

THE FRENCH SITUATION IN 2014



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TRÉSOR-ECONOMICS

Policies to support personal and household services

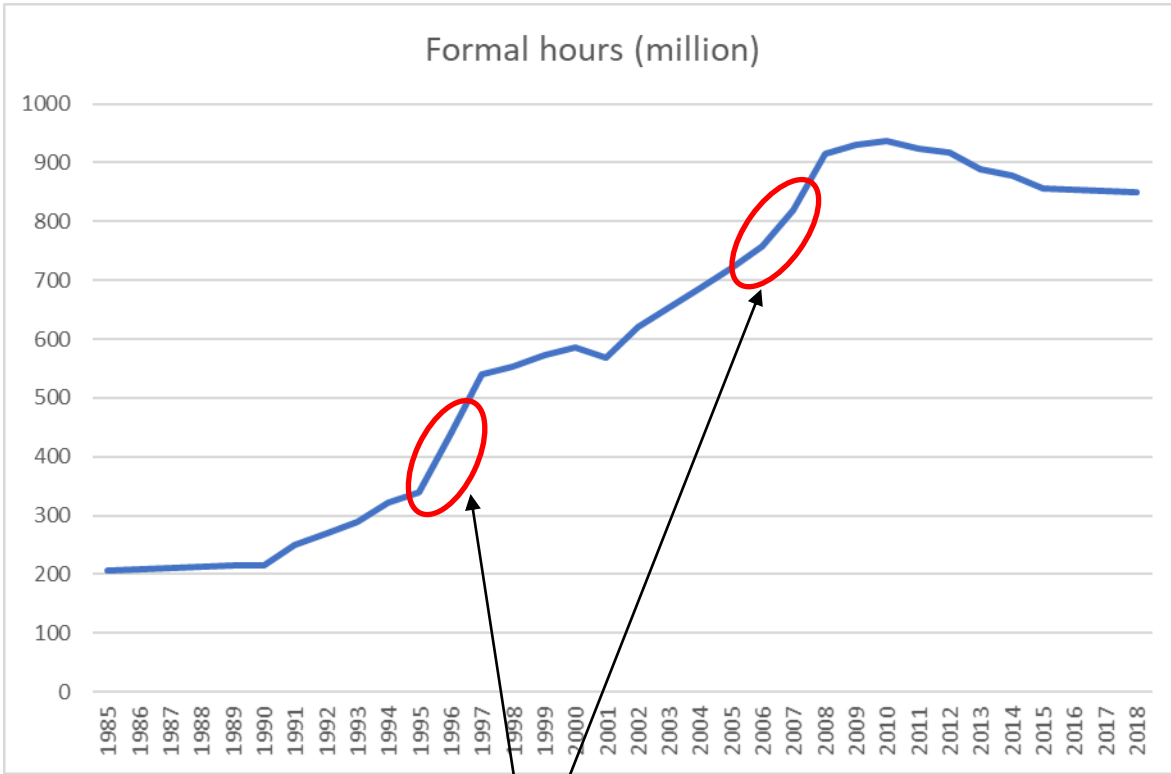
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** Directorate General for Enterprise

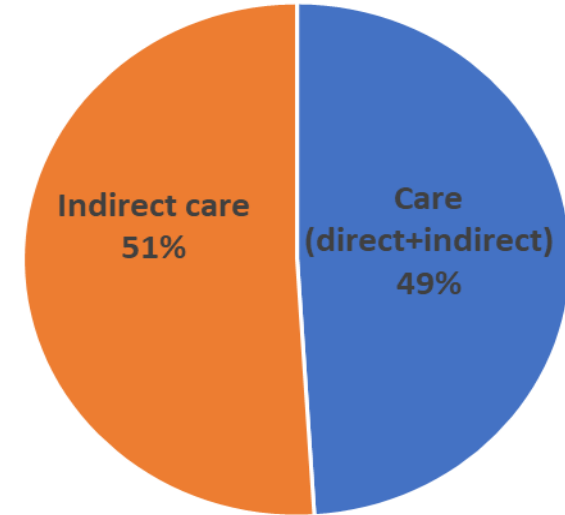
THE PHS SECTOR IN FRANCE (Services à la personne)

**1% GDP, 5% active population
(1,4 million of workers or 450.000 FTE)**

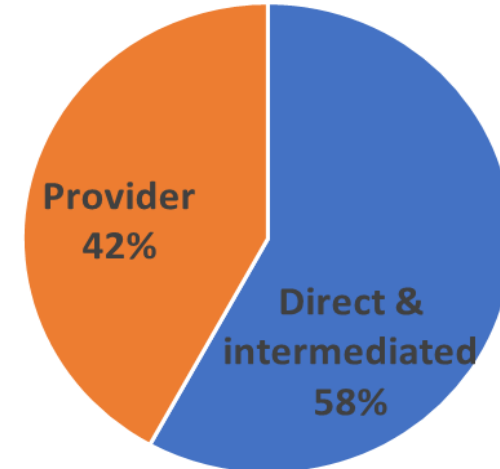


Set of new public interventions

Formal hours in 2014



Formal hours in 2014



WHAT IS THE IMPACT & COST OF THESE PUBLIC INTERVENTIONS ?

For all PHS activities in 2014:

- Impact: Hourly price 20 € → 8.5 €
- Gross cost 11.5 €bn - Gross revenue 8.7 €bn = Fiscal balance – 2.7 €bn

By large groups of activities in 2014

Care activities (direct with indirect care):

- Impact: Hourly price 18 € → 4.5 €
- Gross cost 7.2 €bn - Gross revenue 4.3 €bn = Fiscal balance – 2.8 €bn

Indirect care :

- Impact: Hourly price 21 € → 12 €
- Gross cost 4.3 €bn - Gross revenue 4.4 €bn = Fiscal balance +0.1€bn

“Greater use of indirect care schemes would not have a significant short-term fiscal impact”

PUBLIC INTERVENTION – TWO LOGICS

Social Policy

*Specific vulnerable populations
(Social services)*

Historical support

(In France 1945, 1975, 1985, 1987)

« **Universal** » access to care activities
(direct with indirect care)

**Support in relation to the level of
income and/or dependency**

Support targeted

Out-of-pocket cost for the user

<

Price of undeclared work

Fiscal balance < 0

Employment or economic Policy

For other publics

More recent support

(In France 1991-96, 1999-2005 et 2016-2017)

**Possible job creation (high job content and
limited technical skills), fight against
undeclared work and better work-life
balance. Principaly indirect care.**

Support not targeted

(except : cap on eligible expenditures and limited list of
activities)

Out-of-pocket cost for the user

=

Price of undeclared work

Fiscal balance = 0

MAIN HYPOTHESIS

Due to a lack of data, one hypothesis was adopted:

Deadweight effect

20%

(same action even without receiving a public support)

+

New rights acquired in terms of social security

5%

(part-time, wage close to the minimum & existence of minimum allowances)

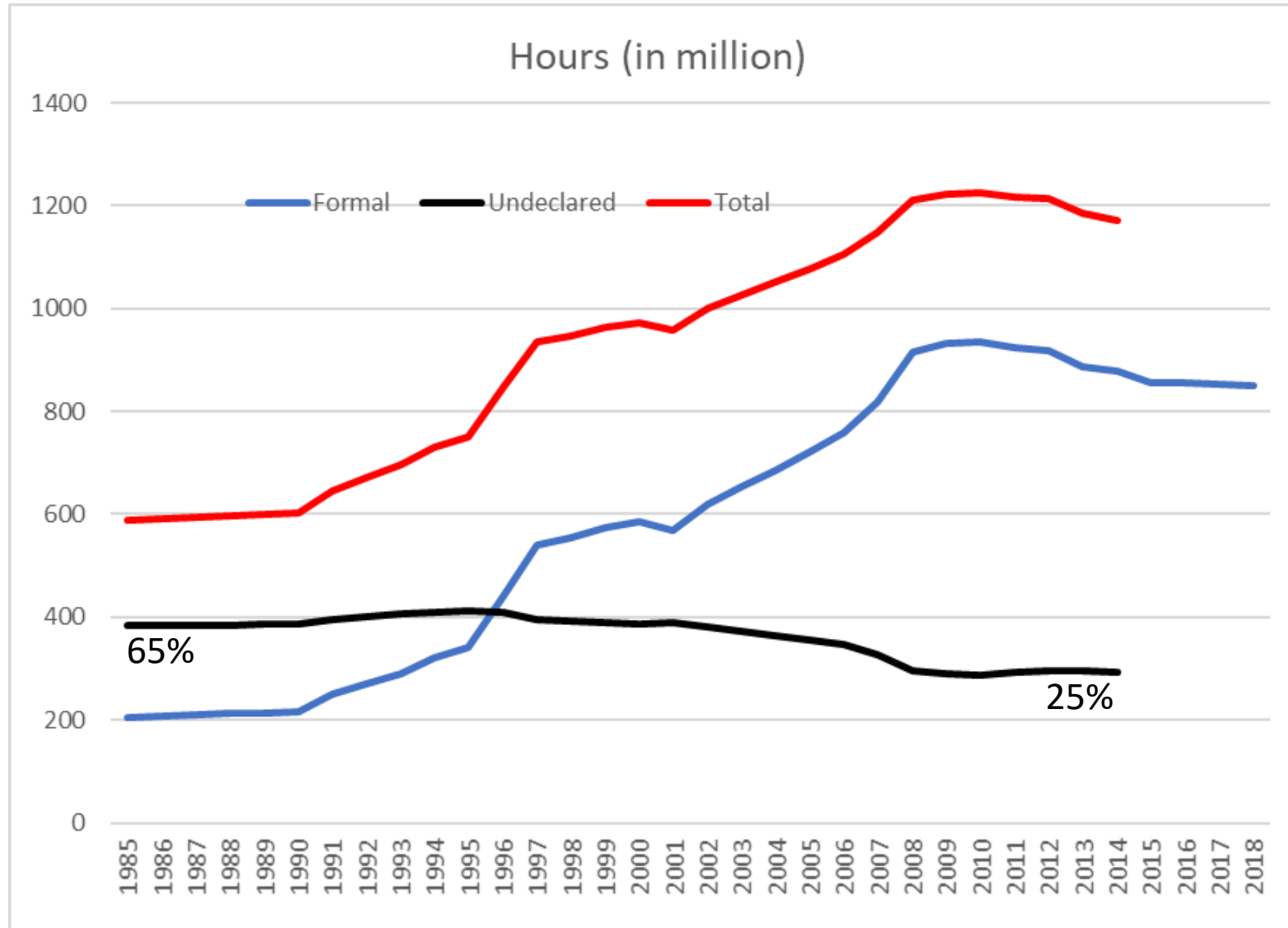
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indirect return effects

25% (Belgian service-vouchers)

(such as the increase in public revenues linked to a better Work-life balance).

WHAT IMPACTS OF THESE INTERVENTIONS ON UNDECLARED WORK ?



In absolute terms, 25% reduction of undeclared work

In relative terms, a share of undeclared work of 65% to 25%

Why ? The demand has doubled

FINAL REMARKS

- Solvabilisation of the demand (definition of the right level of subsidies)
- Need of simplicity (declarative and remuneration system (CESU))
- competitive market (co-existence of direct and provider jobs)
- Social dialogue
- Professionalization

Thank you for your attention