

Press release

Adapted employment in France: Facing the challenges of disability, what are the prospects?

Alcimed, a consulting company specialized in innovation and new business development, studies employment challenges of the disabled at disability-friendly companies in France and presents the trends in public support for these companies.

Lyon, July 25th 2018 – 2.7 million people are now recognized as disabled in France including one million of active individuals contributing to the country's economic activity. However, although many of them are unable to work for medical reasons, the unemployment rate for people with disabilities is now 19%, making it half as likely for them to find a job. In this context, the challenge for disability-friendly companies (EA, the French abbreviation for adapted companies: "Entreprises Adaptées") is to support the inclusion of people with a handicap. The EAs have created 26,000 adapted jobs, which benefit 52,000 disabled workers each year. These are generally sustainable jobs, with 91% of them being permanent contracts.

What is a disability-friendly company (EA)?

EA companies are bound to the ordinary labor market law and made a commitment to the Public Authorities to develop their business plan around the inclusion of disabled workers. At least 80% of their production staff must be disabled people, and all the company's activities must be designed to promote their integration. EAs promote integration of people with disabilities *into* the workplace and *through* employment. They are aimed both at workers in protected employment (such as ESATs)¹ who have developed their autonomy at work, and at workers from ordinary companies who need specific support and accommodations, after an accident for example.

What is adapted employment?

It is up to each EA to suggest an answer to this question to Public Authorities.

The Direccte², Government representatives in Regions in charge of approving new EAs, must consider all aspects of the applicant company's business plan, namely its economic viability, social support, but also its territorial establishment. The strength of the company's project truly rests in the coherence and synergy of these three dimensions. How does the chosen economic activity provide job opportunities for disabled workers? How does the social support in place promote the development of transferable skills? How does the company's footprint make possible both local social support and a decent volume of activity, while meeting the employment needs of disabled workers in the same area? These are all questions to which solid answers must be provided when applying for EA status approval.

¹ ESAT is a medico-social institution aiming at the social and professional integration of disabled adults. For more details on the positioning of EA in relation to the ESAT, see <https://www.unea.fr/quest-ce-quune-entreprise-adaptee>

² Direccte are regional bodies set up by the government to promote business development.

What are the 2018 trends in the choice of approvals?

The main trend for 2018 is a freeze on new approvals, for three reasons. First, pressure on public budgets does not spare disability policies, and a decree published in the Official Journal of early April reduces the subsidies granted to EAs at the national level. Second, the financial fragility of existing EAs leads most of the Direccte to prioritize the consolidation of the existing ones, by increasing the number of job aids by EA instead of issuing new approvals. Third, a reform of employment aids for disabled workers is currently under discussion at the national level, resulting in a wait-and-see attitude from the Direccte.

However, two structuring elements in the EA status approval choices should last beyond the reform- the regional strategies (priority territories and sectors for example) and the search for positive exit of disabled workers (towards so-called ordinary companies, which is an inherent objective of EAs, acting as a bridge to the mainstream environment).

Regional strategies to support the employment of disabled workers

Each Direccte is free to determine a regional strategy prioritizing its support actions to the employment of workers with disabilities: sectors of activity, target territories, differentiation from existing EAs, etc. Most regions encourage EAs to focus on the sectors with the strongest economic prospects. Another recurring theme is the assignment of priority territories. The aim is to ensure full national coverage, allowing each disabled individual seeking a job and oriented by occupational medicine towards the labor market to have work opportunities in a nearby EA. The areas considered to be over-equipped – generally urban – are thus almost always excluded from any new approval, whereas rural areas are now among the priority territories.

The ultimate objective of positive exit strategies

A second long-lasting element in the reception of applications for approvals by the Direccte is the attention given to positive exit opportunities (excluding unemployment, retirement or protected employment within an ESAT for example). Positive exits of EAs workers are also financially encouraged through a bonus paid to the EA that has been able to support and meet the conditions for these positive exits. Indeed, EAs' initial purpose is to enable a professional transition to an ordinary company. However, the rate of positive exits from EAs is still currently extremely low (around 2% per year). Although this objective is far from being reached, it remains a structuring criterion in application analysis by the Direccte.

"The government has adopted a social investment logic which consists in estimating the social impact of every euro invested from public sources. This shows how demonstrating the EA capacity to engage in such dynamics is key to convince the Public Authorities to provide the necessary support." – says Isabella De Magny, Director of the Innovation and Public Policies Business Unit at Alcimed Lyon.

Some EAs have achieved good results in this area, using resources developed internally to provide training or consulting services and setting up programs to support entrepreneurship.

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All the initiatives and know-how developed by project leaders in this field are highly appreciated and supported by the Public Authorities.

EAs thus represent an opportunity both for workers with disabilities seeking full and sustainable rehabilitation into the labor market and for entrepreneurs keen to set up innovative projects in the field of support, training and business creation. These are promising and complex challenges that are best addressed with support.

About Alcimed - www.alcimed.com

Founded in 1993, Alcimed is an Innovation and New Business Consulting firm specialized in sectors driven by innovation: life sciences (food, biotech, healthcare), energy, environment, aeronautics, chemicals, cosmetics, materials, building, transportation, space and defense. Our purpose is to help both private and public decision-makers exploring and developing uncharted territories, dealing with new technologies, new offers, new geographies, possible futures, and new ways to innovate. Alcimed's clients are: industrial leaders, start-ups, SMEs, major companies, private equity players and public institutions. Alcimed's team is made up of 200 highly-skilled, multicultural, passionate individuals with a double culture in science/technology and business. The company, headquartered in Paris, accounts 8 offices in 6 countries: Belgium, France, Germany, Singapore, Switzerland and USA. Alcimed is a member of CroissancePlus and the ACI (Association des Conseils en Innovation).

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