



**WILCO**

Welfare innovations  
at the local level  
in favour of cohesion



## CITY REPORT: NANTES

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## INTRODUCTION

Nantes is a city located in north-western France, on the Loire River, 50 km from the Atlantic Ocean. The closest city to the Loire River estuary, it is the capital city of the Pays de la Loire Region, and *Préfecture* of the Loire-Atlantique Department.

Since the late 1980s, companies have been attracted to Nantes, which has been transformed into a dense urban area that is increasingly integrated at the economic and institutional levels. Nantes has succeeded in converting its economy toward a service-led economy and is now ranked among the most dynamic French regions. Today, Nantes is the major city in western France in terms of the size of its population and the importance of its economic activity. As is true of the other main cities in France (Lyon, Marseille, Lille, and Paris), Nantes is no longer a city with clear boundaries, but has become the centre of a large metropolitan area.

### 1. TRANSFORMATION IN THE LABOUR MARKET

*What have been the main trends in the growth and sector specialization of the local economy over the last 10 years?*

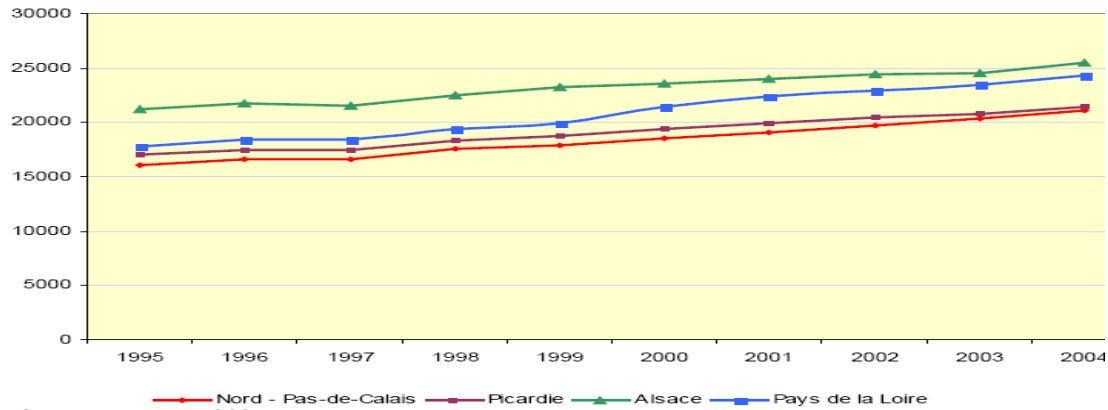
The economic development of Nantes and its region has been characterized by constant growth and a balanced economy, in which the boom in the service sector has been accompanied by strong growth in the industrial sector.

The past decades has seen the rise and strengthening of a competitive service industry in Nantes and its area, which has driven the economic growth while curbing unemployment. At the regional level, the Pays de la Loire Region has experienced regular economic growth throughout the decade. As reported in Graph 1, annual GDP per capita increased continuously, from €20,000 in 1995 to €24,500 in 2005, and was €26,481 in 2009, which represents growth of 4.5% between 1995 and 2009, and average annual growth of 2% (versus 1.7% at the National level - INSEE). GDP per capita in France was €29,574 in 2009 and €25,949 for France excluding Paris and its region<sup>1</sup>. In fact, this positive trend in GDP per capita growth rate started back in the early 1990s. It is worth mentioning that the GDP per capita has continuously increased, at the same time as the population was growing bigger, which means a *real* creation of value.

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<sup>1</sup> Paris and its region (Ile de France) has a GDP per capita much higher than the rest of France: €46,984 in 2009. Therefore, an interregional comparison must be made with the indicator for France excluding Paris.

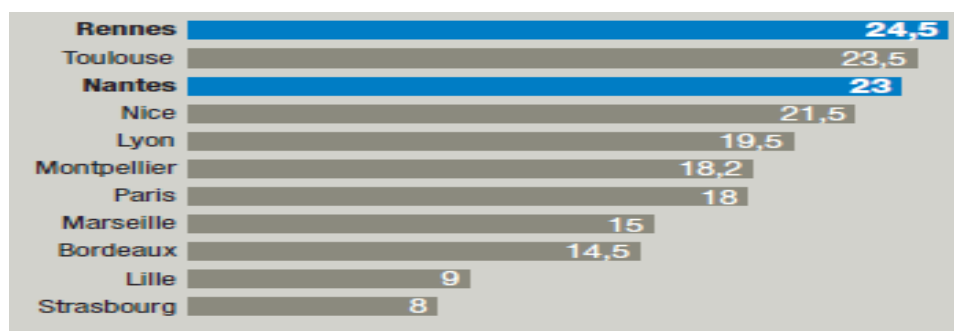
Graph 1 - Trend in GDP per capita between 1995 and 2005



Nantes, the regional capital, is the driving force behind this economic development. Growth in the region is due to the dynamic tertiary sector and Nantes has been contributing intensively to its rapid expansion. Nantes is one of the most dynamic and fastest growing cities in France. As reported in Graph 2, between 1998 and 2005, the GDP of Nantes grew by 23%, which is the third fastest rate of increase for all major French cities.

Between 1998 and 2008 the city became a leader in business consulting, financial services, and auditing. Nantes is now the third most important financial centre in France after Paris and Lyon; hence the large number of firms that have set up operations in Greater Nantes over the past 10 years (ADE 2009). The other important activities are: sales and retailing, logistics and transportation, and IT. Despite the prevalence of services, the industrial sector still plays a key role in the economy of the Nantes urban area and in the whole region.

Graph 2 - Trend in GDP in the major French cities between 1998 and 2005 (in %)



Source: AUDIAR

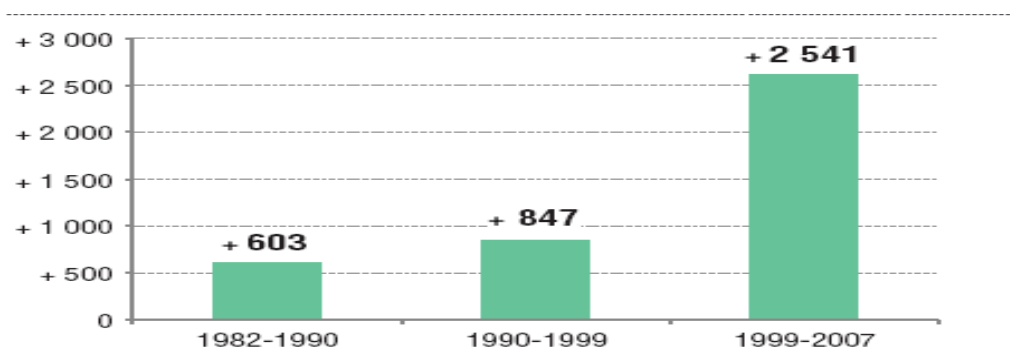
*What have been the main impacts of such transformations on the level of regular employment, temporary employment, and unemployment?*

Impact on regular employment

The impact of the economic development on the labour market and particularly on regular employment has been very positive: Nantes has been the 4<sup>th</sup> leading city in France in

terms of job creation (after Paris, Lyon, and Marseille) since 1999 with an average job creation rate of 4.6% (Nantes Métropole Développement). Graph 2 shows the trend in the average annual job creation rate over the last 3 decades. On average, during the 1999-2009 period, there were 2,541 jobs created per year, which is 3 times higher than during the previous decade. The job creation rate was 1.7% per year (versus 0.7% per year at the national level)

Graph 3 - Annual job creation in the city of Nantes



Source: INSEE 2007

Unsurprisingly, these jobs have been created mainly in the service sector. In ten years, between 1998 and 2008, the growth rate in job creation was 60% in the service sector versus 6% in the industrial sector (Agence de Développement Economique 2009).

There were a total of 164,978 jobs in Nantes in 2008 (304,685 in the greater urban area). Nearly 90% of them were in the tertiary sector (52.8% in retail, transportation and other services, in addition to 36.4% in public administration) (Table 1).

Table 1 - Job distribution per sector

	2008		1999		Variation
Total	164,978	100.00%	143,546	100.00%	9.74%
Agriculture	297	0.2%	315	0.2%	-30.93%
Industry	10,605	6.4%	12,849	15.99%	-36.84%
Construction	6,882	4.2%	21,928	4.81%	21.77%
Retail, transport, and other services	87,189	52.8%	215,428	47.29%	16.31%
Public administration, education	60,004	36.4%	140,921	30.93%	13.36%

Source: INSEE Census 2008

### Impact on unemployment

The consequence of this job creation on unemployment was a sharp decline from 1997 to 2008 just before the crisis (see Graph 3). Indeed, the number of unemployed workers decreased from 21,936 in 1999 to 19,279 in 2008. During the same period (between 1999 and the end of 2009), the unemployment rate went down from 11.7% to 8.6%.

However, unemployment started to rise due to the financial crisis at the end of 2007, which can be seen in the trend of unemployment among the young and the oldest workers (Graph 3.) At the end of 2010, there were 20,680 unemployed workers registered at the unemployment office (*Pôle Emploi*) compared to 19,279 in 2008.

## Impact on temporary employment

There are several types of temporary jobs in France. The main category is fixed-term contracts (*CDD - contrat à durée déterminée*), which fall into the "temporary job" category when they last less than 6 months. The second category covers temporary jobs, which involve a recruitment agency. These agencies are the link between a company and a job seeker. The so-called "*emplois aidés*" (or subsidized jobs) is a third category, which aims to support the long-term unemployed, beneficiaries of active solidarity income benefits or people who are discriminated against in the labour market, such as young people who want to get a paid work experience, which is generally combined with their educational program. Jobs known as "apprenticeship contracts" represent the final category to take into consideration.

The new economic situation has also transformed the labour market, with more flexibility, which has resulted in less job security, hence the increase in temporary jobs. In their search for efficiency and cost optimization, companies want to adjust their work force to their level of activity as much as possible. The Pays de la Loire Region as the one of the highest rates of temporary job of the second category, the so-called "interim" in France (5.2% versus 4.2% at the national level - INSEE 2009d). This situation can be explained by the presence of a dynamic industrial sector in the region, which employs a large number of temporary workers. 52% of the temporary jobs are in the industrial sector (INSEE 2009d). Meanwhile, in Nantes, the percentage of temporary workers is slightly lower at 2.8% (INSEE 2009b). The percentage of "*emplois aidés*" and the share of apprenticeships are 1% and 3% respectively, which correspond to the national levels.

*What population groups have been mainly affected by the rise in temporary employment? Which ones have been affected by unemployment and long-term unemployment? What has been the impact on the levels of temporary employment and unemployment for women/young labour force/migrants?*

The recent increase in unemployment and the increase in temporary jobs have made young workers more vulnerable. The 15-24 age group represents 15.3% of the population and the unemployment rate of this age group is 17.3% in the city of Nantes (INSEE 2009b) compared to 25% at the national level. In Nantes, the highest proportion of temporary work is among the workers under 25: 20% of them have a short term contract (less than a year), and a bit less than 10% of them are in temporary jobs (AURAN 2007).

Short-term contracts and especially temporary contracts are also highly prevalent among industrial sector workers.

Unemployment impacts men and women equally (51% and 49%). A difference appears in terms of part-time work: 11.3% of male workers have a part time job compared to 31.8% of female workers (INSEE 2009b).

Long-term unemployment affects older workers more than the young workers: 8.9% of those under 25 have been unemployed for more than 2 years, versus 18.4% of the workers over 50 (INSEE 2009b).

*What are the estimated data about grey labour market? What has been the trend in the last ten years? What population groups are the most concerned?*

At the national level, in 2007 grey labour was estimated to account for 4% of French GDP, while tax evasion (the social contribution the employer would have paid if the work had

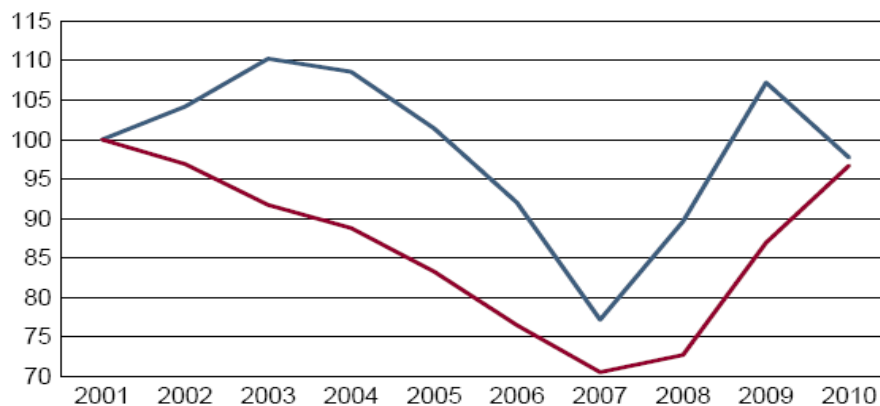
been paid legally) is estimated to be between 6 and 12 billion euros (CPO - Conseil des prélèvements obligatoires 2007). In Nantes and its urban area, the construction sector uses the most informal workers (28% of the formal complaints registered by the police regarding informal work are in the construction sector). Informal workers are most often migrants who do not have the legal authorization to work in France or even to be on the French territory.

*What has been the impact of the recent financial crisis? What groups were most affected?*

The crisis has had an effect on the economic growth and unemployment rate in 2008, however, the situation improved slightly after the second semester of 2009.

After a remarkable decrease between 2000 and 2007, when Nantes had an unemployment rate below the national level, the unemployment rate started to rise abruptly in 2008 as a response to the crisis (see Graph 3). As a direct effect of the crisis, the number of temporary workers in the region decreased by as much as 30% between June 2008 and June 2009 (INSEE 2009b), which has raised unemployment among the young workers.

Graph 4 - Change in the number of unemployed workers in Nantes (base year 2001=100)



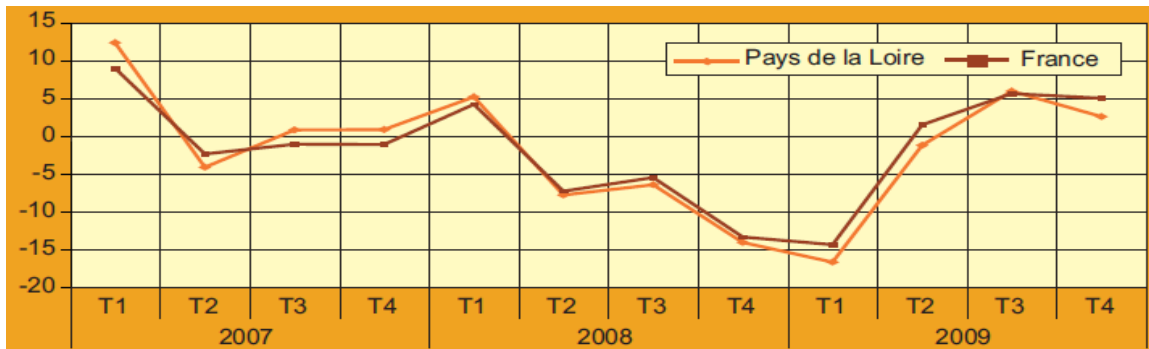
Source: INSEE 2010

- Workers less than 25
- Workers over 50

The unemployment rate of workers less than 25 has decreased from 21.5% in 2008 to 17.3% in 2010 (INSEE 2010). This decrease in the unemployment rate of young workers is mainly due to the increase in temporary jobs in 2009. As young workers are mainly employed in temporary jobs, their unemployment rate is very sensitive to fluctuations in the labour market. As reported in Graph 5: the level of temporary jobs increased in France and in the Nantes region throughout 2009. Conversely, the unemployment rate of the oldest workers has not improved since 2009, which suggests that unemployment for those over 50 is more structural and is subject to more inertia.



Graph 5 - Trend in temporary jobs between 2007 and 2009 for France and the Pays de la Loire Region



Source: INSEE 2009a.

*What has been the trend in the income distribution and wage level?*

The Pays de la Loire Region is known to be the "most economically balanced" region in France: the richest 10% of the households earns 2.9 times as much as the poorest 10% of the households, versus 3.2 times more for France (excluding Paris and its region) (INSEE Pays de la Loire 2008). As in the other regions of France, the median income and inequalities tend to be higher in urban areas than in the rest of the region. The annual median income for the region is €17,200 in 2008 versus €18,857 per household in Nantes, which is a little less than for the entire urban area (€19,668) (INSEE Pays de la Loire 2007). Thus, the median monthly income was €1,571, which is less than the national level of €1,620. The hourly wage has increased between 2004 and 2009 in both Nantes and its urban area (respectively +0.2% and +0.3% compared to +0.6% at the national level), but it remains under the national level. In 2009, on average a full-time worker earned €13.60 an hour in France versus €12.70 in Nantes. Executives and managers earn nearly thrice as much as unqualified workers (€22.30 compared to €8.40).

In terms of inequalities, in the urban areas in the Pays de la Loire Region, the richest 10% earn 3.3 times as much as the poorest 10%. Compared to the other metropolitan areas of France, such as Lyon, Lille, and Marseille, the cities in the region (Nantes, Le Mans, and Anger) are "less unequal" (INSEE 2009a).

In 2008, approximately 357,000 people live under the poverty line (50% of the median income) in Nantes, which was estimated to be approximately €800 per month in 2008). This figure represents 13% of the population versus 13.5% at the national level (approximately 8.2 million people) ([www.mavilledemain.fr](http://www.mavilledemain.fr)).

*What is the wage gap between men and women, temporary and permanent workers?*

There is a noticeable difference in terms of wages between men and women. Women systematically earn less than men regardless of their age or type of contract. The wage gap between men and women tends to narrow as the population of the age group concerned decreases. There is less than a one euro difference for the 18 to 25 years old and a 5 euro gap among the oldest workers.

Temporary workers hourly wages are systematically lower than those of full-time workers.



Table 2 - Hourly wages per age group in 2008 in Nantes (in euros)

Age Group	Full time		Part time	
	Women	Men	Women	Men
18-25	8.8	9.4	8.3	9
26-49	12	14.5	11.4	13.1
50 and above	13.4	18.4	12.3	15.9

Source: INSEE 2009b

*Approximately how much of the population belongs to POPULATION TARGET ONE? What is its approximate share of the whole labour force and of the population within the same age group? What has been the trend in the target group over the last 10 years (increase/decrease)?*

In 2009, around 57,168 young people between 15 and 24 were living in the Nantes and around 130,000 in the whole urban area. Among them, 21,376 were workers, which makes the activity rate of this population 37.5% compared to 36% at the national level. In 2010, 17.3 % were unemployed compared to 25% at the national level.

In 2009, the share of the target population in the total active population of Nantes (138,873 active persons) is 15.5%. The total number of people between 15 and 29 in 2009 is 83,993 which represent a little less than 30% of the whole population of Nantes. The 15-29 age group grew by 0.4% per year between 1999 and 2008.

*What are the main problems facing the 15-24 year olds in the labour market?*

Young workers in Nantes must struggle to find a permanent job. They are extremely vulnerable because they are mainly employed in temporary jobs. This situation prevents them from having secure income all the more since those under 25 are not eligible to receive RSA (active solidarity income benefits). Some of them need occasional financial support from the "Mission Locale" which are public institutions dedicated to helping young people or providing family financial support.

The young workers that do not have education or training are particularly exposed to difficulties in terms of finding a job. In Nantes in 2008 there were 2,100 young workers under 24 that did not have any degree.

So there is a crucial difference between qualified young workers and unqualified young workers, the former face less difficulties than the latter to enter the labour market. For instance in St Herblain, a sensitive urban area of Nantes where the number of young people leaving school without any degree is higher than in the rest of the city, the unemployment rate is 19.5% (compared to 10% in Nantes).

### 1.1. Public regulations

*What is the division of responsibilities among the national, regional, and municipal levels in terms of regulation of the labour market and the provision of services and benefits to people lacking in job security (including unemployed people, temporary workers and black market workers)? What is the role played by third sector and private organizations in this domain?*

Employment policies, such as exemptions of social contributions on low skilled jobs, changes in labour rights and contracts, regulation of amount of time worked, and various subsidized jobs for target groups, as well as the levels and conditions for being eligible for unemployment benefits are defined by the government at the national level.

At the local level, employment programs are implemented by two main State institutions: *Pôle emploi* (French national employment office) and DIRECCTE (Regional Department for companies, competition, consumer rights, labour, and employment).

However, during the last 20 years there has been a gradual process of "localization" of labour market policies through different channels. Firstly, there are formal agreements and partnerships between local authorities and the French national employment office (*Pôle emploi*). Secondly, local authorities (Regional Council, municipalities) have supported and implemented several local programs and services dedicated to the creation of employment and support to job seekers.

Employment policy depends on Nantes Metropolis with a budget of 5.9 million euros. Nantes Metropolis has developed numerous services and tools proposed by national labour market policies to local authorities during the last 10 years. A *Maison de l'emploi* (for a detailed presentation, see WP2 p. 22) was created in 2005 with public and private multi-stakeholder governance to facilitate services provided to job seekers, employees, and businesses. As elsewhere, Nantes Metropolis also supports a local office for the professional integration of young people (*mission locale*).

As regards third sector organizations, several programs can be identified. Firstly, work integration organizations or enterprises have long been active and integrated within local labour market policies, especially in the governance and implementation of Local Employment and Integration Plans (*plans locaux d'insertion et d'emploi*, PLIE). The Local Employment and Integration Plan that organizes employment access for long-term unemployed people through transitional jobs and vocational training is now run at the metropolitan level. In addition, job-integration stipulations (or "clauses") have been introduced into some public contracts to make it easier to directly hire the long-term unemployed or to put in place job-integration support and training. Finally, a policy dedicated to the social and solidarity economy was launched during the 2000s.

*Have there been any changes in the division of responsibilities between levels of government (e.g. national/regional/local) and/or social actors (e.g. public/private/third sector) over the last 10 years? Have you observed any changes in the welfare mix and governance patterns in these policy areas?*

There have not been substantial changes in the division of responsibilities between levels of government. However, changes in the national employment policy program and funding, which accelerated with the 2008 crisis, have created some tensions within local employment governance. Two main difficulties can be identified. On the one hand, policies concerning government subsidized and youth jobs have operated increasingly on a "stop and go" basis. Stakeholders and local employment institutions must do their best to respond to significant variations in the number of "social integration contracts" (*contrat d'insertion dans la vie sociale* - CIVIS) or "single integration contracts" (*contrat unique insertion*). These variations are partly linked to the ending of measures and funding for the exceptional economic stimulus package implemented in 2009 in response to the crisis.

On the other hand, the great number of rapidly changing measures intended to help young people means they are hard to implement locally. Beyond the problem of making the mentoring and training program visible, the wide variety of different programs has been

undermining the effectiveness of the measures, which require time and continuity to work. Based on the achievement of quantified objectives measuring how many people move towards a new job, the way these employment schemes are applied leaves little room for more qualitative innovation.

These two trends reveal the relative dependency of stakeholders and local job policy institutions *vis-à-vis* a system of multi-level governance promoted by the State in a "top down" approach that does not always take into account the local context and the specific needs of the local labour market.

Nonetheless, except with regards to the local application of national programs, local authorities can take initiatives in terms of employment.

*What are the main welfare programs addressing the needs of POPULATION TARGET ONE? Please separate income support measures from in-kind services (including activation policies and provision of life-long training), and briefly describe the amount and kinds of benefits and related eligibility criteria; please specify if these measures are provided by local/regional/national agencies or institutions or by public/third sector/private/self-help organizations.*

While more and more young people are living below the poverty line, until now the French government has limited access to the Active Solidarity Income (RSA) for the under-25s to those who have already worked for at least two years. The idea of creating a minimum guaranteed income for the young has not yet been taken seriously. However, there are various allowances and financial monetary aids that can be given by local offices to young people who are having a hard time finding a job (see below).

Fearing that a minimum guaranteed income for the young would plunge them into a spiral of dependency, over the past 30 years governments have rolled out numerous specific measures for jobs and professional training for 16-25 year olds, with different priorities according to the governments. The current government has been promoting "apprenticeship contracts", which enable 16-25 year olds to complete professional training that alternates with periods of work in a company. There are also various government subsidized jobs, in both the for-profit and non-profit sectors, which are intended for the young. For young people with no qualifications, personal mentoring is provided to help them formulate a professional project within the framework of the social integration contract (CIVIS). This one-year renewable contract can be accompanied by an allowance representing a maximum annual amount of 1,800 euros.

CIVIS is implemented at the municipal level by local offices for the professional integration of young people (*mission locale*), which provide support for young people with very low qualifications for their social and professional integration. In 2007, 1,122 CIVIS were signed for a total amount of €499,460. In addition, a Youth Support Fund (*Fond d'Aide aux Jeunes - FAJ*) provides financial support for young people experiencing difficulties. It comes under the responsibility of the General Council (department level), is co-funded by Nantes City and implemented by the *mission locale*. In 2010, 1,797 requests were examined. Most of them were granted for subsistence reasons.

In Nantes, actions dedicated to integrating young people into the labour market are coordinated at the neighbourhood level through the urban social cohesion policy (*politique de la ville*). Closer collaboration between employment services and social services is being organized in priority urban areas (CUCS 2007-2009). As part of the objective to provide services to help the population most in difficulty access and return to the labour market, certain actions are dedicated to young people in precarious positions and to young

graduates living in sensitive urban areas: job integration workshops, youth sponsorship programs by adult workers, open company days, training programs, agreements with local companies, etc.

Beyond these traditional active integration programs, Nantes Metropolis has launched an innovative pilot project, the 'second chance school' which aims to integrate young people into the labour market by providing customized courses and work experience for young adults (18-30 year olds) who have left normal education early without qualifications.

*Have there been any changes in the public expenditure levels or eligibility criteria of these programs over the last 10 years? Have there been any changes in the level of supply/coverage level/amount of benefits? Have specific disparities between supply and demand emerged?*

Following the 2008 crisis, the government's economic stimulus package provided additional funds to the local offices in charge of the professional integration of young people (51 million additional euros in 2010, including 35 million for the CIVIS allowance). In the current period of austerity (2011), the funds earmarked for this purpose have been reduced. We do not have figures on this reduction for Nantes.

Some specific disparities between the supply and demand of jobs for young people with low qualifications have increased. Nantes City has therefore launched a number of additional programs and integration workshops for young people who public local institutions (*missions locales*) cannot manage to reach.

## 1.2. Indicators

- Trend in GDP per inhabitant: See "What have been the main trends in the growth and sector specialization of the local economy over the last 10 years?", pages 3 and 4
- Trends in employment per macro-economic sector:

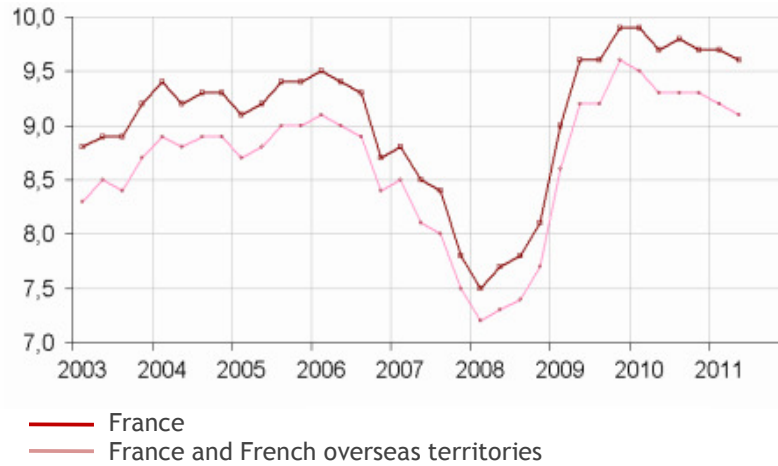
Table 3 - Employment rate per sector in Nantes and its urban area between 1999 and 2008

	City of Nantes			Urban Area		
	2008	1999	Variation in %	2008	1999	Variation in %
Total	164,978	143,546	12.99%	304,685	250,736	17.71%
Agriculture	297	315	-6.06%	1,476	2,061	-39.63%
Industry	10,695	12,849	-20.14%	32,086	35,285	-9.97%
Construction	6,882	4,745	31.05%	17,608	11,857	32.66%
Sales, Retail, transport, other services	87,189	74,102	15.01%	15,9241	12,2071	23.34%
Public Administration, education, health	60,004	51,535	14.11%	94,274	79462	15,71%

Source: INSEE 2009b and 2009c.

- Trend in unemployment: see Graph 3, p. 5 and Graph 4, p. 7.

Graph 6 - Trend in unemployment rate in France



- Trend in Activity rate: See section "What is the wage gap between men and women, temporary and permanent workers?", page 8.
- Trend in full-time / part-time jobs: see Table 2, page 9.

## 2. DEMOGRAPHIC CHANGES AND FAMILY

What are the changes in the demographic structure of the local population over the last 10 years? (Population growth, proportion of elderly, proportion of children, dependency rate)

Over the last 10 years the population in Nantes has increased by 1,585 inhabitants per year (see Graph 5, p.8), which is a rate of growth in line with national figures.

Table 4 - Change in population 1999-2007

	Number of inhabitants in 2007	Growth rate Since 1999 in %
Nantes	580,502	+0.6%
Nantes Urban Area	768,303	+1%
Pays de la Loire	3,482,594	+1%
Metropolitan France	61,795,550	+0.7%

Source: INSEE 2009b.

The population of Nantes grew from 270,343 inhabitants in 1999 to 283,288 inhabitants in 2008, which represent growth of 4.5% over the period, and an average annual increase of 0.6%. As reported in Table 5, this increase is due to a natural increase in the population, which remains constant at a 0.7% increase per year.

The migration rate (the difference between inflows and outflows of people moving in and out of the city) was positive from 1990 to the end of 1999, at a time when Nantes and its urban area were starting their economic surge. The negative migration rate from 1999 to the end of 2008 does not mean that the area is less attractive, but reflects the movement of the population toward the outskirts, just outside the city limits of the and the urban area, where the rent and real estate prices are lower (AURAN 2009).

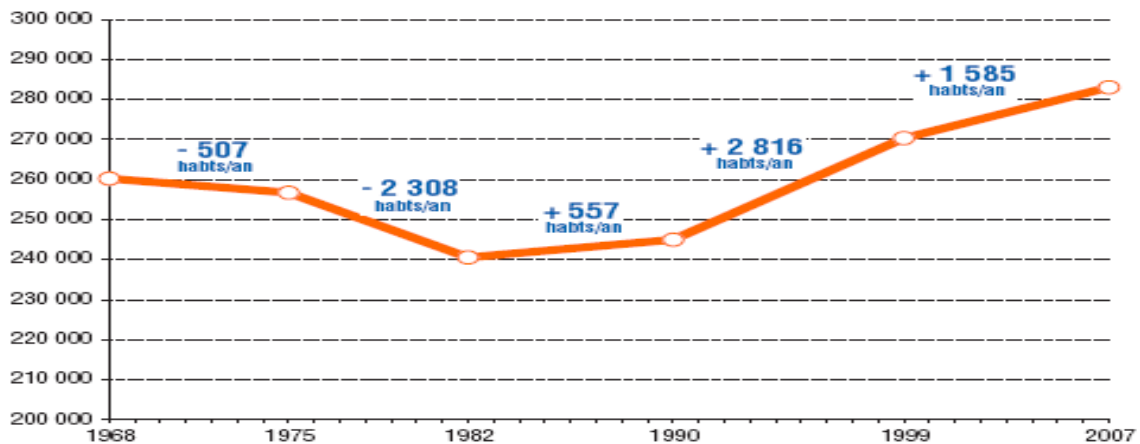
Table 5 - Demographic indicator for Nantes and the Nantes Urban Area

	Nantes Urban Area		City of Nantes	
	1990/1999	1999/2008	1990/1999	1999/2008
Annual variation in population %	1.1	0.5	1.1	0.6
* due to natural increase	0.7	0.6	0.7	0.7
* due to migration	0.4	-0.1	0.4	-0.2
Birth rate in %	13.7	12.9	14.9	13.9
Death rate %	7.1	6.8	7.8	7

Source: INSEE 2009b and 2009c

Nantes is a city of young people. Its share of 15-29 years old is 5 points above the national average, and the student community is one of the largest in France. However, the oldest part of the population tends to grow. The distribution of inhabitants per age group shows that 18% of the population is less than 15, 24% is between 15 and 29, 20% is between 45 and 59, and 18% is 60 or more. So in absolute terms, the 15-29 age group remains the biggest one, but it declined slightly (-0.2%) during the last decade (1999-2008), while the growth rate of the 45-59 and 60 and more age groups were 2.2% and 1.5%, respectively, during the same period (INSEE 2009b).

Graph 7 - Change in population in Nantes from 1968 to 2007



Source: INSEE 2007

*What has been the trend as to marriages/de facto couples, separations, and divorces? What has been the trend in fertility and birth rates over the last 10 years? Has the average age at birth and at first birth changed? Has the proportion of births out of wedlock changed?*

In 2008 among the people over 15, the proportion of those married in Nantes was 34.3%, the percentage of divorced was 7.6%, and the share of single people was more than the half of the population above 15 at 51.6%.

The fertility rate of the Pays de la Loire Region has been higher than the national average since 1999, and has gone up (see Table 6). It was 2.05 for the City of Nantes in 2008.

The fertility per age group shows that women tend to have their first child later than during the 1990s. The most fecund age group is now 28-33, while it was 25-29 during the 1990s, the same trend can be observed for France (INSEE - "Fécondité par âge").

Table 6 - Change in fecundity rate at the regional and national levels

	1999	2004	2008
Pays de la Loire	1.86	2.01	2.11
France	1.79	1.90	2

Source: INSEE 2009a

*What have been the main changes concerning the family structure over the last 10 years?*

The noticeable trend in family structure in Nantes is the increasing number of couples with no children, and the decreasing family size. There are less families with more than one child compared to 1999, while the number of families with no children or only one has gone up by 1.82% and 0.92% respectively (Table 7).

Table 7 - Change in family size in Nantes between 2008 and 1999

	2008		1999		Variation
	Number	%	Number	%	
Total number of families	65,891	100.00%	65,283	100.00%	0.92%
No children	31,351	47.58%	30,149	46.18%	1.82%
One child	15,751	23.90%	15,484	23.72%	0.41%
Two children	12,179	18.48%	12,377	18.96%	-0.30%
Three children	4,809	7.30%	5,182	7.94%	-0.57%
Four or more children	1,802	2.73%	2,091	3.20%	-0.44%

INSEE census 1999 & 2008

Likewise, the number of single parents and especially single fathers (+21.32%) has increased during the last 10 years along with the proportion of couples without children (+6.5%). The number of couples with children has declined by 7.45% (Table 8).

These trends are also the same when considering the entire population and not only the families. The share of single parents has increased as well as the share of couples with no children in the total population of Nantes. There are 1,900 less couples with children in 2008 than in 1999. This suggests that families tend to move out of Nantes while the city centre attracts more and more single people and couples without children. The importance of one person households and couples without children can also be explained by the high proportion of the 20 to 29 age group in the centre of Nantes. Since 1975, Nantes has had a very high concentration of students. In fact, Nantes is getting more and more polarized: the youngest part of the population lives in the city centre, while the families and elderly people live in the periphery (Garat and Vernicos 2006).

Table 8 - Change in family structure in Nantes between 2008 and 1999

	Number	%	Number	%	Variation
<i>Total number of families</i>	65,891	100.00%	65,283	100.00%	0.92%
<i>Couples with children</i>	25,519	38.73%	27,419	42.00%	-7.45%
<i>Single parent families</i>	11,226	17.04%	10,162	15.57%	9.48%
<i>Single fathers</i>	1,459	2.21%	1,148	1.76%	21.32%
<i>Single mothers</i>	9,766	14.82%	9,464	14.50%	3.09%
<i>Couples without children</i>	29,146	44.23%	27,252	41.74%	6.50%

Source: INSEE census 1999, 2008.



*What trade-offs have emerged in the area of balancing between work and childcare? What social groups have been mainly affected? What are their main problems in the area of balancing work and family? To what extent have the previous structural changes affected the specific living conditions of single mothers?*

Women's activity rate in Nantes is slightly under, but still comparable to, the national level (see Table 9). With an average female activity rate of 49%, Nantes is ranked at the 8<sup>th</sup> cities of France (AURAN 2009). In 2008, 58,078 women were on the job market. The unemployment rate for women has decreased by 5 points, dropping from 19% to 14% between 1999 and 2008 (compared to 11% and 9% at the national level) (INSEE 2009b).

Table 9 - Female activity rate by age in 2008

Age Group	Activity rate in Nantes	Activity rate in France
15/24	35.8%	39.1%
24/54	86.6%	89.1%
54/64	45.7%	57.8%

Source: INSEE 2009

The Centre for Public Policies survey (Pôle Politiques Publiques et Prospective 2011) highlights the need for childcare support for parents and, more specifically, for single mothers. According to the survey, one of the main obstacles preventing parents going back to full time (or even part time) work is the childcare problem.

In 2007, there were 10,170 children under 3 in the city, 45% of them cared for by the family, leaving 5,595 children in external childcare. 45% of them had access to collective day care, municipal and not-for-profit "crèches", 45% were taken care of by a child minder and 6% were covered by home day-care services (home childminders or baby sitters). The city's hosting capacity has doubled within 20 years. It can now provide for about 5,000 children: 2,504 places in pre-school or "crèches" (kindergarten) and 2,201 places with childminders.

However, the decline of the one-adult-working family and the growing activity rate of single mothers (4.8% to 5.6% between 2006 and 2009) increase the potential demand for childcare. According to the projections survey (TMO 2010), Nantes will potentially need over 6,000 places in 2014, more than the current hosting capacity.

One of the problems also comes from the seasonal pattern of childcare services: in September, services are at their maximum since some of the children are old enough to enter school, and it is then easier for parents to get their children taken care of, but as the months pass it becomes more and more difficult.

The most affected group is single mothers, who represent 15% of families and whose share in the population is growing. Single parents who are in a precarious situation (low income and part time job) and cannot pay for a childminder are the most vulnerable population. Due to the fragility of their financial situation, they are directed to municipal childcare services which consider access of single mothers' children to care as a priority criterion. The public authorities of Nantes, aware that lack of childcare prevents many women from working, initiated a program to improve childcare supply in the city. The Nantes municipality has also provided emergency places ("*accueil d'urgence*") and extended the opening hours of some services, especially for parents in a precarious working situation.

*What is the approximate number of single mothers? What is this group's approximate share of the total population and of families? What has been the target group's trend over the last 10 years? What are single mothers' most relevant occupational statuses and professional activities?*

The population includes approximately 9,800 single mothers, representing 14.82% of families and 4% of the total population. Their number has increased by 300 in 10 years (+3%). Single mothers are over-represented in the priority urban areas' population: 41% compared to 24% in Nantes Metropolis (Compas 2010).

In 2008, 27% of mothers with young children (CAF 2009) received a family allowance (CLCA) for parents who interrupt or reduce their paid work to look after a child under three. However, only 14% of children under 3 are covered by the childcare services allowance (PAJE "mode de garde") in "sensitive urban areas" in comparison with 36% in the Metropolis (Compas 2010). This suggests that many single mothers stop working to take care of their children (Compas 2010).

The single parents who are in a precarious situation often cannot access childcare due to a financial constraint: when they find a job, it may be a fixed-contract or part-time job. The prevalence of women in part-time jobs (28% of women against 8% of men) is another consequence of the trade-off between childcare and working hours. In order to tackle the income factor, municipal childcare centres prices decrease according to families' income level. But beyond the financial aspect, there is the problem of working schedules: kindergarten opening and closing times do not match the needs of parents with atypical working hours.

## **2.1. Public regulations**

*What is the division of responsibilities among the national, regional, and municipal levels in terms of the provision of family welfare benefits and services (including income support, aid leave and childcare services)? What is the role played by third sector and private organizations in this domain? Please specify the proportion of welfare provision from public/private/third sector actors. Please refer to your country's WP2 where relevant.*

As explained in the WILCO national report, family benefits (maternity leave, parental leave, and family benefits, WP2, pp. 31-32), as well as minimum income support for single mothers, such as the Active Solidarity Income (*Revenu de Solidarité Active*, WP2, p. 7), is paid at the departmental level by the Family Allowance Fund (*Caisse d'Allocations Familiales* - CAF).

As family allowance provision in France depends mainly on national family policy, municipalities play a minor role, delivering complementary and temporary financial support to needy families.

However, municipal responsibility is central in terms of financing and delivering childcare facilities to families, particularly when it comes to collective provision (*crèches*, *haltes garderies*, after-school services, etc.), and, to a lesser extent, individual provision with the setting up of childminders' centres (*Relais Assistanes Maternelle*).

In Nantes, the total number of places in childcare services is estimated at 4,990 for about 10,171 children under 3 (Cahier de l'évaluation 2011; TMO 2010). Since 2011, 436 extra places have been created. 1,953 places are provided by collective day-care facilities of which 1,100 places by municipal *crèches*. The non-municipal supply is managed mainly by

not-for-profit organizations (associations, mutual societies). The proportion of places in collective day-care is about 24% compared to 10% at the national level (Frenet 2010). Around 500 2 year-olds were presently admitted to the preschool system (*écoles maternelles*). 1,013 childminders were registered in 2009, with a potential for caring for 2,263 children (TMO 2010). The growth potential for individual day-care remains stable despite the ageing population of childminders.

The level of coverage, almost 50% of young children, is quantitatively satisfied even if the potential demand is estimated at 6,000 places (TMO 2010). However, qualitatively, there is a strong social polarization of childcare services. Families with low incomes (especially single mothers) do not have the resources to pay for a childminder, who generally prefer parents with full-time jobs. Consequently, looking for a childcare place is particularly complicated for parents with part-time jobs or atypical working hours.

*Have there been any changes in the division of responsibilities between levels of government (e.g. national/regional/local) and/or social actors (e.g. public/private/third sector) over the last 10 years? Have you observed any significant changes in the welfare mix and governance patterns in these policy areas?*

One of the major changes in the multi-governance of childcare policies that municipalities have to face is the decrease of places in preschool (*école maternelle*) for children under 3. Contrary to municipal day-care services like *crèches*, regulation and funding of preschool depends directly on the Ministry of Education at the national level. In Nantes, the number of two-year-olds in preschool halved between 2003 and 2010 (1,024 places compared to 2,003 in 2010) (TMO 2010). This situation can be explained by demographics (high birth rate in France) and financial factors (national budget cuts).

Two thirds of the 350 new places planned between 2009 and 2014 will be located in services managed by not-for-profit organisations (TMO 2010). However, not-for-profit childcare services have been encountering financial difficulties over the last few years. They have been increasingly concentrated on management issues since changes in funding conditions by the family allowance office (CAF). For these economic reasons, they also tend to select children with mothers working full time.

Faced with a fragmented welfare-mix of childcare services (see WP2 French report), the main innovation of the last five years in Nantes has been a strong partnership between national and local institutions responsible for childcare (Nantes municipality, Nantes Metropolis, local Family Allowance Fund and the General Council) in order to elaborate a joint assessment of families' needs and changes in childcare supply. In addition, the local employment office (*Maison de l'emploi*) has been involved and analyzed the lack of adapted childcare services as a key barrier in the access to job opportunities for parents in precarious positions on the labour market. The assessment highlights the fact that the demand of parents with atypical working hours is highly concentrated on municipal day-care services because of a lack of information on the existing supply, but also because either childminders or not-for-profit childcare services tend to select parents with full-time jobs.

Shared childcare priorities not only have quantitative benefits (creation of new places) but also offer a better coordination of supply and adaptation to family demand:

- simplification of family access to services with the creation of a *guichet unique* (single office) for informing and registering parents in the six *Relais petite enfance* (Childhood Centers);
- improving access for families with social and/or professional integration difficulties;

- improved geographical distribution of supply with the creation of new places in "sensitive urban areas" (*zones urbaines sensibles*);
- drawing up of a common charter on the quality of the care and services.

These priorities entailed the better division of local governance between local childcare institutions and the various childcare services (municipal and non-municipal, collective and individual, etc.).

*What are the main welfare programs addressing the needs of POPULATION TARGET TWO? Please separate income support measures from in-kind services (including childcare services), and for each relevant measure briefly describe the amount and kinds of benefits and related eligibility criteria; please specify if these measures are provided by local/regional/national agencies or institutions, or by public/third sector private organizations.*

*Have there been any changes in the public expenditure levels or eligibility criteria of these programmes over the last 10 years? Have there been any changes in the supply level/coverage level/amount of benefits? Have specific disparities between supply and demand emerged?*

The main income support and family allowances for single parents are nationally defined and funded. The main change for single mothers is the merger in 2009 of the Single Parent Allowance (*Allocation Parent Isolé*) that targeted single parents as part of the Active Solidarity Income (*RSA*) program. To a certain extent, this change could be interpreted as a kind of "welfare to work" orientation, reinforcing the financial motivation to return to the labour market ("making work pay"). Some critics have argued that a financial incentive of this kind has limited effectiveness unless the lack of suitable childcare services is seriously considered as one of the main obstacles to employment for single mothers.

One of the outcomes of the joint assessment of childcare demands and supply in Nantes (*Cahier de l'évaluation 2011*) by local institutions has been to show the lack of suitable childcare provision for single-parent families, in terms of information, places, opening hours and costs.

In terms of services, single parents are among the public targeted for enrolling children in *crèches*, but mainly in municipal establishments. In addition, 100 enrolment places exist for emergency day-care targeting 360 children in difficult family situations or whose parents are returning to work or vocational training situations. Single mothers are the main beneficiaries of this emergency supply.

A local experiment has been launched in one of the "sensitive urban areas" for helping single mothers back onto the job market by improving access to the whole range of childcare services, including individual childcare. Innovation in local urban governance is a condition for such a social experiment to succeed. Firstly, improved coordination between childcare services is needed, including the reservation of places with the local network of childminders and building of bridges (*passerelles*) between collective and individual day care services. Secondly, the project needs to be cofounded by the local family allowance office (CAF) and General Council (departmental level) in order to make access to childminders affordable for low-income families and to guarantee payment. Finally, cooperation between local employment offices, social centres and childcare services has to be implemented to ensure that single mothers get access to the workplace. After two years, this innovation could be applied to all critical urban areas.

## 2.2. Indicators

- Trends in the proportion of elderly: see section "*What are the changes in the demographic structure of the local population over the last 10 years? ...*", page 13.
- Trends in fecundity rate, regional and national level: see section "*What has been the trend as to marriages/de facto couples, separations, and divorces? ...*", page 14.
- Trends in birth rate: see Table 5, page 14.

Table 10 - Fertility index by women's age groups in 2008

	Pays de la Loire	France
15 to 24	<b>0.30</b>	0.32
<b>25 to 34</b>	<b>1.46</b>	<b>1.29</b>
35 to 49	<b>0.35</b>	0.39

Source: INSEE 2008

Table 11 - Birth annual variation between 1999 and 2007 in Nantes

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of births in Nantes	3,773	3,872	3,932	4,008	3,802	3,728	3,811	3,730	3,780
Annual Growth rate		2.56%	1.53%	1.90%	-5.42%	-1.98%	2.18%	-2.17%	1.32%

Source: Statistical services, Nantes city Hall.

- Trends in female activity rate: see section "*What trade-offs have emerged in the area of balancing between work and childcare? ...*", page 16.
- Trends in dependency rate: see table 12.

Table 12 - Dependency rate 2008 & 1999

	2008			1999		
	Number	%	Dependency ratio	Number	%	Dependency ratio
Dependent population	105,091	37.10%	1.696	102,729	38.00%	1.632
Active population	178,196	62.90%		167,614	62.00%	
Total	283,287	100.00%		270,343	100.00%	

Source: INSEE 1999 & 2008 census

- Trends in proportion of singles, single parents, couples with children, family size: see section "*What have been the main changes concerning the family structure over the last 10 years?*", Table 8, page 15.
- Trends in childcare services and public expenditure: see section "*What trade-offs have emerged in the area of balancing between work and childcare? ...*", page 16.

### 3. IMMIGRATION

*What is the proportion of migrants and/or ethnic minority groups out of the total population of the city? What are the most numerous ethnic minority groups in the city (consider the first 5 groups)? What is their composition (ethnicity and nationality/age/gender/level of education/time of immigration/religion)? What is their housing situation (owners/renters/in shelters/with no legal contracts, etc.)?*

#### The situation at the regional level (Pays de la Loire)

Immigration in the Pays de la Loire Region has quite a long history and is relatively limited in comparison to the rest of France. The rural territories of the region have experienced a marked outflow of their population due to the rural exodus (migration from the countryside to the city). As a result, the demand for labour in the manufacturing and industrial sectors has been fulfilled by the local population and the use of foreign workers has been limited to certain areas, namely Nantes, Saint Nazaire, le Mans and Angers.

In France, the massive immigration of workers from overseas started after the World War II and stopped in 1975 with the hardening of immigration policies. During this period (1945-1975), the inflow of permanent foreign workers brought approximately 20,000 people to the Pays de la Loire Region, representing 340 per year on average. At the end of 1975, the share of immigrants in the Pays de la Loire Region was about 1.2% compared to 7.4% in France (INSEE, Pays de la Loire 2005).

After 1975, the inflow of immigrant workers became marginal, and the vast majority of immigrants have come to the Pays de la Loire Region as part of the family reunification policy. Immigrants' origins have also changed. The proportion of immigrants from northern Africa (Morocco, Tunisia and Algeria) has relatively decreased. There has been a noticeable inflow of American, English and German immigrants. In 1999, the share of migrants in the Pays de la Loire Region was 1.9%, slightly higher than in 1975, compared to 7.4% for France (the share of immigrants has remained stable since 1975) (INSEE 2005).

In 2008, the share of immigrants in the Pays de la Loire Region was 2.6% compared to 8.2% at the national level (INSEE 2008 census), showing that the share of migrants over 10 years in the region's population has increased more than at the national level; this could reflect that the growth of immigration in the region has been in a catching up phase.

#### The situation in Nantes

Unlike the cities of Northern France, Nantes did not make as much use of overseas workers because industry was not so labour intensive, hence the relatively smaller share of migrants in Nantes' population compared to Lille, for instance.

There were 19,417 immigrants in 1999 in Nantes compared to 20,694 immigrants in 2008. During this period, therefore, the share of immigrants in Nantes' population was stable at 3.5%, which is higher than the regional level (2.6%) but less than the national level (8.2%). (INSEE 2008 census). Table 13 shows the composition of the immigrant population by age and gender.

Table 13 - Share of immigrants in Nantes' population by age group in 2008

	0-15	15-24	25-54	55 and above	Total
Non-immigrant	43,032	53,577	103,734	62,251	262,594
Immigrant	1,296	3,591	12,493	3,315	20,694
Share of immigrants	3%	6%	11%	5%	7%
Share of immigrants in Nantes Urban Area	2%	5%	8%	3%	5%
Total	44,328	57,168	116,227	65,565	283,288

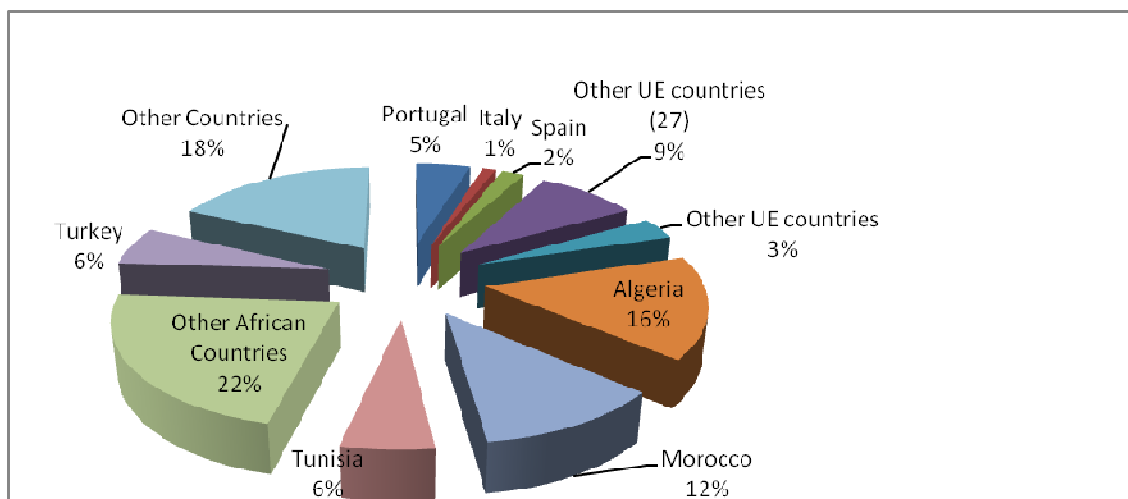
Source: INSEE 2008 census

During the first half of 20th century, Italian, Portuguese and Spanish workers made up the first wave of immigration: workers were needed at the time to help with post-war reconstruction. Then during the 60s and the early 70s, a second wave of North African immigrants arrived, mainly from Algeria, Morocco and Tunisia. More than 51% of the immigrants were from Africa. African immigration as a whole continues to be dominated by immigrants from Algeria, Morocco and Tunisia, but their share has slowed down and the number of immigrants from sub-Saharan Africa (Senegal and the Ivory Coast) has doubled since 1999 (Rigollier 2010).

Chart 8 shows the share of immigrants by nationality. The "other African countries" category refers to immigrants from sub-Saharan Africa. They often come from countries such as Guinea, Senegal or the Ivory Coast initially as students and then stay on after they finish their studies. There is also a significant share of immigrants from these countries who tried to live in Paris first before choosing to move down to Nantes. The other noticeable immigrant group is the Turkish community (6%). The "other countries" category is composed mainly of the Asian immigrants mentioned above, and the "other European countries (27)" category mainly covers immigrants from Poland and Romania as well as Belgium and the UK.

The primary reason for immigration is family reunification, followed by economic motivation (finding a job) and seeking asylum.

Chart 8 - Immigrant distribution by country of origin



Source: INSEE 2008 census



*What is their level of inclusion in the labour market?*

Immigrants' unemployment rate is twice as high as the non-immigrant rate (Rigollier 2010). There are very few immigrants in the categories "executives and intellectual professions" and "intermediary jobs", where there are 50% less immigrants than non-immigrants (INSEE 2008 census). There are twice as many immigrants in manufacturing and blue collar professions than non-immigrants. There are also twice as many people with no activity at all among the immigrants (INSEE 2008 census).

These difficulties in accessing labour market can be explained by the language barrier, the fact that qualifications (diplomas) and work experience acquired in the country of origin are not acknowledged or are undervalued, that they may struggle to be legally allowed to work (need to apply for a work permit) and finally, even though they are difficult to quantify, different kinds of discrimination are at play and make access to labour market difficult for immigrants.

*What is the territorial distribution of these ethnic minority groups? Are there areas with high levels of segregation? Are immigrants concentrated in derelict neighbourhoods?*

Immigrants' housing journey often starts in the centre of Nantes. The two first years are usually spent living in the heart of the city and the immigrants then move to social housing. This is due to the delay between the time when the immigrants apply for social accommodation and the time they actually get it (Rigollier 2010).

Immigrants are in a majority in the "Sensitive Urban Area" (ZUS like Malakoff, Bellevue districts) where they account for 20 to 30% of the population (Rigollier 2010).

Certain communities tend to move out of social housing to get their own house on the outskirts of the city (the Turkish community, for instance). Immigration policies tend to attract immigrants who are either researchers or skilled workers, which changes the profile of immigrants: they no longer systematically have social or financial difficulties.

*Has the proportion of migrants changed over the last 10 years? Has their composition as to areas of origin/age/gender/educational level changed? Has their distribution over the territory changed significantly? What have been the trends in terms of family reunification?*

The proportion of foreign migrants has increased from 1.9% to 2.6% over the past 10 years. Immigration driven by family reunification increased in the 1980s. Since then, it seems that the immigrant profile has changed to a younger single adult, while conditions for family immigration have become stricter.

*Has concentration/segregation increased or decreased in the last 10 years? Has deterioration of concentrated/segregated neighbourhoods worsened/improved in the last 10 years? What have been the main problems arising from such changes (e.g. tensions between native populations and immigrants, inter-ethnic conflicts, the rise of anti-immigrant parties or anti-racist movements, etc.)?*

Testing of Nantes by the ILO (ILO 2007) compared to six French cities shows that Nantes is a rather tolerant city toward immigrants, according to tests taken by managers.

However, since the creation of the HALDE office - High Authority of the fight against discrimination and for the promotion of equality - an increasing number of cases of discrimination are being registered.

Nonetheless, there is no particular demonstration or other manifestation of segregation or discrimination. There tends to be a climate of solidarity rather than hostility toward the immigrant, except for the Roma community, mainly because of the tensions emerging from land occupation.

### 3.1. Public regulations

*What is the division of responsibilities among the national, regional, and municipal levels in the provision of services and benefits to migrants who are in a vulnerable position? What is the role played by third sector and for profit organizations in this policy field? Please, make reference to your country's WP2 when relevant.*

Immigration policy comes under the remit of the national government. In the past, several Ministries were in charge of immigration policy, whereas since 2007 it is the affair of a single entity, the *Ministry of Immigration, Integration, National Identity and Solidarity-based Development*. Conditions of access to French nationality and citizenship, regulation and selection of foreign workers, family-based immigration and refugees, the fight against illegal migration, support for the integration of foreigners in the French community are the main aspects of the immigration policy. As representatives of the State, the "Prefets" (most powerful local government officials) are in charge of implementing this immigration policy at the regional level in collaboration with agencies such as French Office for the Protection of Refugees and Stateless Persons (OFPRA) or French Office for Immigration and Integration.

Third sector organizations are actively present in this field, and plays various roles and take different actions on immigration issues: contending the restrictive immigration policy and defending the rights of (legal or illegal) refugees and migrants; providing services such as legal counselling, language teaching, and access to housing; supporting their integration and fighting against discrimination.

*Have there been any changes in the distribution of responsibilities between different levels of government (e.g., national/regional/local) and/or social actors (e.g., public/private/third sector) over the last 10 years? Have you observed any changes in the welfare mix and governance patterns in these policy areas? Please, specify the proportion of provision carried out by public/private/third sector actors, and of mixed situations*

At the national level, several changes have been introduced under the Sarkozy's Presidency:

- First, a symbolic and controversial change is the link established under Sarkozy's Presidency between immigration issues and the debate on "national identity";
- Second, more restrictive access to French territories and to French nationality with a selective immigration policy ("*immigration choisie*"), which has placed priority on economic migration, and limited family reunification. "Immigration choisie" is a selective immigration policy, which targets foreign workers either highly-qualified people who are deemed to be "an enrichment for the development and image of France", or in response labour market shortages in some industries
- Third, spectacular and controversial actions against illegal immigration have occurred with the quantitative objective of 25,000 expulsions per year.

Locally, the main change has been the implementation of an integration policy (rather than immigration) by local authorities, although this is not an obligatory area of competence. Nantes is a good example. Integration of migrants has become a field of

public policy in Nantes since 2002, with the nomination of an elected representative and the adoption of an official action plan in 2004. The main objectives of the action plan relative to integration are to: (1) Support access to legal rights and integration; (2) Promote citizenship and intercultural dialogue; (3) Prevent racism and discrimination; (4) Improve knowledge on immigration conditions of living for a better supply of services

*What are the main welfare programmes addressing the needs of TARGET POPULATION THREE? Please separate income support measures from in-kind services (including policies aimed at supporting the access to housing and employment), and shortly describe the amount and kinds of benefits and the related eligibility criteria; please specify if these measures are provided by local /regional/national agencies or institutions or by public/third sector/private/self-help organizations*

Migrants are eligible under certain conditions for mainstream welfare benefits. For instance, refugees and foreign residents can apply for the active solidarity income (RSA), but only after living in France for at least 5 years for non-European residents (compared to only 3 months for residents coming from European Union). This length of time was increased from 3 to 5 years in 2003.

According to one of the rare studies published on this subject (Grelot and Minni 2010), migrants from North and Sub-Saharan Africa account for about 11 to 13% of the total active solidarity income recipients in 2006. This figure is three times higher than their percentage in the adult population (4%). This overrepresentation can be correlated to the higher unemployment and poverty rates for this group of migrants.

In addition, specific and temporary benefits and monetary support are dedicated to refugees and migrants. The asylum seekers without places in refugee reception centres are eligible for a temporary waiting allowance ("*Allocation temporaire d'attente*"). State Medical Assistance for illegal Foreigners (AME)<sup>2</sup> covers the health-care costs of foreigners who do not meet the requirement of legal residence and have inadequate resources. In 2009, 210,000 foreigners were beneficiaries of AME for a cost of 546 million euros.

All these forms of monetary support are regulated by the national government. Local authorities have no legal power over these welfare programmes.

*Have there been any changes in the public expenditure levels or eligibility criteria in these programmes over the last 10 years? Have there been any changes in the level of supply/ in the coverage level/in the amount of benefits? Have specific mismatches between supply and demand been identified?*

With the priority placed by the national government on controlling migration, and the reduction in the amount of the national budget earmarked for the integration of migrants, cities such as Nantes are going to play a growing but limited role in this field.

Following some dramatic cuts in the budgets of not-for-profit organizations, Nantes has offered financial support to some well-known associations (Cimade, Asti) specialized in defending and providing legal counselling for refugees and migrants. Moreover, municipal services have tried to coordinate and facilitate local multi-stakeholder groups (which include a large number of not-for-profit organizations) involved in hosting new migrants, and teaching them about their rights as well as the French language. Several third sector

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<sup>2</sup> Recipients of AME are illegal foreigners who can prove they live in a stable and permanent situation for more than 3 months and who earn less than 634 euros in 2010. The recipient has to pay 30 euros by year for application fees.

organisations are supported by the municipality for facilitating integration of migrants<sup>3</sup>. For instance, the association health and migrants in Loire-Atlantique (Asamla) has several multi-language counsellors and interpreters and provides interpretations or translations services for facilitating relationship between migrants and administration.

Citizenship building activities led to the creation of a Nantes Council for foreign residents in 2003. Composed of 40 residents, this council is a place where migrants can express their concerns *vis-à-vis* the various municipal policy and services. Several actions against discrimination have been implemented, such as support given to the local HALDE office (High Authority for the Fight Against Discrimination and for Equality), awareness-raising campaigns with local employment offices and social housing landlords, the introduction of diversity criteria in the City's internal recruitment procedure, and in some responsible public procurement.

Multi-governance processes on migration issues remain limited to some one-off actions and projects co-funded by the State and the municipality. There is not general agreement on the overall local action plan for integration that is equivalent to the "Urban Renewal plan" for the housing policy or the "Childcare plan" (*Contrat enfance jeunesse*) for the childcare policy.

#### 4. HOUSING FIELD

*What have been the main changes in the local market, both the rental market and the property market? How have real estate prices evolved?*

According to available data (AURAN 2009) on the local housing market, there has been an increase in the total amount of dwellings in Nantes as well as in Nantes Metropole. In Nantes, the annual growth rate of the total amount of housing was 1.1% per year between 1999 and 2006, representing 154,538 dwellings available in the city in 2006. Similar figures for Nantes Metropole show an increase of 1.2% per year over the same period, with 275,835 dwellings available in 2006. These growth rates are similar to the national level (1.2% increase per year in France between 1999 and 2006).

In Nantes city in 2008, the distribution of the different form of tenures was approximately (AURAN 2009):

- 37% of owners (under the national level of 57%);
- 40% of renters in private rental housing;
- 22% of renters in social rental housing.

In the Nantes Metropole area:

- 53% of owners
- 27% of renters in private rental housing
- 18% of renters in social rental housing.

The number of owners is higher in the Metropole and grows at a faster rate. Since 1997, the growth in owners in Nantes was only 1.4% compared to 2.7% in the Urban Area.

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<sup>3</sup> For instance, the association health and migrants in Loire-Atlantique (Asamla) has several multi-language counsellors and interpreters and provides interpretations or translations services for facilitating relationship between migrants and administration. Cimade is one of the oldest national NGO defending right of asylums and foreigners in France. They have regional permanent offices (including Nantes) for hosting and counseling foreigners in their administrative procedures. Beyond this service mission, they develop advocacy mission alerting public opinion on the conditions treatment of asylums and foreigners by the French government and administration.

This relatively limited access to home ownership in Nantes can be related to the demographic changes observed in section 2 (page 9): housing prices are lower outside the center of Nantes, hence the higher prevalence of owners in the Urban Area than in Nantes city. The vast majority of owners are retired people and families with children.

The trend in property market prices is no different from the national trend, and the increase in prices is of the same magnitude as the national average. Between 2004 and 2008, the increase in real price for new buildings was on average 37% for Nantes Metropole and 40% for old buildings. The average price was €1,850/m<sup>2</sup> in 2004 and €2,950/m<sup>2</sup> in 2008 on the market as a whole (old and new buildings).

### The private rental market

At the level of Nantes Metropole, 67,193 households lived in private rental housing in 2005 (Observatoire de l'Habitat 2006: 15), which represents 27% of total main residency in the Metropole area. More than 80% of the private housing market in the Urban Area is located in Nantes Metropole and 67% in Nantes city.

In terms of population, the number of tenants on the private rental market has increased in absolute numbers, though their share in the main residencies has remained steady (see Table 14, section "4.2. Indicators"). The renters on the private rental market are usually working, mainly in managerial jobs and with high to middle incomes.

In the private rental market across the whole Loire-Atlantique department, the price in the rental market went up by 4% during the period 1998/2008 compared to 3.7% for France. This trend is stronger in the city of Nantes, where the rents went up by 5% between 2000 and 2008.

In 2008, rent on the private rental market was on average €10.4/m<sup>2</sup>; this is less than the average national rent on the same market, at €12/m<sup>2</sup>. So on a national scale, considering the most populated areas of France, the Loire Atlantique is among the less expensive places to live in terms of rent.

### The social rental market

The region's social rental housing is mainly located in Nantes Metropole, which has 85% of the region's social housing (AURAN 2009). Between 2001 and 2008, the number of available social dwellings went up by 5.5%: from 45,515 in 2001 to 48,013 in 2008, compared to a 2.2% increase at the national level (INSEE). However, the number of eligible applicants waiting for social housing was still 21,200 in 2008 (AURANT 2009). The population living in social housing accounts for around 28,400 tenants, which is around 20% of the main residencies in the city of Nantes.

The population groups living in social housing are mostly blue-collar workers, retired people and employees, in other words, low-income groups.

The prices of rent on the social housing market have remained the same since 1999. The observable difference is between rental rates in old social housing buildings (built before 2001) and new ones (built after 2001). The former is on average €307 a month for 65m<sup>2</sup>, which is €4.58/m<sup>2</sup> and the latter is €350 a month for the same surface area, which is €5.4/m<sup>2</sup>.

*Has access to housing proved to be more difficult over the last 10 years? Which groups have been more affected?*

The increase in all prices has created a general pressure on the housing market, and it is therefore more difficult for the population as a whole to access affordable housing, hence the trend for moving out of the city centres.

The wealthiest renters on the private rental market, faced with a 4% increase in their rent in the last decade, are induced to become owners, since loan repayments are likely to be more or less what they are paying for rent, but they struggle to provide the collateral banks ask for as guarantees (AURAN 2009: 15).

The renters on the social rent market are facing a scarcity of social housing. Demand keeps on growing faster than the supply of social housing. The demand continues to increase and the population of applicants is for the most part very vulnerable. In 2006, 26% of social housing applicants still waiting for lodging were unemployed, 17% were single parents and another 17% lived on less than €750 per month (AURAN 2008).

*Has there been a spread in critical situations such as overcrowding, lack of affordability, unsanitary conditions, evictions and homelessness? Which social groups have mainly been affected? What has changed in the most critical urban areas with high concentrations of problematic social groups? (e.g. worsening or improvement of existing problems, emergence of new problems, etc.)*

There are 5 Sensitive Urban Areas in Nantes (Bellevue, Malakoff, Quartier Nord, Quartier Est and Dervallières) and 16 in Nantes Metropolis. In these areas, the prevalence of social housing is as high as 90.8% in Malakoff (ONZU) and 91.2 in Bellevue (INSEE 2010).

The situation in these areas does not seem to present any signs of overcrowding; there are on average of 3 people living per dwelling (INSEE 2010). In terms of affordability, rents have not increased during the last decades for social housing. The "logement sans confort" (housing without conveniences) indicator, which means no bathroom and no indoor toilet, is the lowest for the region in Nantes. Only 0.7% of homes are without conveniences, compared to 1.3% at the national level (INSEE Pays de la Loire 2005).

The infrastructures of the buildings are sometime old not well maintained. In Malakoff, a renewal urban project has been launched this year because the buildings there were constructed in 1970. The worsening of the situation seems to concern the neighbourhood more than housing itself. Inhabitants complain about the degradation of infrastructure, the increase in delinquency and insecurity (feedback from field interviews).

The most affected social groups are those who live in these areas, namely, single parents (34%), retired people (24%) and immigrants (43%) (INSEE/ ONZU 2010).

The main social issues for populations living in the sensitive urban areas (ZUS) are a higher rate of unemployment: 19% in the whole sensitive urban area of Nantes compared to 10% in Nantes city (Compas 2010: 16). 22% of the workers have temporary and insecure jobs (fixed-term contract, interim jobs) in the sensitive area compared to 16% for the city of Nantes. The type of unemployed workers differs too.

In terms of education, 44% of the population living in sensitive urban areas has a low level of education (levels V and VI) compared to 27% in Nantes Metropolis (Compas 2010: 21). The proportion of people living under the poverty line (60% of the median revenue in 2010



estimated at €908) is 45% in the sensitive urban areas compared to 20% in Nantes Metropolis. 17% of the households receive the minimum income (Solidarity Active Income - RSA) compared to 7% in Nantes (Compas 2010: 27).

#### 4.1. Public regulations

*What is the division of responsibilities among national, regional and municipal levels in terms of the housing regulation market and provision of services and benefits to people who have difficult accessing housing (including social housing)? What is the role played by the third sector and for-profit organizations in this policy field? Please refer to your country's WP2 where relevant.*

As explained in the national report WP2 (p. 14), Nantes Metropolis, as a "Community of municipalities", defines the housing priorities according to a *Schéma de Cohérence Territoriale (SCoT)* [comprehensive zoning and development plan], and uses a Local Housing Plan (PLH) - a compulsory plan for metropolitan districts and towns.

Nantes Metropolis (*Nantes Métropole*) adopted its first PLH in 2004. The second PLH is planned for the period 2010-2016. The main PLH 2010-2016 priorities are:

- construction of 4,500 to 5,000 new dwellings per year compared to 4,300 per year in the previous period;
- diversification of new dwellings affordable to low-income households, either by increasing the social housing stock (+ 1,300/1,400 dwellings per year) or by funding and reserving up to 30% of dwellings in new building programs. There is a plan to improve geographical distribution of the construction funding effort between the different municipalities, with a particular focus on reducing the deficit of social housing stock in some parts of the Metropolis;
- this shared construction effort has to be related to the objective of improving the social mix, in response to the process of social polarization in urban areas. An urban renewal program in social housing neighbourhoods as well as the sale of social housing are others actions planned in this domain;
- making social housing affordable for targeted populations such as young people, the elderly and families with children who cannot find housing solutions on the private rental market. Support for local initiatives in the fields of special housing for disabled and dependant elderly persons, housing for students and young people without qualifications, emergency and reintegration shelters, etc.;
- improvement of the energy efficiency of housing stock as well as testing out eco-districts.

"City policy" or "Urban affairs policy" (*politique de la ville*), which tends to be a cross-sectorial policy dealing with inhabitants' living conditions, is also a multi-governance planning process. It comprises a State representative (*Préfet*), the General Council, Nantes Metropolis and four municipalities (Nantes, St-Herblin, Rezé and Orvault). Improving housing and the urban environment is one of eight priorities (which include access to employment, security, health, citizenship and the fight against discrimination) defined in the Urban Social Cohesion Plan (CUCS 2007-2009).

A number of actions funded as part of the Urban Social Cohesion Plan (CUCS) are implemented in priority urban neighbourhoods by not-for-profit organizations. Since 2007, an annual call for urban projects is mainly oriented towards third sector actions in 21 urban areas. For 2011, the call's focus is on "Habitat and quality of life" and urban community development linked into urban renewal operations, neighbourhood and inhabitants' initiatives, housing mediation for resettled families and supporting access to



housing for young people. In addition, Nantes Metropolis has promoted a local plan dedicated to the social and solidarity economy that includes support for neighbourhood initiatives, particularly community services managed by migrant women in critical urban areas.

*Have there been changes in the division of responsibilities between levels of government (e.g.: national/regional/local) and/or social actors (e.g.: public/private/third sector) over the last 10 years? Have you observed changes in the welfare mix and governance patterns in these policy areas? Please specify the proportion of provision from public/private/third sector actors, and of mixed situations.*

When considering housing and urban policy multi-governance processes, several changes over the past ten years can be underlined:

- Firstly, the concentration of State priorities and funding on housing and urban renovation rather than support for grassroots initiatives, local socio-economics and social cohesion actions. In addition, the creation of the National Agency for Urban Renewal (ANRU) in the 2000s has changed multi-level urban governance. This transfer from administration to the new agency has introduced a number of processes for selecting projects and prioritizing urban neighbourhoods eligible for urban renewal programs;
- Secondly, urban policy objectives and strategies have been formulated at the Metropolitan level (e.g. *Nantes Metropolis CUCS*), which could be considered as the appropriate level for integrating the population's professional and residential needs. However, urban social cohesion strategies remain an area-based policy limited by "priority urban zones" (*zones urbaines prioritaires*);
- Thirdly, local authorities have to face increasing demands for support and funding from local initiatives, particularly third sector organizations, to offset the reduction of national government funding via national policies.

## 4.2. Indicators

Table 14 - Trend in the tenure status of the population in Nantes City

	2008		1999	
	Number of households	%	Number of households	%
Total	144,249	100.00%	130,582	100.00%
Renters on the private rental market	57,852	40.11%	53,368	40.87%
Renters on the social rental market	31,989	22.18%	29,581	22.65%
Owners	54,407	37.72%	47,633	36.48%

Source: INSEE 2008.

- Trends in housing prices (home ownerships and rental market): see section "*What have been the main changes in the local market, both the rental market and the property market? ...*", page 26.

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### THE WILCO PROJECT

**Full title:** Welfare innovations at the local level in favour of cohesion

**Acronym:** WILCO

**Duration:** 36 months (2010-2013)

**Project's website:** <http://www.wilcoproject.eu>

#### **Project's objective and mission:**

WILCO aims to examine, through cross-national comparative research, how local welfare systems affect social inequalities and how they favour social cohesion, with a special focus on the missing link between innovations at the local level and their successful transfer to and implementation in other settings. The results will be directly connected to the needs of practitioners, through strong interaction with stakeholders and urban policy recommendations. In doing so, we will connect issues of immediate practical relevance with state-of-the-art academic research on how approaches and instruments in local welfare function in practice.

#### **Brief description:**

The effort to strengthen social cohesion and lower social inequalities is among Europe's main policy challenges. Local welfare systems are at the forefront of the struggle to address this challenge - and they are far from winning. While the statistics show some positive signs, the overall picture still shows sharp and sometimes rising inequalities, a loss of social cohesion and failing policies of integration.

But, contrary to what is sometimes thought, a lack of bottom-up innovation is not the issue in itself. European cities are teeming with new ideas, initiated by citizens, professionals and policymakers. The problem is, rather, that innovations taking place in the city are not effectively disseminated because they are not sufficiently understood. Many innovations are not picked up, because their relevance is not recognised; others fail after they have been reproduced elsewhere, because they were not suitable to the different conditions, in another city, in another country.

In the framework of WILCO, innovation in cities is explored, not as a disconnected phenomenon, but as an element in a tradition of welfare that is part of particular socio-economic models and the result of specific national and local cultures. Contextualising innovations in local welfare will allow a more effective understanding of how they could work in other cities, for the benefit of other citizens.