

## ★ Social micro-credit

**France**

CCAS Dijon

Starting date : 01/09/2007

### Context

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More than 75 % of the beneficiaries of the CCAS support have their financial resources less than 500 € - 20, 87 % have financial resources between 500 € and 1 000 €. The social needs analysis realised by the CCAS in 2006 indicate that there was in Dijon, 7 000 working poor with financial resources less than 771, 47 € (limit of lower incomes), by unit of consumption.

Most of the persons who received the help provided by the CCAS have the minimum wage income, but not a lot of them received an income from a professional activity.

Regarding this context, the CCAS decided to define first a rule for the attribution of the assistance and secondly the implementation of new tools to better answer the needs of those target groups. They are in fact excluded from the access to credit either because the credit organization refuse to lend them money (too hazardous), or because those persons are afraid of asking without any help.

In partnership with the bank "municipal credit", the CCAS decided to initiate a social micro-credit.

### Description

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#### Target group:

Alone people or families, living in Dijon, whose incomes are less or equal to 1, 20 of the minimum income are concerned by the system.

Persons with excessive debt or important debt will not be able to benefit from the social micro-credit.

The reimbursement of loan added to the incompressible expenses (rent, energy, scholarship, resources, health insurance) will not exceed a minimum for living which is 200 euros per person and per month.

#### Eligible expenses

- household electrical equipment (refrigerator, washer cooker)
- guarantee for rent
- financing of a driving lesson in the framework of a professional inclusion
- financing of a means of locomotion (scooter, moped, second-hand car) necessary for a professional inclusion

If these expenses can benefit from another financial support, the list may change.

### Characteristics of the loan

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- ◆ Amount between 300 and 3000 euros
- ◆ Duration of the reimbursement from 5 to 24 months
- ◆ Interest rate for the borrower 1%. The CCAS ensure the difference between the rate and the one proposed by the "credit municipal" which is around 4,40 %
- ◆ No dossier fees

### Tutoring procedure

Social services evaluate the potential beneficiaries. A first meeting is organised between the person and workers from the CCAS in order to verify the concordance between the file and the attribution rules.

The CCAS verify the ability of the beneficiary to reimburse the credit.

If the project is possible, the candidature is proposed and validated by an internal commission under the presidency of an elected representative.

The file is transmitted to the bank "credit municipal". If the bank does not agree, a meeting is organised with the CCAS. If the disagreement still exists after the meeting, it's the bank which will take the final decision.

### Social Tutoring

The CCAS' services are directly managing of the tutoring.

During the elaboration of the funding of the project: help to constitute the dossier, verification of the beneficiary's solvency, help to the financial management of the budget with this new income.

After the delivering of the loan: in case of difficulties the staff of the CCAS stay at the disposal of the beneficiary, especially in case of non-payment of the schedule of due dates. The CCAS can intervene in the framework of the weekly commission for support, in order to take in charge some payments;

The CCAS' staff is involved in the micro-credit and especially in the social tutoring. To complete their experience, a training is organised on the budget management and the implementation of necessary tools for the folders' follow-up (dashboard).

## Means

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**Human resources:** part-time worker

**Budget :** 21 800 euros.

including

3 900 euros of charge from the interest of credits

1 500 euros for professional training

15 500 euros for staff salaries

## Assessment

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During the experimentation period of the micro-credit system, the CCAS envisage to have 60 files per year.

Currently, it seems difficult to find potential beneficiaries. The files proposed does not correspond to the eligibility criteria, or the persons can benefit from other assistance that are more favourable, or their incomes are too risky (part-time workers for instance).

The micro-credit is known by the CCAS' staff and from the local inclusion agency but, it is not sufficient to inform the potential population concerned. Families are more in contact with the County council's services. The CCAS will get in touch with them to let them know about the social micro-credit.

## CCAS evaluation

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Working poor is a specific target group to work on with because they usually think "they have no rights", and usually social workers are not enough prepared to bring an answer to their difficulties. The micro-credit system is a mean to aid those persons by getting round the existing barriers created by the social helps scales.

## CONTACT

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