



Executive Summary

With the support of J.P. Morgan, Institut Montaigne carried out a study on the access to employment and professional integration in a very specific and complex area: Seine-Saint-Denis. This work aims to provide a better understanding of what is happening with regards to: the implementation of national public policies and the actions of local authorities, as well as multiple

players in the Social and Solidarity Economy (SSE), and companies of all sizes within this department.

This study identifies the lack of cooperation between these public and private actors as the main reason for the limited impact of the policies implemented in the district. It therefore aims to better understand the interactions between them, and to formulate concrete actions to collectively overcome the obstacles to employment and inclusion in Seine-Saint-Denis.

It is in fact possible to identify future employment opportunities by leveraging the assets of the department, particularly in light of the **major wave of construction works** planned for Seine-Saint-Denis over the next twenty years. Additionally, the study makes several proposals for the implementation of an **ambitious digital transformation project** for the department.

A dynamic but paradoxical territory

The rapid de-industrialisation that began in the 1970s plunged the *département* into a complex social and economic crisis, which persists today. Since the early 1980s, Seine-Saint-Denis has been on the radar of public authorities, who have been trying to advance its development.

Until now, priority measures employed in the fields of education and urban renewal have only partially succeeded in curbing the economic and social difficulties of Seine-Saint-Denis. The French government is aware of these difficulties and is undertaking major projects in the department to address them. One such initiative is the *Grand Paris* project (Greater Paris), which represents an investment of €6.7 billion in Seine-Saint-Denis and will enable the construction of new metro lines.

An analysis of the major economic and demographic dynamics at work in the *département* reveals a contrasting picture. From an economic point of view, the attractive land prices and location of Seine-Saint-Denis, as well as fiscal incentive policies, have enabled it to host the headquarters of very large companies. Since the early 2000s, the establishment of private companies from the tertiary economic sector has in fact led to **more dynamic job creation in the department than at the national level.** On the demographic level, Seine-Saint-Denis has real assets as well. It has experienced strong growth over the last decade, mainly driven by a natural surplus, and it is the **youngest *département* in France with more than a third of its population under 25 years old.**

On the other hand, the magnitude of poverty remains: **Seine-Saint-Denis is the poorest *département* in mainland France.** Nearly one in three individuals live below the poverty line of 1,065 euros per month, and in one municipality in four, the unemployment rate is nearly three times the national average. **The economic opportunities of the department barely benefit its inhabitants.** Lacking in qualifications, most of them cannot compete for the jobs created by the transition from an industrial economy to a tertiary economy. **500,000 “commuters” thus cross into Seine-Saint-Denis every day.** These are residents from outside the department, who come into Seine-Saint-Denis to occupy jobs that often require a high level of education, while the inhabitants of the *département* make the opposite commute.

Seine-Saint-Denis under the challenge of Covid-19

It is far too early to carry out in-depth analyses. However in our findings, three elements emerge that will certainly be part of future epidemiological observations:

- Poverty and **poor housing conditions** were an aggravating factor in the spread of Covid-19.
- **Comorbidities** (diabetes, obesity and high blood pressure) are more common among people with lower incomes. These may have led, in part, to the over-mortality observed in this *département* during the sanitary crisis.
- The **over-representation of essential workers** from Seine-Saint-Denis - logistics agents, supermarket employees, hospital or medico-social care staff - could explain why a good part of the Sequanos-Dionysians were brought out of their homes to go to work.

The next few months will allow us to better understand and explain the health situation in the *département*. In addition, the health crisis will be coupled with a socio-economic crisis. The issues of employment and integration in Seine-Saint-Denis are starker than ever. Sharing our conclusions, written before the Covid-19 crisis, therefore seems like a necessary and obvious task.

What does this study tell us?

A strong hypothesis emerges from the hundred or so interviews carried out in the department: **there is significant room for improvement with regards to the collaboration between public and private actors**, such as the local authorities and companies. In this study, it was not the financial resources that were questioned, but rather the proper use of existing means. The aim is not to distract from the insufficient funding for many useful projects, but to focus on the actions undertaken and to move away from the “battle of figures”. Example of key questions to address: How can we achieve more results for the inhabitants? How can we better organize collectively, and optimize all the assets of Seine-Saint-Denis?

The lack of cooperation between actors is apparent in all fields and at all levels of governance. For example, the *contrats de ville* (city contracts), which are the instruments of choice for urban policy implementation, serve more as co-financing agreements than genuine cooperation tools aimed at achieving common objectives.



Relations between schools and businesses are too tenuous. Large infrastructure projects are managed in silos. The issue of financial equalization of the *Revenu de Solidarité Active* (RSA) allowance can also be considered a cooperation issue, like all matters of territorial equalization. This study allows us to identify new levers for more effective public policies, by **helping to create an environment (organizational, contractual, political, financial) that would allow each player to cooperate better.**

Important issues within the education system

Despite the efforts of the *Éducation nationale* (Ministry of Education) to enable the most disadvantaged students to succeed, the obstacles to employment for young people in Seine-Saint-Denis remain a problem. Only one young person in four graduates from higher education, and **39% of young Sequanos-Dionysians only get as far as the Diplôme National du Brevet degree, awarded at the end of ninth grade.**

One of the causes identified for this problem was the **suboptimal management strategy for human resources** in the department. As a consequence, junior teachers are assigned to schools facing the greatest educational difficulties, and there is a high turnover rate of teaching staff. While there are initiatives that deserve to be recognized, **it is difficult to implement an effective policy for the prevention of educational difficulties, school counselling, remediation and support for employment.** As a result, the needs of the population remain unanswered.

The cooperation of stakeholders while major works are underway

The *département* of Seine-Saint-Denis is going to be profoundly redesigned over the next twenty years. The major works planned in the department - **more than 20 billion euros in public investment** - are an extraordinary opportunity for the economic integration of those currently furthest from employment.

In the future, a **strategic workforce planning (SWP)** would help connect job seekers to recruiting professions. Furthermore, the use of social clauses in public tenders is a way to achieve economic integration, by providing employment opportunities for those who don't have any. However, the commitment of all stakeholders is essential to this process.

Cooperation for a successful digital revolution

More than a simple diagnosis, this study focused on formulating a plan for the digital transformation of the department. Such a transformation, which would **include public and private sectors**, could be an opportunity to address the problems identified.

This study identifies 24 pain points in Seine-Saint-Denis that must be addressed. It also examines assets in the department, which constitute an ideal breeding ground for a digital transformation. Several key areas have been identified as pillars for the emergence of an ambitious plan. More particularly, a leapfrog approach seems appropriate to the resolution of several issues in Seine-Saint-Denis.

Four objectives guiding approximately forty concrete actions to win the battles for employment and inclusion in Seine-Saint-Denis

Objective 1 – Increasing the credibility of government action

Given the department's very specific context, the State has a central role in fostering genuine cooperation between public and private actors in the field. Among the prerequisites for this cooperation, the speedy implementation of its decisions - particularly the **measures announced by the Prime Minister on 31 October 2019** - is essential to demonstrating a strong commitment to change. A second important sign would be the State's support for the department particularly in order to **create new financial margins for the inclusion of RSA beneficiaries.**

Objective 2 - Fostering effective cooperation on matters of employment, integration and education

Agreeing collectively on job-intensive sectors, creating attractive training courses for young people (and older ones), supporting young people in their orientation and their first job, better federating initiatives, particularly those of private companies, these are the **challenges of a new cooperation to build for educational success.** A large-scale test should involve a mechanism to assist companies with postemployment troubles. A precise diagnosis of lagging public policies should help to restore prospects, for example: French as a Foreign Language which should no longer be limited to new arrivals; the transition classes for young people over 16 with poor French language skills; access to day-care places for jobseekers or an ambitious and specific monitoring programme for students entering university.

Objective 3 - Cooperating to maximize the impact of the major construction projects underway

Working on a **strategic workforce planning (SWP)** should make it possible to initiate a project aimed at attracting job seekers to recruiting professions. This approach must also aim to adapt the offers of occupational integration companies and social clauses targeted at the department, in order to attract those who are furthest away from employment.

Objective 4 - Carrying out a successful digital revolution in Seine-Saint-Denis

This study proposes a true digital transformation at the department level. Because of its composition, the importance of young people, and its employment prospects supported by significant investments, Seine-Saint-Denis is propitious to the development of experiments and the deployment of digital solutions in all fields: education, e-administration, career paths, health, the organisation of major works, or incubators for digital companies. Such a programme would be coupled with a major plan for digital inclusion. Consequently, **Seine-Saint-Denis could become a laboratory for a pragmatic local approach to digital transformation for the benefit of its inhabitants**, and turn that into a competitive advantage.