

How to tackle unfair competition of undeclared work

The Service Vouchers Example

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A G E N D A

1. **Overall Process : the triangular Model**
2. **History of Service Vouchers in Belgium**
3. **Public Policy and Budget Issues**
4. **Impact on Undeclared Work**

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Overall Process : the triangular pattern

Overall Process : the Triangular Model (1/2)

FINANCING ENTITY

Regional Ministers of Labour and Regional Employment Agencies

POLITICAL CHALLENGE

Reduce unemployment rates, fight against illegal working, create valuable jobs, and offer sustainable opportunities to a population with low or no qualifications

POPULATION TARGETED

Workers with low or no qualifications

SOLUTION

Set up a system of vouchers to support an individual's purchase of hours of dedicated household services.



SCHEME IMPLEMENTED

A user orders vouchers from Sodexo at a face-value price.

Sodexo provides the user with the service vouchers (paper or electronic).

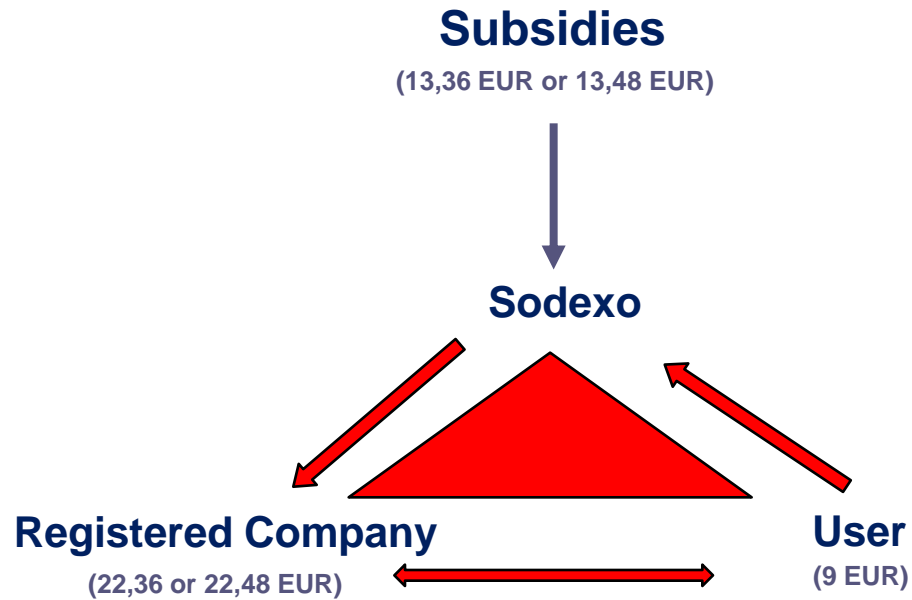
The user books an activity through a registered company.

The user pays the registered company with service vouchers.

Sodexo pays full price to the registered company (face value + subsidies)

The registered company pays the worker according to contract terms.

Overall Process : the Triangular Model



- Service Vouchers competitive with undeclared forms of labour through public intervention:
 - ❑ Subsidies for registered companies
 - ❑ Tax reduction for users (10 to 30%)
- Reliability of the system through the use of Registered companies
 - ❑ Anti-fraud control
 - ❑ Quality of Employment
 - ❑ Insurance against risks

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History of Service Vouchers in Belgium

History of Service Vouchers in Belgium (1/3)

■ Launched in 2004

■ Four activities

- Household Chores (90%)
- Remote Ironing Service (8%)
- Household Shopping (1%)
- Transportation of Disabled People (<1%)

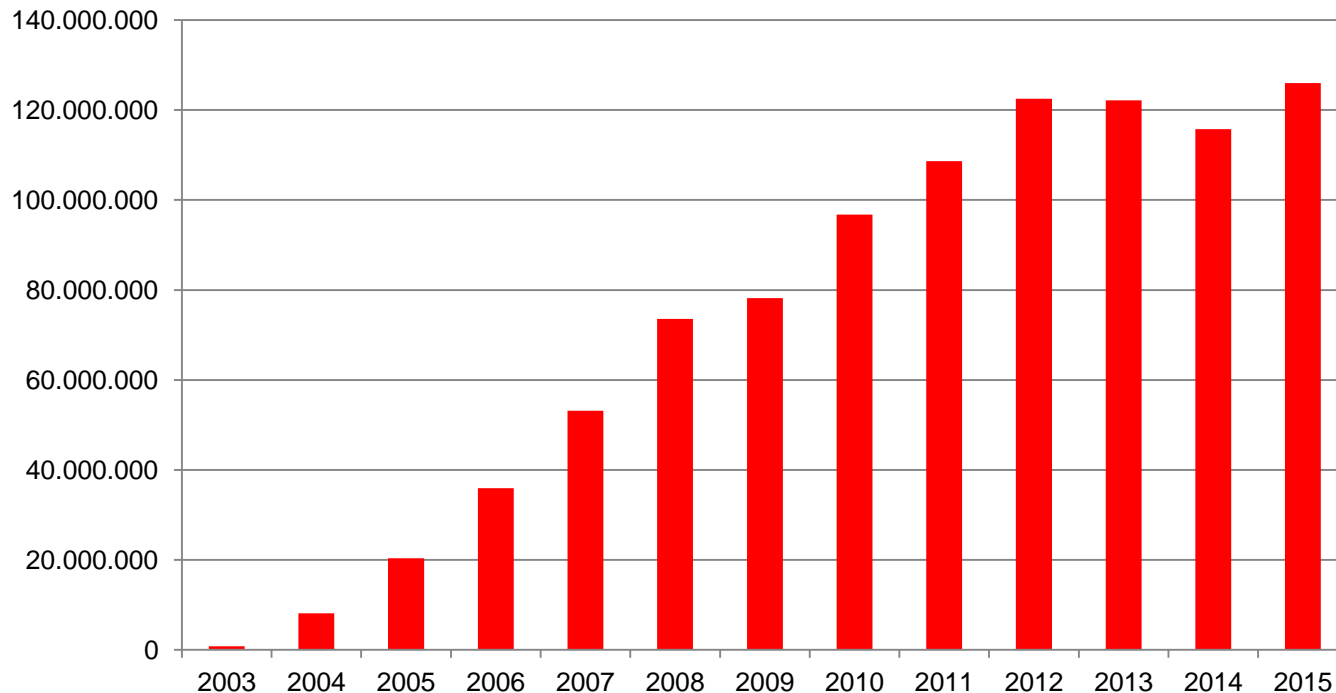
■ Goals

- Better Work/Life Balance
- Boost Purchasing Power
- Job Creation vs. Undeclared Work

History of Service Vouchers in Belgium (2/3)

■ Volume Trends

Issued Service Vouchers



History of Service Vouchers in Belgium (3/3)

■ Key Figures (2015)


- Volume of Issued Vouchers: 122 million
- Business Volume: € 2,811 billion
- Active Users: 1.025.440 (21% of Belgian households)
- Registered Companies: 2.057
- Workers:
 - 166.709 (avg. weekly hours: 24) + 4.000 admin staff
 - = 4,7% of total Employment in Belgium

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Public Policy and Budget Issues

Public Policy & Budget Issues


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**TRANSFERS
IN KIND**

- Less useful and efficient for beneficiaries
- No empowerment
- Stock, shelter and dispatch issues

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**DEDICATED
SUBSIDIES
ALLOCATION**

- The right people
- The right use
- The right network

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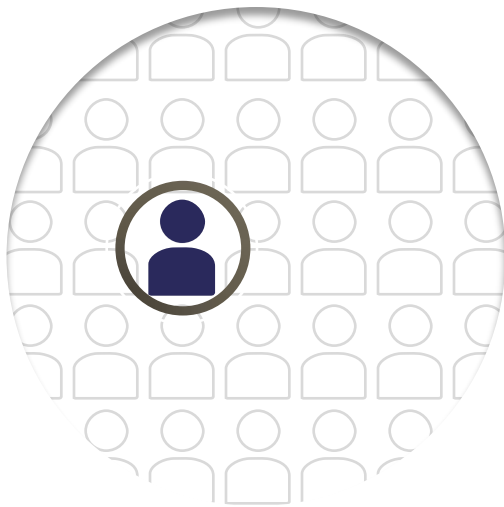


**TRANSFERS
IN CASH**

- Risk of misuse (*by relatives or beneficiaries*)
- Non-traceable model

Public Policy & Budget Issues

**SELECTED
INDIVIDUALS**



**DEDICATED GOODS
AND SERVICES**

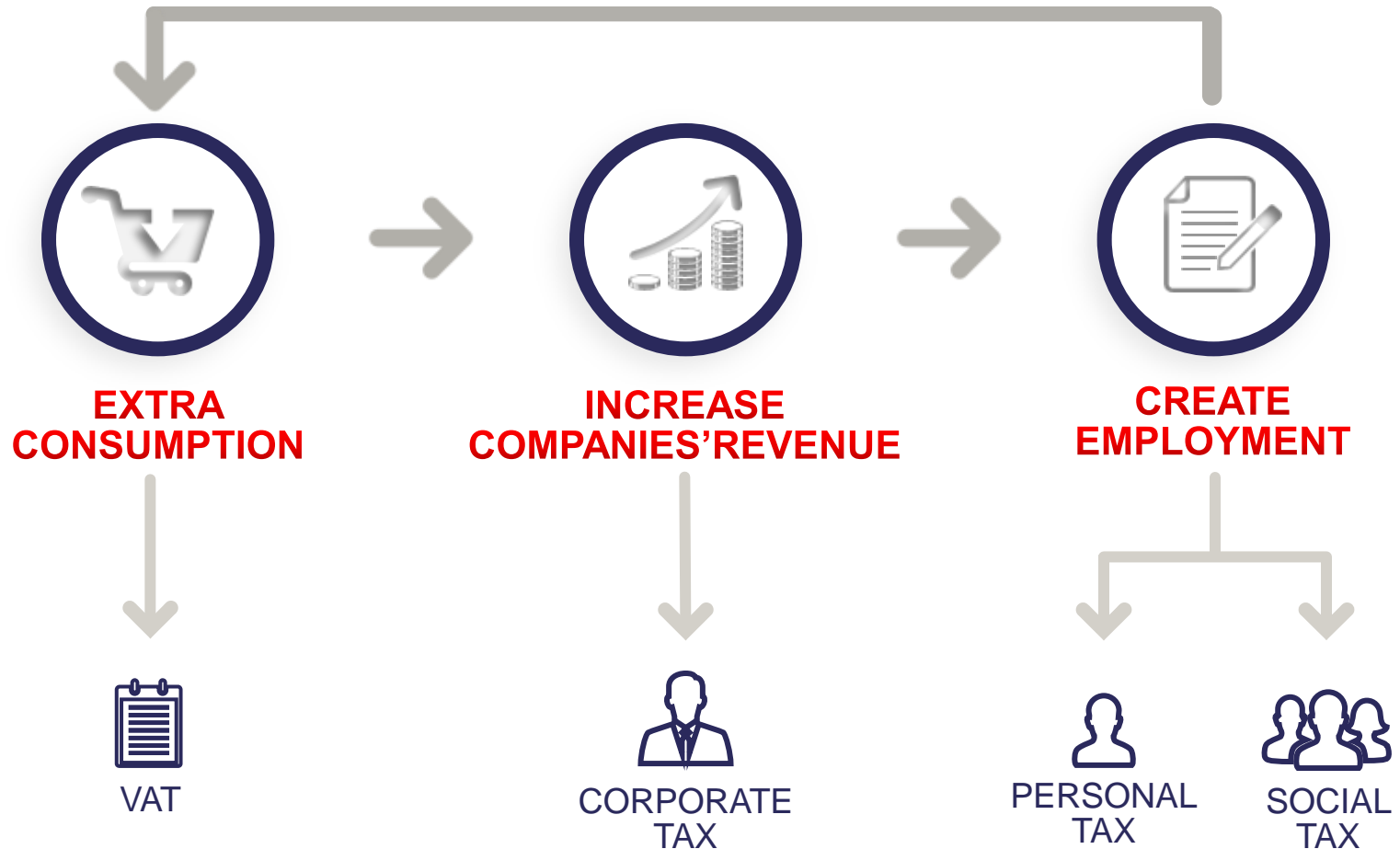


**REGISTERED NETWORK
OF SUPPLIERS**

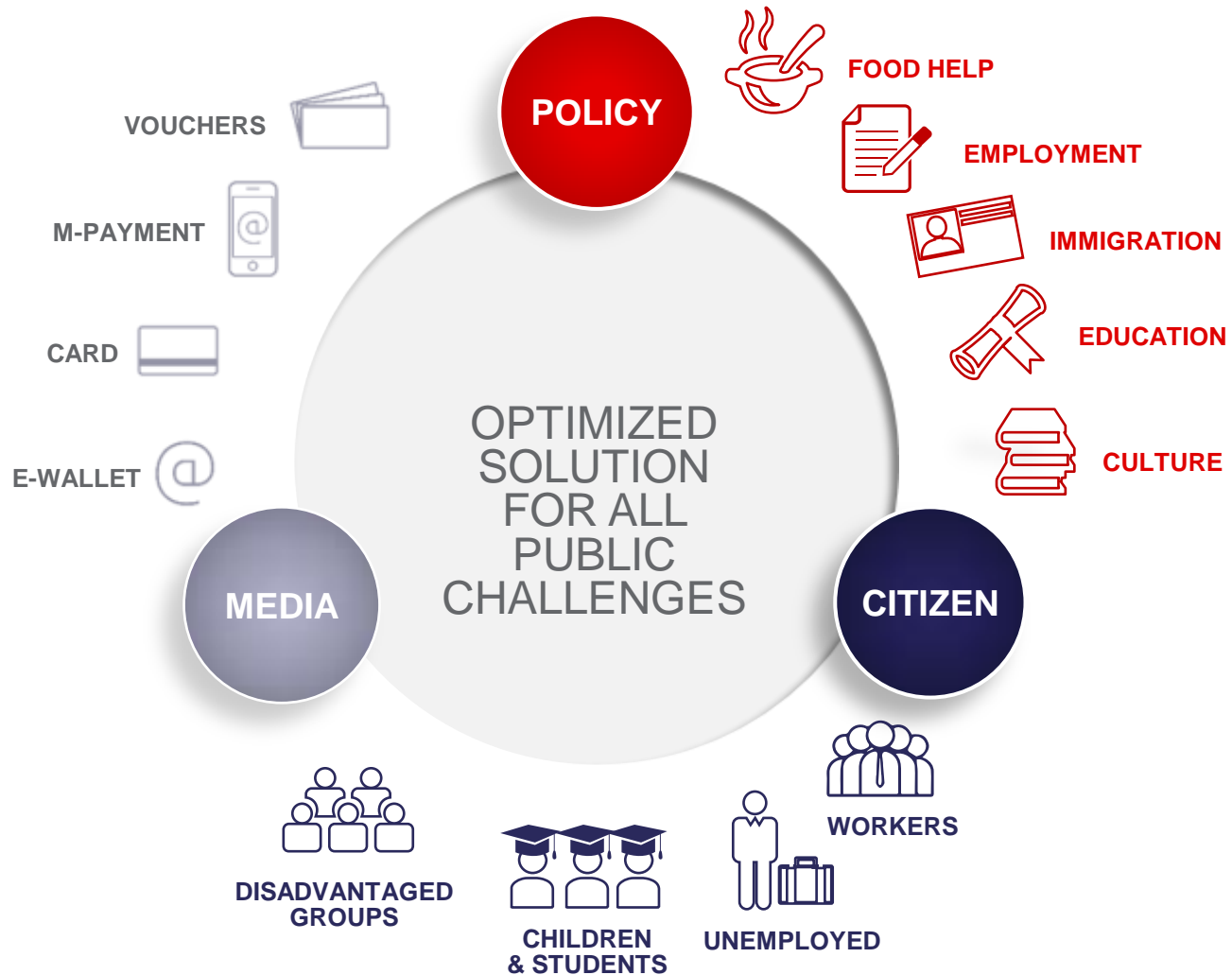


THE ALLOCATION OF PUBLIC FUNDS

Pay-back effects from stimulating the economy



Public Policy & Budget Issues



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Impact on Undeclared Work

Impact on Undeclared Work

100% (or so...)

Thank you!

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