



**European Employment Policy Observatory  
Ad Hoc Request**

# **Personal and household services**

France

Written by Nicolas Farvaque  
ORSEU  
June 2015



**EUROPEAN COMMISSION**

Directorate DG Employment, Social Affairs and Inclusion

Unit C.1 – Europe 2020: Employment Policies: European Employment Strategy and Governance

Contact email: [empl-c1-unit@ec.europa.eu](mailto:empl-c1-unit@ec.europa.eu)

European Commission

B-1049 Brussels

**European Employment Policy Observatory  
Ad Hoc Request**

**Personal and household  
services**

France

---

**Europe Direct is a service to help you find answers  
to your questions about the European Union.**

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\* ) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

#### **LEGAL NOTICE**

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, **2015**

ISBN **ABC 12345678**

DOI **987654321**

© European Union, **2015**

Reproduction is authorised provided the source is acknowledged.

## **1 Presentation of the sector in the selected countries**

### **1.1 Existence of a "personal and household services" sector? Existence of a legal definition for the sector?**

Yes. France has been a pilot in the creation and promotion of such a sector. The terminology used, since 2005, is that of "personal services" (*services à la personne*), which include a series of in-home services dedicated to individual persons. The development of such a sector with the impetus of public policies actually takes roots back in the early 1990s. In 1991 a tax deduction was introduced which is still in place. But it is in 2005 and the so-called "Borloo Plan", from the name of the Minister of employment and social affairs Jean-Louis Borloo, that the sector is given a legal definition, through the elaboration of a list of such personal services (decree 29 December 2005). It was necessary to define such a list in order to indicate which services opened access to public support for consumers, mainly in the form of tax reduction.

Before the writing of this decree, in the context of the preparation of the governmental "development plan" of personal services, stakeholders in the field (representing employers, health insurance companies, etc.) agreed on a common definition of the scope and objectives of the sector. The so-called "National convention for the development of personal services" (November 2004) defined personal services as those "contributing to the well-being of people in their home, workplace or place of recreation." In this context, 5 categories of services were identified:

- Services to the family: like childcare, remedial class, care services enabling dependent people to stay at home, etc.
- Services in the field of health promotion at home or at the workplace: domiciliary care, home medical care, psychological support, etc.
- Services in the field of quality of life at home (IT support, meal delivery, home cleaning, haircut, etc.) or at work ("conciergerie" i.e. services for workers, like dry-cleaning, etc.)
- Services associated with housing and lifestyle (gardening, etc.)
- Intermediation services (limited juridical assistance, support for house-hunting, etc.).

Not all these propositions were kept when defining the legal perimeter.

The Labour Code (art L 7231-1) stipulates the following:

#### **Personal services concern the following activities:**

- 1. Childcare**
- 2. Care to the older people, disabled persons or persons needing a personalised help at their home or a mobility help in their close environment with an aim to foster their home support**
- 3. Housework and family assistance**

The article refers to the decrees in application in order to define more precisely the content of these three categories.

In 2005, a first decree has defined 20 following activities as belonging to the scope of personal services. This list was broadened to 3 additional activities in 2011. The

following box gives a synthesis of main activities formally considered as personal services.

**Table 1. List of personal services (synthesis)**

- Non medical care during the day and in the night	- Help with administrative formalities
- Day care	- Childminding at home
- Housework: cleaning, ironing	- Home support/remedial classes
- Food delivery	- Beauty services for dependent persons
- Accompanying and transportation of older people, disabled persons or children under 3	- Preparation of meal for dependent persons
- Handyman tasks	- Looking after pets for dependent persons
- Gardening	- Tele- and visual assistance of the house
	- Driving the car

## 1.2 What distinguishes “care” services and “non-care” services?

Two types of services, which are very different in their logic and history, have been pooled together in this new “personal service” sector:

- on the one hand, *social services*, including care services to the dependent persons, which mostly are located in the third not-for-profit sector (services provided by municipalities or associations);
- on the other hand, *services to private individuals*, rather corresponding to comfort or lifestyle services, which are mostly located in the private sector or in the private direct employer system (when someone directly recruits one person for the homework for instance).

These two existing categories of services, which were grouped in a new sector, actually have experienced very distinct historical trajectories and have their own institutions.

**On the one hand, social work activities were born in the voluntary sector, which has progressively been structured and reinforced by public policies, resulting in a large not-for-profit domiciliary care sector.** After the Second World War, services dedicated to families have rapidly grown thanks to the action of several NGOs, either religious or not. Federations and unions of volunteers or employers structure themselves and are important actors in the development of these activities mainly dedicated to the most frail families or persons.

The State has encouraged the development of these activities through different forms of funding. Beneficiaries generally receive aid from social security schemes or private insurance schemes. Public schemes have often evolved over the last years (see below). The care system has its own financing.

Within this sector, activities directly realised at the recipients’ home have grown in importance. The branch of homecare activities (*branche de l’aide à domicile*) is built upon three national collective agreements elaborated in the 1970s and the 1980s, covering all the home carers working for a not-for-profit organisation. In addition to these workers covered by these collective agreements, one should also add public servants working in social work activities realised at the recipients’ home. The older people or disabled people can also receive care through the direct employment system, i.e. through the direct recruitment of one (or more) employees (see below).

The main activities in this branch are the help to dependent persons (old people, people with disabilities) and to families with specific needs. The services done at home aim at

maintaining the persons at home. Hence they can range from cleaning the house, helping the persons to prepare the meal, help them for the wash, etc. Specific diplomas exist for these domiciliary carers.

The childcare system relies on its own model. Childcare is principally provided through the direct employment model. Parents recruit one childminder (*assistante maternelle*) who work at her home (not at the parents' home) in general.

**On the other hand, personal and household services resort from a specific history very peculiar to France, that of the direct employment system.** The trajectory is rooted in the heritage of the servant jobs, directly employed by bourgeois families over the 20th century. This sector has resulted in a specific category of jobs for statistical analysis: domestic staff and housekeepers. These workers are directly employed by the beneficiary of the service. This is called the "direct employment" status, which is characterised by the absence of any third party or intermediary. This form of employment has of course evolved over the years, to finally create its own sector with its own institutions. The branch is that of the "*particulier employeur*" (individual employer) who employs one or several persons under this system of "direct employment". 1.2 million persons are employed under this system. Since 1980 there is a collective agreement covering employees in this sector. Since the early 1990s, many public incentives have been set up in order to stimulate the creation of jobs in this sector. The name of the branch changed from "housekeepers" to "individual employers".

To conclude, one can say that these two first "groups" of heterogeneous activities have been merged despite absence of a common history and despite the differences in their logic and employment status (employee of an organisation on the one hand; directly employed by the beneficiary of the service on the other).

### **1.3 Structure of the market model: type of actors, evolution of companies. Employment models (direct employment model vs provider model), evolutions of these models**

There is **a strong heterogeneity of providers and organisational models to deliver the service.** One can distinguish (1) between providers employed by a service organisation either in the non-profit sector (associations or public providers attached to municipalities) or in the profit sector, on the one hand (we will call it the "provider organisation" model), and (2) direct providers employed by the individual beneficiary, on the other (2).

The provider organisation model is constituted of non-profit companies and for-profit companies.

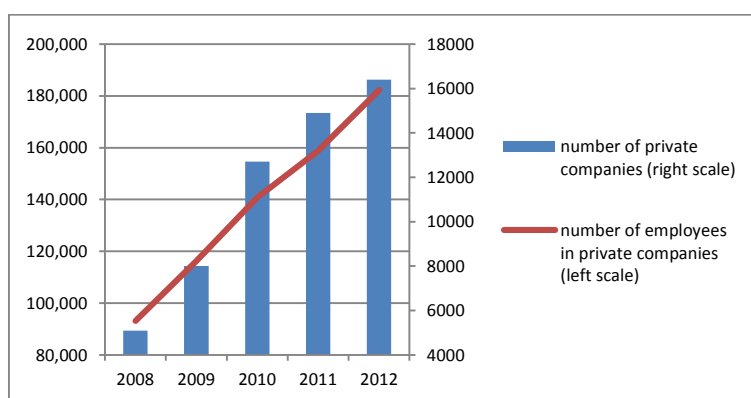
In total, associations represent nearly 60 % of the activity, the private for-profit sector represents nearly 30 % of paid hours in personal services in 2013, and public organisations 11 % (Thiérous, 2015).

**Table 2. Structure of the market, 2013**

Type of providers	Paid hours in 2013	%	Evolution 2013/2012
Associations	216 376 200	59,3	-3,2
Public organisations	39 884 400	10,9	-2,6
Private companies	108 328 700	29,7	8,3
<i>Including: auto-entrepreneurs</i>	<i>3 036 000</i>	<i>0,8</i>	<i>17,7</i>
<b>Total</b>	<b>364 589 300</b>	<b>100,0</b>	<b>0,0</b>

Source: Thiérus, 2015

For-profit companies have experienced an important growth both in terms of the number of companies operating (x3.2 from 2008 to 2012) and in terms of employees (x2 from 2008 to 2012).

**Graph 1. A growing importance of the for-profit sector**

Source: Thiérus 2014

Private for-profit companies today principally provide comfort services such as ironing, gardening and are strongly present in the childcare market. They also tend to be more and more present in the field of services to older persons (29 % of their activity in 2012, 31 % in 2013). By comparison, non-profit organisations mainly provide services to the elderly (more than 56 % of the activity of associations and public organisations).

The structure of the market is changing with a growing importance of private for-profit providers, while the sector is historically constituted of non-profit providers. Private for-profit providers have adopted a niche strategy with a focus on daily life/comfort services (cleaning, ironing etc.) but now tend to be important players as well in the field of services to the elderly (following a "premium" marketing strategy and targeting the highest incomes).

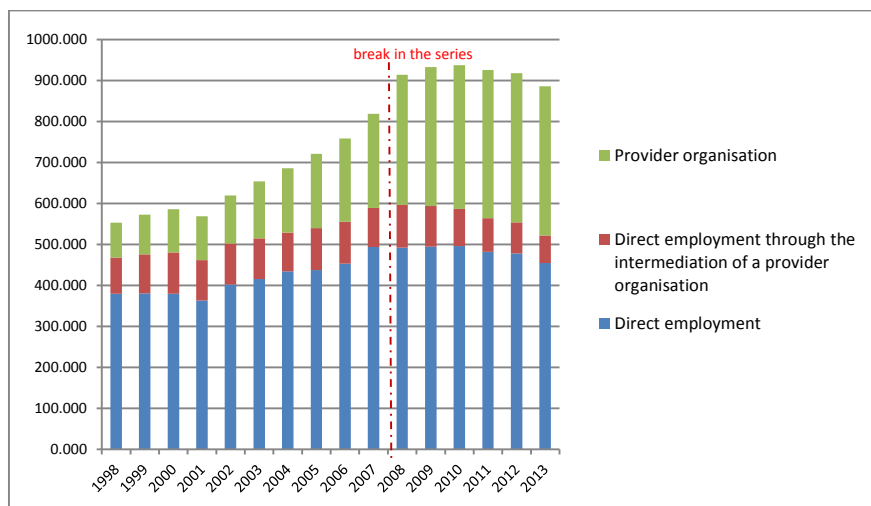
### The evolution of the market

The market has experienced a progressive increase over the decade 2000, because of the public support through the 2002 law on dependency and 2005 on personal services. It has reached a peak in 2010 with 937 million hours being paid. Since then, the total number of hours has been decreasing. In 2013 this amount had diminished by 5.5 % compared to its level of 2010. This decrease is principally due to a reduction of the number of hours provided through the direct employment model (-8.9 % from 2010 to 2013 when also including direct employers passing through the intermediation of an organisation, principally to facilitate the administrative duties). In the same period,



hours purchased towards providing organisation have been quite stable. This important decrease of the direct employment is mainly due to a global loss in purchase power of households over the same period. A reform concerning the advantages that direct employers may benefit when recruiting someone also occurred in the beginning of 2013 but it is too early to assess the effects on consumption.

**Graph 2. Total amount of legally provided hours in personal and household services according to the status of employer (childcarers not included), in million**



Source: Thiérus 2015. The data base changed in 2008 and therefore the years 2007 and 2008 cannot be compared directly.

#### 1.4 Main sources of funding

The French long-term care system is financed by:

- taxes: the system is inspired by Beveridge's model. The personalised allowance for dependency is financed by national taxes and local taxes (own resources of Departmental authorities). Furthermore, LTC is a universal right because persons receive benefits if dependent, whatever their income.
- contributions: a major share is financed by social contributions through social insurance: indeed, a large share of LTC is funded by health insurance.
- Families: a major share of LTC is financed by families whose role is becoming increasingly recognised.
- Moreover, municipalities and private insurances can provide optional social financial resources

Concerning care services, since 2002 (law on dependency), there is a **public allowance for autonomy** named APA (*allocation personnalisée d'autonomie*), which allows partial funding for human assistance, technical assistance and specific housing installations for dependent people. It is granted only to people over 60 years old, after individual medical and social assessment. Autonomy allowance tariffs are fixed by the Ministry of Labour, Social relations and Solidarity for both home assistance and institutional care. Allowance allocation is managed by local governments (*Conseil Généraux*). The allowance is granted upon first application for 76 % of people asking for home assistance and 90 % of people seeking institutional care. This allowance is dedicated to pay for services (in-kind allowance) provided by organisations; the beneficiary can also use this sum to

recruit directly someone at her home. In this latter case (direct employment), the beneficiary is also exempted from social security contributions.

Alongside this main allowance for dependent persons, the development of personal services is also based on a series of tax incentives (tax credit) which are directly financed by the public budget.

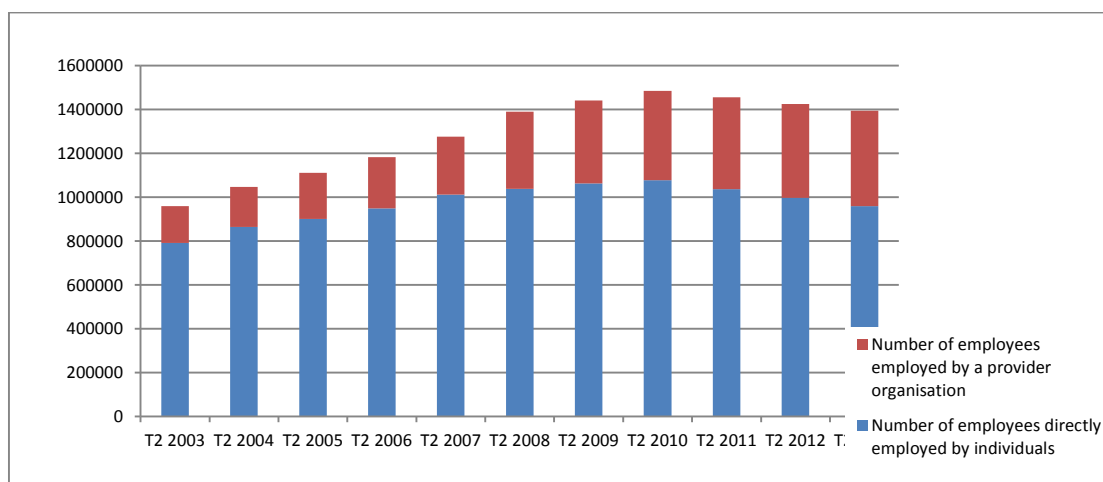
## 2 Main element on jobs in the sector

### 2.1 Number of declared jobs (Social work activities without accommodation/Activities of households as employers of domestic persons); Other types of statistics (e.g., by professions); evolution since 2000

Counting the number of employees in the sector of personal services is not easy because of very occasional time patterns. There is a strong turnover in this sector. In 2013, 1.88 million persons worked at least one hour at somebody's home, compared to 1.3 million if only considering the last quarter of 2013.

During the second quarter 2013, there were 959,000 employees directly employed by individuals and 435,000 employees working for provider organisations. The number of employees in the direct employment model has been decreasing since 2011 while the number of employees in the provider organisation model has been in steady increase for the last ten years.

**Graph 3. Number of employees in the personal service sector, France, 2003-2013**



Source: DARES, Thiérus (2015); Childminders working at their home not included.

### 2.2 Difficulties concerning statistics

The above figures provide from a specific information system created by the General Direction of Companies. Since 2008, provider organisations directly fill themselves the data concerning their activity and level of employment. Concerning households as direct employers, the data provide from social security institutions.

The pool of *services à la personne* as defined by the 2005 law does not correspond to any statistical nomenclature. The nomenclature used by the National statistic institute (INSEE) proposes an item "services to private individuals" which gathers personal and household services, recreation and cultural activities as well as hotels and restaurants. The nomenclature of French activities (NAF, derived from the NACE) distinguishes

between social work activities on the one hand, and personal and household services on the other.

### 2.3 Salaries and wages: Minimum wages fixed by collective conventions if existing, by level of qualification

As seen above, there are three collective agreements in the field of personal and household services. All these three collective agreements respect the national minimum wage which is fixed at 9.61€/hour (gross rate) since the 1<sup>st</sup> of January 2015. This corresponds to 7.32€ in net terms. This is then the first wage level in the collective agreement.

To give an example, the collective agreement of "*particulier employeur*" (direct employment) has defined five levels of qualification. The minimum branch wage for the first qualification is increased to stick on the national minimum wage.

**Table 3. Minimal wages in the collective agreement of direct employment**

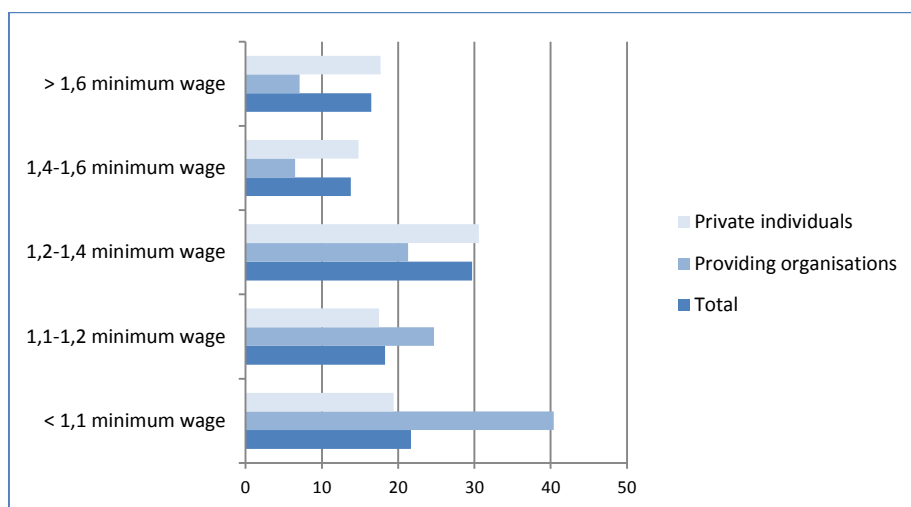
Qualification	Criteria	Minimal wage according to Collective agreement (2012)
I	Executant, under the employer's responsibility	9.49 → 9.61 to stick on 2015 national minimum wage
II	Professional competencies and initiative capacity. Minimal recognised qualification	9.68
III	Responsibility, autonomy, experience. Recognised qualification "life assistant"	9.88
IV	Full autonomy and responsibility	10.07
V	Highly qualified	10.37

The collective agreement for the *domiciliary care sector* has defined 9 levels of qualification (from employees to managers) with a corresponding wage grid. It also has to respect the national minimum wage.

What are the wages effectively received by workers in the field? In 2010, in average, an employee received 8,700 Euros (gross salary)<sup>1</sup> a year. The amount of wage depends on the number of hours worked. The mean hourly wage is approximately 12.30 Euros (gross) which represents 1.4 minimum wage.<sup>2</sup> Contracts with private individuals are generally better paid compared with contracts with providing organisations (graph below). The mean hourly wage for employees directly employed by private individuals is 12.50 Euros compared to 10.80 Euros for employees working for providing organisations. One element of explanation lies in the stronger bargaining power of some employees directly employed by individuals. Another one is the fact that some activities with higher hourly wages (like school support or remedial classes) are the most often provided under this model.

<sup>1</sup> He/she also received on average 3,100 Euros (gross) for activities in other sectors than personal services.

<sup>2</sup> Source : I. Benoteau, Y. Baillieul, G. Chaillot, « Les services à la personne. Davantage sollicités dans les zones rurales et âgées », *DARES Analyse*, juillet 2013.

**Graph 4. Wages (gross) in the personal sector: differences according to the type of employer**

Source : I. Benoteau, Y. Baillieul, G. Chaillot, « Les services à la personne. Davantage sollicités dans les zones rurales et âgées », DARES Analyse, juillet 2013.

Nevertheless the wages stay very low because of part-time. In France, the average net wage for houseworkers working through direct employment was 687 € in 2010, for an average of 21 hours worked by week<sup>3</sup>. In comparison, domiciliary carers earned in average 838 € by month for more than 27 hours worked by week. 76 % of houseworkers were below the low-wage threshold (1016 €) in 2010.

### 3 PHS approaches and their impact on job creation and employment levels

#### 3.1 Existence of public initiative to support job creation in PHS

For more than 20 years now, France has promoted job creation in personal services through a series of measures:

- Administrative tools (development of vouchers to facilitate the access to these services)
- Direct allowances for care services (APA for dependent persons, specific allowance for childcare named PAJE)
- Social expenses (mainly exemptions from social contributions)
- Fiscal expenses (tax deduction/credit, exemption from VAT for associations and reduced rate for companies)

The most important measure in this list is the 50 % tax deduction/credit. It is the most costly measure for public budget (more than 3 billion Euros in 2012).

This tax incentive has the objective to lower the final price paid by the user and to reduce the “comparative advantage” of undeclared employment. In 1991 a tax deduction was introduced which is still in place, under the “family jobs” (*emplois familiaux*) scheme. The recruitment of an employee under the “family jobs” system already entitled the direct employer to write off 50 % of the legal expenditures up to 90,000 French Francs (13,700 Euros). In 1995, the so-called Borloo Plan renewed this

<sup>3</sup> Source: Enquête Emploi, see Lefebvre 2012

logic of tax incentives and extended the scope of activities eligible to them. There are different specific exemptions and tools created so as to diminish the final price. In recent years some of them have however been reduced.

In 2005, the Borloo Plan followed a comprehensive strategy to foster the development of this new sector, both in what concerns the demand and the supply. Several bottlenecks in the market were identified:<sup>4</sup>

- Utilisation of domestic services too expensive for many households
- Difficulties or administrative complexity to pay on a legal basis for minor services or services provided on an hourly basis
- Lack of information about service provision (how to find a suitable service provider)
- Lack of trustworthiness or reliability of service providers, need for a quality label
- Doubts about the quality of services
- Unattractiveness of working and employment conditions, creating bottlenecks in the labour market

The development of the sector was conceived by the promoters of the Borloo Plan to pass through a series of steps: eliminating the existing competition biases (between the different employment regimes for instance, or between non-profit organisations and companies; these biases can be about VAT for instance); setting up a large industrial policy in order to support the development of the supply and then allowing productivity gains; finally to improve the transparency and efficiency of public spending which was already big before the Borloo Plan.

In this quasi-industrial logic, several instruments or tools were put in place.

- The first and maybe most important stage was the definition of a standard and agreed definition of "*services à la personne*". This list clearly defined which services offered the beneficiaries or providers specific advantages.
- Also, a dedicated administrative agency, called "*Agence nationale des services à la personne*" (ANSP), was created in 2005. It was in charge of the implementation and coordination of the National Development Plan. This agency also promoted the sector and the voucher CESU. The ANSP was suppressed in 2014 and the missions were transferred to the General direction of companies in the Ministry of economy.
- Corresponding to the industrial approach to the development of the sector, the creation of a national, large "platforms" (*enseignes nationales de services à la personne*, the word "*enseigne*" actually meaning "trade-mark") have been encouraged by public authorities. Several companies and organisations have cooperated to create different platforms offering a spectrum of services, guaranteeing a minimal quality. These platforms act as intermediaries between the demand and the supply; they provide information and put potential or actual clients in relation with several authorised providers near their home. Around 20 large platforms were put in place after the Borloo Plan but this eventually proved

---

<sup>4</sup> S. Ekert, "The French Strategy: The Borloo-Plan as the French success story", in IWAK, Creating formal employment relationships in the domestic services sector: Successful strategies, 2011.

to be a failure. Consumers did not resort to these platforms and preferred to resort to their local provider in case of needs.

- A voucher called CESU (*Chèque Emploi Service Universel*) was created in order to facilitate the payment and administrative duties for private employers.

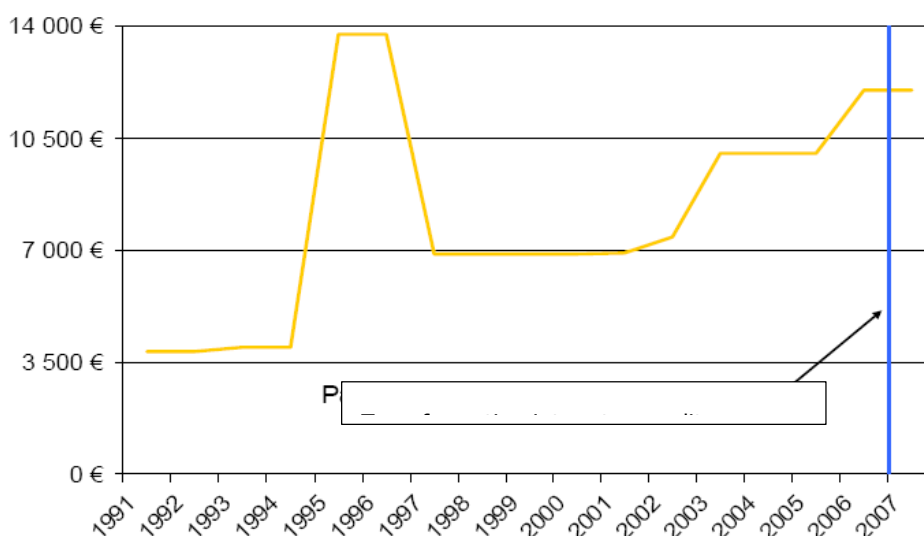
The goal of this plan was to create 500,000 jobs in this sector in three years.

### 3.2 Tools of supply in order to decrease the selling price (exemptions from social contributions, reduction of the VAT, public support of production etc.) or demand to decrease the purchasing price (tax reduction, etc.)

#### Tax deduction

As mentioned earlier, **the main tool for private users** has been for more than 20 years now the implementation of tax deduction later transformed in a tax credit. Since 1991, **different tax advantages have been maintained for households and now apply for all the activities grouped under the legal definition of personal services**. With regard to the support of the demand, households can write off 50 % of legal expenditure for the services listed in the 2005 decree against private income tax, up to 12,000 Euros per year (with possibility to go up to 20,000 Euros for disabled persons). This limit has often changed since the creation of this measure (see Fig 1).

**Graph 5. Evolution of the fiscal ceiling for tax reduction linked to legal expenditures for domestic services**



Source: Carbonnier, 2009.

Since 2007, there exists a tax credit for taxpayers who have a job or have been registered unemployed for more than 3 months, and a tax deduction for other taxpayers.

#### Reduced VAT rate for companies

In 2005, the VAT rate for personal and household services was reduced to 5.5 % instead of the then regular rate of 19.6 %. This rate applied to the overall list of personal services. In 2012, this VAT rate was increased at 7 % for several activities not in direction of frail or dependent persons. In 2013 after the demand of the European Commission, a series of services not directly providing "care" to persons (like gardening, private lessons except remedial classes, IT assistance, etc.) shifted from the 7 % intermediate VAT rate to the normal rate (19.6 % and 20 % since 1/1/2014). In 2014,

the intermediate rate passed from 7 % to 10 %; it now applies to all other personal and household services (like childcare, cleaning, etc.) which are not provided to frail or dependent persons. A reduced rate (of 5 % instead of 5.5 %) still applies to these care activities.

**Table 4. Evolution of VAT rates**

2005	Since 2014
One single reduced 5.5 % rate to all personal services included in the "list"	Three different rates: <ul style="list-style-type: none"> <li>- a reduced 5 % rate for services to dependent and frail persons</li> <li>- an intermediate rate (10 %) on other personal and household services including some "domiciliary care"</li> <li>- a normal rate (20 %) for other activities initially included in the list of the Borloo Plan</li> </ul>

*Exemption of VAT for associations*

Authorised associations are exempted from VAT.

*Exemption of social contributions for private employers*

**Social tax exemptions** were created in 1987 for the direct employment of a service provider at home. Today there exists a series of measures directed to private employers.

- Dependent persons, households with dependent persons (including disabled children) and private employers aged more than 70 are exempted from social contributions when they recruit an employee at home.
- Until 2013, other private employers had the possibility to declare their employee on the basis of a flat-rate value equal to the national minimum wage (instead of declaring the potentially higher real wages). In 2013, this possibility has been suppressed and social contributions are now calculated on the basis of the actual salary and not against the value of the minimum wage. In compensation private employers can now deduce 0.75€ of social contribution per hour worked.

*Exemption of social contributions for companies and associations*

Private for-profit and not-profit companies are exempted from social contributions for the employment of domiciliary carers working with children or with dependent persons.

*Voucher*

**A voucher called CESU** (*Chèque Emploi Service Universel*) was created in 2005. There exists two forms of CESU.

- **First, a pre-printed chequebook named "declarative CESU"** (*CESU déclaratif*), which consumers can get from their bank. This chequebook serves to declare the employee to a public administration and then is used as a proof of legal expenditure. One sheet of this chequebook sent to the "CESU National Centre" will be considered as an official employment declaration. These administrative requirements can however be made directly through a website (hence the voucher is dematerialised).
- **Second, a "prefinanced" CESU**, which is partly of fully financed by a company (the beneficiary's employer for instance), a Works council, an insurance funds, a pension scheme, a local authority, etc. Firms or Works councils can buy them and use them as a "human resource" instrument. Firms can benefit from tax reduction

up to 500,000 Euros per year when they dispense pre-financed vouchers to their employees. Each employee can get pre-financed vouchers up to 1830 Euros per year. Local authorities and insurance can distribute vouchers to the needy.

The logic of these vouchers is to simplify the hiring of a service provider for some hours a week. They can also be used to buy the services provided by a company or association (then the beneficiary will not be the employer of the person providing the service, just the recipient of the service). Moreover this system guarantees the providers' social rights.

### **Impact of tax deductions since 1991**

Since 1991 there has been several tax deduction schemes trying to make consumers more solvent. In 2010 the cost for public policies was estimated at 3 billion Euros.

A first impact has been the progressive increase, since 20 years, of the purchase of PHS (in terms of the rate of population having used these services). Drawing on fiscal data, the "purchase" rate has passed from 6.4 % in 1996 to 12.8 % in 2008. This growth results from the combination of many effects: a regularisation of informal jobs and the creation of new formal jobs. As a consequence of the massive support of public policies, the number of hours of household and personal services legally provided has strongly increased over the decade 2000, particularly after 2001 (see Graph 2 above). According to the French Ministry of employment, the number of legally provided hours has doubled in 10 years, passing from 530 million hours in 1998 to 800 million in 2008 (Ould Younes, 2008). Since the end of the 2000s as noted above, the purchase of PHS has diminished mostly because of the economic crisis. The direct employment system has been principally affected. The employers' union in this branch is suspecting a correlated increase in undeclared hours.

Several studies are on offer to analyse the effect of these measures since their creation (Marbot, 2011; Marbot, Roy, 2011a and 2011b, Carbonnier, 2014).

### **In 1991, the creation of the tax deduction has had a positive effect on employment with a high cost for public budget**

Just before the launching of the scheme, 1.8 million households already declared legal expenses for in-home services. The authors estimate that between 85,000 and 300,000 new households consumed personal services in the years after the creation of this measure (from 1991 to 1995). This corresponds to a creation of full-time jobs comprised between 12,000 and 43,000.

The cost by full-time job created is comprised in between 23,000 and 85,000 €, which represents a high cost for the public budget.

### **In 2007, the transformation of the tax deduction scheme into a tax credit scheme has had a more limited quantitative impact**

In 2007, the tax deduction scheme was transformed into a tax credit scheme. The former scheme was not enough attractive, as a household could only be reimbursed the equivalent of the amount of its income tax – provided it was liable to it. For instance, a household liable to 500 Euros of income tax, and who spent 2,000 Euros in 2006 for personal services, could only be reimbursed 500 Euros. With the new scheme, it will be entitled to 1,000 Euros (i.e., 50 % of its total expenses; in the present case, the incentive being composed of 500 Euros of tax deduction and 500 Euros of tax credit).

The tax deduction scheme was very unequal, benefiting principally to the households with the highest income. In 2006, three quarters of the households having consumed personal services benefited from the tax deduction. However, it was only the case of 3



% of the 30 % of the households with the lowest incomes, while at the other extreme, almost all the consumers within the 10 % biggest incomes benefit from the scheme.

The new tax credit scheme nevertheless faces several restrictions and barriers:

- The scheme is very much restricted in its definition. Only active adults can be entitled to it. This means that the two adults of a household need to be active; retired persons, non-working adults or students will not be entitled to it.
- There are practical barriers, as the tax credit will be paid long after the buying of the services (as the income tax declarations concerns the incomes of the year before). Then the incentive is very weak for people with low incomes.<sup>5</sup>

The first results are then moderated. Only 12 % of former consumers who did not benefit from any tax deduction have actually benefited the tax credit scheme in 2007.

**In average, 34 % in 2006 and 37 % in 2007 of the expenses of the households were reimbursed by the tax administration.** Lowest incomes have benefited a bit more of this new scheme. The share of reimbursement passed from 0.1 % to 9.9 % between 2006 and 2007 for the 10 % households with the lowest incomes (1<sup>st</sup> decile). No change has occurred for the highest incomes (9<sup>th</sup> decile), as their reimbursement share already was at a maximum (actually, a percentage by 49 % of the expenses, just near the maximum level of 50 %). As a result, as the National institute of statistics write, the measure still benefits the more advantaged households (Marbot, Roy, p. 2):

- Their reimbursement rate is almost maximal
- As they spend more than the average, they get the most of the public spending. In 2007, they received 60 % of the total public spending under the form of tax deductions (compared to 64 % in 2006, this short reduction being due to the enlargement of the scheme).

The cost of the reform is elevated. Carbonnier (2014) using Marbot and Roy (2011a) data estimates a cost for each new job created around 80,000 Euros, which represents around three times the real cost of these services. He concludes by focussing the very weak cost-efficiency of this reform.

### **Discussion of these evaluations**

Carbonnier (2014) offers a meta-analysis of these different works. He insists on the statistical difficulties and the influence of methodologies. He writes that there still exists a strong uncertainty about the real impact on job creation of the different reforms.

The most successful reform in terms of job creation was the setting up of the tax deduction in 1991. In the first years after this tax deduction was set up, a lot of jobs most of them previously undeclared, moved into the formal economy. This is quite logical as the reform targets a large population and the tool is created from ex nihilo. A reform consisting in such a creation of a tax deduction tool is therefore quite powerful in terms of job creation at an affordable cost for public budget, even though one should rather speak of in an increase in job "declaration" rather than in job creation.

---

<sup>5</sup> There has been some reflexions in order to create mechanisms so that a third party advance the payment and be later reimbursed by the tax credit, but to our knowledge none has been effectively implemented. This is one of the limit of the incentive system here. It would need to be coupled to a financial system associating public authorities and the tax administration, which is quite hard to design.

Other successive reforms (increasing the upper ceiling, transformation of a tax deduction scheme into a tax credit) are by comparison much less efficient in terms of job creation. Public cost is very high at the margin. Carbonnier (2014) gives a quantitative appraisal of these different and successive reforms.

The benefit of the reforms is now mainly captured by highest incomes (73 % of the tax credit went to the wealthiest 10 %) which is not only inefficient from an economic perspective (for these highest incomes the windfall effect is high) but also raises concerns about the fairness of these measures.

Some authors have consequently pledged for a global reform that would consist in reducing these tax credits and reinforcing other social protection expenses (such as childcare facilities) (Carbonnier, Palier, Zemmour, 2014). This would mean investing in other fields of personal services through the direct financing by the State of quality jobs (in public facilities answering social needs) rather than indirectly financing jobs (mainly in the direct employment model) which are of bad quality. The total cost of public expenses for the development of personal and household services is estimated at 6.9 billion Euros by the authors.

## **4 Workers in PHS – current and future employability in the sector**

### **4.1 How are the working conditions in the sector? Employment status (nature of employer, Existence of a collective agreement, Temporary contracts, working time and part-time jobs), main issues in terms of working conditions**

#### *Contractual relation*

The **contractual relation** between employer and employee is the main difference between the employer models.

- Employees directly employed by an individual are normally (around two thirds of the total number of employees) employed **under open-ended contracts**. However they might be **paid by means of a specific voucher** called Cesu (Chèque emploi service universel). In this case, if they are employed for less than 8 hours a week, **then a work contract is not mandatory**. When the contract is broken, the employee has right to severance pay and a severance period.
- Employees employed by a providing organisation (around one third of the total number of employees) work **under open-ended contract** in a large majority: this is the case for 78 % of them. 87 % of these employees work part-time.

If a majority of employees work under open-ended contracts, **only about 1 employee out of 5 works under a full-time, open-ended contract**, compared to 70 % of employees in France.<sup>6</sup> This is an example of the low security that they face with regard to employment.

#### *Wages*

As we have seen, minimal hourly wages are the same in both employment models. Wages are directly dependent on the number of hours worked; the problem is that part-time is the norm in the sector. In 2010, 87 % of employees work part-time. Homecarers

---

<sup>6</sup> Devetter et al., 2009, *Les services à la personne*, Repères, La Découverte.

working for provider organisation tend to have longer working times.<sup>7</sup> More than one housekeeper out of two work less than 20 hours per week.

**Table 5. Working time of homecarers and housekeepers**

	Homecarers	Housekeepers
Occasional	2%	4%
< 20 hours	28%	47%
20-30 hours	37%	23%
> 30 hours	33%	25%

**Source: Enquete Emploi, Lefebvre 2012**

30 % of employees, whatever their current type of employer, wish to have longer working times. This means that for 70 % of employees their current working time is voluntary.

#### *Non standard working arrangements*

**Non standard working arrangements** (night work, work on Sunday) are frequent. In 2010, 33 % of employees work occasionally or frequently on Sundays (45 % in care work, 8 % only in housekeeping). 17 % of employees work occasionally or frequently in the evening or by night (21 % in care work, 7 % only in housekeeping). 30 % of employees have working time that change from one week to another.

#### *Social protection*

Employees in the sector benefit from the same **social protection** as workers in other sectors. However the short working hours of many employees in France have induced them to benefit under Universal Sickness Coverage (*Couverture Maladie Universelle - CMU*), which is the safety net of the French security system. Employees employed by private individuals benefit from a relatively good system of social protection (retirement rights, mutual insurance, etc.) which is managed by a specific branch organisation (IRCEM).

#### *Right to collective bargaining*

Regarding the **right to collective bargaining**, employees working for a providing organisation benefit from the same rights at work as other workers. Organisations with more than 10 employees should have one worker representative. A Workers council and a Health and Safety committee are compulsory for companies with over 50 employees. Trade unions can represent workers at work provided they have received more than 10 % of the votes at the latest professional elections. In the direct employment system, workers' rights are less easy to monitor as the employee is directly employed by a private individual. Abuses have been reported from private individuals not respecting or simply ignoring labour law.

All employees are covered by a collective agreement. At the branch level, representative trade unions have a good level of collective bargaining with employers.

#### *Working conditions*

<sup>7</sup> The following figures provide from the Employment Survey conducted by the National Statistics Institute and do not compare sectors/collective agreements or "employment models" but *professions* as declared by employees. In a large majority however, homecarers are recruited by provider organisations while housekeepers work for direct employers.

Working conditions are not similar in the two employment models.

- **Access to occupational medicine.** Since 2011, all employees employed by an individual should have access to occupational medicine. Thus far only full-time employees were concerned. But in practice this obligation is not really enforced as occupational medicine do not have the means to receive all these employees. Employees working for providing organisations are by comparison much closely followed by occupational medicine.
- **These jobs are very exposed to psychosocial risks and emotional factors.** The work organisation cannot do a lot in terms of preventing these risks, but often propose speeches arenas where workers can voice their difficulties or troubles; they also can mix very demanding activities (for instance with highly dependent persons) with less demanding activities (like simple tasks of cleaning) in order to give the employees some break. Employees recruited by individuals are often isolated by comparison. But they have more latitude as they may select their own employers, which in turn is not possible for employees working for organisations. The latter often have very complex cases (in terms of dependency of the users) and the work is consequently very demanding. As a result, several studies show that employees recruited by direct employers are less exposed to work-related stress than employees working for organisations.

**Table 6. Exposition to psychosocial risks, 2005 (France)**

	Home carers	Houseworkers	All sectors
Experience tensions with the public	35%	5%	32%
Be in contact with persons in distress	66%	13%	38%
Experience tensions with hierarchy	9%	5%	26%
Experience tensions with colleagues	7%	3%	18%
Have to calm down persons	59%	10%	47%
Be exposed to verbal aggressions	37%	10%	39%

**Source: Enquête Emploi, Lefebvre 2012**

- **Hardness of work.** Labour surveys give more indications about the difficulties experienced at work. In 2005, around 50 % of domestic workers and 64 % of carers experienced painful or tiring movements and positions at work, compared to an average of 35 % for all employees in France. 90 % of both professions are required to stand up for long periods (vs. 52 % in all other jobs).

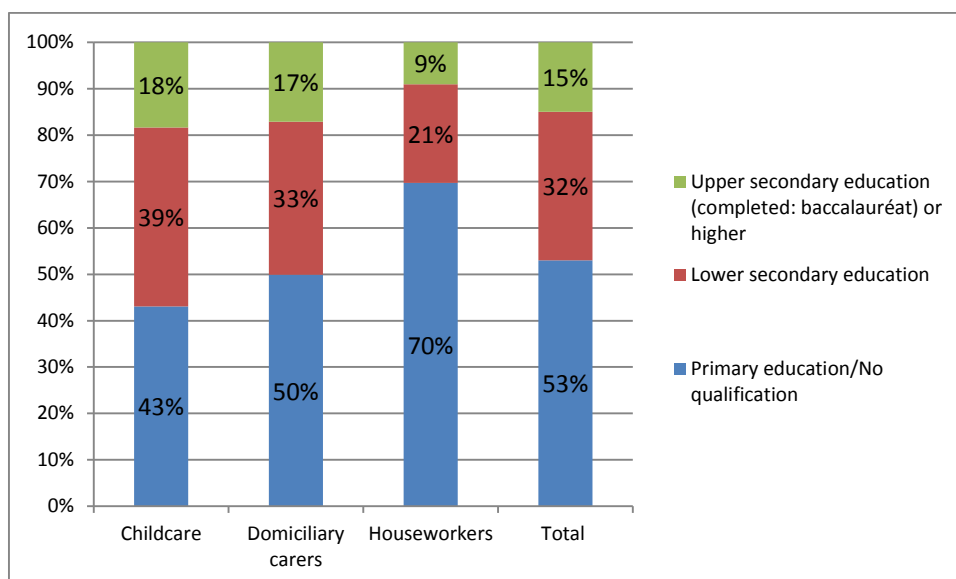
## 4.2 Skills development and professionalisation in the sector

### *Overview of skills and qualification*

There are important differences concerning **skills development and professionalisation**.

Regarding **qualification**, the sector of personal services in France is a sector with **low qualification**. The majority of employees have little or no qualification. According to Enquete Emploi data, 70 % of housekeepers and 50 % of have little or no qualification. Only 15 % of the employees in PHS have at least the Baccalauréat degree.

### **Graph 6. Qualifications in PHS**



Source: Enquête emploi 2010

The first professional level or position in the collective agreement of domiciliary care workers (*convention collective de l'aide à domicile*) is not even linked to a minimal level of qualification (but employees cannot work directly towards frail or dependent people). The most important level of qualification for domiciliary workers corresponds to a ISCED level 2 (*DEAVS*) which is owned by around 30 % of workers. In companies or associations, the most complex tasks are often left to these most qualified workers. It is necessary to have this qualification to work as a personal carer but not for simple tasks like cleaning the home.

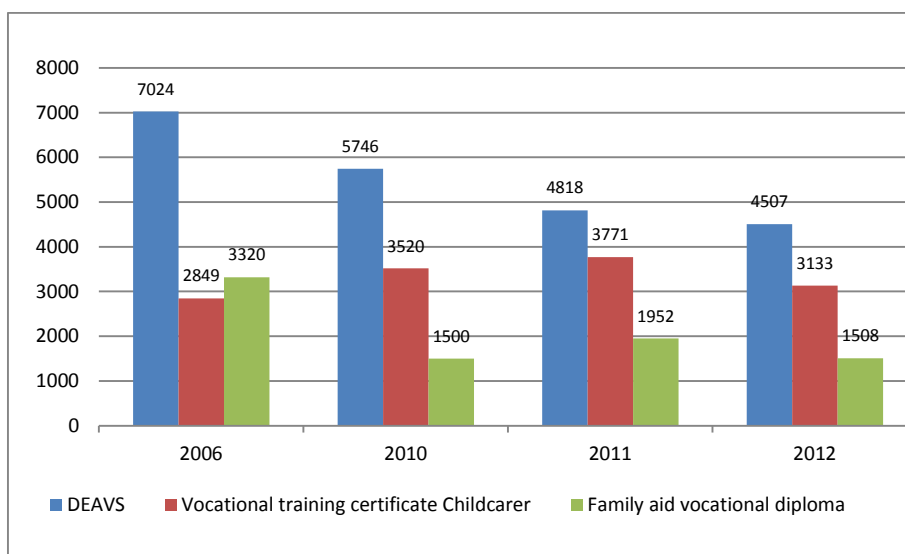
Employees directly employed by private individuals do not have minimum requirements in terms of qualifications. As can be seen in the previous graph, this is the profession less qualified. Only 30 % of them have a ISCED level 2 qualification at least.

This absence of minimal requirement of qualification, either in the care sector or in housework, is sometimes emphasised by the Public Employment System to motivate non-qualified people to enter the sector.

In what regards **training**, many providing organisations have adopted a professionalisation strategy, consisting in developing training measures for some of the employees. The qualification mentioned above (*DEAVS*) can be obtained through vocational training and in particular thanks to prior recognition of competencies ("*validation des acquis de l'expérience*" or VAE). The issue is that this impacts the wage structure; however in the field of domiciliary care for dependent people the prices are fixed by public agreements. For this reason many organisations do not encourage training. However, access to training is by comparison more difficult for employees directly employed by individuals.

If access to formal recognition of competencies in PHS (through the VAE scheme) was important in the mid-2000s, benefiting at this time of an important promotion of the actors in the sector, the number of beneficiaries of this vocational training has never stopped decreasing since, as the following graph illustrates.

#### **Graph 6. Number of applicants for a formal recognition of competencies (VAE)**



**Career development** generally passes through access to training and possibly new, richer tasks. However in terms of manpower management, it is difficult to access new jobs. Some employees may become executives, who manage a small team of employees.

Regarding **recruitment and staff shortages**, the sector faces many barriers in terms of recruitment and retention of the workforce. The image of work is not very good and wages are not attractive. Most of these jobs are part-time. This is not always an obstacle since many employees do not want a full-time job. However, the volume of work is in general imposed by the employer, whereas employees would prefer to be able to choose.

Intermediation between demand and supply can be fostered thanks to partnerships with Public Employment Services (PES) or training centers so that applicants can easily find an organisation which recruits, and so that organisations can easily find the right candidates to fill vacancies.

Another way to develop inclusion in the sector is the promotion of apprenticeship. Recruiting young employees is a key challenge for the sector as the average age is elevated (46 years). According to prospective surveys, the sector will face recruitment needs of around 150 000 domiciliary careworkers between 2010 and 2020. Apprenticeship may contribute to fill this gap but young people seem to be reluctant to engage in this sector.

Finally, one difficulty should be pointed out. This is the very high number of diplomas existing in this professional field. Around 60 qualifications have been identified, at all levels.

#### *The challenge of professionalisation*

Several initiatives have been taken up to improve the **“professionalisation”** of workers.

This term was one of the key elements contained in the 2002 Law on social action and the 2005 Borloo Plan.

After 2002, non-profit organisations have played an important role with regard the will to improve the general level of qualification in the field. The same year was created the national framework on prior recognition of competencies (*VAE – validation des acquis*

*de l'expérience*) and social partners agreed on the creation of the DEAVS qualification which has become the main qualification in domiciliary care work. In its construction, this latter diploma was conceived so as to be accessible to newcomers on the labour market or to reintrants, after a first career. The later Borloo Plan also made of "professionalisation" a central issue for the development of the sector. The idea was to improve quality of services through professionalisation of employees.

However this overall objective is hard to achieve and faces many barriers.

A first barrier is access to training. It is much easier for workers in organisations than for workers directly recruited by private individuals. The collective agreement of "particulier employeur" (direct employment) limits the social contribution for vocational training to 0.15% of wage bill but a recent collective agreement (December 2014) foresees its increase at a 0.35 %. By comparison the contribution is equal to 1 % for all other sectors.

In direct employment, accessing vocational training is very difficult for workers because they usually work for several employers. The latter are moreover rarely aware of the importance of training for their employees and see this as a cost and a constraint. Training sessions which are proposed in the branch are often limited to "thematic days" which do not lead to a certification.

By opposition, provider organisations can put in place real training plans for their staff. These sessions, over several months, generally prepare employees to the graduation of the DEAVS through the validation of prior competences (VAE). However, although in general this method is highly praised, access to this VAE scheme is limited to employees with more than 3,000 recorded hours of work. This amount may be hard to record for employees with short part-times (it might take three years of work in some cases).

Another difficulty is much more cultural. These employees are low qualified and have often had a bad experience at school or in higher education, and therefore do not wish to go back to training.

For provider organisations, one of the main barriers to professionalisation is a cost issue. If the majority of employers recognise the importance of professionalisation, they face an inextricable situation: on the one hand, their staff is more qualified and hence will have access to upper status in the classification grid of the collective agreement, thus claiming for higher wages; on the other hand the price paid by clients is fixed by public local authorities and the budget of these structures comes also mainly from public funds. In consequence employers will often limit the proportion of employees with a qualification to a certain level (around 20 %) so that their budget is not too much affected. There is a major contradiction here between the general claim to professionalise the sector and the financial possibilities to do it.

A last observed difficulty is the fact that in some cases, the employees who will have acceded a qualification like the DEAVS may wish to quit the PHS sector and use this qualification in other sectors, principally social care with housing (retirement homes) where working conditions and wages are better.

#### **4.3 How do provider organisations manage to improve service quality and job quality?**

Several tools are used by provider organisations to improve service quality and job quality.

The first one is of course **vocational training and access to qualification**. Reports have emphasised that qualification gives employees more resources and capabilities in



order to deal with complex situations<sup>8</sup>. The relation with users is improved when the employee has experience and qualifications. The development of training and qualification has been commented earlier.

Improving the **work organisation** is also key. Some provider organisation manage to offer good working conditions to their employees through a good anticipation of the interventions, rotation schemes, etc.

Other tools have been **defined by law**. Since the law no. 2002-2 of 2 January 2002, which reformed social and health care activities, all organisations or units providing long-term care (LTC) and coming within social and health care sectors are subject to an authorisation process for their establishment, transformation and expansion.<sup>9</sup> This authorisation, granted for 15 years, sets out the basic conditions for quality that are necessary when setting up an organisation or unit. The request for authorisation must demonstrate the ability of the organisation or unit to guarantee users' rights (among which respect for dignity, integrity, safety; access to information, etc.) and carry out the evaluations planned. To ensure that these rights are effective, the law expects a certain number of tools to be put in place by the organisations or services; these are compulsory for them to function. These tools are the following:

- a reception booklet containing among other things a charter of the new user's rights and the rules of operation of the organisation or unit. This contract or document sets out the objectives and the nature of the care package or support, while respecting ethical principles, professional recommendations and the aims and objectives of the organisation or unit.
- a process allowing a person receiving care from an organisation or unit to call upon a qualified person to advise the service beneficiary about his/her rights. This qualified person is chosen from a list drawn up jointly by the government representative of the department, the managing director of the regional health agency and the president of the general council, and takes into account the interventions of the authorities responsible for monitoring the organisation;
- a council of community relations, an authority that allows the client to participate in the operation of the organisation or unit; and
- a document setting out the aims and objectives of the organisation that focuses in particular on coordination, cooperation and evaluation of the service quality, as well as the organisational and operational procedures.

Among these tools, the reception booklet is an important tool because it establishes a relation between the user and the provider organisation, beyond the direct relationship between him or her and the careworker.

---

<sup>8</sup> Devetter F.-X., D. Messaoudi, N. Farvaque, « Contraintes de temps et pénibilité du travail : les paradoxes de la professionnalisation dans l'aide à domicile », *Revue Française des Affaires Sociales*, décembre 2012, pp. 245-269 ; Messaoudi D., Farvaque N., Lefebvre M., (2012), « Les conditions de travail des aides à domicile: pénibilité ressentie et risque d'épuisement professionnel », *Dossiers Solidarité et Santé*, n°30, DREES.

<sup>9</sup> We draw here on B. Fermon and M. E. Joël, "Quality Assurance Policies And Indicators for Long-Term Care In The European Union Country Report: France" *Enepri Research Report* No.107 April 2012

[http://www.ancien-longtermcare.eu/sites/default/files/RR%20No%20107%20\\_ANCIEN\\_%20Fermon%20&%20Joel%20QualityPoliciesFrance.pdf](http://www.ancien-longtermcare.eu/sites/default/files/RR%20No%20107%20_ANCIEN_%20Fermon%20&%20Joel%20QualityPoliciesFrance.pdf)



Another set of tools relate to the **prevention of professional risks**, in particular psychosocial risks. Preventing the occurrence of these risks eventually raises the quality standards and improves employees' working conditions. In a recent study we have identified two sets of tools to implement such a preventive policy:

- creating and implementing simple tools to identify these risks (analytical grids) and treat them on a collective basis (processes to inform the hierarchy about the presence of these risks, speech arenas, regular collective meetings, sensitisation of workers through informational tools, etc.)
- developing informal or formal on-the-job training

Providing structures may also engage themselves in a process of **(non-compulsory) certification**, alongside the compulsory authorisation mechanism. Certification is a voluntary procedure that can replace the quality control used by public authorities for accredited or authorised organisations or units. It imposes a set of rules regarding the overall intervention: reception of people, analysis of the demand, contractualisation of the service, professional competences, complaint handling process, assessment of clients' satisfaction.

These several examples are however constrained by the nature of the workforce in PHS which is disseminated in many places, so that the workforce is seldom organised. Trade unions and employees representatives have many difficulties to foster social dialogue in these places.

## **5 Feasibility for EU action in PHS**

Enhancing the professionalisation of the PHS sector is certainly one of the main challenges today. In this perspective, several EU funds and instruments may be of interest.

Through ESF funding, provider organisations may better cooperate with the Public employment service (PES), local authorities as well as local associations working with unemployed people, in order to create integration pathways. PHS organisations have much difficulties today to recruit and to retain workers. Empirical evidence show that quite often, unemployed people are orientated towards these jobs but rapidly prefer to quit their job. This is principally due to a lack of preparation and guidance. Some ESF-funded local initiatives may be used to prepare the unemployed before starting the job, this resulting in a better capacity for him or her to match with the job requirements and for the organisation to retain the employee<sup>10</sup>.

Some innovative tools can be imagined in order to prepare correctly the employees. These initiatives can correspond to preparatory training, but they can also be combined with a logic of "*immersion*", that is offering work experiences containing tutorship. Some ESF-funded projects directly finance the implementation of tutorship in organisations and this is a very welcome financial instruments.<sup>11</sup>

---

<sup>10</sup> for instance the ESF-funded project « Guider les personnes en difficulté sociale et professionnelle dans leur recherche d'emploi en Picardie » (Guiding persons with social and professional difficulties in their job search in Picardy).

<sup>11</sup> This is for example illustrated by the initiatives taken by the Calvados *département*: [http://www.calvados.fr/cms/accueil-calvados/le-calvados-demain/calvados-durable/l-agenda-21-departemental/objectif-2-de-l-agenda-21-assurer-la-solidarite-entre-les-habitants-du-calvados/defi5-renforcer-le-dynamisme-social-et-l-implication-citoyenne/renforcer-les-services-a-la-personne\\_1;jsessionid=333249F4C6654B599B2000E8CDBDBE79](http://www.calvados.fr/cms/accueil-calvados/le-calvados-demain/calvados-durable/l-agenda-21-departemental/objectif-2-de-l-agenda-21-assurer-la-solidarite-entre-les-habitants-du-calvados/defi5-renforcer-le-dynamisme-social-et-l-implication-citoyenne/renforcer-les-services-a-la-personne_1;jsessionid=333249F4C6654B599B2000E8CDBDBE79)

These tools often prove to be win-win solutions, as the employee is better prepared, and the organisation can identify the competences of the person. These tools facilitate the transition from unemployment to employment and offer more security to both the employer and the employee.

EaSI projects could also be set up in order to reinforce cooperation between social partners with a focus on job quality and service quality, taking inspiration for example from what has been done in other sectors such as the textile and leather industry or the commerce.<sup>12</sup> This is also the case of the project called "For Quality", financed under PROGRESS, and which focusses on employment quality and service quality in eleven EU countries, gathering together social partners and stakeholders.<sup>13</sup>

An interviewee from the Ministry of economy, in charge of the promotion of the PHS sector, has mentioned the big difficulties that project managers have in applying to European funds and call for projects. They often renounce to submit small-scale projects because of the complicated and time-consuming administrative processes. A recommendation would be to alleviate and simplify these processes.

The same interviewee has mentioned much larger projects in which European funds could be potentially used, in direct line with the ambition to raise qualifications and competencies. The French Ministry of Education has recently set up the "Professions and Qualifications Campuses" project. This project aims at creating regional training equipment, called "Campuses", connected with regional industrial and economic development policies. These Campuses offer training pathways (general and vocational training) to young people that focus on job-creating sectors. For the moment 12 such Campuses have been set up in industrial dynamic sectors. They actually correspond to the labelling of already training institutions (after a call for projects). New coordinating instances are created among these training institutions and local economic actors, with the aim to anticipate the needs and to deliver a high-quality education.

Such approach should be extended to personal and care services.

For the moment it does not seem that these projects benefit from European funds.

At a more general level, there are three lines of recommendations in direction of the European Commission:

- The first one is about the employment model. The EC should promote an employment model in which the employee is employed by one organisation (either public, private, non-profit) rather than the direct employment model. This latter model is also developed in other countries and proves to be very flexible. Only the former model (employee recruited by an organisation) can really offer professionalisation pathways through vocational training, manpower management and quality standards. In this perspective, quality employment standards should be fixed. The development of a PHS sector in countries where it is not well developed today should involve all social partners and stakeholders and promote good quality jobs.
- The second point concerns the European recognition of qualifications. Many migrant people still have difficulties in having their qualifications recognised when arriving in France. There is here some possibility for improvement.

---

<sup>12</sup> See EC, Monitoring good practices in the areas of Employment, Social Affairs and Inclusion, Examples of projects funded by DG EMPL in 2011-2012 Report 1, Sept. 2014.

<sup>13</sup> <http://forquality.eu/>

- A last point concerns the issue of financing. This is a more general and complex issue that questions the way public authorities finance provider organisations and this may go beyond the scope of this project. However quality in PHS (both job quality and service quality) as well as professionalisation are directly linked to financing mechanisms and contractual relations between financing bodies and providers. A recommendation could be that every hour worked should be paid, which is not the case for the moment in France: many hours are dedicated to journeys between homes and only the time being spent at the recipient's home is paid. A recommendation could be to develop the logic of "equivalence working hours" which are already developed in other professions (for instance a teacher is paid on the basis of a full-time job, even though s/he does not dedicate all this time directly to teach students in a classroom).<sup>14</sup> Only at this condition may PHS jobs be seen as offering good working conditions and gain a better image. Otherwise they will still remain a low-wage sector. Another issue is the form taken by the public financing, which should incorporate all the costs, i.e. including the cost of professionalisation. Currently the financing is mostly based on an hourly financing, which may create a downward pressure on cost (we mentioned earlier that providing organisation tend to reduce the share of qualified workers in order to contain costs). Some very interesting experiences, at the local level, have developed another form of financing between public authorities and providing organisations, i.e. through multi-annual contracts.<sup>15</sup> Through these contracts, providing organisations are financed by means of a global budget, rather than being reimbursed for the hours provided. This system has many advantages, first for the organisation: it is guaranteed a global budget for the whole year and therefore has a much better visibility; furthermore it is strongly encouraged to develop quality. In this model, competition is based on quality rather than on prices. Second, this model has also many advantages for the users (they are guaranteed a fixed tariff and there is a better equality of access over a territory) and for the financing authorities (better control on budget). The success of this experience is conditioned by the possibility to "entrust" these organisations with missions of general interest. The European Commission may promote the recognition of these missions of general interest and support this kind of initiative as they are supportive of job quality and service quality.

## **6 References**

Benoteau I., Y. Baillieux, G. Chaillot (2013), « Les services à la personne. Davantage sollicités dans les zones rurales et âgées », *DARES Analyse*, July.

Carbonnier C. (2014), « La réduction/crédit d'impôt pour l'emploi d'un salarié à domicile est-elle efficace en tant que politique de l'emploi ? Méta-analyse des évaluations empiriques, 1991-2007 », *LIEPP Working Paper*, Sciences Po, juin, n° 30.

Carbonnier C., Palier B., Zemmour M. (2014), « Exonérations ou investissement social ? Une évaluation du coût d'opportunité de la stratégie française pour l'emploi », *LIEPP Working Paper*, n°34, novembre.

---

<sup>14</sup> This idea is for instance promoted by F.-X. Devetter, see his intervention at the French National Assembly on the impact of the reduction of working time: [http://www.assemblee-nationale.fr/14/rap-enq/r2436.asp#P3460\\_626930](http://www.assemblee-nationale.fr/14/rap-enq/r2436.asp#P3460_626930)

<sup>15</sup> See the experience of the CPOM in the Doubs *département*. [http://www.pspaca.fr/IMG/pdf/cpom\\_doubs.pdf](http://www.pspaca.fr/IMG/pdf/cpom_doubs.pdf)

Devetter F.-X., F. Jany-Catrice, T. Ribault (2009), *Les services à la personne*, Repères, La Découverte.

Devetter F.-X., D. Messaoudi, N. Farvaque (2012), « Contraintes de temps et pénibilité du travail : les paradoxes de la professionnalisation dans l'aide à domicile », *Revue Française des Affaires Sociales*, décembre.

Ekert S. (2011), "The French Strategy: The Borloo-Plan as the French success story", in IWAK, *Creating formal employment relationships in the domestic services sector: Successful strategies*.

Fermon B., M. E. Joël (2012), "Quality Assurance Policies and Indicators for Long - Term Care In The European Union Country Report: France" *Enepri Research Report* No.107 April.

Lefebvre M. (2012), *Qualité(s) de l'emploi dans les services à la personne*, PhD thesis, Univ. Lille 1.

Marbot C. (2011) « Une évaluation de la réduction d'impôt pour l'emploi de salariés à domicile », Working Paper, INSEE.

Marbot C. and D. Roy (2011a), The impact of turning a tax reduction into a tax credit to subsidize in-home services: an evaluation of the 2007 reform in France, *working paper*, INSEE.

Marbot C., D. Roy (2011b), « Services à domicile : quel effet des incitations fiscales ? », *Insee Analyses*, n° 1, October.

Messaoudi D., Farvaque N., Lefebvre M., (2012), « Les conditions de travail des aides à domicile: pénibilité ressentie et risque d'épuisement professionnel », *Dossiers Solidarité et Santé*, n°30, DREES

Thiérus L. (2015), « Les services à la personne en 2013. Un fort recul de l'emploi direct accentue la baisse de l'activité du secteur », *DARES Analyses*, February.

Thiérus L. (2014), « Les services à la personne en 2012. Baisse de l'activité, sauf dans les entreprises prestataires », *DARES Analyses*, n° 38, May.

## HOW TO OBTAIN EU PUBLICATIONS

### ***Free publications:***

- one copy:

via EU Bookshop (<http://bookshop.europa.eu>);

- more than one copy or posters/maps:
  - from the European Union's representations ([http://ec.europa.eu/represent\\_en.htm](http://ec.europa.eu/represent_en.htm));
  - from the delegations in non-EU countries ([http://eeas.europa.eu/delegations/index\\_en.htm](http://eeas.europa.eu/delegations/index_en.htm));
  - by contacting the Europe Direct service ([http://europa.eu/europedirect/index\\_en.htm](http://europa.eu/europedirect/index_en.htm)) or calling 00 800 6 7 8 9 10 11 (freephone number from anywhere in the EU) (\*).

(\* The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

### ***Priced publications:***

- via EU Bookshop (<http://bookshop.europa.eu>).

### ***Priced subscriptions:***

- via one of the sales agents of the Publications Office of the European Union ([http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm)).

