

# HOW THE GROWTH OF JOB SEEKERS WITH ACTIVITY TRANSFORMS THE FRENCH SYSTEM OF JOB SEEKER ALLOWANCE?

Sabina ISSEHNANE  
Claire VIVÉS

## ABSTRACT

The development of atypical forms of employment makes increasingly blurred the boundaries between employment and unemployment, and questions the French system of job seeker allowance, based primarily on a model of long term contract and full-time job. The subsidized temporary employment -“Reduced Activity”(RA) - is part of that progression. The proportion of job seekers with activity has tripled since the mid-1990s, and has grown by over 80% since the crisis opened in 2008. The -“Reduced Activity” refers not only to an activity carried out by the job seeker while being registered on the list of job center, but also the possibility for job seekers compensated to cumulate their income from activity with their allowance. It is therefore in line with employment policies that respond to an activation logic. These activation measures are based on the assumption that jobseekers would choose between returning to employment and the current compensation. This choice would be based on anticipated income of jobseeker.

Despite their diversity, the « Reduced Activity » characterized both: (1) The growth of specific forms of employment situations between unemployment and employment with blurred boundaries and recurrence of unemployment among certain groups of job seekers; (2) The transformation of unemployment compensation from a replacement income to an income supplement; (3) Active employment policies. Possibilities of adding wage and benefit are financial incentives for jobseekers to returning to employment, regardless of job quality. It is also an employment subsidy for employers.

Understanding the “reduced activity” is essential at a time when the number of unemployed and working poor is increasing and where deficits of financial statements - particularly from unemployment insurance - are presented as unsustainable.

Our research aims to analyze the effects of “reduced activity” policies on inequality. Since these policy exists, there are debates on the following question: is “reduced activity” a policy helping jobseeker finding a better job or does it conducts people to be enclosed on poor jobs with no way to escape?



Our work is based on a multi-disciplinary approach. We propose a socio-historical analysis of the development of “reduced activity” policies. This paper presents also a quantitative analysis to highlight the effects of the different characteristics of jobseekers on their path. For this, we have built a typology of job seekers’ trajectories who have resorted to a “Reduced activity” from a method of “optimal matching”. We mobilize a panel data from the FH-D3 from the French Job Center and the DPAE (declaration prior to hiring which is mandatory for employers). This longitudinal analysis allows highlighting the types of trajectory groups in terms of using more or less sustainable “Reduced activity” and exit to a job also more or less sustainable. Besides we estimate the effect of individual characteristics belonging to these trajectories.

**Sabina Issehnane** - Université Rennes 2, CIAPHS et Centre d’études de l’emploi | [sabina.issehnane@gmail.com](mailto:sabina.issehnane@gmail.com)

**Claire Vivés** - Centre d’Études de l’Emploi | [claire.vives@cee-recherche.fr](mailto:claire.vives@cee-recherche.fr)