5 France

Social enterprises developing ‘proximity services’

Jean-Louis Laville

Introduction

In France, the term ‘social economy’ refers to co-operatives, mutual societies and those associations with an economic dimension which altogether represent a total of around 1.7 million jobs (Bidet 1997). The components of the social economy have underlying similarities because they come from the same original modern associationism which appeared in the first half of the nineteenth century. They were all citizenship-related and fundamentally socio-political but the various legal statuses defined during the years 1890 to 1920 led to quite distinct forms of development. Co-operatives became part of the market economy and, after a period between the wars, during which there was a division of labour between the capitalist and co-operative sectors, competition emerged in the same fields of activity. On the other hand, the mutual societies focused on less commercial activities, managing health insurance schemes and then providing supplementary cover for the same risks when social security was made widely available to the population (Manoa, Rault and Viennay 1992). Moreover associations that had become involved in the provision of services drew support from the welfare state after the Second World War, while taking on tasks associated with public responsibilities (Dermoustier, Hofman and Ramisse 1996).

But with the financial constraints that began to weigh on social policy during the 1970s, the idea of the ‘associative enterprise’ (Alix and Castro 1990) spread, demonstrating a trend towards a lesser degree of dependence on the public authorities. In France, the term ‘social enterprise’ did not appear until the second half of the 1990s and remains little used. However, in the context outlined above, and in terms of the general definition used in the present book, it is possible to distinguish two groups of associations that may be regarded as following the social enterprise rationale. Both of these have emerged in France over the last two decades.

Organisations belonging to the movement for labour-market insertion through economic activity (insertion enterprises, intermediate associations etc.) constitute the first group. These organisations aim at creating jobs for those unemployed people who are excluded from the labour market because of their low level of qualifications. The objective is to combat negative discrimination in employment, given that paid work is an indispensable vehicle of social integration. They have mainly developed in routine activities which can be standardised in industry and services, or in some personal services in commerce or the hotel and catering business, while adapting working methods to make them more suitable for the target public. Some publications discussing this question regard enterprises for insertion through economic measures as the only social enterprises in France (Bernier and Estivill 1987).

Problems in obtaining paid work, however, are not the only sources of exclusion. The increased social inequalities that characterise contemporary society (Pitoussi and Rosanvallon 1997; Giddens 1994) produce other kinds of exclusion, such as the absence of services from which some parts of the population suffer because of inadequate income levels or because they live in disadvantaged urban or rural areas. Other organisations have, therefore, been set up to create services to fulfil unsatisfied social needs in the context of local development, and these organisations constitute the second group of social enterprises. Many of them have been set up in the field of ‘proximity services’, which can be defined as services responding to individual or community demand, within a proximity that may be defined objectively in terms of a local area, but can also be conceived subjectively, i.e. referring to the personal dimension of the services provided (Laville 1992; NysSENS and Petrella 1996).

In fact, the geographical proximity – arising from the fact that services are either delivered to the home or provided within a short distance of it – leads to a personal dimension, since the service provider either visits a client at home or becomes involved in family or neighbourhood relationships.

Social enterprises working in the provision of ‘proximity services’ have tried to avoid being restricted to serving certain ‘target publics’. Their work in the fight against exclusion is thus expressed through their wish to reconcile initiative and solidarity, basing their services on citizens’ initiatives and ensuring that the services provided are accessible to the largest number of people possible in a local area. There are three main differences between them and private, for-profit enterprises working in the same field of activities: they are not based on the expectation of profit from capital invested; users are not merely consumers, they are stakeholders in the service; and the choice of clients according to their ability to pay is outlawed in the name of social justice.

This study focuses on an analysis of these social enterprises, and falls into three parts. The first part shows how services have developed in two typical areas of activity, viz. childcare and home help, during the period of expansion preceding today’s changes, at a time when the discourse was about social services, rather than proximity services. The resources then available for redistribution made it possible to develop the public provision of childcare and an increasing professionalisation of home help services, and the associations which played a pioneering role were able to access public finance for their work. The second part focuses on the emergence of proximity services, the issues surrounding them, and
the appearance of social enterprises in the areas of provision concerned. Finally, the third part examines their interactions with public policy.

1 The development of social services

For a long time personal services were provided by the household or by charities or volunteers of one sort or another. The period of economic growth that began after the Second World War changed this situation. The establishment of social protection for all – under what was to become known as the welfare state – gave the social services financial resources on an unprecedented level and, at the same time, the public authorities were empowered to issue regulations to govern the use of these resources.

Childcare

Under the French social security system, at departmental level, 115 Family Allowances Funds (CAF, Caisses d'allocations familiales) are directly responsible for social benefits and assistance. The CAFs play a key role, together with the local authorities, in providing childcare facilities for children up to the age of three. The state's concern for childcare is reflected in the development of rules governing the childcare premises, usually created by the public sector, and in the classification of the professions involved. However, the state's intervention has not ruled out the predominance of associations.

Collective childcare

Most of the collective childcare facilities are crèches and are part of the public sector. Local crèches, which provide more than 80 per cent of all places, are run by the local authorities, associations or the CAF and are open to local residents. These crèches offer permanent daily service for working parents. Staff crèches, providing less than 20 per cent of all places, are run by hospitals, administrations or businesses and are intended primarily for employees.

Playgroups offer a partial service, primarily for non-working mothers. These were regulated in 1962, and in the following decade their numbers grew rapidly as a result of the growing concern of parents for their children to socialise at an early age. Like crèches, playgroups are financed by the local authorities, the CAFs and families. The local authorities pay half the average daily cost. It is this area of childcare that absorbs most CAF funding.

'Multi-purpose' centres serve as both crèches and playgroups and reflect the trend towards a more flexible type of childcare, which is of shorter - but regular - duration.

'Children's nurses', employed not only in childcare but also in hospitals or in maternal and childcare agencies, have an extra year's training after they obtain their diplomas as state-registered nurses, midwives or social welfare workers. 'Paediatric auxiliary nurses' are the personnel who are present with the children in the crèche; the administrative work is carried out by children's nurses. Crèches also employ pre-school teaching staff.

Home-based childcare

In addition to collective care, there is also the possibility of home-based childcare, using a child-minder. Child-minders are not required to have any training. However, for several years now, training has been made available to them through the Departmental Directorates for Health and Social Welfare. In 1977, child-minders obtained recognition of their professional status as employees. This status, which provides them with limited old age and sickness insurance, was recognised belatedly and is still inadequate, although the public authorities are trying to improve it. Child-minders must go through an authorisation procedure that is carried out through a home visit by the appropriate health authorities' representative. They are then usually allowed to care for a maximum of three pre-school children.

Since 1971, the 'family crèche' system has enabled child-minders to form organisations, based around a director who has medical training and who supervises their work, while they continue to work at home. In the past, the focus of the childcare professions has always been on the medical and health aspects, but this approach has gradually broadened as new types of childcare have become available. None the less, the status and pay of the different professions still vary considerably and there is a real need to harmonise practices and the types of jobs available. Little attention has been paid to co-operation with families, and training systems are still underdeveloped. These professions continue to be generally under-valued, underpaid and predominantly female.

Home help

In the field of home help, just as in the area of childcare, the state's intervention, although important, has not altered the predominance of associations. For many activities, initially covered by social assistance, the sources of funding have become more diverse as policy on the elderly has developed.

The elderly have long been assimilated into the category of the poor and this gave them access to the social welfare services at a very early stage, before policy on the elderly had been formulated. The first state funding was under the social welfare umbrella and was intended to enable the elderly to have help in the home. The first specific reference to social assistance for the elderly (the monthly home help allowance) was in the Decree of 29 November 1953. In 1954, benefits in kind were introduced. Until 1962, such benefits were dependent on the medical condition of applicants. The origins of home help were thus mainly medical; this activity was considered as a means of relieving the pressure on hospitals (Nogues et al. 1984).

In the 1960s, policy on the elderly began to take shape and the state's role grew. In the 1970s, the home help service was organised, using the resources
available. It was possible to obtain home help under the National Employees' Old Age Insurance Fund (CAVTS, Caisse nationale d'assurance vieillesse des travailleurs salariés). In spite of the difficulties created, in particular by the division between medical and social assistance, the concept of home help gradually became established, although its funding came from several sources. The average structure of these resources was the following: social assistance, through local taxes, covered nearly half the cost of home help; one quarter was paid for by the CAVTS; 10 per cent by other pension schemes; and approximately 15 per cent by users.

Furthermore, as the service grew and became more organised, the home helps themselves were anxious to gain professional status. In 1982, the Secretary of State for the Elderly recognised that the home help plays a social role. Similarly, the Ministerial Circular of 7 August 1982 acknowledges that the home help's work is not restricted to housework. Home helps asked for recognition, which they were given through the National Collective Agreement of 1983. In this agreement, the work of the home help is defined as complementing that of doctors, nurses and assistant-nurses' specialised tasks. The task of the home help is to provide material, moral and social support for the elderly insofar as they enable beneficiaries to continue to be independent, to remain at home and to keep in touch with the outside world. They may perform similar duties for people who are no longer able to lead an active life and whose material or social situation is such that they require external help. Their duties extend to the point at which other professional skills are needed.

At the same time, in the 1980s, public demand for support in the home as a real alternative to hospitalisation and for a better solution than unnecessary hospitalisation for dependent elderly, resulted in the establishment of home nursing services together with home carers for the seriously dependent or disabled.

In spite of the different types of funding and professional specialisation which have been superimposed over the last thirty years, the structure of the home help services has continued to be based on associations which are part of large federations. These associations can be defined as 'employment associations' because their main role has been to employ women in this field of activity. Their success has been considerable, both in the number of services provided and in the number of jobs created. These associations identified social needs not recognised by the state, and as the funds available for redistribution increased steadily, they poured money back into job creation in the sector.

The level of technical knowledge demanded by the state (understanding of the organisation of funding, drafting of activity reports, qualifications of permanent staff) further increased the level of professionalism in the associations. Finally, state intervention between 1945 and 1975, the years of prosperity, meant that the initiatives of the associations became heavily dependent on the public authorities while voluntary work gradually decreased to give way to paid employment in the associations which were managing the home help services. Of course, the effects of these developments varied and some organisations were able to hold on to their original values to a large extent. Nevertheless, financing procedures have led to funding being divided among different budgets, which affects the development of projects, and the role of volunteers in the associations is often confined to co-ordination, management and representation.

2 Proximity services and social enterprises

Their integration into the welfare state provision gave the associations a pioneering role and induced a strong dependency on state support. For a long time, the public and associative service providers enjoyed a local quasi-monopoly. With no incentive to be innovative, and co-opted in a protected situation, they were affected, like any other organisation, by personal power strategies or bureaucratic behaviour, and experienced institutional isomorphism, which turned some of them into quasi-administrations [Di Maggio and Powell 1983].

In contrast with the situation in other European countries, associations in France have not only been engaged in advocacy and pioneering functions; they have also been a major provider of services, but many of them have experienced a process of bureaucratisation. However, the passage to a welfare pluralism [Evers 1995] provoked the appearance of innovative and collective initiatives which have tried to provide new associative solutions, different from arrangements such as individual child-minders.

Experience has proved that voluntary status in itself does not guarantee service quality and user respect. What is important is the way in which this status is used in day-to-day practice. In the long term, the legitimacy of service provision by the associations depends on their ability to ensure a dialogue with users, to mobilise diverse voluntary commitments and to find appropriate new financial balances within a new, less sheltered environment. The associations able to achieve these conditions are characterised by a more participatory and entrepreneurial approach.

In fact a number of long-standing or more recently founded associations are attempting to organise or re-organise themselves in this direction. For example, in the area of pre-school care, where public-sector supply dominated, voluntary-sector innovation has been the source of a new community childcare model, promoted by the Association of the Collectives of Children, Parents and Professionals (ACEPP, Association de collectif-enfants-parents-professionnels). Although no similar new model - based on mobilising families - has been introduced in the area of home help, where delegating tasks is a more painful process for the households concerned [Grotz 1994] and where there is a relatively wide variety of federations, there have been many experiments focusing on the professionalisation of jobs, the involvement of users and the quality of services. Some of these have involved innovative national networks, such as the Agency for the Development of Proximity Services (ADSP, Agence pour le développement des services de proximité). This expression 'proximity services' is increasingly used and tends to reflect the growing interest in the new services, which represent opportunities to improve the quality of life.
In the following section, we will focus on those 'new' associations, and those collective initiatives in the fields of childcare and home help that meet the criteria of the definition of the 'social enterprise'.

**Childcare centres involving parental participation**

With the steady increase, since the 1960s, in the numbers of women participating in the labour force, the question of childcare provision has become more acute. There are not enough places available in crèches and working hours frequently lie in very poorly with the restricted opening hours of traditional crèches. At the same time, many parents now regard socialisation as an important element in their child's development. This, together with their usefulness to part-time working women, explains the success of playgroups which take children for a few hours or a few days each week.

According to Leprince (1985), the measures adopted remain partial and do nothing to resolve the contradictions generated by the present development of modes of pre-school childcare: the contradiction between the desire to promote prevention and encourage equality of opportunity and the desire to develop the least costly modes of childcare for the community; the contradiction between the acknowledged wish for children to socialise at an ever earlier age and the transfer of childcare responsibility to the family environment; the contradiction between the educational role conferred on collective crèches and the relatively well off backgrounds of the parents who use them. It is against this background that parental crèches have developed.

First created in 1968, informal crèches put the emphasis on parental responsibility and on teaching children to socialise. Combining a self-management approach with a 'pedagogic' approach, they operated in a field previously characterised by a strong emphasis on public health and a non-participatory model excluding parents from the services functioning. Thus, these informal crèches remained voluntarily outside the jurisdiction of the public authorities, which distrusted them. They attempted to make childcare more of a life experience for the children. The idea was that there should be no separation between the parents and the professionals, or between the children and the parents. The parents took over the collective care of the children and gave special prominence to activities designed to promote their development and awareness of the world around them. This new approach contrasted with the partitioning and specialisation common in traditional modes of pre-school care.

From 1980, there were developments on two fronts, motivated by the social and economic crisis. The informal crèches sought to stabilise their functioning and their structure by seeking subsidies to allow them to reduce their operating and investment costs and to recruit paid employees. And the public authorities began to take an interest in the informal crèches' low costs and child-socialisation philosophy.

Finally, in February 1981, the Association of Collectives of Children and Parents (ACEP, Association des collectifs enfants-parents) was created, and on 21 August 1981 the informal crèches received official recognition and were to be known henceforth as 'parental crèches'. The parents pay half of the crèches' operating costs. The other half comes from:

- **CAF allowances and subsidies, which are paid if at least 50 per cent of the parents are in receipt of CAF allowance. The 1989 reform of CAF allowances enabled the daily child allowances paid to parental crèches to be aligned with those paid to other collective structures, and this was a significant improvement;**
- **local authority subsidies are also needed to balance the management costs, but they leave the crèches vulnerable to interference from the local authority, which can sometimes be problematic because numerous local leaders still know nothing about this mode of organisation.**

Other difficulties persist. Despite some advances, such as the 'Ministerial Fund to Support Parental Initiative Structures', which is used for equipment expenditure, the slowness of the funding procedures and the complexity of the set-ups still pose a threat to many projects. In addition, organizing parental duty rosters in the crèches is by no means straightforward, since too many workers still do not benefit from reduced, reorganised working hours. It is still very difficult for some categories of workers to find the free time necessary to participate in the crèche. On average, parents are expected to give between six and eight hours of their time each week. Parents must therefore be either in part-time employment or be fairly 'heroic' to add this extra burden of hours to their already heavy workload, particularly as it is a voluntary service which they must carry out before they can reap any of the benefits that their participation might bring.

In spite of everything, these crèches, partly run and managed by the parents who participate in the general assemblies and nominate the board members, have mushroomed. A number of them have also been created by professionals and the national network became the Association of the Collectives of Children, Parents and Professionals (ACEPP) at the beginning of the 1990s to reflect this enlargement in the stakeholders. The number of parental crèches doubled almost every year between 1991 and 1994. There were 566 in January 1999, compared with only thirty in January 1982. Parental crèches represent 3 per cent of all available crèche places. The spread has been both geographical and social. In 1989 there were 102 parental crèches in major conurbations, 130 in rural areas and 926 in small and medium-sized conurbations, with a widening social spread of parents involved.

By January 1994,4 there were 720 parental crèches, with space for 10,800 children. Of these structures, 477 offered 7,300 'multi-purpose' places, combining collective crèches and playgroups, and creating the equivalent of approximately 3,000 full-time jobs. More generally, childcare initiatives involving parental participation have created two-thirds of community childcare places in the last ten years.
Initiatives in the field of home help

In the field of home help, the desire to establish an ACEPP-type relationship between families and professionals can be found in the associations, which, despite differences in size or generation, are alike in the attention they pay to employees and users. Since it is not possible to mention them all, one particular example may serve to illustrate the process.

Elrée is an association whose aim is to set up home help networks in liaison with small care centres for elderly or dependent persons. Why prolong life, if not to make it enjoyable to the end? It was in an attempt to answer this question that a number of persons of like minds came together. Sharing similar experiences, both in their professional and personal lives, they took a critical look at the status and place given to old age in our society by institutions and by families.

It was this, and the feeling of not being listened to in their day-to-day dealings with the medico-social world, that convinced the promoters of this project that an innovative response was needed. The setting down of a plan on paper gave substance to their thoughts. Calling the project 'Ageing and Dying in the City', they set out the objectives as follows in the association's statutes:

To help people to continue to live at home; to offer services enabling families to envisage or continue supporting a physically or mentally dependent person at home, through the provision of educational, psychological or material assistance; and to enable families and individuals to look after dependent persons, so as to re-introduce the reality of disability, old-age and death into daily life.

They requested meetings with a wide range of people and bodies, including regional services, elected representatives of several municipalities, administrations operating in this field, associations, health professionals such as doctors, pharmacists and nurses, ministers, etc. They managed to arrange more than forty meetings, in which they found backing for their own views, got those they met interested in the 'philosophy' of the project, and established that no similar initiatives of this type were known of locally.

Elrée has a director involved in developing the community project, as well as administrative staff, who play an important co-ordination role with the employees and users. The number of employees providing assistance to elderly persons has deliberately been kept down to approximately sixty persons for seventy families assisted, in order to ensure frequent direct personal contact, but creation of similar initiatives based on the pilot experiment is in progress. The promoters propose not only home help but also work for the realisation of small care centres/units for disabled persons, integrating in their formation the relations with the families concerned. The staff of a care centre comprises a full-time house-mistress or organiser, two assistants and seven other persons to cover nights and weekends. There are thirteen volunteers in the association's management bodies, and added to these are all the volunteers who provide daily support for the persons assisted.

Such organisations, which encountered many obstacles, felt the need to join forces with other groups working on similar projects. For this reason the founders of Elrée became involved in the ADSP, whose dynamic new approaches in proximity services are well proven.

Since 1985, the ADSP has united a wide range of individuals such as service managers, project supporters and promoters, professional and elected members of institutions and associations, trade unionists, researchers and academics. The network they established was thus not specialised in one field of activity. It was based on a common approach to developing proximity services, distinct from other methods. Their approach can be summarised by two key points:

- Proximity services can constitute a real economic sector. Because of a large number of socio-demographic factors, there is a strong 'social demand' which can no longer be met by ad hoc arrangements which reduce this potential source of jobs to no more than a favoured area for the socio-professional insertion of the most disadvantaged people.
- However, given their particular nature, these services can only be provided by a new kind of entrepreneurial organisational form, able to interlink different kinds of financial and non-financial resources and resting on contract-based solutions at both local and sectoral level.

In contrast with public services, these proximity services (Berger and Michel 1996) try to get the users involved in planning and running the services. In contrast with the social treatment of unemployment, they aim to avoid confusing proximity services with the insertion of disadvantaged people. In contrast with measures that focus on the number of jobs created, they aim to structure employment through setting up collective groups. Finally, in contrast with the commercial services sector, they do not only target a financially secure public nor restrict the role of users to that of mere consumers, but try to involve them as citizens.

3 Public policies and social enterprises

From the mid-1980s, the public budgets dedicated to social services began to be insufficient for the growing demand in personal services. The extent of the state's influence was linked to the resources of the welfare state, in turn dependent on the economic growth rate. The slowing of the growth rate triggered a crisis in the welfare state. Steps were therefore taken to develop proximity services, as a means of both creating jobs and curbing social spending.

Strong changes in public policies

The first attempts to develop proximity services through new public policies were based on the simple fact that there are, on the one hand, a number of unsatisfied needs and, on the other, a large number of unemployed people. Consequently, it
seems logical to encourage the creation of new jobs in an area that can satisfy unanswered needs. For unemployed people, access to employment has been improved by the introduction of new intermediate forms of employment, between unemployment and social assistance. This was the basis for the social measures introduced to give the unemployed access to ‘bridging’ jobs, firstly, through the youth employment scheme (Trames d’activité collective), and then through the so-called ‘employment solidarity contracts’ (Contrats emploi-solidaire), with the recognition of ‘intermediate associations’ (associations intermédiaires) whose role is to provide temporary work.

These social programmes produced disappointing effects, mainly because they gave rise to confusion between new services and job integration. They led to the devaluation of the jobs created, because they were designed more for the people who were to be integrated into the labour market than for the users in a sector where a high level of social skills was required. Beneficiaries found themselves in jobs which they had not been able to choose; they were allocated simply because they happened to be available at that moment, and the tasks involved had, for the most part, little relationship with one another. Entering the personal services more by necessity than by choice, the unemployed were moreover offered only temporary jobs, with no provision for learning in the long term. This situation created particular problems in a sector where a high level of social skills was required.

The development of the services was impeded by the turnover inherent in temporary employment schemes. For this reason, various measures were taken from the end of the 1980s, to ensure that users had the resources to pay for these services, without having to resort to social unemployment measures. In the field of childcare, allowances such as the ‘allowance for childcare at home’ (Allocation de garde d’enfant à domicile) and the ‘family aid to employ an approved childminder’ (Aide à la famille pour l’emploi d’une assistante maternelle agréée) were introduced. In the field of home help, an attendance allowance and exemptions from social contributions and taxes were introduced for private individuals employing someone at home. These measures, applying only to private individuals, discriminated against the associations offering the same kind of services. As a result, the public authorities introduced a special status of ‘mandatory association’, making it eligible for the same concessions as private individuals because, in such an association, the private individuals keep the legal responsibility of the employer. Consequently, the workers are not employed by the association but directly by the household – the association being only an intermediary. This status, which is financially attractive, was adopted by many associations, e.g. the National Union of Associations for Rural Home Help (Union nationale d’aide à domicile en milieu rural), which provided 10 per cent of their working hours through mandatory associations in 1992 and 30 per cent in 1994.

All these measures aimed at encouraging households to recruit personnel, placed the emphasis on job creation as an end in itself, in contrast with the previous objective of work access for disadvantaged people. The new maxim was the creation of ‘real jobs’, which the ‘family jobs’ programme set out to achieve in 1991. The main innovation of this programme was the introduction of tax credits for all taxable households that create jobs at home. Although additional measures were taken to help associations, in practice, the family jobs programme has tended to encourage the conclusion of contracts between private individuals and employees.

For some important private businesses, this system has still to be improved in order to enable supply to be organised adequately. According to the National French Employers’ Council (CNPP, Conseil national du patronat français), which has made this one of its central themes, the time has come to ‘remove the obstacles to the emergence of a family services market, for which there is a strong demand’. According to the employers’ council, commercial investment in this field is only feasible if accompanied by reforms concerning demand. From the demand side, enterprises want to see a bigger shift towards free-market regulation and want the advantages enjoyed by private employers to be extended to embrace employees forming part of an enterprise’s workforce. The plea for a genuinely market-based system rests on criticism of the state system as practised during the period of expansion.

This line of argument reduces the diversity of existing forms of supply to a single model, that of a ‘collectivised’ system. Behind this attack on the existing forms of organisation of this field of activity lies the conviction that proximity services need to be made more market-based to enhance their credibility. The private sector can bring to proximity services ‘its competence, its competitiveness and its capacity for organisational engineering’. According to the CNPP, a quality service from service enterprises will restore consumer confidence in service-providers, once freedom of choice has been given back to the consumer. Through intense lobbying, the Union of Personal-Service Enterprises (Syndicat des entreprises de services aux personnes) set up by the CNPP and incorporating some of the largest private groups in terms of workforce size, has succeeded in getting the tax exemptions allowable for ‘family jobs’ extended to enterprises, under the terms of a law adopted in 1996.

These changes in public policies affected the place of public services and associations. In childcare, even if the presence of the for-profit private sector remains very weak, the public service has lost its monopoly in the provision of services and it was the same for associations in the case of home help.

**Negative discrimination at the national level**

The move of the national public policies in proximity services to competition-based regulation translates in practical terms into discrimination against social enterprises. In the case of pre-school childcare provision, according to the ACEPP, whereas associations formed by parents and professionals have accounted for two-thirds of the new places created in pre-school childcare facilities over the past ten years, the measures which have been taken to mobilise resources on the demand side mainly concern non-collective forms of childcare and ignore the specific nature of these original initiatives.
The sector of pre-school childcare is marked by the separation between "black-market" and official childcare, and between individual and collective provision. In fact, the majority of childcare is provided on an undeclared basis. In response to this situation, priority has been given in recent years to the possibility of creating or regularising jobs in the childcare sector. The new measures adopted in favour of child-minders and the measures on family jobs are evidence of the approach taken in this area, under which clear encouragement is given to employment at home. The foundations have been laid for giving recognised status to these jobs through the introduction of compulsory training for child-minders, and the policy implemented by the CAF in this area has tried to impose the provision of individual child-minding services.

However, the aim of creating jobs has led the state to take measures inapplicable for collective child-minding, thereby creating a situation of competition distorted by inequitable public assistance in favour of individual childcare to the detriment of collective childcare (ACEPP 1996). Tax deductions for family jobs can be as much as 43,000 FF (6,560 Euro) a year for the employment of a person to look after children at the employer's home, whereas families that obtain child-minding services through an association are not eligible for these tax deductions. An allowance like the Allocation de garde d'enfant à domicile is also unfair in its attribution criteria, because it does not take into account the differences in income and does not cover parents who use collective child-minding services.

In the face of this negative situation, the ACEPP proposes the following:

- the harmonisation of child-minding policy so as to give families a real choice of childcare provision for their children on the basis of quality, rather than financial criteria;
- the recognition of the role and specific character of associations responsible for managing a collective child-minding structure; the contribution of voluntary work has to be integrated in the cost price in order to adjust the amount of public finances granted to these parental initiatives, and the provision of an increased allowance when they provide childcare to families suffering social exclusion or on low incomes;
- an increase to 45,000 FF (6,560 Euro) of tax deductions for the cost of collective childcare, which are currently limited to 5,750 FF (572 Euro). The ceiling for these tax deductions would then be the same as that for family service jobs.

According to the ACEPP, these proposals are not designed to give an advantage to collective childcare services, but rather to allow parents to make their choice of childcare provision among different forms of supply while getting an equitable support from public authorities. It is a paradox that the current situation penalises collective forms of childcare, although they provide more guarantees in terms of training and recognised status for workers than individual childcare. Moreover, the most recent amendments to the law on family service jobs give the same tax advantages to households which use family service employment through enterprises as to those which directly recruit a domestic worker, but they do not take into account the associative forms of childcare. In other words, the initiatives of associations do not receive the same encouragement as those of private individuals and enterprises.

These statements also apply to home help, in which the superimposing of old forms of financing and new ways of direct help to users has made the procedures more complex. This has damaged the work of providers and detracted from the clarity of provision for users. Four formulas exist side by side: (1) benefits in kind, such as statutory, optional home help; (2) cash payments such as the compensatory allowance; (3) tax aid; and (4) exemptions from social contributions. This makes the system inextricable, as shown by the rapid development of the services of mandatory associations under the new arrangements. Associations which were already employers and now also operate under the new arrangements are seeing their employees – to whom they are bound by a contract corresponding to a collective agreement on home help – being also employed by several private employers as well under the agreement on family jobs. The result is that employment contracts and remuneration rules are different from one hour of the day to the next. This situation is damaging not just for employees, but also for the quality of the service.

In a way, it can be said that a 'poor quality bonus' has been established through the recent modes of mobilising resources on the demand side, favouring a payment per act. Instead of giving priority to quality standards, they have focused on level of price. The lack of a joint effort to structure supply means that the time allocated to training and co-operation between professionals and users is cut back in favour of 'productive' paid work alone. This is all the more serious since the nature of the services tends to lead to the isolation of employees and because opportunities to meet and discuss matters together are crucial for preventing the fragmentation and break-up of the services.

The end result is that associations, which are by far the biggest employers in the area of home help, are faced with an awkward dilemma, viz. either pay less attention to quality in order to remain competitive, or aim for quality and endanger their financial position. The rapid development of this area has strongly undermined their operations, and this does not help to promote managed change or openness to the needs of the user.

In contrast with traditional state regulation, which lump users together into different administrative categories, competition-based regulation, be it of a market or quasi-market nature, takes account of the fact that proximity services are tailored to individuals. However, it ignores the fact that as well as producing private benefits for their immediate users, these services also produce collective benefits for the community; in other words they provide positive collective externalities. Moreover, it does not take into account the fact that proximity services can influence social links and citizenship. Regulation based on competition gives priority to support for consumption and employment, which, important as they are, cannot be the only aims of public action. Indeed, the public authorities may intervene in the regulation of childcare for many other reasons. As pointed out
by Nyssens and Petrella (1996), they may intervene in the name of the principles of fairness chosen by society, which include the desire to give everyone access to this service; in order to produce positive externalities for the economy, for example the greater availability of women on the labour market and the educational role of childcare services; and to guarantee a high-quality service by the introduction of a set of standards in an area in which users find it difficult to assess the quality of the service provided.

To sum up, home help and childcare, which have long been thought of as collective services — in other words services which must be funded and controlled by the public authorities by means of state regulation — are increasingly coming to be considered to be private services in which consumers must be given freedom of choice and which can generate jobs. This evolution arises from a simplistic two-way opposition between collective and private services. In fact, proximity services cannot be considered to be exclusively collective or exclusively private. While it is true that they are services whose use is divisible, they are also services requiring public regulation, since they produce not only private benefits but also collective benefits which affect not just their users, and they also have effects in terms of social justice and equality.

**Positive trends in regional policies**

Takings into account this characteristic of proximity services to be both individual and quasi-collective is the aim of certain emerging forms of public intervention which are clearly distinct from the dominant tendency towards competition-based regulation. These efforts are gradually leading to a change in the objectives and methods of public intervention. This change contributes to a socio-economic development which mobilises society while, at the same time, ensuring that the principles of justice and the quality of life in society are respected.

A relevant example is provided by the policy adopted in July 1996 by the Regional Council of Nord-Pas-de-Calais which was 'designed to create a framework for professional jobs, and to ensure that these new activities are rooted in social reality', in order to 'promote the development of viable, lasting activities which are accessible to everyone'. The main objective is to transform the local political and administrative system so that it can really encourage initiatives, since the region seems to be the most appropriate level for strengthening a locally based economy. This is being done, mainly, by involving networks of those engaged in the development and application of policy.

In this policy, it is assumed that proximity services may take the form of:

- private enterprises, for those services designed for specific groups of clients who have sufficient means, are convinced of the importance of paying for these services and have reliable information on their quality;
- public services which are in the general interest. Since they cannot be funded by market resources, they must be provided within the framework of existing or new public utilities, which calls for negotiation between public or para-public authorities and institutions;
- social enterprises, which, with a view to creating a civil and solidarity-based economy, can achieve a lasting organisational balance by combining market resources (sale to users with resources), non-market resources (arrangements with public partners to ensure that the services are accessible) and non-monetary resources (voluntary commitments encouraged by local factors).

These are the basic lines along which proximity services can be institutionalised. In this perspective, the regional policy proposes new sets of measures comprising three stages: recognition of the right to take initiatives; strengthening and development of the existing range of services; and adaptation of methods of funding.

The recognition of a right to take initiatives is designed to remedy the inequality of a situation in which institutional support is provided only to entrepreneurs with financial resources or the right contacts. To this end, the public authorities undertake to fund the assets of projects which are designed to create lasting professional jobs with common-law contracts, and to contribute to the strengthening of social cohesion, on condition that the project organisers agree to work with professional support services which can help them to formalise the project. However, entrepreneurs sometimes have to stay unpaid during the months they organise the project, which results in a de facto selection among the various promoters. The Regional Council intends to resolve the problem of the status of promoters by organising paid training for project organisers, so that they can be allocated a specific amount of working time in order to do all the work connected with the design of activities.

In addition to this assistance for project design and training, support is also provided for start-up, where one of the persistent difficulties is the funding of management posts during the first three years of operation because of the time needed (to establish trust with partners and clients) before the activity is up and running and because of the fact that various resources need to be mobilised (through negotiations with various partners). In order to discourage the use of stop-gap solutions, two forms of start-up resources are provided: resources tapering off over three years for the creation of management jobs and resources with the formation of working capital.

In order to strengthen and develop the existing range of services, it is necessary to provide recognised job status. The public authorities commit themselves to supporting measures to give recognised status to jobs on condition that these measures include an evaluation mechanism to improve knowledge of the operation of existing structures. The observations made during diagnosis and confirmed by an evaluation committee should be used in order to define, together with the services concerned, new forms of engineering and arrangements for on-the-job training measures that are appropriate to solving the problems identified. While jobs are being consolidated, voluntary commitment is being encouraged through the funding of measures to develop and give structure to voluntary work by promoting recognition of the role of users and the
development of this role in establishing projects or diversifying activities. Rather than voluntary work replacing genuine jobs because of the lack of funds, the aim is to ensure that roles are divided up between paid professionals and responsible volunteers.

Lastly, as regards the adaptation of funding and the mobilisation of resources on the demand side and given the magnitude of these tasks, the Regional Council intends to establish limits for its action. It believes that the legitimacy of public action to mobilise resources on the demand side can only be guaranteed if this action is designed to promote the access of all categories of society to these services. The Regional Council therefore refuses to take part in measures to mobilise resources on the demand side that could contribute to the creation of new divisions in demand and could exacerbate inequality in access to the services. However, it is committed to providing assistance to experiments designed to guarantee the accessibility of services.

This regional approach is different from both traditional state regulation and competition-based regulation through the attention paid to the networks of associations. It has helped to create in the first two years of implementation several hundreds of jobs. But it has also contributed to promoting a public debate and to pointing out the associated implicit and explicit choices facing society in the area of new services.

Conclusions

Social enterprises represent a reaction against the phenomenon of institutional isomorphism that has affected various elements in the social economy. To avoid taking on a quasi-administrative role, associations’ promoters have sought to detach themselves from state supervision that has long dominated the associations. At the same time, they have assumed the associative legal status that is the easiest and the most flexible structure available to collective enterprises in France, although in its current form it presents a number of problems. Like the co-operatives, social enterprises aim for a high degree of management independence, but unlike them they do not only have access to commercial resources since the social justice which they hope to promote and the collective benefits which they provide require public finance if they are to survive in the long term. Combining commercial and non-commercial resources on a permanent basis is not easy to achieve, because it requires complex partnerships and comes up against the compartmentalised institutional thinking inherited from the years of growth. Social enterprises cannot overcome these obstacles unless they can prove their ability to develop services through taking into account the real life experiences of the various stakeholders. This is true of childcare and home help, where supplementary resources, from neither the state nor the market, are brought into the equation and which draw on voluntary commitments made possible by their position in the personalised relationships of social networks. This characteristic feature has political implications. If we consider that the future of democracy is determined by a sense of belonging to a common world, the consolidation of production networks focused on social aims will support and strengthen it.

The ability to find innovative solutions developing out of the characteristic practices of both the state and the market has been the main advantage for the emergence of social enterprises in proximity services. Their future development will depend on their ability to negotiate a renewal of public policy, the thrust of which still works to their disadvantage. Among the necessary changes is an amendment of the legal structures available in France. Should the co-operative or associative structure be adapted, or do we need to introduce a new status? The topicality of this question in 1999 is shown by a number of investigations of social enterprises. These include: research about enterprises with a social purpose commissioned by the Minister for Employment and Solidarity; working group of the National Council of Co-operation on social co-operatives; working group of the Foundation for the Development of Associative Life. The social economy born in the nineteenth century is now looking for appropriate structures to take it into the twenty-first, but beyond the questions of status, their future is linked to the possibility of a more solidarity-based model of development. As Lapietz has said, this is part of the wider question of constructing 'a solidarity-based third sector of the economy' (Lapietz 1998: 3). The creation in 2000 of the first Ministry of the Civil and Solidarity-based Economy shows how this question becomes a reality.

Notes

1. According to the law of 15 December 1981, which introduced the expression ‘social economy’ into the French legal system, setting up the Delegation for the Social Economy; see Viennet (1994).
2. The associations are non-profit organisations. Their origins are in joint voluntary actions, but they may employ staff; in fact more than 1 million people are employed by associations in France and 13 per cent of the jobs created between 1980 and 1990 in France were in associations. It therefore does not seem helpful to describe them as ‘voluntary organisations’ or to speak of a ‘voluntary sector’. See Darchambault (1996).
3. Insertion through economic activity has been boldly treated in previous publications, in particular Defourny, Faverou and Laville (1998).
4. An approximate translation in English of the French ‘services de proximité’ would be ‘household and community services’ but to preserve the specificity of the concept, the literal translation of ‘proximity services’ is used in the text.
5. Throughout this section, the ‘state’ refers, in general, to public or semi-public institutions involved to varying degrees in financing home help, e.g. departments, social assistance, sickness insurance funds, pension funds etc.
6. About institutional isomorphism, see also the contribution of Laville and Nysens in this book (Chapter 18).
7. In objectives are: representation with the public authorities, creation of a network, promotion of new initiatives, research and experimentation within communities. For a fuller description of the ACEPP experience, see Combes (1989); Passaris (1984).
9. The letters stand for Études, Travails, Recherches, Étudier or, in English, ‘Listen, Work, Meet, Hope’. Also means ‘to be’ in French.
This tax credit was raised from an initial 17,800 FF (2,744 Euro) in 1991 to 45,000 FF (6,860 Euro) in 1995.

This quotation and the following one are excerpts from a text published by the National French Employers' Council: Comité de liaison des services CNPF (1994: 24–44).

Excerpts from the report of G. Hascoet, Vice-President of the Regional Council of Nord-Pas-de-Calais (Hascoet 1996: 2).

It should be pointed out that in doing so, they have set off a debate within the co-operative production movement which led it to adopt, at their Lille Congress in October 1997, the following declaration: ‘The co-operative movement will work to formulate a special status based on that of the Italian social co-operative movement allowing a new partnership between volunteers, workers and employees.’

Including problems in raising own resources, the attribution of personal responsibility to the president, the absence of a clear tax regime, etc.

The State Secretary nominated is G. Hascoet who was responsible for the policy implemented by the regional council of Nord-Pas-de-Calais.

Bibliography

Comité de liaison des services CNPF (1994) Les services à la personne. Services aux consomma
teurs et services de proximité: des marchés à développer par l’innovation dans l’offre et par le professionalisme des intervenants, CNPF, Paris.