



## 360° review of service vouchers

Final report | July 2018  
Conclusions and recommendations | English version

On behalf of

Federgon  
Avenue du Port 86C box 302  
1000 Brussels

This study was conducted by:

Kathy Goffin  
Tess Schooreel  
Kristof Mertens  
Daphné Valsamis  
Wim Van der Beken

Rue Joseph II 40 B1  
1000 Brussels

T: +32 2 282 17 10  
E: [info@ideaconsult.be](mailto:info@ideaconsult.be)

[www.ideaconsult.be](http://www.ideaconsult.be)

IDEA   
CONSULT *thinking ahead*

*member of*  
IDEAGROUP

# 1 / Conclusions and recommendations

## 1.1. Conclusions

### Service vouchers meet important and diverse needs in the economy and society

Since they were introduced, the use of service vouchers has increased considerably, both in terms of demand, or in other words the use of service vouchers, and in terms of supply, or in other words employment in the sector. In 2016, 22% of Belgian families used service vouchers. In addition, home helps in the service voucher system make up 3.1% of the working population in Belgium, and in total, there are 1,810 active companies. In total, more than 128 million vouchers were purchased, which is, on average, 2.3 hours of household help per week per user.

It is also significant that the system continues to attract new users and is growing more quickly than the population. The strong and continuous growth of demand for such services clearly shows that service vouchers meet important and diverse needs in the society. This is also reflected in the profile of users of service vouchers. The service voucher system reaches both the working population (large families) and the elderly/dependants. These groups thus use service vouchers for different reasons. In our research, we identified four large groups of users:

- ▶ 44% of users use service vouchers because they have **no (or not enough) time** to carry out these activities themselves: these are mostly two-income families;
- ▶ 27% of users use service vouchers because they **are no longer physically capable** of carrying out these activities themselves: these are mostly older users;
- ▶ 10% of users use these services because they **can't do things themselves**: these are, for example, single men;
- ▶ 21% of users use these services for **reasons of comfort**, or in other words, they do not want to carry out these activities themselves.

As a result of current socio-demographic developments, we expect that the above-mentioned motives (and above all the first three) will become even more important in the future and so society's demand for household services will increase further. We see the following developments with a major impact on demand:

- ▶ Within the family, there will be less and less time available for household tasks due to women's increasing employment rate;
- ▶ The ageing population needs more household help;
- ▶ The share of single parent families where the need for household help is great, is constantly rising;
- ▶ There is an increasing need for an integrated approach to make work more workable, where combining work and family life is also an important factor.

The supply (workforce) is possibly also increasing with the de-industrialisation and digitisation of the economy and a reduction in the number of jobs for low-skilled individuals. The refugee crisis also brings with it a number of unskilled workers who can find their place in the labour market thanks to this sector.

### The service voucher system is a strong system... but it also has a number of weaknesses

Service voucher users are very satisfied with the system in general. For example, 9 out of 10 users indicate that they are quite or very satisfied. The **quality of the services provided by the home help and the services offered by the service voucher company** in particular score very high. The quality of the services provided and the professional environment in which they are provided are thus seen as a strength of the system.



The [purchase price and the ease of access of service vouchers](#) are also major strengths. The price of the service vouchers is the first reason users give for using this system rather than other systems. In addition, the [official status of the home help](#) is the second reason given to use the service vouchers rather than another system. Both users and non-users have [confidence in an official, recognised system](#) that is well implemented in the habits of the population. Only 2% of non-users have never heard of the system.

Despite all the strengths mentioned above, 36% of users of service vouchers still make extensive use of other systems in addition to service vouchers: 18% use home care services, 14% use a local employment agency or 'wijkwerker'<sup>1</sup> and 13% use a baby-sitting service (e.g. Gezinsbond/La Ligue des Familles). The main reasons to use such services are linked to the weaknesses of the service voucher system:

- ▶ [The limited list of activities](#): Users use other systems for the services that are not permitted via the service vouchers;
- ▶ [The limited flexibility for the user](#): Service vouchers are mostly used for services carried out on a regular basis, while other systems can be used for sporadic help;
- ▶ [The use of vouchers](#): With other systems, people can pay directly via cash or invoice, while service vouchers work via paper or electronic vouchers. The study also showed that electronic vouchers do not work optimally for users.

Nevertheless, many countries and the European Commission consider the service voucher system to be an inspiring example. In different countries/regions/municipalities, there are discussions in progress about the implementation of a system of services for individuals, inspired by the Belgian system (in the Czech Republic, Rotterdam, Baden-Württemberg in Germany, etc.). Both the European Commission and the European Parliament already brought forward the Belgian service voucher system as a good practice.

### [Service vouchers have an important added value for the economy and society, which goes beyond the initial objectives of the system](#)

---

The service voucher system was implemented in 2004. This employment measure initially pursued three objectives, namely:

- ▶ Raising the level of employment among target groups that are far from the labour market (low-skilled);
- ▶ Limiting activities in the black or grey economy (informal economy);
- ▶ Creating a better balance between work and private life for families.

This study clearly shows that the service voucher system already reached these objectives long ago and has even exceeded them. Service vouchers have the following broader impact on the society:

- ▶ [Creating jobs for unskilled and medium-skilled workers](#): In 2016, the sector had a total of 140,171 service voucher employees, or 79,002 full-time equivalent employees. In addition, the service voucher sector also employs 3,207 support staff. In a context of de-industrialisation and drop in the number of jobs for unskilled workers, the creation of these jobs has a direct impact on the employment and unemployment rates of unskilled workers. In Belgium, in contrast to the other EU countries, women are relatively less affected by unemployment than men: 14.2% of women are unemployed in Belgium compared to 14.6% of men. On the other hand, in the other EU countries, women are more often unemployed than men (15.5% and 14.1% respectively). According to the literature, these ratios in Belgium can mostly be explained by the service voucher system, which has allowed unskilled women to work and above all remain in work. The service voucher sector also made it possible to limit the impact of the crisis on unskilled workers.

---

<sup>1</sup> In Flanders: a long-term unemployed person who carries out odd jobs in the community in addition to receiving unemployment benefit.



- ▶ **Limiting undeclared work:** The household services sector is characterised by a lot of undeclared work in most countries. In the user survey, 8% of service voucher users indicated that they had previously had a home help who worked undeclared. Nevertheless, there is a good chance that not all respondents are honest about this. A European Commission survey revealed that in Belgium, fewer people use undeclared labour for household tasks (10%) than the EU average (15%). However, it is significant that for renovation and repair work, the percentage of undeclared labour in Belgium is much higher (34%) than the European average (29%). In France, Finland and Sweden, where their subsidised system for home help services can also be used for small renovations and repairs in the home, the share of undeclared work for these activities is much lower (around 22%). This definitely points to the positive impact of such subsidised systems on the use of undeclared labour.
- ▶ **More even labour force participation:** The service voucher sector creates jobs for target groups that usually have more difficulty finding a job. A study for the Vormingsfonds voor dienstchequewerknemers (training fund for service voucher employees) showed that 98% of service voucher employees are women and 46% are unskilled (92% unskilled or medium-skilled). 24% were not born in Belgium (59% in Brussels). It is clear that the service voucher system employs a lot of vulnerable groups and thus contributes to a higher and more **even labour force participation**.
- ▶ **Creating new companies or activities:** Thanks to the service voucher system, new businesses have been started, or existing companies/organisations have expanded their activities. The number of service voucher companies reached a peak in 2011, with 2,754 companies. This number dropped a little afterwards, primarily due to consolidation in the market. In 2016, 1,810 service voucher companies operated in Belgium.
- ▶ **Higher labour force participation rate and productivity of the working population, due to fewer household obligations:** The service voucher system takes over a share of the household obligations, which can create more space for users to work more hours. This study shows that thanks to service vouchers, 20% of users can work more hours and that 10% would work fewer hours without service vouchers. For the remaining 11% of working users, service vouchers even had an impact on their decision (to return) to work. On average, these users work one extra day per week. Converted into the number of days in a year, and taking into account a potential substitution effect, these extra days amount to 22,011 full-time equivalent employees. For the whole of Belgium, this means that the use of service vouchers ensures that 22,011 extra full-time jobs can be filled in sectors other than the service voucher sector (13,368 in Flanders, 3,183 in Brussels and 5,460 in Wallonia). If we calculate the relationship between the number of FTE jobs in the service voucher sector and the number of FTE jobs filled in other sectors thanks to service vouchers, we can say that 3.6 FTE employees in the service voucher sector ensure that one extra FTE can work in other sectors.
- ▶ **More autonomy for older users and allowing them to stay in their own home for longer:** 72% of users aged 65 or older agree that they can live in their own home for longer thanks to service vouchers. 60% of users aged 65 or older also indicate that they are more autonomous thanks to service vouchers. Not only does this benefit the well-being of this group, but it also means cost savings for the government. The cost to the government of a rest home is on average €49.18/day while a nursing home is €73.34/day<sup>2</sup>. In addition, service vouchers can take over a share of the care carried out by active family members, which can also have a positive impact on the well-being and productivity of the working population.
- ▶ **Transfer of household tasks via care services to the service voucher system:** 47% of people who used home care services formerly no longer used the latter system after they started using service vouchers. This shift mainly applies in Flanders and also means cost savings. The cost to the government of 1 hour of home care service is on average €28.20 in Flanders<sup>3</sup>, which is higher than the average cost to the government of a service voucher, namely €13.20.

---

<sup>2</sup> Source: Study by Solidararis (2016), Maison de repos : à quel prix ?

<sup>3</sup> Source: Steunpunt Welzijn, Volksgezondheid en Gezin (2013), Financiering van de thuiszorg: het perspectief van de voorzieningen.



- ▶ **Improved well-being among the working population through better work-life balance:** Work-life balance has an important impact on well-being, and a good balance is crucial in order to ensure workable work right through an entire career. In our survey of service voucher users, 85% of working users indicated that they experience a better quality of life thanks to the use of service vouchers. 84% say that they have more free time, 81% that they have a better work-life balance, 79% say that they can rest more, and 79% also say that the use of service vouchers helps them to feel less stressed.
- ▶ **Higher well-being and (social) protection of employees in the household services sector:** Formalising the household services sector has a positive influence on the well-being of employees within this sector. An official job means a better working environment, the right to social security, building up a pension, etc.

### The overall quantifiable benefits of primary importance in the system compensate for the direct cost of the system for the government

---

A full-time service voucher job costs the government €25,354 on average on an annual basis, but brings in €24,151, taking into account the quantifiable earn-back effects. However there are regional differences here, linked to the cost of the system in each region. Although the gross cost for the government represents a very large amount in total, the system succeeds, through its direct and indirect effects, in generating more benefits than costs in Brussels and Wallonia (mostly because of the lower tax deductibility). In Flanders, the calculated benefits are lower than the costs, but not all of the system's benefits are quantifiable. The system's benefits mostly consist of:

- ▶ **Direct earn-back effect from the creation of jobs for service voucher employees:** The direct benefits from the drop in unemployment benefits and the rise in income consisting of social contributions and taxes paid by service voucher employees represent 55% of the system's total costs.
- ▶ **Indirect earn-back effects through the extra activities of users:** As mentioned above, thanks to the use of service vouchers, around 22,011 extra FTE jobs can be filled in sectors other than the service vouchers sector. In turn, these extra activities ensure extra income for the government from social contributions and taxes, which represent 34% of the total costs.
- ▶ **Indirect earn-back effects from the creation of jobs for support staff:** The earn-back effects from the creation of these jobs, consisting again of the drop in unemployment benefits, as well as the increase in income consisting of social contributions and taxes for support staff, amount to 5% of the total costs.
- ▶ **Indirect earn-back effects from the creation of new companies or the expansion of activities:** On average, companies pay €0.26 per voucher in business tax, which represents a total of 1% of the overall costs of a service voucher.

An important discussion here is that the federal government gets the earn-back effects, while the costs are borne by the regions. However, this is also the case for all employment measures and activation measures and is not inherent to the service voucher system.

### The service voucher sector faces major challenges

---

Despite the success of the measure, the sector has to deal with major challenges that may jeopardise the durability of the system. These challenges mostly affect those offering services:

- ▶ **The labour shortage:** Service voucher worker is seen as a shortage profession in Flanders. In the period between March 2017 and February 2018, the VDAB (Flemish public employment service) received 20,005 vacancies and 3,872 vacancies remained unfilled. Because of the increasing labour shortage in the service voucher sector, competition between companies in order to attract and retain service voucher workers is also rising sharply. Consequently, companies are noting an increasing rotation of home helps. The labour shortage in the service voucher sector also has an impact on recruitment practices: businesses are trying to attract increasing numbers of employees who are further away from the labour market to the sector. This trend increases the importance of good training and support in the sector, in order to maintain the quality of the services provided.



- ▶ **The limited profitability of the companies:** For companies (members of Federgon) the average margin per voucher was 4.6% of their total profit and 3.4% of the financial contribution in 2016. Here it is important to note that this analysis was only carried out for 29 members of Federgon, but that the sector also consists of other types of businesses like municipalities/local employment agencies/non-profits, etc. Previous research showed that this type of organisation is mostly characterised by lower profitability than private commercial companies. Financial profitability also improved in 2016. This was mostly due to the tax shift, which was keenly felt by companies as of April 2016. However, it is to be expected that due to the incomplete indexation of the financial contribution for companies in Flanders and in parallel with this, the adjustments to the target group policy and the sectoral salary increases, the margins will drop in 2017 and 2018. Maintaining the profitability of companies is important in order to retain high quality support for and employment of home helps in the sector.
- ▶ **Maintaining the quality of the service provided:** Given the limited profitability in the sector, members of Federgon apply a strict policy to maintain their profitability: namely taking advantage of economies of scale, centralising certain activities, encouraging the use of electronic vouchers, focussing on automating processes and procedures, increasing productivity and keeping a close eye on absences due to sickness. Companies indicate that they are trying to control their costs as much as possible, without jeopardising the quality of the service provided and the support for home helps. These latter aspects are particularly important for retaining both clients and home helps.
- ▶ **Attractiveness and workability of the job of home help:** Although the job of home help has various strengths, namely the flexible hours, the autonomy and strong relationships with the client, it also faces a number of weaknesses, including the physical strain of the job. Home helps are also getting older, which means it is particularly important for their job to remain workable, also at an older age.
- ▶ **Instability of the sector due to dependence on political decisions:** Regional authorities are key actors for the sector. They are the ones who determine the regulatory framework and the important parameters of the system (e.g. the price, the financial contribution for companies, etc.). This means that the sector is very dependent on political choices. In addition, since regionalisation, the different regional authorities have carried out various changes to the service voucher system, meaning that important regulatory aspects of the system vary between regions. This makes the work of companies operating in the three regions harder, and also makes their functioning more complex and expensive in terms of operational costs.

## 1.2. Recommendations

As summarised in the previous chapter, the service voucher system has great added value for the economy and society, but the durability of the sector is threatened by a number of bottlenecks. The system also has to contend with a number of weaknesses. In this chapter, we formulate recommendations to optimise the system – particularly for the short term – and offer an answer to the threats to the sector. These recommendations concern the four actors in the system.

### Guaranteeing the financial feasibility of the system for the government

In the discussion regarding the financial feasibility of the system for the government, it is important **not only to take into account the costs of the system, but also the income**. Although the total gross cost for the government represents a large amount, the system almost balances itself out if we take into account the quantifiable earn-back effects.

If the government wants to optimise the gross cost of the system, the following options are relevant:

- ▶ **Implement a third-party payer system:** the cost of the system can be shared between other actors that also benefit from such a system. More specifically, we are thinking of introducing a third-party payer system like in France, where employers or insurance companies can pay a share of the cost of service vouchers to the benefit of their employees or members.
- ▶ **Provide for more efficient and targeted checks in the sector:** based on data mining, in order to detect and combat fraud in the sector more quickly.



We recommend **not to increase the net price of service vouchers**: The analysis of the price elasticity and the results of the user survey have clearly showed that an increase in the cost and drop in the tax deduction for service vouchers will have an impact on the accessibility of the system for some users. In addition, price increases could lead to more work pressure for home helps who often have to do the same work as before, in fewer hours.

### Guaranteeing the financial sustainability of companies

---

Service voucher companies are key actors in the system. Therefore, it is important that they can work effectively and continue to offer top quality support and employment to their home helps. The following recommendations are thus appropriate here:

- ▶ **Provide for a full indexation of the government's financial contribution in the three regions**: based on the collective labour agreement increases and inflation. Incomplete indexation leads to a continuous reduction of companies' margins and jeopardises the high quality support and employment of home helps.
- ▶ **Encouraging the use of electronic vouchers**: In order to limit the cost for companies of processing paper vouchers, we ask for the use of electronic vouchers to be encouraged even further and to only provide paper vouchers for users with no Internet access. In the longer term, we ask for a complete shift to an electronic system, potentially in the form of an e-account. However, this must be accompanied by a solution for users with no Internet access, e.g. by introducing the possibility of having a third party manage a portfolio.
- ▶ **Policy stability**: In order to offer stability to the sector and companies, it is important, from the beginning of a legislative period, to communicate the potential adjustments to the system via the coalition agreement and to stick to them. Transparent coordination and cooperation between the different regional authorities are also very important for the sector.



## Attracting and retaining service voucher workers

---

In order to meet the demand for help with household tasks, we must attract the home helps with the right skills to the sector and retain them. In this context, we make the following recommendations:

- ▶ **Revalue the job of home help:** In order to encourage workers to enter the sector and retain them, we must focus on making work workable and revaluing the job of home help. For concrete actions in this respect, we refer to the study by the Vormingsfonds voor dienstenchequewerknemers (training fund for service voucher employees), specifically targeted at workable work.
- ▶ **Active involvement of Actiris/Forem/VDAB/Arbeitsamt in order to attract the unemployed to the system:** an active cooperation between the companies and Actiris/Forem/VDAB/Arbeitsamt (the regional public employment services) is particularly desirable in order to attract but also train potential candidates in the service voucher system.

## Taking better account of users' needs

---

Although users are very satisfied with the system, their needs can be better met by:

- ▶ **Optimising the operation of the electronic service voucher system:** This can be done by giving a better overview of remaining vouchers and automating the purchase of vouchers, without the payment of extra costs.
- ▶ **Expanding the range of activities permitted:** Users but also non-users are asking for the extension of service vouchers to extra activities, and more specifically to garden maintenance and small odd jobs. These activities, which are currently often carried out by undeclared workers, can offer extra jobs to less qualified men. These services can also generate important earn-back effects for the government. So we recommend having a discussion about the expansion of the activities in the service voucher system and determining which model is most suitable in this respect within the current system.

All these recommendations can contribute to a better functioning of the system and ultimately to the durability of a system that meets important needs in the society and provides great added value for the Belgian economy.



IDEA Consult  
Rue Joseph II 40 B1  
1000 Brussels  
Belgium

**Contact**

T: +32 (0)2 282 17 10

E: [info@ideaconsult.be](mailto:info@ideaconsult.be)