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## Documentation of the International Conference

### Family-supporting Services in Europe: Current Challenges and Developments

29.01.2010  
Hotel Aquino, Berlin

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## Preamble

In recent years, the discussion about the promotion of family support services in Germany has grown more intense. Family support services create more time for families and lead to more economic growth as well. Families with children and dependent family members require a variety of offers in the domain of support services, in order to reconcile family and working life. Furthermore, economic growth is able to create new jobs, to decrease illegal labour as well as to ensure additional tax and social insurance revenues.<sup>1</sup>

The international conference “Family-supporting Services in Europe: Current Challenges and Developments“, which took place on January 29th 2010 in Berlin, provided the opportunity to present and discuss experiences of various European member states regarding central aspects of family support services, e.g. support schemes, conditions of employment and the role of enterprises. The speakers came from Belgium, France, Sweden and Germany. Among the approx. 70 participants, there were representatives from other European states, such as the United Kingdom, Lithuania, Ireland, Italy, Poland and Spain. The goal of the event was to promote the professional exchange between experts across Europe and to receive impulses for the national discussion in Germany.

In terms of content, the event was connected to the international conference of the Observatory for the Development of Social Services in Europe, based on the topic “Current Trends in European Family Policy – Service Concepts and Policy Approaches in New and Old Member States“ in November 2007. Since the foundation of the European Alliance for Families in 2007, the exchange of family friendly policies in various forums of the European Alliance for Families has grown more intense.

The documentation at hand summarizes the major results and questions of the international conference on “Family-supporting Services in Europe: Current Challenges and Developments“. The goal of the documentation is not to show the course of the event, but to resume the most important results in a conference report. The individual contributions of the speakers are to be found in the annex.

We would like to thank the speakers as well as the hosts of the workshops for their support and their active participation in the event. A special thankyou goes to the interpreters for the event as well as the translators of this documentation, which is available in German and

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<sup>1</sup> Kompetenzzentrum für familienbezogene Leistungen im Bundesministerium für Familie, Senioren, Frauen und Jugend (2008): Arbeitsbericht Zukunft für Familie.

English. We would also like to thank the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, which has enabled this international conference as well as the documentation in the first place. And last but not least, we thank the employees of the conference hotel Aquino, and the employees of the Observatory for Sociopolitical Developments in Europe, as well as those employed in the Department for International Affairs of the German Association for Public and Private Welfare for their active support.

Annette Angermann and Sabrina Stula

# Family-supporting Services in Europe: Current Challenges and Developments

## Programme

Friday, 29/01/2010

- 12:00** Reception of the participants and welcoming snack
- 12:30** **Welcome and Opening**  
**Situation of family-supporting services in Germany**  
Malte Ristau-Winkler, Ministry of Family Affairs, Senior Citizens,  
Women and Youth  
*Chair: Cornelia Markowski, German Association for Public and Private  
Welfare*
- 12:45** **Introduction and overview of family-supporting services in Europe**  
Dominik Enste, Institute for the German Economy
- 13:45** **Parallel workshops**
- Workshop 1** **Support schemes: cheque services and voucher use**  
Angelines Basagoiti, Sodexo (Belgium)  
Marie-Pierre Le Breton, Agence Nationale des Services à la Personne  
(France)  
*Chair: Insa Schöningh, Evangelische Aktionsgemeinschaft für  
Familienfragen e.V.*
- Workshop 2** **Conditions of employment (decent work)**  
Åsa Keller, HomeMaid (Sweden)  
Emmanuelle Legrand, Fédération des Particuliers Employeurs (France)  
*Chair: Matthias Lindner, Vereinte Dienstleistungsgewerkschaft*
- Workshop 3** **Role of enterprises: Integration in support schemes**  
Miriam Schreuer, Robert Bosch Foundation and Indre Zetsche,  
Institut für Organisationskommunikation (Germany)  
Christian Aubry, Managing Director Accor Services Germany  
*Chair: Sofie Geisel, German Chamber of Industry and Commerce*
- 15:45** **Coffee break**
- 16:15** **Reports of the workshops in the plenum and panel discussion**
- 17:30** **End of conference**  
**Dinner**

# 1 Conference Report<sup>1</sup>

## 1.1 Introduction

Families wish for support with the coping of their every-day tasks. Family support services help to create this relief. They ensure that families have more time in order to organise their every-day life in an improved manner, and to furthermore spend quality time together. Thus, the availability of a flexible and diverse offer of family support services is crucial for the improvement of the quality of life of families with care responsibilities. In doing so, family support services should not replace existing public infrastructure, such as child and elderly care, but should complement these offers in a reasonable way<sup>2</sup>.

In recent years, the German federal government has implemented measures in order to facilitate the usage of family support services.<sup>3</sup> The Seventh Family Report<sup>4</sup> recommends the expansion of family support services as an integral component of sustainable family policies, too. Nevertheless, the framework conditions have to be further improved, in order to render the offer more attractive for all involved parties. Further initiatives are required so that potential user groups, such as family and senior citizen households, have a higher demand for these services. While only approx. 12 % of the population in Germany currently uses private household-related services, in France it is approx. 24 % of the population.<sup>5</sup> The largest part<sup>6</sup> of these services is illegally provided in Germany. This is not only connected to a loss in taxes and social welfare contributions, but it is also impeding the professionalization of the market.<sup>7</sup>

European comparison shows a trend towards an increased outsourcing of household activities, as well as their growing demand. The reasons for a stronger marketization of services are, amongst others, the increased employment of women and a pluralisation of

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<sup>1</sup> This conference report was written by Annette Angermann and Sabrina Stula.

<sup>2</sup> Eichhorst, W. / Tobsch, V. (2007): Familienunterstützende Dienstleistungen. Internationale Benchmarking-Studie, p. 1.

<sup>3</sup> With the law for the tax promotion for growth and employment in 2006, the Federal Government has provided an improved fiscal allowance for household-related services, nursing care services and services of craftsmen. In 2008, these regulations have been extended through the law for the funding for families and household-related services (Deutscher Verein (2009): Empfehlungen des Deutschen Vereins zur Vereinbarkeit von Familien- und Erwerbsleben, NDV 12/2009, p. 518).

<sup>4</sup> Bundesministerium für Familie, Senioren, Frauen und Jugend (2005): Siebter Familienbericht. Familie zwischen Flexibilität und Verlässlichkeit.

<sup>5</sup> Ekert, S. / Sommer, J. / Holick, M. (2009): Expertise zur Entwicklung familienunterstützender Dienstleistungen in Frankreich, p. 44.

<sup>6</sup> According to surveys 95 % are provided illegally (Enste, D. / Hülskamp, N. / Schäfer, H. (2009): Familienunterstützende Dienstleistungen. Marktstrukturen, Potenziale und Politikoptionen, p. 12).

<sup>7</sup> Ekert, S. / Sommer, J. / Holick, M. (2009): Expertise zur Entwicklung familienunterstützender Dienstleistungen in Frankreich, p. 3.

family forms. Nevertheless, there are still differences between the member states regarding the employment potential, the central actors and the framework conditions for family support services.<sup>8</sup>

In order to receive impulses for the further development of family support services in Germany, a glance at other European states is helpful – especially at those facing similar challenges and having developed interesting approaches and solutions. Within the framework of the international conference, support schemes of France, Belgium and Sweden were particularly highlighted. Similarly to Germany, these countries have a limited wage distribution and a high taxation burden<sup>9</sup>.

The experiences of these states show that a successful overall strategy for the promotion of family support services should include the following:

- Increase of the demand through a facilitated usage and reduction of the costs for the users
- Improvement of the working and income conditions of the employees in this sector
- Improvement of the framework conditions for enterprises.



<sup>8</sup> Steiner, M. / Böhmer, M. (2008): Dossier. Familienunterstützende Dienstleistungen – Förderung haushaltsnaher Infrastruktur, p. 22; Eichhorst, W. / Tobsch, V. (2007): Familienunterstützende Dienstleistungen. Internationale Benchmarking-Studie, p. 5f.

<sup>9</sup> Eichhorst, W. / Tobsch, V. (2007): Familienunterstützende Dienstleistungen. Internationale Benchmarking-Studie, p. 11.

## 1.2 Report of the Conference

As representative of the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, Mr Ristau-Winkler outlined the main features of German family policies in his welcoming speech. These policies have been continuously developed since 2004. Thereby, he referred to the necessity of an effective combination of time, money and infrastructure. He particularly emphasised the significance of the development of a reliable and needs-based infrastructure to help families spend more time together: On the one hand, family support services help to create a better reconciliation of family and professional life; on the other hand, they also ensure more economic growth and employment. In European comparison, Mr Ristau-Winkler particularly referred to the long-term strategy for the promotion of family support services in France. The example showed that tax deductibility for providers' and consumers' expenditures, as well as the relief of social contributions play a crucial role for the promotion of family support services. In order to ensure a dynamic development of this sector in Germany, the tax deductibility of the costs must be improved, the bureaucratic effort must be reduced and the quality of the services must be secured. If the market for family support services were improved, several social and political goals could be reached simultaneously: a better reconciliation of family and professional life, more "wealth" of time for families, the reduction of family and child poverty, the creation of legal employment, the increase of female employment as well as the reduction of the lack of professionals.

While Mr Ristau-Winkler focused on the situation of family support services in Germany, Mr Enste from the Institut der Deutschen Wirtschaft Köln outlined the market situation of family support services in Europe. Introductorily, he gave an overview of the market for family support services in Germany. All in all, elderly people living alone or with partners had the greatest demand for these services in Germany. According to Mr Enste, family support services are rarely used by families even though their demand is more pronounced in comparison to the demand of childless households. On the one hand this could partly be traced back to the financial situation of families. On the other hand, family support services are often considered as luxury and there are also reservations in employing external service providers in one's own home. Summing up, he explained, that the market for family support services in Germany is currently still intransparent and underdeveloped. Furthermore, it consisted of a particularly high proportion illegal activity, which had a high social acceptance in Germany. This obstructed the development of a high-quality market, and also distorted the incentive structures of the market participants. Hereafter, Mr Enste introduced different support schemes with their respective targets within European comparison. Since July 2007, Sweden encouraged tax deductible expenses for family support services. The goal of this

subsidisation was to promote gender equality, as well as legalisation of illegal employment. He pointed out that in other European states the tax costs for family support services are subsidised, as well. While the principal goals in Denmark and Belgium were the reduction of unemployment and the illegal employment of workers with limited qualifications, the reduction of bureaucracy was a further goal in France. Overall, European comparison showed that in other member states, family support services were subsidised and therefore created employment that was subject to compulsory insurance. Based on the experiences of other European member states and the analysis of the German situation, Mr Enste derived the legalisation of illegal employment as a principal goal for the promotion of family support services in Germany. He saw political courses of action, amongst other things, in tax reduction, as well as in the introduction of a voucher system and in the creation of transparent structures of procurement.

### **Support schemes (cheques services and voucher use)**

Voucher systems have been developed for the promotion of family support services in some European member states. On the one hand, the goal is to create incentives for the conversion of illegal occupation into legal employment, and on the other hand, it is to reduce financial and bureaucratic obstacles.<sup>10</sup> Within the framework of the conference, the support schemes of France and Belgium were presented and discussed.

#### **France<sup>11</sup>**

In recent years, family support services in France have been brought forward via a cheque system. The goal of the French model is to provide instruments, which help to enhance and improve the offer of family support services, help to limit bureaucratic effort and to simplify handling, help to strengthen the purchasing power on the demand side, and help to create employment subject to social security.<sup>12</sup>

The most important instrument in the French model is the „**Chèque Emploi-Service Universel**“ (**Cesu**), which was introduced in 2006. Within the Cesu system, there are two different types: the usage of cheques (Cesu déclaratif) and of pre-financed vouchers (Cesu préfinancé). The first type is targeted towards regulating services in private households and tackling illegal employment. The second type gives employers the opportunity to grant their employees a non-monetary bonus.

<sup>10</sup> Steiner, M. / Böhmer, M. (2008): Dossier. Familienunterstützende Dienstleistungen – Förderung haushaltsnaher Infrastruktur, p. 23ff.

<sup>11</sup> The French support scheme was presented by Mrs Lebreton (**Agence Nationale des Services à la Personne**). The ANSP, an official establishment under the supervision of the Ministry for Employment and Social Affairs, was created in 2005 and is the central regulatory element in the domain of family support services in France. Amongst other things, it is responsible for the implementation and the distribution of the Cesu, the approval of suppliers as well as quality assurance and development.

<sup>12</sup> Eichhorst, W. / Tobsch, V. (2007): Familienunterstützende Dienstleistungen. Internationale Benchmarking-Studie, p. 21ff.

The operation mode of the **Cesu déclaratif**: private customers receive a cheque book from a bank, which has an agreement with the state about issuance and billing. The interested parties receive tax-subsidised cheques there, which can be paid in with private persons or service agencies for the use of family support services.<sup>13</sup> The customers can deduct 50 % of the paid amounts up to a maximum amount of 12,000 Euro per year from their income tax. According to the information from Mrs Lebreton, the use of the Cesu déclaratif, which is currently employed by 1.49 million households, has greatly increased in recent years.

With the voucher system **Cesu préfinancé**, companies can grant bonuses to their employees. The voucher is pre-financed by the employers and issued in the name of the employee. It can be additionally financed by social security providers, health insurance companies, local authorities and other organisations. The incentives for companies to implement this gratification are, above all, significant tax reductions. The number of companies that employ this gratification has significantly increased in recent years, especially in the domain of small and medium-sized companies<sup>14</sup>. Currently, 17,000 companies co-finance the Cesu for their employees. The pre-financed voucher is also implemented by local authorities and pension funds, in order to distribute subsidies or allowances for senior citizens, persons in need of nursing care or disabled persons.

### **Belgium**<sup>15</sup>

The main goal of the service cheque model introduced in Belgium at the beginning of 2004 is to create new legal employment relationships, especially for persons with limited qualifications and the long-term unemployed, and therefore to reduce illegal employment in the low-wage sector. Contrary to the French model, the Belgian one is exclusively oriented towards private households. The family support services are provided by certified agencies, such as Sodexo. These companies distribute cheques as service providers of the government. The customers buy cheques with a total value of 20.80 Euro per hour, even though they only pay 7.50 Euro for it effectively. The state pays the difference. The subsidised services can only be provided by persons who have an employment contract with a certified employer. In terms of employment market policies, the persons obtaining support will particularly be those who receive unemployment benefits or basic social benefits. The precondition for the allocation of numerically limited cheques is a proof of income from the persons wishing to receive the cheques. These cheques can only be used for a limited

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<sup>13</sup> The spectrum of the services includes household-related services (41 %), gardening (15,5 %), support for the independent living of elderly and disabled persons (17,5 %), child care (12 %) and other services such as support with the use of IT (14 %) (see Aubry Presentation, Accor Services).

<sup>14</sup> In 2008, 70 % of the users of the vouchers were companies with less than 50 employees.

<sup>15</sup> The Belgian supporting scheme was presented by Mrs Basagoiti (Sodexo). Sodexo is an internationally active service provider, and issues service cheques and cards in various European states.

spectrum of services.<sup>16</sup> When introducing the system, the goal of the Belgian authorities was to create 25,000 new jobs until 2007.<sup>17</sup>

### **Conditions of employment**

In a sector where the majority of services are performed illegally, it is particularly important to ensure framework conditions for good work in order to improve the recognition of these occupations. Within the framework of the conference, good examples from Sweden and France were presented and discussed.<sup>18</sup>

Both Sweden and France have continuously developed their framework legislation, especially in the domain of taxation. The overall goal was to legalise illegal employment and to integrate employees into the regular employment market.<sup>19</sup> The practice examples show that with the introduction of a transparent system in the domain of family support services, the organisation and billing of these services is simplified. Additionally, the state subsidisation ensures a high planning security for the users – that means, for the families. Both aspects are important principles for the creation of good working conditions. Via fiscal subsidisation, an employment relationship liable to social security deductions is created for the employees and family support services become affordable for the customers. Moreover, a further professionalization of the service sector enables the establishment of an enhanced education and training system, the qualification of employees and the development of certificates, thus upgrading the branch of family support services. For social framing and control of this sector, a functioning information flow for customers and suppliers is necessary. In Sweden and in France it is mostly attained through Internet platforms, information centres and communication agencies. Thus, families are informed about their rights and responsibilities as potential employers, as well as under which framework conditions they can use the support services.

The initial situation in Germany can hardly be compared to that of France or Sweden, since Germany's federal system already provides a structural obstacle. The missing organisational structures affect both the employees and the employers in such a way that the service offers in Germany are often not recognized by potential users, since they are not always specifically tailored for target groups and not fitting their needs. Furthermore, the demand for family support services in Germany is complicated by limited social acceptance and mental barriers, for example the restraint to let others work for yourself. The limited permeability of

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<sup>16</sup> Cleaning, ironing, sewing, cooking, ironing, shopping, transportation of disabled persons

<sup>17</sup> 30,000 jobs had already been created until December 2005 (see Aubry Presentation, Accor Services).

<sup>18</sup> The Swedish example of good working conditions was presented by Mrs Keller of Home Maid (provider of household support services). The French example was presented by Mrs Legrand of Fepem (Fédération des Particuliers Employeurs – French Association of Private Service Providers).

<sup>19</sup> Through the legalisation, the employees in Sweden are entitled to a minimum wage and to five weeks of paid holiday.

the German education and further training system is additionally complicated through the principle of professional categories; however, the qualified professionalism is advantageous for the high-quality provision of the services.

### **Role of enterprises: integration in support schemes**

The participation of enterprises in Germany is still limited in comparison to other European member states. The programme “Unternehmen Familie“ is a pilot programme that supports and accompanies innovative projects.<sup>20</sup> For further development in Germany, a view to other member states is important,<sup>21</sup> where integration of companies as employers and market participants is more successful.

A central component of the programme “Unternehmen Familie“ is a competition which provides financial support for innovative projects and initiatives on a local level that procure<sup>22</sup> or offer family support services (e.g. 24-hour kindergarten care). Altogether, twelve projects were chosen for the project term from June 2007 to December 2010, the spectre of which stretches from small initiatives in sparsely populated regions to greater projects in large cities. During this time period, projects are being examined and supervised, in order to conclusively develop a practical guide from these experiences<sup>23</sup>. Previous experiences from the project show that the landscape of providers for family support services in Germany has generally been on the increase in recent years. However, the market is characterised as very customer-dominated and price-sensitive. In particular, many of the smaller and local companies can not stay in the market for long without state funding. On the part of the providers of services, a high measure of flexibility is necessary in order to meet individual customer demands.

Successful practise examples from other European countries are, for example, the Cesu system in France or the Childcare Voucher System in the United Kingdom.

The example from France shows that the implementation of the voucher system is a good opportunity to integrate companies into support schemes. The subsidisation within the Cesu model is born in equal parts by the state and the employers. In the frame of the programme, half a million jobs have been created in the last three years<sup>24</sup> and the demand in the family support service sector has been distinctly increased.

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<sup>20</sup> The programme “Unternehmen Familie“ was presented by Mrs Schreuer (Bosch Stiftung) and Mrs Zetzsche (IFOK GmbH). It is a programme of the Robert Bosch Foundation, which is being carried out in cooperation with the BMFSFJ. The implementation and scientific accompaniment of the project is being taken over by the IFOK GmbH.

<sup>21</sup> Mr Aubry of Accor Services (Accor provides family support services in 40 states) presented the side of the service providers, and showed practice examples of Belgium, France, the United Kingdom and Germany.

<sup>22</sup> through communications agencies, consultation agencies and internet platforms

<sup>23</sup> “Erfolgreich am familienunterstützenden Dienstleistungsmarkt“ (Successful in the Family Support Service Market)

<sup>24</sup> see presentation of Mrs Le Breton

The goal of the Childcare Voucher System in the United Kingdom is, first of all, the promotion of parents' employment in companies. Within the system, the costs of child care for the employees, who wish to use family support services, will be directly deducted from their income by their employer. The difference is not subject to the social insurance and tax liability. Thus, support benefits of 55 pounds per week for child support can be granted and the type of which can be chosen freely by parents. The goal of the system is to enable employers to keep those employees in their company who would otherwise stay at home due to caring obligations.

The good practice examples show that even in other member states the implementation of incentive mechanisms is important in order to integrate companies into support schemes. The question for the suitable incentive system, as well as the adequate division of the costs between the state, the employers and the employees for financing the system, depend on the framework conditions of the respective states.



### 1.3 Conclusions

European comparison illustrates different levels of development of family support services. The good practice examples from France, Belgium and Sweden show that a targeted improvement of the framework conditions for family support services can change the providers' and users' behaviour, and can lead to market growth as well.

Concerning the German situation, scientific studies clarify that with adequate price and quality of family support services, especially family and senior citizen households are willing to demand these services legally.

During the course of the conference, **crucial success factors** have been identified, which are not directly applicable to the German situation, but have nevertheless proven themselves as important for the market development:

- The introduction of **voucher and cheque systems facilitates access to family support services**. These systems allow an easy handling and a reasonably priced usage. Other European states (e.g. France, Belgium) have already successfully introduced systems that provide incentives for the stimulation of a legal family support service market, as well as the reduction of bureaucratic and financial obstacles.
- **Involvement of companies in support schemes**: the French Cesu or the British Child Care Voucher show that service vouchers, which enjoy tax privileges and are co-financed by the employer, can be an important instrument for a family friendly working environment. They facilitate the reconciliation of family and working life, and they also promote the commitment of employees.
- **Promotion of professional providers and structures**: larger providers<sup>25</sup> are a precondition for the professionalization of family support services and quality assurance (e.g. through the expansion of certification systems). Additionally, the acceptance as well as the trust of the clients can be increased, better working conditions for the employees can be created and therefore professional prospects can be improved as well.<sup>26</sup>
- **Improvement of the information flow** through Internet platforms, information centres and communication agencies increases the transparency of the offer and therefore facilitates the demand.

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<sup>25</sup> Services provided by private enterprises or by service agencies in the Third Sector.

<sup>26</sup> Both the professionalisation of employees as well as the professionalisation of the representation of interests can be further advanced in this way.

- **Targeted integration of people**, particularly of those with limited qualifications, the long-term unemployed and migrants into particular sectors of the market for family support services<sup>27</sup>, is possible.

The foundation of all these success factors are **state subsidies for the family support services market**<sup>28</sup> reducing the price difference between legal and informal offers. Only through consistent state subsidisation (of offer and demand) family support services are able to maintain themselves on the legal services market. Altogether, the good practice examples show that an **overall strategy** composed of various instruments **is necessary** in order to create a dynamic development in this sector. Germany should as well develop an overall strategy, which exceeds single fiscal measures and pilot project programmes.

The conference has clarified that it is still necessary to discuss family support services, particularly in comparison with other European member states. Different welfare-state traditions and framework conditions impede the comparisons and thereby limit the possibility to transfer good practice examples into a different context. For further discussion, it is therefore indispensable to define the term of family support services more clearly, as well as to differentiate the various aspects and different goals<sup>29</sup> in European discussion about family support services, and to systematically evaluate practice examples of family support services.

With its various instruments and forums<sup>30</sup>, the European Alliance for Families can make an important contribution to the continuous exchange of information and experiences across Europe.<sup>31</sup>

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<sup>27</sup> The demands on the employees in this sector must not be underestimated. Although they are mostly focused on activities which do not require special qualifications, it is still important that beside the social competence required for certain activities, reliability and honesty for this special trust relationship in families are necessary (FamilienForschung Baden-Württemberg (2008): Entlastung durch familienunterstützende Dienstleistungen). Qualification offers for and recognition of the employees in this sector are also important, as they often do more in practice than they are certified and credited to do.

<sup>28</sup> in form of tax subsidies and state grants

<sup>29</sup> for example, the reduction of illegal labour, the employment of persons with limited qualifications and the reduction of bureaucracy

<sup>30</sup> E.g. web portal of the European Alliance for Families, High-Level Group for Demography, Expert Network for Family Policies and the Family Platform.

<sup>31</sup> Eisenbarth, J. / Stula, S. (2009): Aktuelle Initiativen der europäischen Familienpolitik, NDV 11/2009.

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## 2 Annex (Conference contributions)



speakers and hosts of the international conference

## **2.1 Welcoming speech (Ristau-Winkler)**

International Symposium  
Family Support Services in Europe:  
Current Challenges and Developments  
Friday, January 29th 2010 in Berlin  
Presentation by Mr Malte Ristau-Winkler  
(The spoken word applies.)

Ladies and gentlemen,

Since 2004, we have developed and implemented new, sustainable family politics in Germany. Family politics has become an independent and relevant political domain of the German Federal Government, with much approval from the population and growing interest from the German economy.

The economic attraction of family awareness has become known in Germany. The German family minister was so successful that she has risen to first rank of German politics with her department.

The seventh family report has led the way in 2005.

Families must remain stable in a modern, highly complex and mobile world, men and women should have the opportunity to realise their desire to have children.

This can be achieved with an effective mixture of time, money and infrastructure. It is important that families receive economic stability through effective monetary payments, and that a reliable infrastructure is being provided, which meets demands. Furthermore, families must be enabled to have time for each other, and for enjoying activities of all types together.

An intelligent government arrangement of household-related and thus family-supportive services plays an important role for this:

Household-related services create more time prosperity in families. They contribute to a better reconciliation of family and career, and also towards better support of elderly family members.

Another significant aspect is that household-related services create more employment as well as more growth and occupation. A recent study shows that more than 300,000 new jobs can be created in this sector, if the framework conditions are right.<sup>1</sup>

Representative surveys show that women and men have an equal desire for a life with children. At the same time, they wish to be employed and successful in their career.

The modern working world demands time flexibility and spatial mobility. It places high demands on organisational talent and time management. At the same time, the percentage of elderly persons in Germany is growing. The juxtaposition of the care for elderly and career is added to the question of reconciliation of childcare and career. Today, there is already a quarter of German families that comprise four generations. Needs change, the demand for family support services is growing and the aid for every-day life becomes more significant.

It is important for the middle-aged generation that the household, children and older family members are well cared for, without losing sight of their own life goals. In order to achieve this, reliable support with every-day life is required.

How can we and how should we organise the promotion of family support services in the future? All in all, scientific expertise tells us this: when the price and the quality of household-related services are right, then the willingness and the demand to *legally* implement these services increases, particularly from working parents and senior citizen households.

In Germany, we have been working on this subject in recent years with new interest and different priorities.

In 2006 and 2008, the Federal Government has improved the public arrangement of household-related and therefore also family supporting services in two steps. A financial framework of 1 billion Euros per year in total was newly deployed.

Previous measures, e.g. improved tax deductibility or the additional amount for expenditures on services are vital steps in the right direction. Nevertheless, the framework conditions should be improved further – this applies not only for the offers, but also for the demand.

---

<sup>1</sup> Press release, dated 28.04.2008

In the international comparison, the strong reduction of the bureaucratic expenditure as well as the simplified execution and establishment of central contact points prove to be important elements of a successful introduction of more household-related services.

We are all learning from successful examples in Europe. This is also a part of our new active family politics. With the European Alliance for Families, we have established a relevant platform on a European level in 2007, which we wish to complete and utilise more intensively in the future.

In the domain of family support services, we have the impression that France is at the top – it deals with the topic in an intensive and successful manner.

In France, the activities for the promotion of family support services go back at least 30 years.<sup>2</sup> For several years, France has been following an overall strategy in order to promote the market for family support services. Here, three primary targets are followed.

- The use of the services is to be simplified and the costs of the services must be reduced,
- The relative wage conditions, the social rights and the education conditions of the employees are to be improved,
- Improved framework conditions for the enterprises in this sector are to be created.

With the French strategy, we believe that the tax deductibility of the providers' and consumers' expenditure as well as the discharge from social taxes play a deciding role for the promotion and further development of household-related services.

The result of this strategy is clearly visible:

Since 1990, France demonstrates a growth of the market for family support services of 5.5 % per year, and 10 % per year since 2005, as well as a doubling of employment within the last ten years!

However, Sweden and Belgium are also active in this sector and hopefully effective too. It is also evident that in these countries, the subsidisation of family support services is an interesting method.<sup>3</sup>

---

<sup>2</sup> Interval, Entwicklung familienunterstützender Dienstleistungen in Frankreich 2009

Address,

The experiences of other European states show which tasks and challenges we face in Germany:

In order to harmonise offer and demand in the domain of family support services, we must

- improve the tax deductibility of the costs,
- reduce the bureaucratic expenditure for providers and families, as well as
- secure the quality of the services.

If we succeed to improve the market for household-related services, we can simultaneously reach several important social and political goals:

- To ensure an improved reconciliation of family and career,
- To create more time prosperity for families,
- To create legal employment,
- To increase employment of women, thus reducing family and child poverty and - last but not least:
- To counteract the lack of professionals.

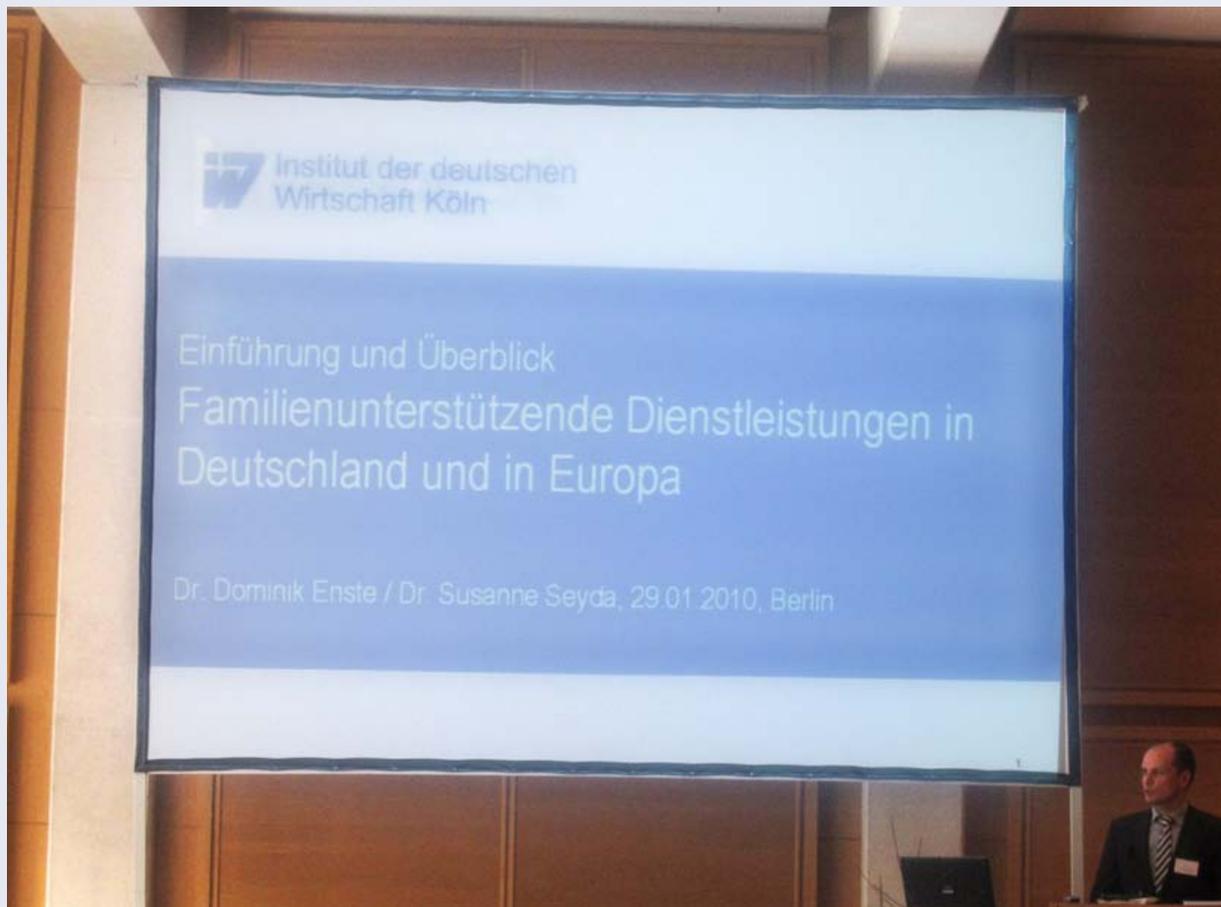
I hope that today's event will take us further on our journey, and I wish for you to engage in stimulating discussions with conclusive effects.

Thank you very much!

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<sup>3</sup> IZA Bonn, Familienunterstützende Dienstleistungen – internationale Benchmarking-Studie, 2007

## 2.2 Overview Europe (Enste)



Mr Enste (Institut der deutschen Wirtschaft)

# Introduction and Overview

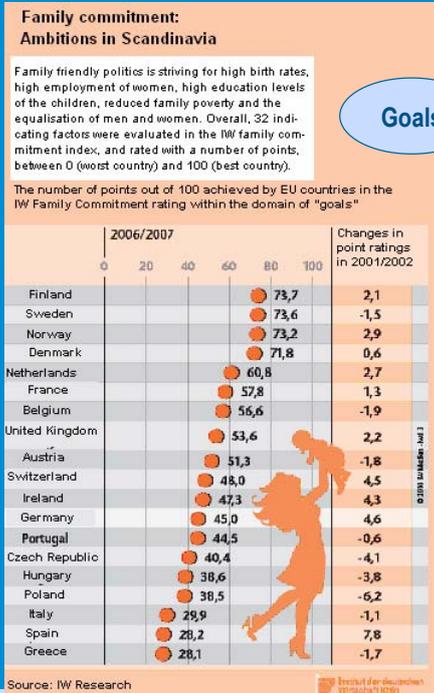
## Family Support Services in Germany and Europe

Dr. Dominik Enste / Dr. Susanne Seyda, 29.01.2010, Berlin

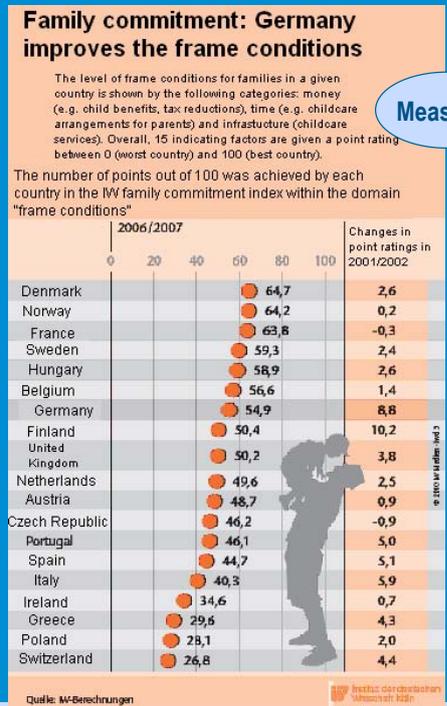
1

## Contents

- **Introduction**
- The market for Family Support Services
- Incentive structures and forms of employment
- International comparison
- Political options for the promotion of Family Support Services



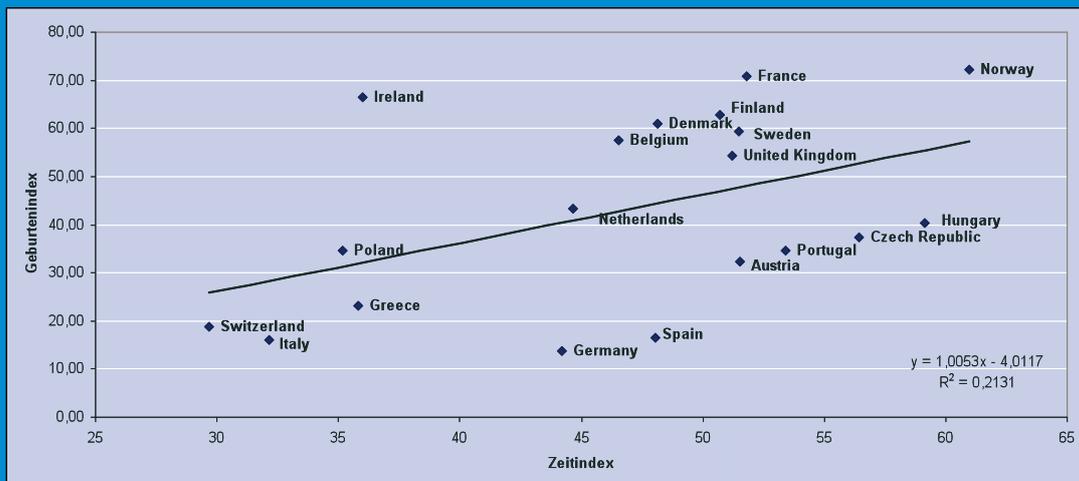
Goals



Measures

Dr. Dominik Enste/ Dr. Susanne Seyda, Familienunterstützende Dienstleistungen in Europa, 29.01.2010

## The Definition of the factor "Time": Correlation between the time index and the birth rate index



Time index: University graduate age, parental age, tax burdens when returning to work, satisfaction with reconciliation, birth index, birth rate, number of childless women, number of women with 3 or more children, average age at giving birth; Source: IW Köln

Dr. Dominik Enste/ Dr. Susanne Seyda, Familienunterstützende Dienstleistungen in Europa, 29.01.2010

## Definition of Family Support Services

- **Family commitment**
  - Reconciliation of family and career to be facilitated
  - “Life Rush Hour“ to be untangled
- **Employment possibilities for people with limited qualifications**
- **Legalisation of illegal labour**
- **Why promotion of family support services instead of Do it yourself (DIY)?**  
Promotion of the division of work = increase in efficiency =  
promotion/growth of prosperity ... or simply more time!

## Definition of Family Support Services

- All types of work, which are performed for remuneration and are necessary for managing every-day life in the household
- Examples: cleaning, cooking, tidying, washing, food shopping, gardening, caring for relatives, etc.

## Taxonomy of Family Support Services

		Professional qualifications	Social competence	Physical strain
Group I	Shopping / courier services	★	★	★
	Laundry / ironing	★	★	★★
	Gardening	★	★	★★★
Group II	Housekeeping	★	★★	★
	Care of animals	★	★★	★
	Cleaning	★	★★	★★★
	Chauffeur services	★	★★	★
	Personal hygiene	★	★★	★★
Group III	Cooking	★★	★★	★
	Caretaker / janitor duties	★★	★★	★★
Group IV	Child care	★★	★★★	★
	Care of the sick and the elderly	★★	★★★	★★★

★ limited requirements   ★★  average requirements   ★★★ high requirements  
Source: own research

■ Introduction

■ **The market for Family Support Services**

■ Incentive structures and forms of employment

■ International comparison

■ Political options for the promotion of Family Support Services

## The market of Family Support Services in Germany

### Number of people employed in the domain of family support services

Offer

	Number
Main occupations	666,193
Part-time occupations	344,315
<b>Total</b>	<b>1,010.508</b>
<b>for information: other occupations</b>	<b>31,048,408</b>

Source: SOEP, own research

## The market for Family Support Services in Germany

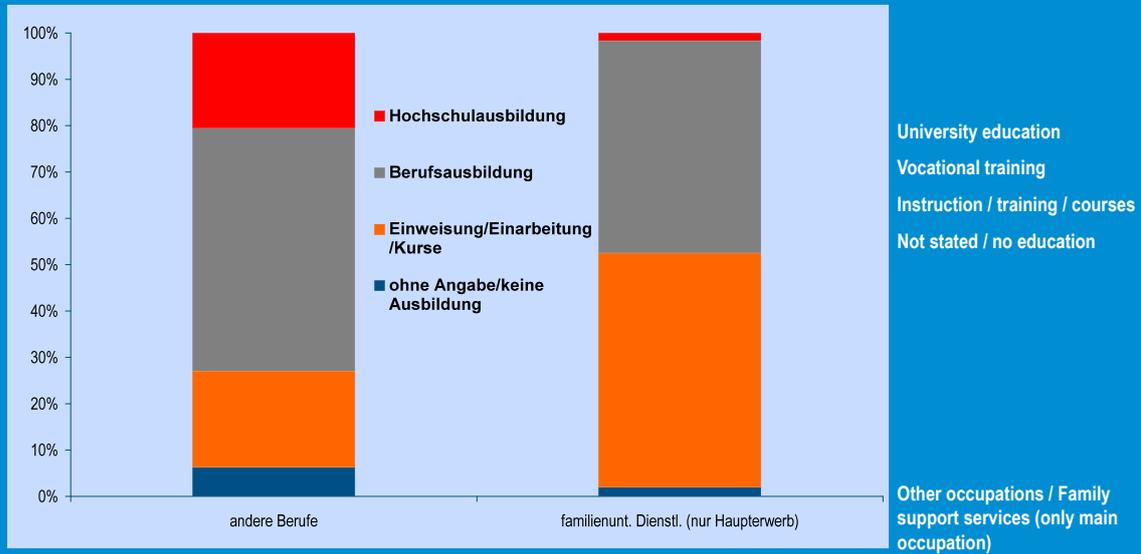
### Providers

Offer

- **Social and economic characteristics**
  - Gender: Number of female employees is much higher than average
  - Age: relatively old employees (because of the old men)
  - Nationality: no difference to other professions
- **Main occupation: Mostly women without special age or nationality characteristics; two thirds are living with a partner**
- **Part-time occupation: predominantly young single women**
- **Minor occupation at family support services is three times as frequent as in other professions**

## The market for Family Support Services in Germany Qualification of the providers

Offer



Source: SOEP, own research

## The market for Family Support Services in Germany Working conditions – Median of the average wages

Offer

	Other occupations	Family Support Services	
		Main occupation	Part-time occupation
Gross monthly salary	2,200	1,250	100
Gross hourly salary	13.03	8.65	7.50

Source: SOEP, own research

## The market for Family Support Services in Germany

Demand

### Demands

#### Typical demands:

- Elderly people living alone or with partners: In these households, family support services provide aid with every-day life. There is no connection between the occupation and the income of the household members.
- Co-habiting couples with children, where more than one person is employed; very high income, above average academic education, long working hours
- Co-habiting couples without children with a comparatively high income

## The market for Family Support Services

### Demands according to type of household

Demand

	Household aid employed		All households
	occasionally	regularly	
<b>Singles</b>	<b>50</b>	<b>50</b>	<b>38</b>
<b>Men over 60</b>	<b>10</b>	<b>13</b>	<b>5</b>
<b>Women over 60</b>	<b>27</b>	<b>26</b>	<b>13</b>
<b>Childless couples</b>	<b>28</b>	<b>28</b>	<b>29</b>
Single parents	2	4	5
Couples with children	19	17	25
1 child	8	7	12
2 children	8	7	10
3 or more children	3	3	3
<i>For information:</i>			
1 child under 16	3	4	7
2 children under 16	5	6	6
3 or more children under 16	2	2	2

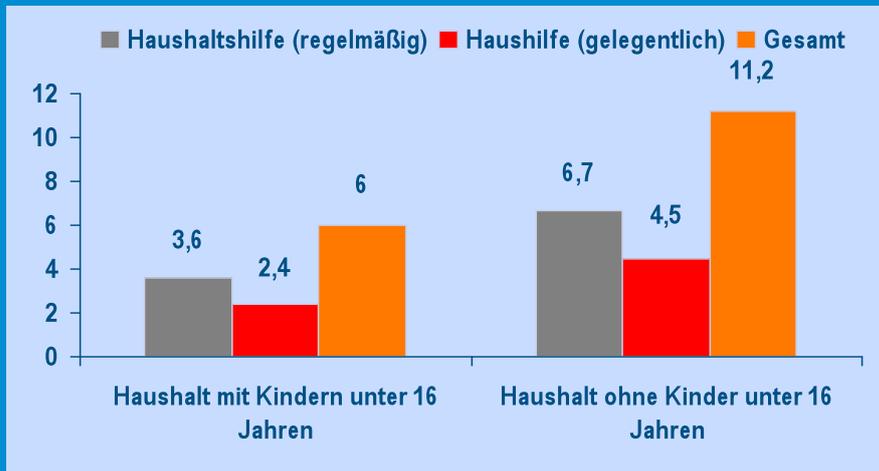
Source: SOEP, own research

- Elderly people living alone or with partners have the greatest demand

## The market for Family Support Services

### Demands according to number of children in the household

Demand



Household help (regularly)  
Household help (occasionally)  
Total

Household with children under 16

Household without children under 16

Source: SOEP, own research

## The market for Family Support Services

### Demands according to number of children in the household

Demand

#### Demand:

- 43 % of parents have a demand for family support services ,
- 33 % of the childless households

=> Demand for family support services in families is clearly higher, but is utilized less often.

#### Reality:

- family support services seen as a luxury
- Reservations to let others tidy up
- Financial situation of families

## The market for Family Support Services

### Median of the gross equivalised disposable income of the clients

Demand

(in brackets: amount of all households, in percentage)

	Household aid employed		All households
	occasionally	regularly	
Single people under 60	2,000 (0.5)	2,600 (0.7)	1,300 (20.5)
Single people over 60	1,400 (1.6)	1,600 (2.6)	1,224 (17.9)
Childless couples	2,080 (1.2)	2,800 (1.9)	1,533 (29.3)
Single parents	1,333 (0.1)	2,000 (0.2)	1,092 (5.3)
Couples with children			
1 child	2,222 (0.3)	3,000 (0.5)	1,430 (11.9)
2 children	1,619 (0.4)	2,850 (0.5)	1,377 (10.0)
3 or more children	2,235 (0.1)	1,860 (0.2)	1,310 (3.3)
<b>Total</b>	<b>1,680 (4.2)</b>	<b>2,090 (6.7)</b>	<b>1,350 (100)</b>

Source: SOEP, own research

- Introduction
- The market for Family Support Services
- **Incentive structures and forms of employment**
- International comparison
- Political options for the promotion of Family Support Services

# Forms of employment

Household personnel	Service agencies	Part-time jobs	Self-employment	Illegal employment
---------------------	------------------	----------------	-----------------	--------------------



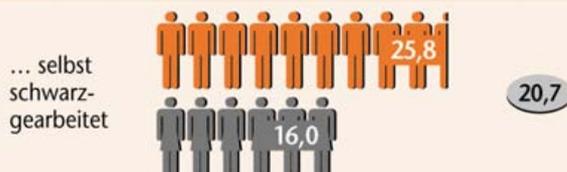
Source: Own research following TNS Emnid, 2007

## Questionnaire:

### Schwarzarbeit: Keine Berührungängste

So viel Prozent der Befragten haben im Jahr 2006 ...

■ Männer ■ Frauen ● insgesamt



Befragung von 1.018 Bundesbürgern über 18 Jahren vom 19. bis zum 29. Januar 2007  
 Ursprungsdaten: TNS Emnid

### Illegal Employment: No fear of contact

The percentages of people who completed this questionnaire that, in the year 2006...

(Orange) Men, (Dark Grey) Women, (Pale Grey) Total

...performed illegal employment independently

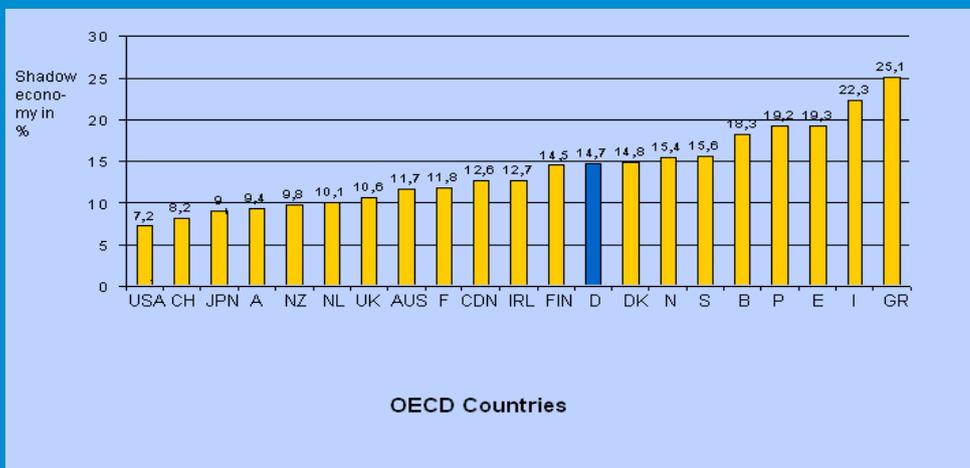
...were hired to work illegally

Inquiry of 1018 German citizens over 18 years of age, from January 19th to January 29th 2007

Source data: TNS Emnid

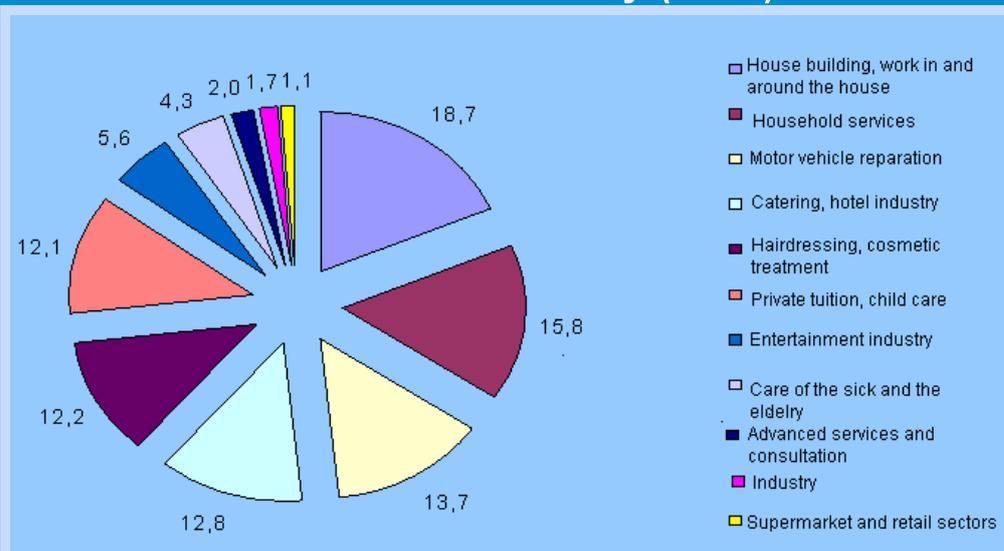
## Scope of the shadow economy in OECD countries 2007

Calculations based on cash demand and the DYMIMIC approach



Dr. Dominik Enste/ Dr. Susanne Seyda, Familienunterstützende Dienstleistungen in Europa, 29.01.2010

## Division of illegal employment according to economic and service sectors in Germany (2007)



Source: Representative questionnaire TNS/Emnid January 2007

Dr. Dominik Enste/ Dr. Susanne Seyda, Familienunterstützende Dienstleistungen in Europa, 29.01.2010

- Introduction
- The market for Family Support Services
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## International comparison

### Legal employment potential in private households in Europe

	Percentage of all those in employment	Those employed in Germany in relation to...	Potential jobs in comparison to today
Spain	3.8	1,441,720	1,214,080
Portugal	3.2	1,214,080	986,440
France	2.9	1,100,260	872,620
Luxemburg	2.1	796,740	569,100
Greece	1.6	607,040	379,400
Italy	1.5	569,100	341,460
Germany	0.6	227,640	0
Belgium	0.5	189,700	- 37,940
UK	0.5	189,700	- 37,940
Ireland	0.4	151,760	- 75,880
Finland	0.4	151,760	- 75,880
Austria	0.3	113,820	- 113,820
EU-15	1.4	531,160	303,520
Average EU leading group	2.5	954,823	727,183

Sources: Eurostat, 2005; OECD, 2007; Eichhorst/Tobsch, 2007; own research

## The employment potential of Family Support Services in Germany

	Full time equivalents	Gross income
Legalisation of illegal labour:		
30 %	177,000	2.8 Billion Euros
60 %	355,000	5.5 Billion Euros
<b>Realisation of available demands:</b>		
at 8 Euros per hour	594,000	9.2 Billion Euros
at 10 to 12 Euros per hour	417,000	8.1 Billion Euros
<b>International comparison:</b>		
EU-15 average	304,000*)	4.7 Billion Euros
EU leading group	727,000*)	11.3 Billion Euros
<b>Maximum scenario</b> (legalisation of 60 % of the services performed illegally until now plus the realisation of demands at 10 to 12 Euros)	772,000	13.6 Billion Euros

\* People employed

Own research

## International examples - Sweden

- Since July 2007, there is a tax privilege for private expenditures for household-related services
- Goal: Gender equality, legalisation of illegal labour
- 50 % of the annual expenditures (up to a maximum of 10,900 Euros) deductible per person in the household
- Service providers must be taxed and registered as enterprises
- The success of these measures seems not to meet expectations (the costs expected by the government were 73.7 Mill. Euros, costs realised were 13.7 Mill. Euros in the first six months (EIRO))

## International examples - Denmark

- Since 1994 subsidisation of the costs for household-related services
- Goal: Decrease unemployment (for those with minor qualifications), no discussion of equalisation
- 50 % of the costs
- Since 2004 only for people over 65 (no family support services)

## International examples - Finland

- Regional since 1997, since 2001 there is a national tax privilege for household-related services
- Enterprises as providers: 60 % of the gross wages deductible
- Individuals as providers: 10 % of wages and 100 % of the welfare contribution is deductible
- Goal: to create employment

## International examples - France

- Since 1993/1996 there is a Cheque Emploi Service Universel (CESU) – voucher / cheque model
- 50 % of the wages and social fees are tax deductible (up to max. 12.000 of costs per year; depending on number of persons up to 15.000 Euro)
- CESU service employees receive a legal minimum wage
- Processing via cheques via banks and clearing institutions
- Employers or social security representatives can give out cheques
- Goal: reduction of bureaucracy, legalisation of illegal labour
- Evaluation: An increase of the tax privilege of 10 % leads to increased use of the tax privilege of 45.9 % to 50.8 % of the households already using it, and 13.5 % of the households not using it come to demand it.

## International examples - Belgium

- Service cheques since 2004
- 30 % of the cheque costs have a deductible tax (Total costs: 6.70 Euros per hour)
- Public allowance of 14.30 per hour as a permanent subsidy
- Payment by cheque (Accor/ Sodexho Pass)
- Goal: Promotion of employment for those with limited qualifications

- Introduction
- The market for Family Support Services
- Incentive structures and forms of employment
- International comparison
- **Political options for the promotion of Family Support Services**

## Political options for the promotion of Family Support Services

- **Potential promotional measures in the tax and social system**
  - Reduction of the taxation and duty burden, in a sensible manner for all domains
  - Improvement of tax deductibility – unwarranted promotion of a particular sector
  - Expansion of part-time jobs and 1 Euro jobs – unwarranted promotion of a sector
  - Abolition of free co-insurance of spouses

## Political options for the promotion of Family Support Services

### ■ Promotion of individual employment groups

- Self-employment: independent business subsidies would be suitable
- Service agencies: general reduction of incentive strains of the market
- Immigrants: rapid realisation of a need for immigration (e.g. in the care sector) through a point system

## Political options for the promotion of Family Support Services

### ■ Promotion of market development

- Voucher system
  - Higher demands and claims of family support services
  - But: long-term subsidy requirements, if the incentive for illegal labour continues to exist.

### ■ Establishment of transparent structures of procurement

- High costs of agencies

### ■ Intensification of criminal prosecution

- Expensive and with poor prospects

## Political options for the promotion of Family Support Services Conclusion

- **Legalisation of illegal labour is the principal goal**
  - Reduction of the tax wedges
  - Vouchers for families, since children create positive external effects
  - Promotion of independent employment
  - Abolition of free co-insurance of spouses
  - Reform of the conditions for work permits for migrants

## Family Support Services in Germany and Europe

Dr. Dominik Enste / Dr. Susanne Seyda, 29.01.2010, Berlin

## Incentive criteria

### Criteria for the choice of the form of employment

	Domestic employees	Service agencies	Part-time jobs	Self-employment	Illegal employment
Potential earnings per hour	+	+	++	+	+++
Punishability	+	+	+	+	0
Social prestige	+	0	0	0	0
Flexibility	-	-	+	+	+
Part-time opportunities	-	+	+	+	+
Full-time opportunities	+	+	-	+	-
Accident insurance	+	+	+	+	-
Health/nursing care insurance	+	+	-	-	-
Unemployment insurance	+	+	-	-	-
Pension entitlement	+	+	0	-	-
Bureaucratic expenditure	0	0	+	-	+
Entitlement to holidays and sick days	+	+	+	-	-
The relation of positive to negative criteria	9/2	9/1	8/3	6/5	6/6

+ = positive incentive; 0 = neutral incentive; - = negative incentive; Source: own research

Dr. Dominik Enste/ Dr. Susanne Seyda, Familienunterstützende Dienstleistungen in Europa, 29.01.2010

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## Outlook: Growing demand e.g. in Germany

- Population development: - 17 %  
thereunder:
  - persons aged 70 to 79: + 20 %
  - persons aged 80 to 89: + 154 %
  - persons aged 90 and above: + 301 %
- 2005: 25 % of the population over 60 years of age
- 2050: 42 % of the population over 60 years of age

**=> Large employment potential in private homes**



## Social environment and informal standards as a cause

### Views on illegal employment

Three quarters say: “My neighbours give employment without invoicing”.  
Two thirds say: “My neighbours occasionally work illegally.”

### Connection between personal behaviour and environment

Correlation between personal demand and observed demand:  $r = 0,388^{***}$   
Correlation between own employment offers and observed employment offers:  $r = 0,355^{***}$

Representative survey (January 19th – 29th 2007; 1018 participants of ages 18 and over, through TNS Emnid)

## 2.3 WORKSHOP 1

### Support schemes: cheque services and voucher use



Mrs Basagoiti (Sodexo), Mrs Schöningh (Evangelische Aktionsgemeinschaft für Familienfragen e.V.), Mrs Le Breton (ANSP) (from left to right)



Sodexo, offering solutions and ...

“Making every day  
a better day”

for

- Public institutions & Citizens
- Companies & Employees

Since 1966

The image features a photograph of a smiling woman lying on grass. The text is overlaid on the right side of the image.



## Sodexo Identity card

- **Sodexo Group** partners with companies and governments to **serve 40 million beneficiaries** across 80 countries, thanks to its **332,000 employees** (7th largest employer in Europe, 26th worldwide).

- **Sodexo On Site Service Solutions** (Worldwide Leader)
- **Sodexo Motivation Solutions** serves **17.3 million** beneficiaries across **310,000** client businesses and public institutions, representing **1.6 billion** vouchers, **1 million** affiliated partners and **€ 6.3 billion** managed funds.



## Public funding programs, Sodexo, partner N°1

- **Our mission**

Collaborate with public authorities to manage and control large scale social and economic programs efficiently.

- **Our experience**

Sodexo is the leader in management of assistance programs around the world:

Implementation, management and control of over **20 social, employment, education and cultural programs** across **12 countries**.

Argentina, Belgium, Brazil, Chile, China, Colombia, France, Germany, Italy, UK, Spain...

# Public funding programs

<p><b>HELP VULNERABLE POPULATION</b></p>	<ul style="list-style-type: none"> <li>Manage and control State social programs</li> <li>Manage and control subsidies for asylum seekers</li> </ul>	<p>Social Pass Card Payment Asylum Solidarity card</p>
<p><b>DEVELOP LOCAL ECONOMY</b></p>	<ul style="list-style-type: none"> <li>Bring unemployed back to active life</li> <li>Manage and control State funds for employee training</li> <li>Promote home-services</li> </ul>	<p>Employment Pass Training Pass Book Pass</p>
<p><b>ACCESS TO CULTURE AND SPORT</b></p>	<ul style="list-style-type: none"> <li>Manage and control State funds to open access to culture and Sport</li> <li>Manage and control State funds for books for students</li> </ul>	<p>Sport Pass Well-Being Pass Culture Pass</p>

**SODEXHO ADDED VALUE**

Transparent administration of public funds \* Tailor-made solutions  
 Efficiency \* Simple&Convenient \* Total control over allocated budget

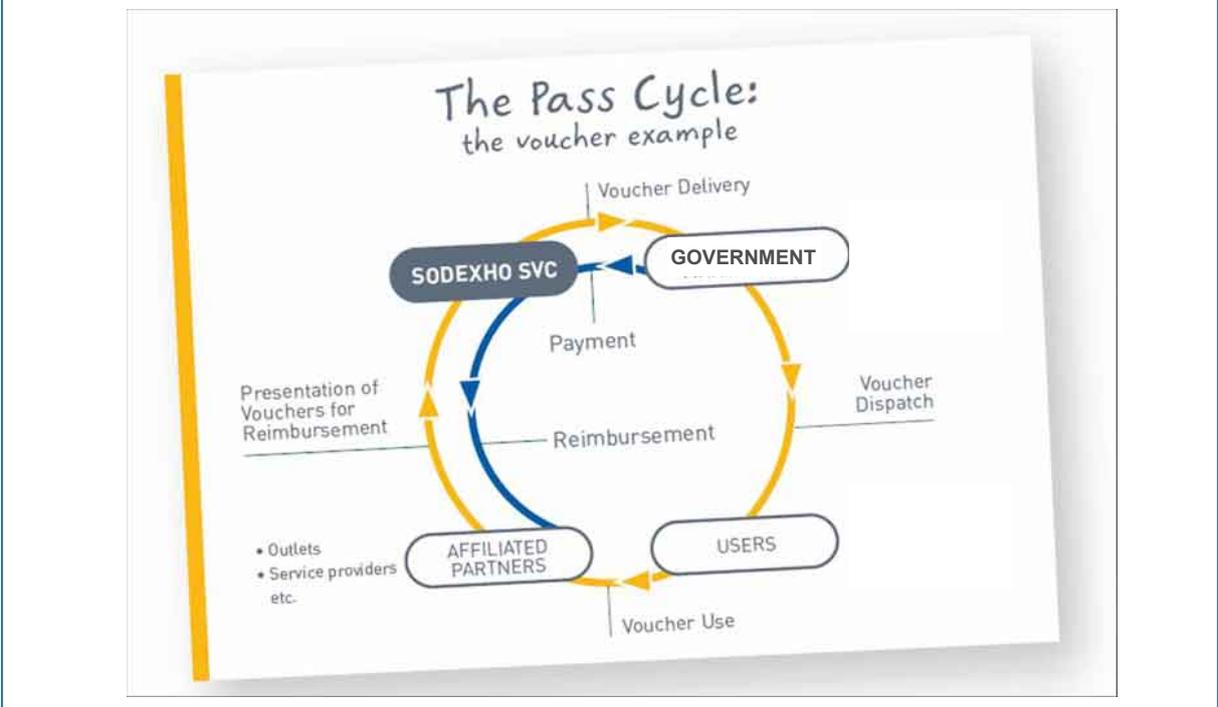
# Why a private and reliable partner?



OUR ADDED VALUE: FULL SYSTEM MANAGEMENT				
FINANCIAL FLOW MANAGEMENT		NEED ANALYSIS - SET-UP COMMUNICATION - FOLLOW-UP CONTROL- REPORTING - EVALUATION		
EFFICIENT	ACCOUNTABILITY	SYSTEM TRANSPARENCY	TAYLOR MADE SOLUTION	TOTAL CONTROL OVER ALLOCATED BUDGETS
MISSION ACCOMPLISHED: POPULATION CARED FOR				



## Why a voucher? Full payment by government



## Education Program - Escolar, Spain, since 2006



- **Project commissioned by** Region of Madrid
- **Objective of the program** Help families with children under the age of three to enroll in private nursery schools
- **Budget** 28 million euros
- **Population served** 25 000 families with children under 3 year-old

## Caixa pro- infancia, Spain 2007

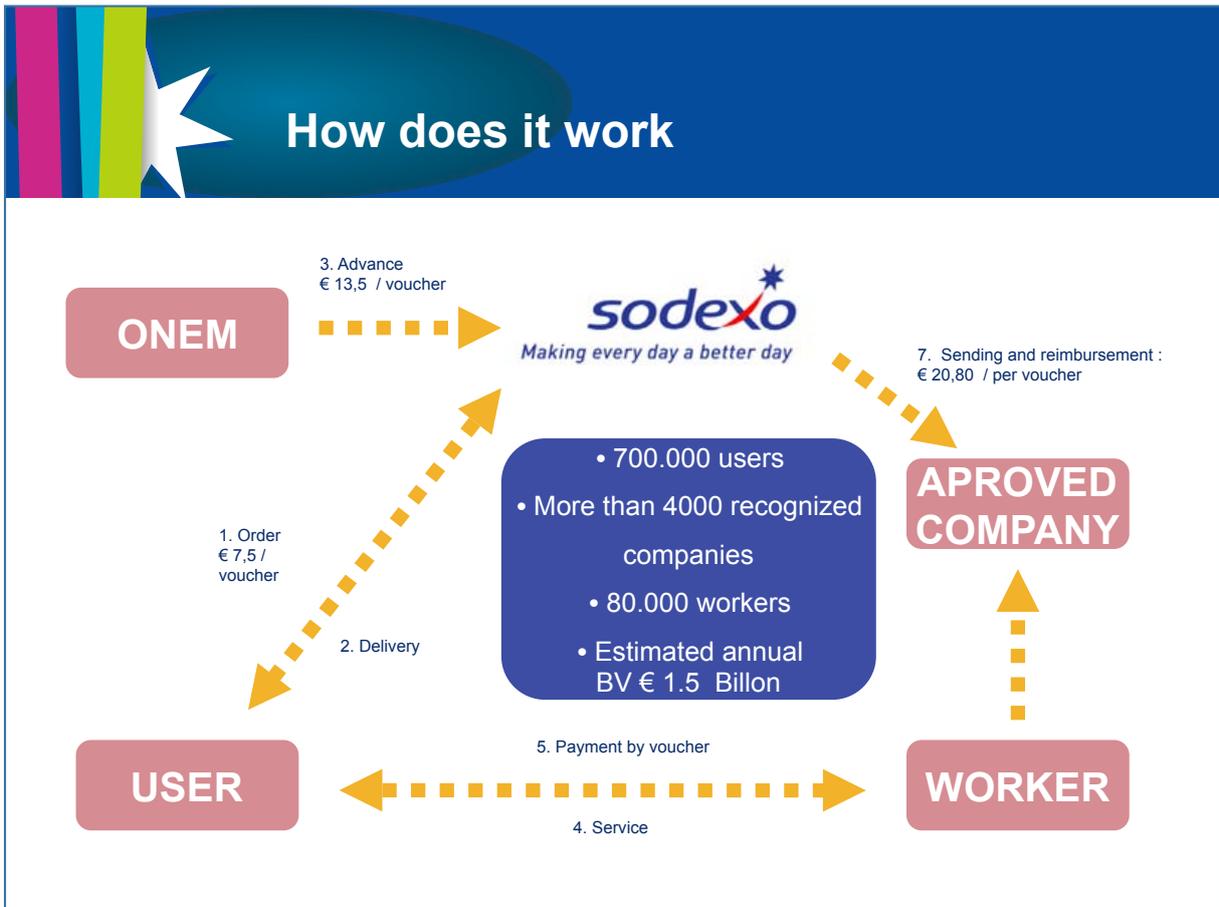


- **Project commissioned by:**  
**La Caixa Social Works Foundation**  
(La Caixa is the largest savings bank in Spain with 10 million clients)
- **Budget**  
**40 million euros per year**
- **Objective of the program**  
**Help Children development.**  
Provide access to early infancy help, school uniform and glasses subsidies, psychological support, child development and family therapy
- **Population served**  
**290 000 children** under 16 across Spain

## Titre Service - Employment Program, Belgium, since 2007



- **Project commissioned by**  
**Belgium Government**
- **Objective of the program**  
**Subsidize at-home services to create jobs and reduce non-declared activity**
- **Population served**  
**700 000 Belgium citizens**  
**40 000 jobs created**



- ## All Advantages
- **Onem**

    - Job creation
    - Service delivered to citizens
    - Reduce non declared activities
  
  - **Users**

    - 30% Fiscal advantage: Reduce to 5,25 euros per hour
    - 750 vouchers per year
    - Monoparental families or handicap people 2000 vouchers per year
    - Independent Workers: maternity help of 105 vouchers
  
  - **Workers**

    - They have a real working contract with all the advantages.

## Services

### ○ Home Services

Cleaning  
Washing  
Ironing  
Sewing  
Cooking

### ○ Non Home Services

Ironing  
Food shopping  
Transport for handicap people

#### Quelles tâches ?

> Aide-ménagère à domicile :

-  ..... nettoyage
-  ..... lessive
-  ..... repassage
-  ..... petits travaux de couture
-  ..... préparation des repas.

> Services en dehors du domicile :

-  ..... repassage
-  ..... courses ménagères
-  ..... transport accompagné de personnes à mobilité réduite.



**Thank you**



## Chèque-ALE Employment, Belgium, since 1994



- Project commissioned by ONEM Belgium, National Employment Office
- Objective of the program Help unemployed people get back to work and encourage employment
- Population served 45 000 long-term unemployed



## Training Program, Belgium, since 2002



- Project commissioned by Flemish regional authorities
- Objective of the program Encourage small and medium-sized companies to receive consulting and management resources, to gain in competitiveness.
- Population served 30 500 employees and self employed



## Education Program, France, since 2005



- Project commissioned by Picardy region
- Objective of the program  
Create good learning conditions for students by giving access to adequate material.
- Population served  
90 000 high-school students
- Optimization of the system: leverage capabilities to manage additional services: school books, sports, culture...



## Art and Sports Cultural Program, France, since 2003



- Project commissioned by Center region
- Objective of the program  
Foster cultural activities among young people by providing access to museums, exhibitions, classical concerts, etc...
- Population served  
30 000 high-school students and professional trainees

## National agency for personal services



### The universal service employment cheque France

Berlin, 29th January 2010



### The French experience of development of personal services



#### A national public policy:

- aimed at creating jobs and making everyday life easier,
- structured around development of supply and demand of services,
- significantly supported by the State,
- focusing on a specific area of activity.

Coordination of its implementation is reserved for the National agency for personal services.



## What is the Cesu (Universal Service Employment Cheque)?



- A method of payment,
- for payment of provisions of personal services at home,
- adopting two possible forms:
  - declarative Cesu,
  - prefinanced Cesu.

## Declarative CESU



- Reserved for direct employment,
- Allows payment of the person involved; owing to the social constituent, it makes it possible to declare the latter and pay welfare costs,



**By facilitating procedures, the declarative Cesu plays a role in regularising illegal work.**

## Declarative CESU: results



**1,458 million private individuals, i.e. almost 75 % of the whole, use the Cesu.**

- **2008/2007 : + 7.3 %**
- **2007/2006 : + 12.6 %**
- **2006/2005 : + 8.3 %**

## Prefinanced CESU

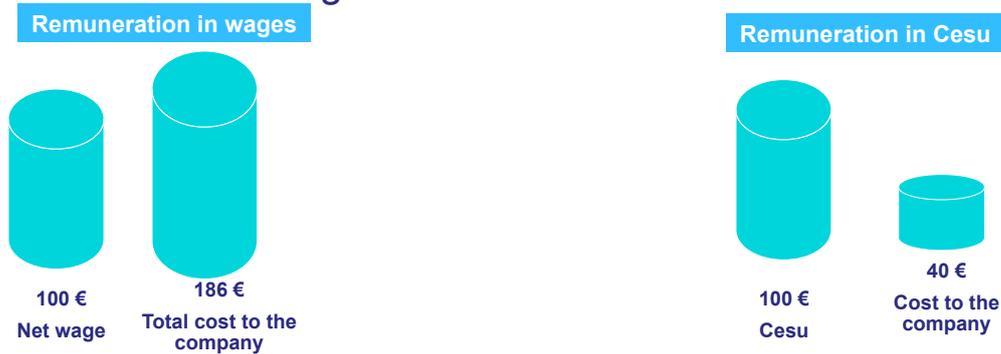


- **Financing either in whole or in part by any public or private employer,**
- **As an element of its welfare and human resources policy, the prefinanced Cesu is attractive for the company:**
  - \* The company's contribution is exempted of social security contributions within a limit of 1 830 € per employee and per year.
  - \* Companies benefit for a tax credit on the profits of 25 % of the subsidies paid limited to 500 000 € per year.
  - \* The company's financial contribution is deductible from the profits.

## Prefinanced CESU: advantages for the company

Service  
à pers  
agence

It works out three times less expensive for the company to pay 100 € of buying power to the employees in the form of prefinanced Cesu's than in the form of wages:



## Prefinanced CESU

Service  
à pers  
agence



**A new solvency tool is born in the form of the prefinanced.**

**Employers enter the personal services sector by facilitating access to personal services for their employees.**

## Prefinanced CESU: issuing figures

Indicators	2007	2008	July 2009	October 2009
Total issue volume (in million Euro)	176.15	288	534	656
Number of items issued (in thousands)	12 221	18 973	34 220	43 800

## Prefinanced CESU: results

17 000 companies jointly finance Cesu's for their employees, including Michelin, Groupe La Poste, Radio France, Nouvelles Frontières, Pomme de Pain, Conseil Régional Rhône Alpes, AFP, Axa, Air France, Toshiba médical ... and very many SME's.

445 200 natural or artificial persons accept the Cesu:

- 427 000 employees of private employees,
- 15 600 artificial persons,
- 2 600 child care structures.

## Prefinanced CESU for welfare services



Allows local communities and pension funds to pay contributions or subsidies to elderly, dependent or handicapped persons (APA, PCH, welfare action, ...),



**By guaranteeing the effectiveness of the aid, the Cesu makes it possible to optimise finance, particularly public finance while making the action publicly visible.**

## Prefinanced CESU for welfare services: results

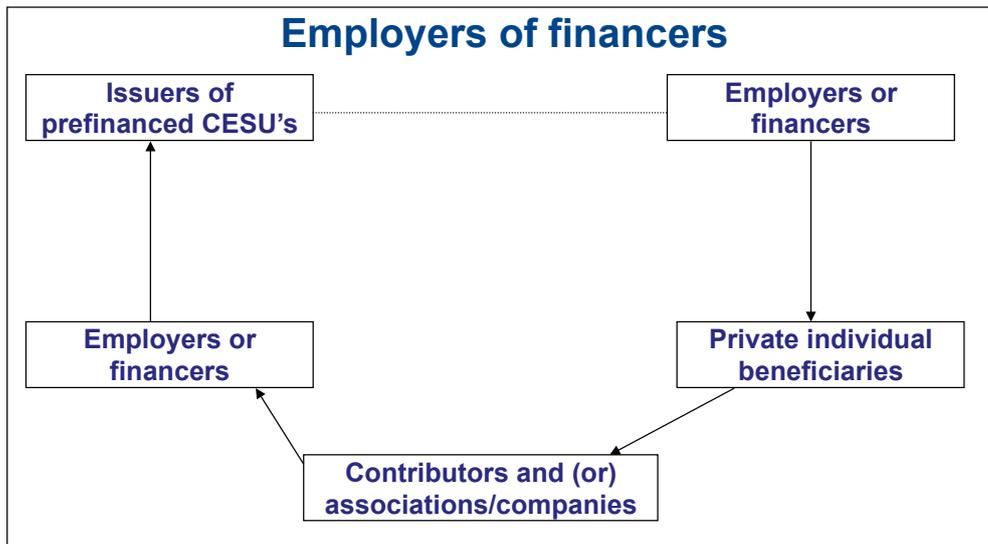


- **2009 : 10 Départements use the Cesu.**
- **2010 : 20 Départements use the Cesu.**

# The six issuers of the prefinanced CESU



# Method of use of the prefinanced CESU



## Progress of the prefinanced CESU

- **Dematerialisation,**
- **Use for other services.**

## 2.4 WORKSHOP 2

### Conditions of employment



Mrs Legrand (FEPEM), Mrs Keller (Almega, Homemaid), Mr Lindner (Vereinigte Dienstleistungsgewerkschaft)  
(from left to right)



## Sector of households



### Almega

Almega is a part of the "Swedish Enterprise".

Almega is a part of Employers' Confederation and represents all their members.

Almega represents the sector of households among others, and take actions to develop and improve conditions for the members. An example is the lobbying for the law of tax deduction for household services.



## Changes in law and regulations

1th July 2007	Introduction of tax deduction for household services. The buyer can from the Tax authority request for 50 % deduction of the invoice amount incl Vat, regarding household services, called "RUT"
1th Jan. 2008	Introduction of same deduction for companies, who offer household services as a benefit to employees
8th Dec. 2008	The system for tax deduction now expand to include services to renovate the house, called "ROT"
1th July 2009	New system where buyers pay only 50% directly on the invoice for the services, and then the suppliers apply for tax deduction from the Tax authority.

Examples of services in "RUT" are;  
cleaning, laundry, ironing, garden services, childcare



## Sum of consumption of household services (RUT) and renovate services (ROT)

The Tax authority has mentioned following figures:

Between 1th of July 2007 and 10th of April 2008 about **45 000 people applied** for tax deduction. At that moment Tax authority had repaid about 68 mkr (SEK) or 6,6 million euro.

In second half a year 2009 (July – December) about **105 000 people applied** for tax deduction. During this period the repaid amount is about 305 mkr (SEK) or 29,8 million euro. The average repaid amount is 230 euro per household.

Calculated from the monthly repaid amount based on end of 2009, the sector of households turn over is expected to be over 2 mdr (SEK) or **195 million euro during year 2010.**

(ROT is not included in the figures above).



## The conditions for the employees

According to interviews via Demoskop the numbers of employees are now above **7 000 people** for the sector of householdservices.

The agreement with the Employers' Confederation regarding the sector for householdservices means that an agreement is established between parties of the labour market. It regulates the conditions for employers and employees. The first **agreement** for households was reached in 1996.

Almega has also arranged a **certificate** for suppliers in this sector, trying to expand the seriousness for the sector.

In the growing sector, the suppliers mention that about **9 of 10 employees come from illegal market.**



## The conditions for the employees

- The minimum wage is for the moment 104 SEK / hour (10,1 euro / hour). There is an income tax of about 30%, so the employee receive about 7 euro.

- On the black market you can get about 80-90 SEK / hour (8-9 euro / hour).

- As an employee, you get benefits that you can not get on the illegal market:

- 5 weeks of paid vacation

- 1% extra amount on the vacation salary

- The employers pays about 40% on the salary to cover social costs, insurances, retirement costs etc for the employees

Then the employee often gets som benefits from the employers, such as:

- Clothes etc



# Result from interviews with the public and suppliers

June 2009



## Result from interviews in June 2009

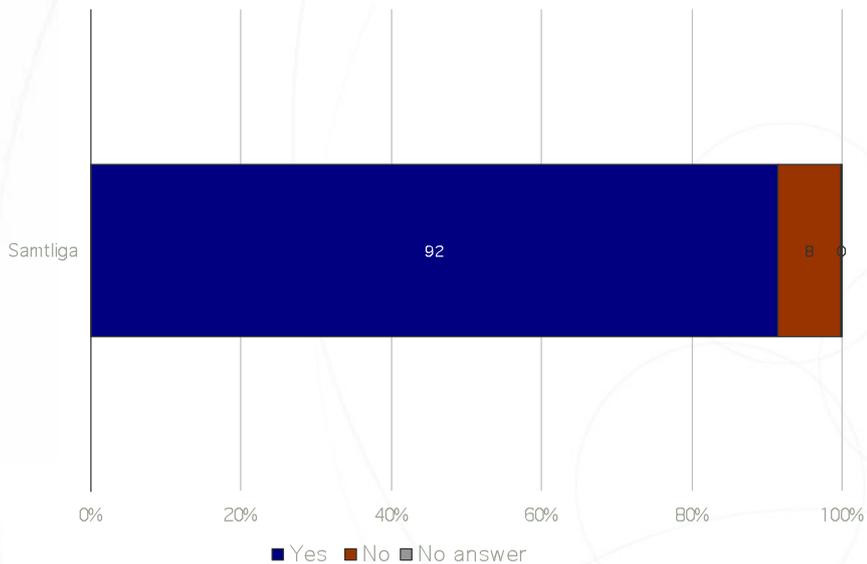
Almega measures the development of sector for householdservices since the introduction of tax deduction for householdservices in July 2007.

The result is based on interviews by phone to the public, and to existing suppliers who are members in Almega.



## Heard about tax deduction

*Are you familiar with tax deduction for household services?*

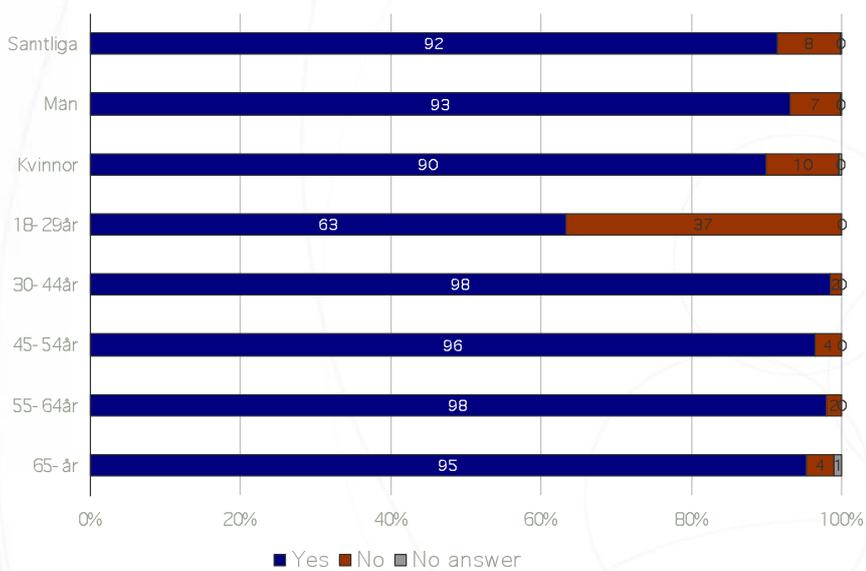


Bas: Samtliga, 1012 intervjuer

9



## Heard about tax deduction, Man/Women & Age



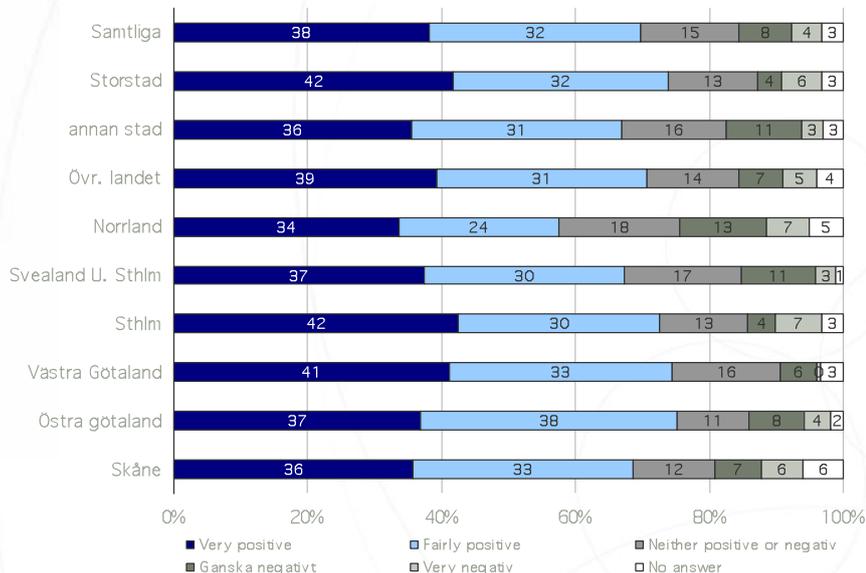
Bas: Samtliga, 1012 intervjuer

10



## Positive to tax decution, divided in geography

*Are you positive or negativ to the tax deduction for householdservices?*



Bas: Samtliga, 1012 intervjuer

11



## Results from the interviews, June 2009

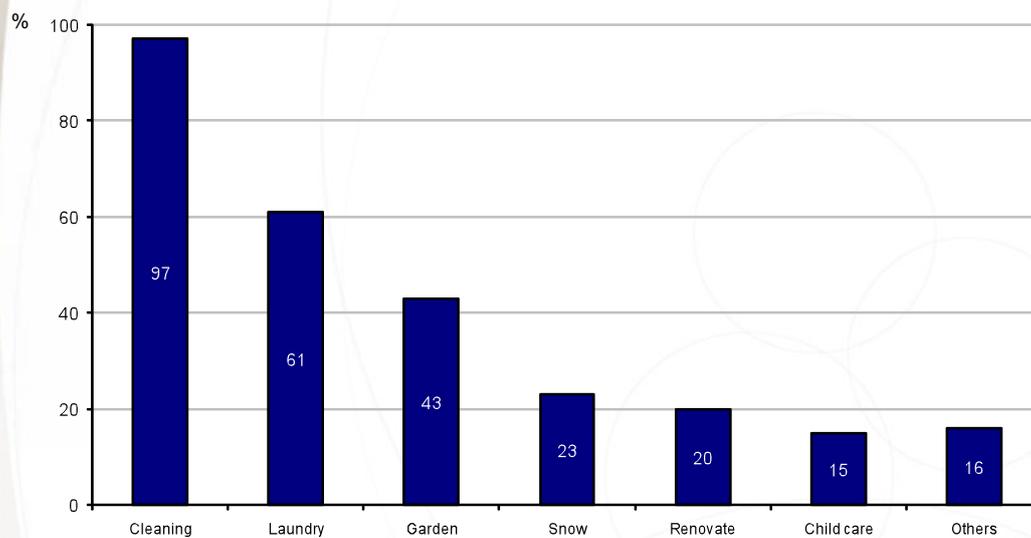
- The knowledge of tax deduction is very big, about 92 %
- The knowledge of all the services in tax deduction is not complete.
  - For example, 5 % indicate that they ask for childcare, which is already included in the system of RUT. Other services they ask for is for example, care of elderly people, renovate / help with car, boat, TV, video, computer etc
- 70 % are positive to tax deduction for householdservices. Only 12 % are negative
- **The interest of householdservices continues to increase.**
  - Despite of the business cycle last year there are more people interested in householdservices.
  - The interest is biggest in big cities, but increase most in other parts of Sweden.



- About 6% of households confirm that they buy household services (Dec 2007 was 2,7%). The number is increasing (the population in Sweden is about 9 million people).
  - Family with small children, homeowners
  - The suppliers in this sector declare that 9 of 10 employees come from unemployment.
- The opposition of illegal services (black market) clearly increase. 15% (33% in Dec 2007) consider it is ok to buy black services. 70% are opponents.



### Suppliers range of household services



# HomeMaid AB

CEO, Åsa Keller

HomeMaid 



About HomeMaid.....



## Information about HomeMaid

- Started in 1997
- Listed on AktieTorget
- 250 employees (full time) or about 400 people (part time)
- Turn over for 2010 about 110 million SEK
- 10 offices and 10 cooperations
- Key area is household services
- HomeMaid is one of the biggest company in Sweden in the sector of household services
- Target groups: private persons, companies, municipalities

[www.homemaid.se](http://www.homemaid.se)

## Business areas:

household, commercial cleaning, care

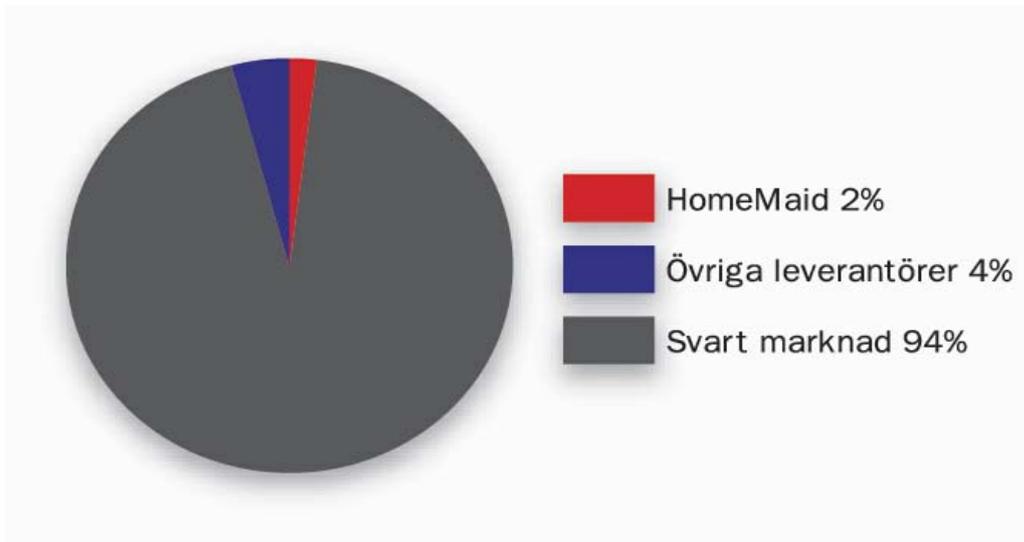


[www.homemaid.se](http://www.homemaid.se)



## History, market share in

Total market about 150 million SEK, rest illegal market!

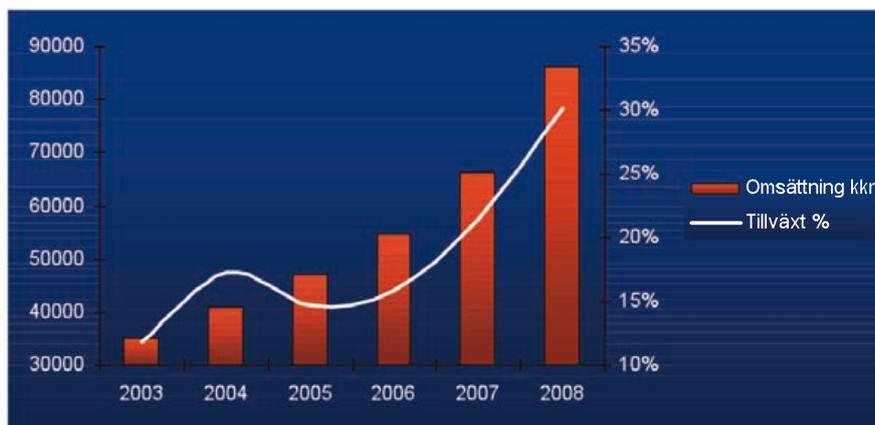


[www.homemaid.se](http://www.homemaid.se)

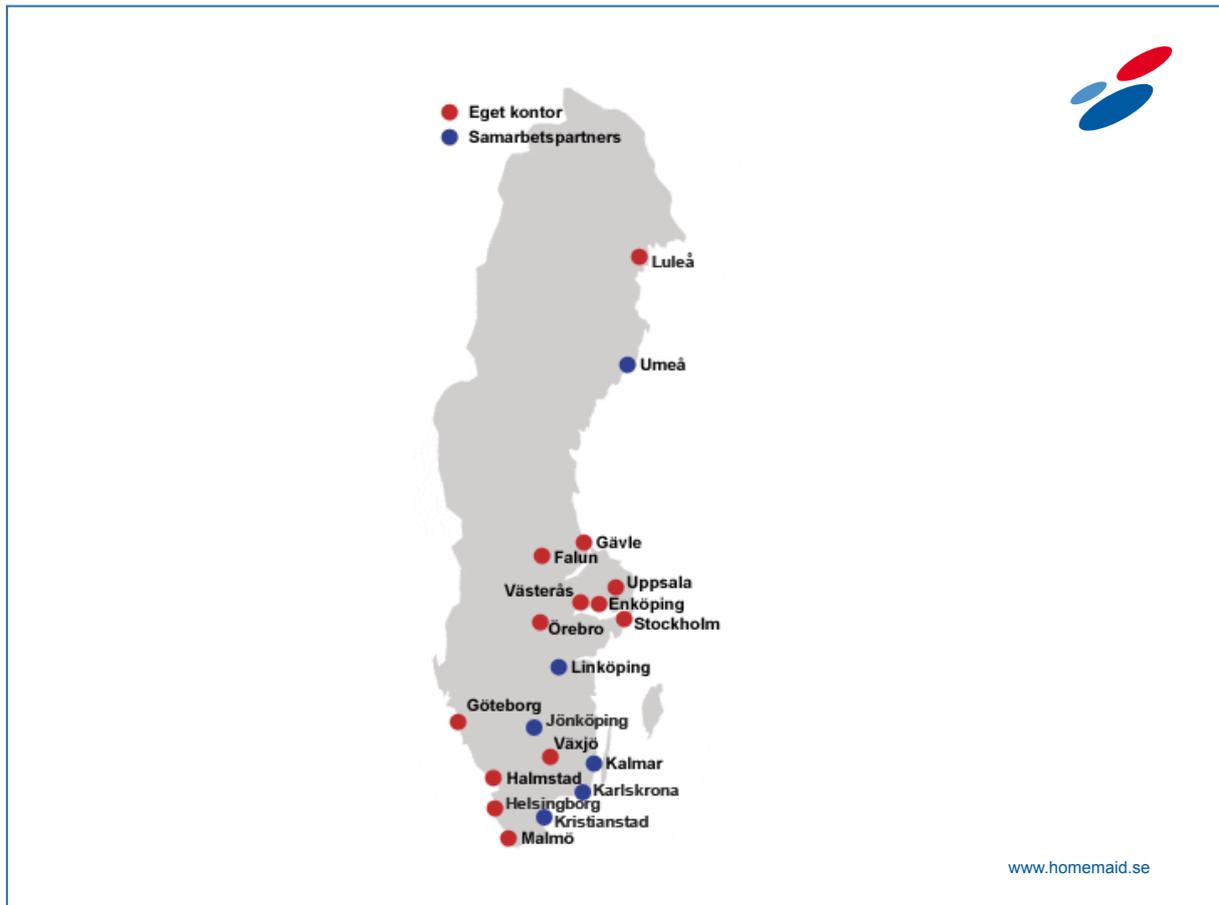


## Sales (SEK) & growth (%)

Earlier acquisitions, recently organicly growth



[www.homemaid.se](http://www.homemaid.se)





Au fil de la **Vie**  
 accompagner le particulier-employeur

## French Federation of Household-Employers (Fepem)

Leading actor of home and family services in France



### Home and family services



**HOME CARE SERVICES PROVIDERS**  
 14% of hours worked

- Associations
- Enterprises

Workers directly hired by structures, legally responsible

**HOUSEHOLD-EMPLOYERS SECTOR**  
 86 % of hours worked

Workers directly hired by families

- Families are employers and remain legally responsible
- Household-employers are represented by FEPEM





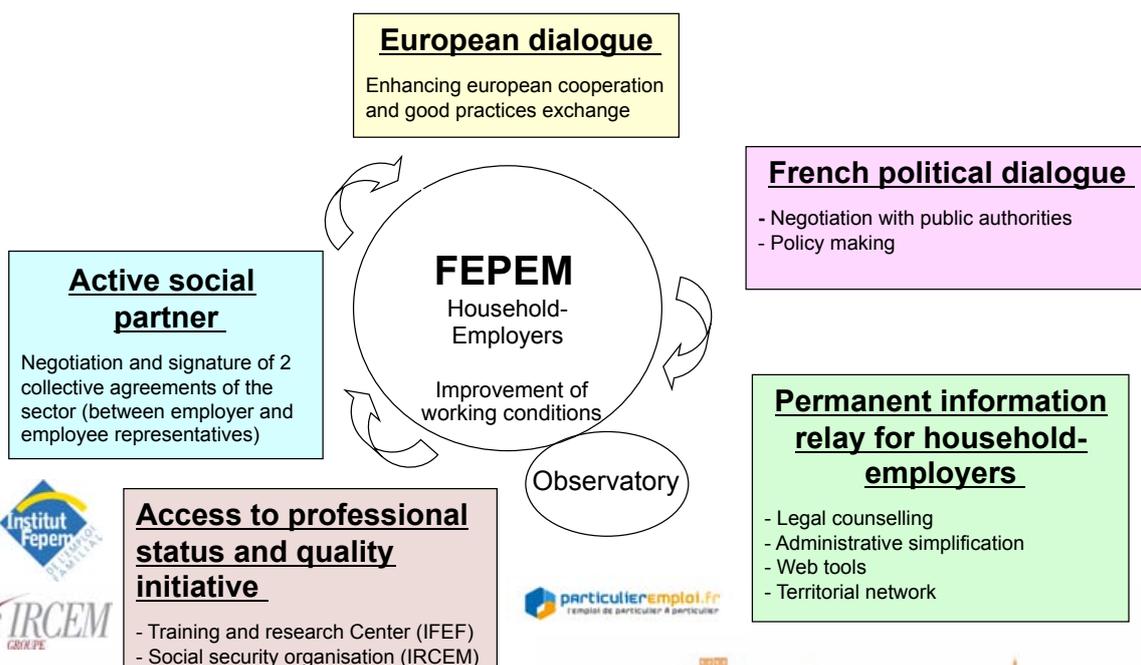
## Key figures of FEPEM



- **3.5 million household-employers**
- 1.6 million employees
- Wage of employees amount to **10 billion euros** yearly
- 17% of job created in France
- Over **558 million working hours** (*nursery assistants not included*)



## Fepem Role and network





## Agreement-based protection



Two national collective agreements organise the relationship between employers and employees :

- **National collective agreement for employees of household-employers (2000)**
- **National collective agreement for nursery assistant of household-employers (2005)**



- ✓ Supplement the labour law
- ✓ Organise rights and obligations for both employers and employees
  - work contract defining precisely rights and obligations
  - conventional minimum wage
- ✓ Binding application



## Training and Education Yielding skilled employees



Training and research center (IFEFE) created by Fepem in 1994 for :

- promoting training policy and facilitating life-long training ,
- building specific programs,
- organising training sessions via a significant decentralised network of accredited training centers,
- Setting up a human resources policy adapted to the sector.

*Over the last 5 years, more than 50.000 employees carried out training sessions and 1.7 million hours of training have been given by qualified centers*

### Catalogue

Basic skills : driving license, basic language skills, organisational skills, computer and web skills

General and career oriented : organising the relationship with different employers

Technical skills in which case a vast array of trainings can be provided in different activities of home and family services : child care, elderly care, housekeeping, etc.

- 3 professional certificates
- Accreditation for work experience
- Distance training





## Effective Partnerships



- 1- **To prevent professional risks** : to preserve health and safety of employees and ensure job quality
- 2- **To facilitate employment entrance** : recruitment process – link between education programs and labour market – jobs promotion
- 3- **To create information and orientation centers for any private individual** (employer and future household-employer, employee, job applicant, occupational retraining)

In addition :

- ↪ To improve information concerning child care and individual services
- ↪ To better anticipate the needs and to accompany the elderly and other persons losing their independence (training)



## Political environment to increase declared jobs



➤ Tax incentives :

- Tax breaks for household-employers up to 50% of the amount paid [max of 12.000€ par year (i.e , a max tax cut of 6.000€) and 20.000€ (for disabled people, under conditions)]
- Specific allocations : payroll tax exemption for elderly and persons losing their independence – family benefits for childcare.

➤ Vouchers and pre-paid vouchers :

Cheques used to declare and pay for home and family services through direct employment.



## 2.5 WORKSHOP 3

### Role of enterprises: Integration in support schemes



Mrs Schreuer (Bosch-Stiftung), Mrs Zetzsche (IFOK GmbH), Mr Aubry (Accor Services Deutschland), Mrs Geisel (Deutsche Industrie- und Handelskammer) (from left to right)

Robert Bosch **Stiftung**



Unternehmen  
Familie

# “Unternehmen Familie“

## Innovations through Family Support Services

### Workshop 3 ::: Participation of enterprises: integration into support schemes

Berlin, den 29. Januar 2010

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## Structure

### ▪ Section I: The programme

- Structure and goals of the programme “Unternehmen Familie“
- The funding projects

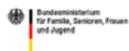
*Miriam Schreuer (Project management, Robert Bosch Foundation GmbH)*

### ▪ Section II: The environment

- Market development for family support services
- Challenges and opportunities

*Indre Zetzsche (Project management, IFOK GmbH)*

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# “Unternehmen Familie“

## Innovations through Family Support Services

### Section I ::: The programme

*Miriam Schreuer (Project management, Robert Bosch Foundation GmbH)*

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## Structure

- “Unternehmen Familie“ is a **programme of the Robert Bosch Foundation (RBSG) in cooperation with the Federal Ministry for Family, Senior Citizens, Women and Young People (BMFSFJ)**
- **Programme promotion** through BMFSFJ and ESF/EU
- **Co-financing as a Public Private Partnership** through the RBSG
- **Programme implementation** through IFOK GmbH
- **Programme evaluation** through Rambøll Management GmbH
- **Programme duration time:** June 1st 2007 until December 21st 2010
- **Official programme starting date:** June 9th 2007
- **Project end date:** First quarter of 2011

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## Six programme goals

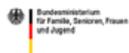
The programme partners (RBSG und BMFSFJ) want to achieve the following:



© Julia Rebekka Schenk

- **Innovations** all around the promotion of Family Support Services,
- Improving the **reconciliation** of and family and working life,
- **Creating employment** in the private service sector and developing domestic services on a local scale,
- Activating private households as **market participants**,
- Facilitating the **access to support** for dependent persons (children, seniors, etc.),
- Improving the **access to employment for women** and improving the permanent participation of women in professional life.

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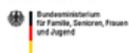
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## Programme character

- The projects promoted in the programme “Unternehmen Familie“ have a **model character**. Target: to identify success factors in the family support services market. Hence the financial and qualifying promotion.
- The market for family support services is **barely systematically realised** and stands out through **strong changes**: the distinct expansion of the providers since 2007 at a steady demand → customer-dominated market (price competition)
- Promotional projects have to adapt to **the dynamics of the market** → reaction on promotion: from changes to the cost and financing plans to adaptations of the offer.
- Result: development of the **practical guide “ Success in the Family Support Services Market“**

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## The way to the goal: promotion of pilot projects

- The **12 promotional projects** were chosen from the **38 applications** by a renowned jury and awarded a prize in April 2008.
- The promotional projects receive **funding of up to 150,000 Euro** until December 2010.
- The promotion of the **projects** serves for the **“exploration“ of the market** (dynamics, “players“ and success factors) and its **systematic development**.



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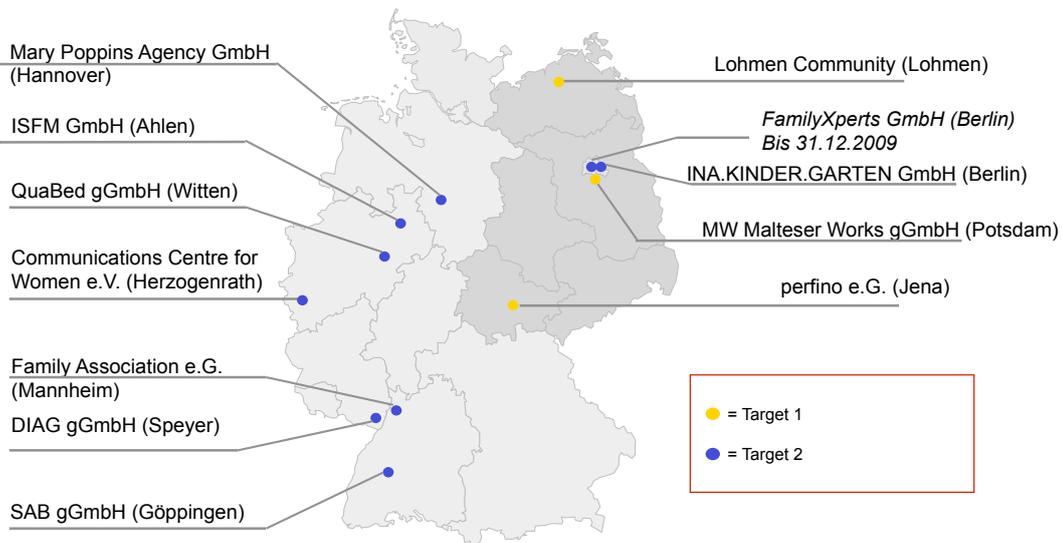


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## The 12 promotional projects according to target areas



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## The 12 promotional projects according to business orientation

<p><b>Recruitment agency for enterprises</b></p> <ul style="list-style-type: none"> <li>▪ familyXperts GmbH</li> <li>▪ ISFM GmbH</li> <li>▪ perfino eG</li> </ul>	<p><b>Recruitment agency for private households</b></p> <ul style="list-style-type: none"> <li>▪ Communications Centre for Women e.V.</li> <li>▪ SAB gGmbH</li> <li>▪ Malteser Works gGmbH</li> <li>▪ Lohmen Community</li> </ul>
<p><b>Service agency for enterprises</b></p> <ul style="list-style-type: none"> <li>▪ Family Association Mannheim eG</li> <li>▪ INA.KINDER.GARTEN gGmbH</li> </ul>	<p><b>Service agency for private households</b></p> <ul style="list-style-type: none"> <li>▪ QuaBeD gGmbH</li> <li>▪ Mary Poppins Agency GmbH</li> <li>▪ DIAG gGmbH</li> </ul>

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## Recruitment agencies for enterprises

### ISFM GmbH: FAMCARE

- Online platform for the recruitment of family support services, primarily for SME and its employees
- Employees can hand over parts of their domestic activities to FAMCARE via Intranet and Internet
- FAMCARE organises, coordinates and secures the quality of the services rendered.

### perfino eG

- Cooperative Union of Employers (SME) for the distribution of skilled personnel
- 25 member companies in Jena.
- Target: cooperative employee retention; recruitment, flexibility, engagement and growth of skilled personnel.

### familyXperts GmbH

- Support of medium-sized enterprises, with the expansion of family-friendly working conditions.
- Provision of the FamilyXpert family service for the employees of the companies

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## Service agencies for enterprises

### Mannheim Family Association eG

- Existing network of qualified day parents and investing enterprises
- Expansion of the portfolio of nursing, non-medicinal and/or family support services
- Services: Consultation of the member enterprises, qualification and procurement of independent family support service providers (=association members)

### INA.KINDER.GARTEN gGmbH: day nursery 24 hours a day

- Extension of the day nursery to an establishment with 24-hour opening times: overnight stay possibilities and weekend services on demand
- Offer for clinical employees and scientists of the Charité Medical University of Berlin and the Heart Institute Berlin
- PPP financing model: day nursery vouchers (public), third-party funds from Charité and Heart Institute, perspective: limited parental contributions

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## Success criteria – initial experiences

### Target groups - enterprises

- Prominence on the market and references
- Flexibility, adaptation to customer demands
- Low prices and high cost effectiveness

### Target group – private households

- Price
- Reputable/with a solid on-site presence (e.g. with own shop/business)
- Reliability, trust
- Wide range of offers, flexibility

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# “Unternehmen Familie“

## Innovations through Family Support Services

### Part II ::: The environment

Indre Zetzsche (project management, IFOK GmbH)

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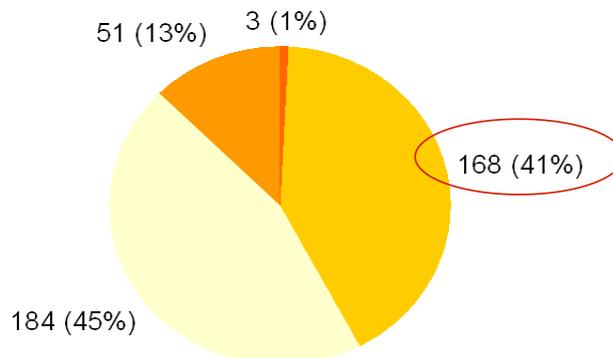
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## Market development ::: the suppliers

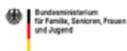
Strong expansion of the suppliers



(planned, implemented, not realised, no information)

■ geplant ■ umgesetzt ■ nicht realisiert ■ keine Infos

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Figure 1: State of implementation of the 406 recognised non-sponsored expressions of interest (IB)

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## Market development ::: The suppliers

High economic competition and price competition



Figure 2: Organisational forms of the 168 implemented measures IB

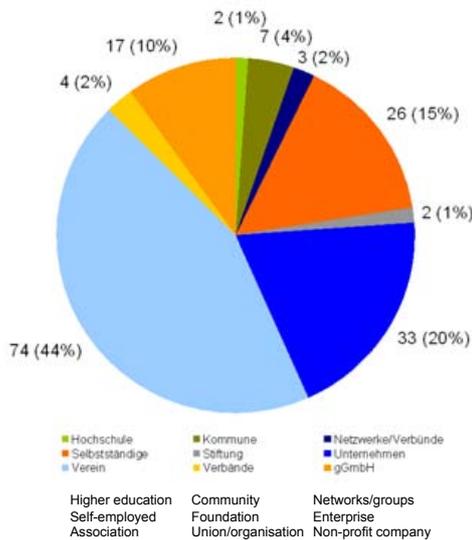
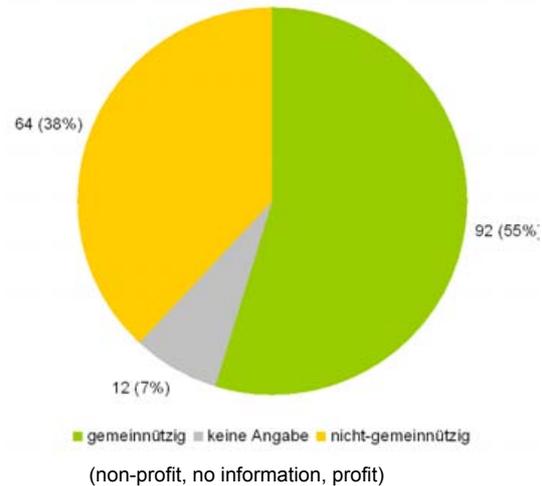


Figure 3: Status of the 168 implemented IB



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## Market development ::: Demand and occupation



- **The demand** among private households and enterprises has remained constant in comparison to the suppliers – it is relatively low
- The family support services market is a **customer dominated and price-sensitive market**
- The **willingness to pay** of the customers is relatively low
- **Demand prognosis:** growing demand among private households due to the population and employment growth, but a limited demand from enterprises will remain
- **Limited occupational willingness** from the service providers
- Possible reasons:
  - **negative image**, especially of particular family support services
  - Preferred **self-employment**

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## Tax incentives for Family Support Services

### Private households

- Tax incentives for family support services (☒ consultation, procurement)

### Family Support Services providers

- Child care freed from value added tax
- Part-time jobs are better off compared to independent employment and social insurance employment
- Non-profit providers are better off compared to those commercially organised in the private sector in terms of taxes<sup>1</sup>

### Enterprises

- family support services deductible as operating expenses for employers, to be taxed as a cash value advantage (☒ consultation, procurement, partially child care services)

### → “The optimal business model“:

- Direct suppliers with emphasis on child care based on part-time employment
- Non-profit service agency with emphasis on child care and part-time employees

<sup>1</sup> Tax concessions, the possibility of tax-free remuneration, tax exemption for employees and employers (§ 3 Nr. 26 Income Tax Act), VAT rate reduced to 7%, omission of the corporate and business taxes

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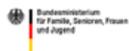
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## Challenges and opportunities

- **General challenges:**
  - Activating the demand (private households and enterprises)
  - Economical as well as customer-friendly price development
  - Quality assurance (and willingness to work connected with it)
- Difficult market environment, particularly for privately financed **recruitment agencies for enterprises:**
  - ☒ (Price) competition through providers from the social economy field
  - ☒ Disadvantage in trust towards (newly) established providers
  - ☒ Tax “disadvantage“ towards part-time jobs and non-profit organisations
- **Self-carrying agencies** with market establishment advantageous due to the public utility (tax concessions) and / or integration into supporting structures

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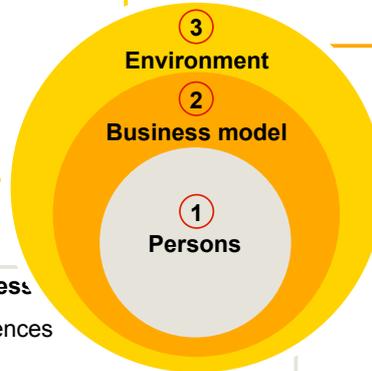


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## Project development :: Success factors for the market establishment

### 3. Environment-related success factors

- Networks and contacts
- Strong partners
- Integration into existing infrastructures



### 2. Business-related success factors

- Marketing knowledge
- Barriers to market entry
- Marketing
- Adequate cost structure

### 1. Person-related success factors

- Management competences
- Economic expertise
- Specialist knowledge
- Entrepreneurial and pioneering spirit
- Risk tolerance

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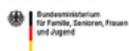


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## Conclusion

- New providers within the enterprise target group are facing difficulties – especially during the economic recession – when it comes to establishing themselves on the market
- Heavy price competition, customer-dominated market
- High measure of flexibility is required, as is high and rapid availability
- Tax deductibility for enterprises is still expandable

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**Thank you very much for your attention!**

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EUROPÄISCHE UNION

## Well being services for families

January 29<sup>th</sup>, 2010  
BERLIN



## Agenda

1. Introduction: Accor Services general presentation
2. The context in the EU
3. Identification: the needs
4. Examples of solutions developed in other countries:
  - Childcare Vouchers in the UK
  - Ticket Services in Belgium
  - CESU in France
  - Impacts
5. Prepaid household solutions:
  - Key benefits
6. Factors making it work
7. Q & A

## Accor Services mission: what we do

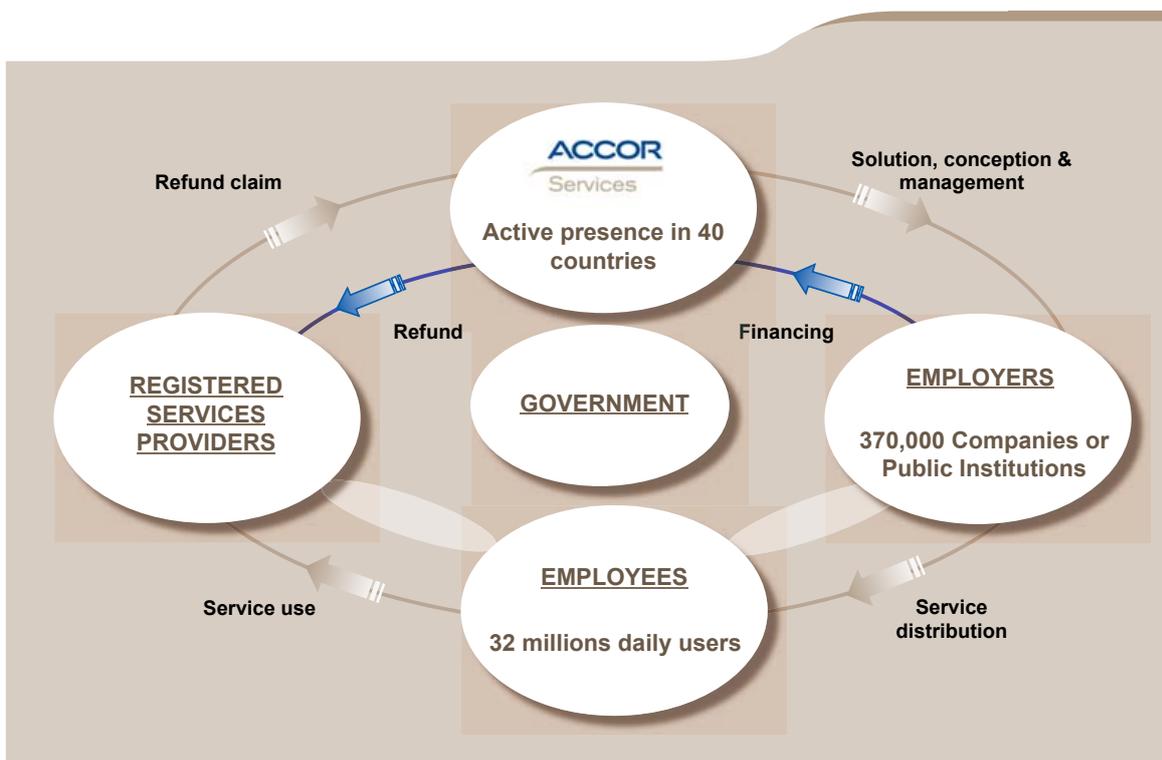
Our goal is to help companies and public institutions to improve performance by fostering the well-being of their employees and citizens, and to meet their social needs.

How do we proceed ?

- Accor Services identifies social needs, based on impact studies and international organisations expertise (EU, ILO, OECD, WHO, etc.)
- On the national level, Accor Services centralises the best practices developed
  - In 40 countries on 5 continents
  - With 23 million daily users
  - 370,000 client companies or public institutions
  - 1,000,000 affiliated service providers
- Then, AS designs, develops and manages innovative and practical tools that facilitate the implementation of social policy in order to meet the needs of either companies and/or Public Authorities

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## Scheme principle



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## The context in the EU

### ○ Presidency Conclusions – Brussels, 22 and 23 March 2005:

- It is essential to attract more people into the labour market: this aim will be achieved by following the course of an active employment policy, of making work pay and of measures to reconcile working life and family life, including the improvement of child care facilities.
- priority must also be given to :
  - equal opportunities,
  - active ageing strategies,
  - encouraging social integration,
  - and converting undeclared work into lawful employment.
- New sources of jobs must also be developed in services to individuals and businesses.

### ○ LISBON STRATEGY : the new start

**To meet European's economic, social and environmental objectives, 2 tasks:**

1. Deliver stronger, lasting growth
2. Create more and better jobs

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## The context in the EU

### ○ A stronger partnership and involvement is expected from member states, companies and social partners This is the way we analyze the markets, and the needs:

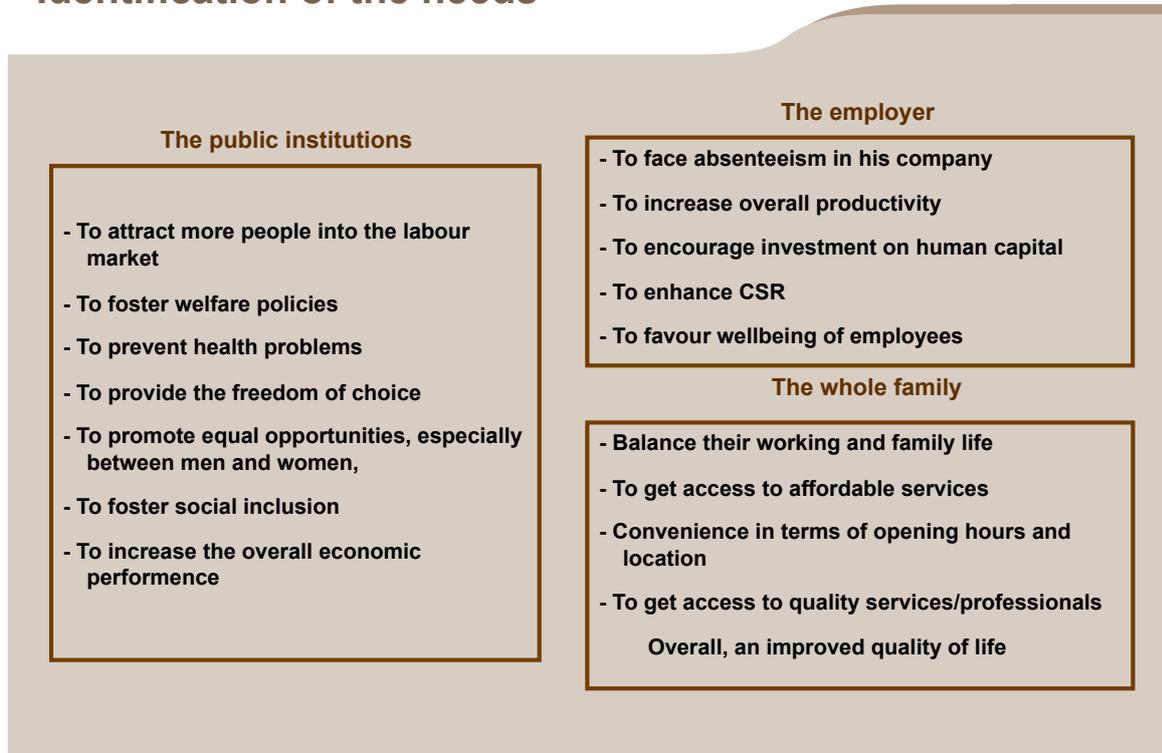
1. **Deliver stronger, lasting growth**
  - Long term measures
  - Preventive measures
2. **Create more and better jobs**
  - Identify the demand/lack of offer
  - Participate to « better working conditions »

### ○ Companies need to implement easy and flexible tools :

- To meet Life Essentials
- To enhance well-being, health and safety
- To stimulate employees and to improve performance

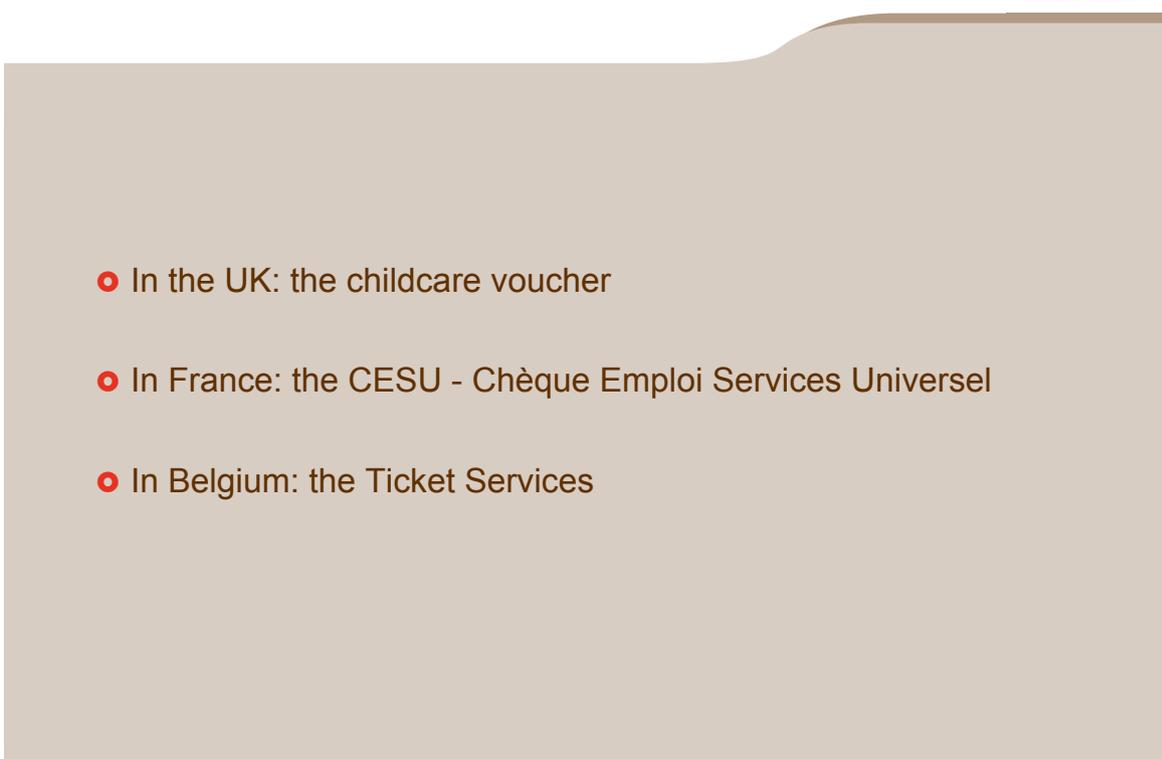
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## Identification of the needs



7

## Solutions developed in other countries



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## Case study 1: Childcare Vouchers UK

- Objective of the government (1989): To encourage parents to work.

More than half of employers think that childcare can be a reason for not going to work at all.

The law was a way to involve the employer and make it share the employees' concerns about balancing work life with the demands made on employee as a parent. Childcare Vouchers can help contribute towards the cost of childcare while parents are at work.

- Summary of the legal context:

### **Contribution:**

- 1 - Childcare vouchers are Tax and national Insurance exempted
- 2 - A subsidy of £55 per week can be allowed for Childcare (for healthcare workers)
- 3 - Taxes will be due if the employee receives cash allowances

### **Use of childcare vouchers :**

- 1 - The employee's child must be under 16 years
- 2 - Childcare vouchers providers are required to be registered
- 3 - Parents in receipt of a Childcare voucher are free to choose and select their own form of childcare

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## Case study 2: Ticket CESU in France

- Legislative context:
  - The creation of the CESU is the key element of the development plan of care and support services launched by Minister Jean-Louis Borloo in 2005. Aim: creation of 500 000 jobs in 3 years and to encourage the development of home services
- Three major goals:
  - Simplifying the access and lowering the costs of quality services.
  - Improving the income conditions of employees in this sector.
  - Giving the associations and the firms a favourable legislative context in order to promote their activities.
- The CESU enables the beneficiary to pay for the support services in the following sectors:
  - Home Services : 41%
  - Gardening : 15,5%
  - Dependence (elderly or disabled people) : 17,5%
  - Child care :12%
    - Childminding (for all types of childminding): nursery, drop-in centres, childminders, childminding at home, one-off childminding, shared childminding, baby-sitting, etc.;
    - Helping with homework;
    - Taking children to and from school.
  - Others (computer assistance, etc.) : 14%
- ⇒ The system is approximately similar to the previous :
  - ⇒ It is both a special means to pay for child care and a means of wages
  - ⇒ It is tax exempted for both the employer and the employee : employers do not pay social security and have 25% tax credit on their contribution (up to an annual ceiling of 1,830 € per employee). For employees, no income tax on up to 1,830 € yearly

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## Case study 3: Ticket Services in Belgium

- The Belgian authorities introduced a new system of service vouchers (“Titres-services”) in late 2003. The purpose of this measure was to create 25,000 jobs by 2007.
  - Since 2003, the number of workers employed in the service vouchers scheme has been increasing steadily, reaching almost 30,000 persons in December 2005.
  - The service vouchers scheme also enables low-skilled people to (re-)enter into regular employment. According to a survey conducted in 2005 on behalf of the Ministry of Employment, Labour and Social Dialogue, 92 % of workers employed in the service vouchers scheme hold a certificate of secondary education at the maximum, and 40 % a certificate of lower secondary education. Furthermore, 98 % of them are women.
  - Looking for new financing possibilities
  - Key figures (2009) :
    - 100.000 workers,
    - 800.000 families who use Ticket services
    - 2.000 companies to provide services
- ⇒ the scheme is so successful that it remains on the top of the political agenda (it may be provided to employees through the companies)

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## Impacts of the measures: some key figures

- Impacts on job creation and grey economy:
  - Creation of 62 000 jobs in Belgium and 230 000 in France
  - 50% of the services providers in Belgium were previously unemployed
  - 98% of the employees are women; and 1/3 are single mothers
  - In the UK, the childcare workforce increased 21 % to 275,000
  - In the NL, childcare has evolved from a small sector with 8,000 employees into a mature one employing over 60,000 employees
- ⇒ One estimate of the job creation effects of women’s employment is that 10 jobs are created for every 100 additional women in work
- Impacts on wellbeing
  - 5,5% of the active population in Belgium used services vouchers after 5 years of launch; 275 000 beneficiaries in France
  - 50% of the users in Belgium are between 30 and 50 years old; 30 % are more than 60
  - For services providers, it means a job close to home
  - In the UK, more parents are receiving some financial help from employers. Among parents paying for childcare, the percentage receiving help from their employer more than tripled between 2004 and 2007
- ⇒ The widest coverage of expenses is probably in France, where the vouchers (CESU) can be used for childcare in and outside the home, as well as for elder care, care for the disabled, and domestic services

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## Factors making it work

- To assess the needs (in the workplace); to find the adequate/best solution;
- To get a tax exemption and a full involvement of every actors;
- To communicate about the programme ;
- To ensure quality (registered providers);
- To measure the benefits.

⇒ Companies needs legislation’s support

## Prepaid household services: benefits for all parties

### Employees & Citizens:



#### Enhancing quality of life

- Greater purchasing power for specific needs
- Simple and rapid use
- Access to a qualified and professional network
- Freedom of choice in the affiliated network

### State:



#### Macroeconomic impacts

- **Job creation** (Increasing demand => Increasing supply)
- **Turn informal economy into a formal activity providing tax revenue for the State**
- **Increased revenue through tax** (The loss incurred by the tax exemptions given to the allowances is offset by the increased tax revenue generated by the additional activity, the job creation and the identification of new tax payers)

### Companies:



#### Better productivity

- Organizations gain in productivity and well-being
- Benefiting from tax and social welfare exemptions
- Budget control and no administration
- Easy to manage and to distribute
- A dedicated tool (guarantee of the destination of the allocated funds)

### Service providers:



#### Sharing benefits

- Regular income
- Development of client loyalty
- Simple registration process
- Formalizing sector and economy

## EDITORIAL INFORMATION

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