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**GENERAL INSPECTORATE OF
SOCIAL AFFAIRS**

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REPORT

**REVIEW OF PUBLIC EXPENDITURE ON
EMPLOYMENT SUPPORT AND JOBSEEKER
ASSISTANCE PROGRAMS**

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SUMMARY

At the request of the Prime Minister, an interministerial task force composed of the General Inspectorate of Finance (Inspection Générale des Finances, IGF) and the General Inspectorate of Social Affairs (Inspection Générale des Affaires Sociales, IGAS) conducted a **comprehensive spending review of employment support and jobseeker assistance programs**. The task force developed recommendations for budget savings in relation to the financial trajectory outlined in the Multi-Year Public Finance Programming Act (Loi de Programmation des Finances Publiques, LPFP) for the 2025–2027 period. These savings could potentially be incorporated into the 2025 draft budget bill (Projet de Loi de Finances, PLF). The report also details the conditions necessary for implementing these recommendations and their potential impacts on employment.

1/ The mission examined approximately fifteen programs designed to support jobseekers and promote employment, including operating and intervention expenditures of the public employment service. **The scope of this review covered a budget of €12.7 billion, of which €7.8 billion came from appropriated public funds.** Exemptions from social security contributions were not included in the review. Although the Specific Solidarity Allowance (Allocation Spécifique de Solidarité, ASS) falls within the budgetary scope, it was not analyzed by the task force due to the government's announcement of its upcoming elimination during the course of the review.

The analysis revealed that assessing the resources allocated to employment access and reintegration policies requires not only consideration of overall employment trends, but also adjustment based on the **varying intensity of support provided to jobseekers, depending on their distance from the labor market**. Increasing the intensity of this support is also a key strategic focus of France Travail—the new public employment operator—in its effort to reach the full employment target by 2027.

2/ During its review, the mission found that **employment support and assistance programs would benefit from improved coordination to better support jobseekers in their pathways toward employment**. Enhancing this coherence would also strengthen performance evaluation efforts, which currently place more emphasis on quantitative indicators—such as contract volumes—than on qualitative measures like targeting accuracy or medium-term job sustainability.

3/ The task force presented three cost-saving scenarios, with potential savings ranging from €390 million to €1.03 billion. **It recommends pursuing a "central" scenario capable of generating €610 million in savings as early as 2025**, and €1.8 billion over the 2025–2027 period. This scenario is primarily based on the following measures:

- ◆ Scaling back the initially ambitious objectives outlined in the LPFP for programs targeting individuals most distant from the labor market, to align them with more realistic expectations;
- ◆ Narrowing the targeting criteria of youth employment initiatives to focus resources more effectively;
- ◆ Capping the number of “Emplois Francs” (a hiring subsidy for residents of disadvantaged neighborhoods) at 2024 levels and converting the program into a one-time hiring incentive;
- ◆ Reducing the budget allocated to outsourced services contracted by France Travail.

Additionally, the task force suggests **cross-cutting measures that could further lower program management costs by approximately €140 million per year**. These include

increasing the share of co-financing provided by local authorities for “missions locales” (local job and integration support centers), and financially empowering decentralized administrative levels by replacing a resource-based management approach with a results-oriented strategy. This would involve allocating flexible, regionally managed budgets tied to locally defined support strategies.

These measures, some of which would require new legislation, are expected to have a limited employment impact, with fewer than 1,000 job losses compared to LPFP baseline projections. Lastly, **adaptive mechanisms could be considered to align resources with economic conditions**: such as adjusting the intensity of jobseeker support based on their proximity to the labor market in response to labor market tightness in the medium term, and scaling employment service staffing according to long-term unemployment trends.