did not experience this change.

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