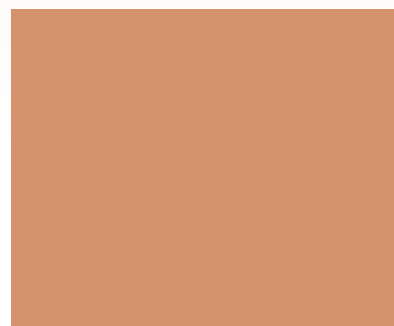


# Social Vouchers: Innovative Tools for Social Inclusion and Local Development



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This paper explores the role of social vouchers as a tool for social inclusion and local development. It presents a typology of vouchers and their objectives, governing institutional and regulatory frameworks, use by national and local governments, and the social economy (Section 1). It analyses the challenges and opportunities for the development of vouchers in light of the COVID-19 crisis and suggests recommendations to effectively capitalise on social vouchers as a tool to “build back better” (Section 2). Finally, it illustrates and analyses specific cases in Belgium, Brazil, the Czech Republic, France, Mexico, Morocco and Romania (Section 3).

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**Keywords:** social vouchers, social economy, target spending consumption, local development, culture

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# Executive summary

**Social vouchers have gained momentum in many OECD and non-OECD countries as tools to offer innovative solutions for achieving social, economic and even environmental goals.** They are used to improve the quality of employee working conditions (e.g. food and meal vouchers in Brazil, Belgium, France, Mexico, Morocco), ensure service delivery to specific groups (e.g. childcare vouchers in Belgium, France and Romania) and boost local economies by promoting consumption with a social, economic or environmental goal (e.g. eco-vouchers in Belgium and personal and household service vouchers in France). Some vouchers target support to firms (e.g. innovation vouchers for SMEs in Belgium).

**Over the last 70 years, social vouchers have been developed in more than 40 countries, including 19 EU member states, for use by an estimated 80 million people worldwide** (*Social Vouchers International Association*). Whether in paper or digital form, social vouchers are benefits, most often, regulated by law and supported by specific public policies and fiscal frameworks to give access to specific goods or services in designated networks of providers and institutions. Vouchers can be used at national or local level as an alternative to cash allowances or in-kind goods and are typically adapted to local contexts.

**The economic rationale behind voucher programmes largely reflects their ability to drive consumption towards specific goods or services, or specific markets and producers (supply) and in doing so, indirectly increase the purchasing power of voucher users (demand).** They are also used to stimulate markets or encourage the transition from the informal to formal economy.

**Public and private actors share the common goal of using vouchers to reach economic and social objectives. The social economy also plays an active role in social vouchers.** This is why operating voucher systems depends on a cooperative relationship between firms, social economy organisations, governments and voucher issuers.

**Most evaluations of voucher programmes signal their positive impacts and capacity to deliver on a range of social and environmental objectives.** However, questions are also raised about their administration and sustainability costs, especially for public service vouchers, for which most of the funding is provided by national or local governments.

**There are three main types of vouchers: i) work-related vouchers; ii) public service vouchers and iii) local development vouchers.** Work-related vouchers are granted by public or private employers to provide worker benefits. They are also used to support job creation and formalisation of work. Public service vouchers are granted by authorities (national, regional or local) to specific groups of beneficiaries (the unemployed, people with disabilities, etc.) to ensure or facilitate access to goods and/or services, often provided by non-public actors. Local development vouchers primarily focus on economic objectives such as local consumption, behavioural change in support of the green transition, boosting productivity in SMEs, social innovation and other place-based development goals. The three types of vouchers can contribute to multiple policy goals in addition to their given primary purpose.

**National and local governments have increasingly turned to social vouchers since the COVID-19 outbreak to channel essential support to disadvantaged groups (e.g. the homeless and the elderly, among others) and firms/sectors particularly hard hit by the crisis.** The crisis has highlighted opportunities to use vouchers as innovative tools to stimulate recovery via immediate consumption (e.g. consumption vouchers in Belgium) or to target people and sectors that need them most (e.g. vouchers for informal workers in Brazil, culture vouchers in France).

**Increased awareness of the potential of social vouchers has provided momentum to more effectively leverage on them by all stakeholders, in particular in response to socio-economic challenges and megatrends, by:**

- Capitalising on the ability of vouchers to deliver on broader public policy goals such as social inclusion, the green transition and formalisation of work

Voucher programmes can be a tool to reinforce broader public policy goals beyond the individual programme. For instance, social services vouchers may foster the formalisation of care workers, as has happened in Belgium and France. In Brazil, food vouchers have historically stimulated the creation of restaurants and canteens in urban centres by changing the habits of workers who used to go home for lunch, contributing to the development of lively urban neighbourhoods. Vouchers can help promote attractive “main streets”. Holiday vouchers are another example serving both social and economic policy goals (e.g. limiting the negative effects of the “shadow economy” of tourism in Romania).

- Leveraging on the potential of digitalisation to improve uptake of vouchers, reduce administration costs and facilitate SME digitalisation

Digitalisation is critical to the development of social vouchers and can have many benefits. It may increase efficiency by reducing costs and administrative burden for all parties thus producing positive impacts. Moreover, digitalisation has strong potential to reduce errors and fraud because it facilitates the verification of user identity and dates of validity. Governments can seize the momentum to promote more innovation and digitalisation of voucher programmes, which also can promote the digitalisation of small businesses.

**Further momentum could be gained by:**

- Clarifying the institutional and fiscal frameworks used to implement social vouchers, and how they are leveraged to achieve policy goals, including employee satisfaction, especially in times of crisis

The COVID-19 crisis saw an acceleration in the use of social vouchers, in recognition of their ability to effectively tackle specific challenges exacerbated or created by the crisis. In some countries, new tourism vouchers have been created (e.g. Greece), with the goal of boosting the local economy. In others, more flexibility was introduced to capitalise on their benefits, for instance accepting their use on weekends (e.g. France), or extending use to new groups of workers, including the unemployed (e.g. Romania). However, since the policy rationale behind vouchers differs depending on funding and purpose, voucher schemes and target groups need to be clearly identified. For example, social vouchers can have a positive effect on worker satisfaction. In Brazil, workers that benefit from the Workers’ Food Programme report higher satisfaction with their working conditions, job benefits and quality of the work routine. In Mexico, food vouchers are part of collective bargaining processes. They are often used as a tool to negotiate better working conditions, therefore either contributing to positive relations between employees and employers, or used as a bargaining chip between employers and employees. An analysis of the gaps in the market as well as the definition of the strategic goals for voucher use are critical to clarify what vouchers could be used and how they could operate.



- **Encouraging impact assessment of social vouchers**

The use of vouchers has expanded and diversified. Initially, vouchers were limited to food products and meals, but today they are used in many sectors: care services, eco-products, tourism, etc. Their capacity to target spending and recipients while providing freedom of choice is recognised. Social vouchers have the potential to achieve certain policy goals more effectively than their cash equivalent, such as worker health, local development and social inclusion. However, efforts should be made by public authorities to assess and evaluate their different impacts. Independent and regular impact assessments should be conducted to ensure that conditions of voucher allocation, intended effects, and financing schemes are appropriately used and meet the required goals. Complementary approaches might be used to conduct these assessments, such as the design of randomised control trials to test the impacts or the development of surveys on user satisfaction.

- **Raising awareness about how social vouchers contribute to local economic development, well-being and social impact**

Voucher programmes are used to achieve different goals: from better nutrition and higher productivity of workers to local development through the creation or preservation of jobs in a variety of sectors (e.g. culture, tourism, main street shops,). They have different social and economic benefits for workers, the general public and firms. They nudge consumer or company behaviour by stimulating the purchase of sustainable products and services. They increase employee purchasing power and well-being, as is the case with food vouchers. They enhance social inclusion by giving access to needed goods and services. They can also reduce levels of undeclared work and support tax collection. It is important to raise awareness on how their potential could be better leveraged depending on the goal, as well as the different potential costs (e.g. tax waivers, public spending, voucher administration) and benefits (e.g. reduced future use of public services, greater collection of value-added tax and taxes related to the formalisation of work).

# 1 Why and how social vouchers are used

**Advancing local economic development and social inclusion are priorities for governments and firms, including social enterprises and social economy organisations.** Social vouchers are proven and effective tools to respond to both these objectives. This section analyses the social and economic benefits of vouchers. It explains what social vouchers are as well as their scope. It presents a typology of vouchers, their objectives, and the institutional, regulatory and fiscal frameworks that generally apply to them. It further highlights how local governments use social vouchers to achieve social inclusion and local development objectives and the different interactions between the social economy and social vouchers.

## What are social vouchers?

**In general, social vouchers enable access to particular goods and services by target populations for specified social purposes.**

### *Defining vouchers*

**The origins of vouchers date back to the post-World War II period, with the rationale of more effectively meeting social needs (e.g. worker lunches) or to introduce choice (thus competition) in public services** (Box 1.1). The first social voucher to be launched was the meal voucher in the 1950s. It has roots in the aftermath of World War II, when the provision of at least one hot meal a day to bolster the workforce (and by extension, productivity) was a major government concern. Since then, various types of vouchers (business support, culture, employment, innovation, medical training, social services, etc.) have been designed and distributed as an alternative to cash allowances or in-kind goods. They are adapted to local contexts to best match public objectives. For example, most regions in France use vouchers to promote culture among young people or low-income families and, more generally, implement at least one support measure for citizens or firms through vouchers. Today, many voucher systems are the result of global reforms of the welfare state that took place from the 1970s throughout the 1990s and the 2000s, leading to the establishment of social subsidies with tools that could adapt to local specificities (Gosta Esping-Andersen, 2008<sup>[1]</sup>).

### Box 1.1. The origins of social vouchers

In 1946, the luncheon voucher scheme was introduced in the United Kingdom. The scheme allowed employers to offer vouchers for midday meals in lieu of establishing canteens. Employees used the vouchers to access meals in local restaurants. Luncheon vouchers were free of income tax and national insurance contributions. The success of this scheme inspired other countries such as Belgium and France.

The U.S. economist Milton Friedman suggested the idea of implementing vouchers in public services, such as education. The theoretical rationale for voucher programmes he promoted was to inject market mechanisms to improve efficiency in the delivery of specific goods or services. Providers (either public or private) are given a financial incentive to deliver goods/services and consumers use choice that would lead to competition to improve the service, cost less and yield better outcomes.

Note: The United Kingdom abolished luncheon vouchers in 2013.

Source: (Lacheret, 2020<sup>[2]</sup>)

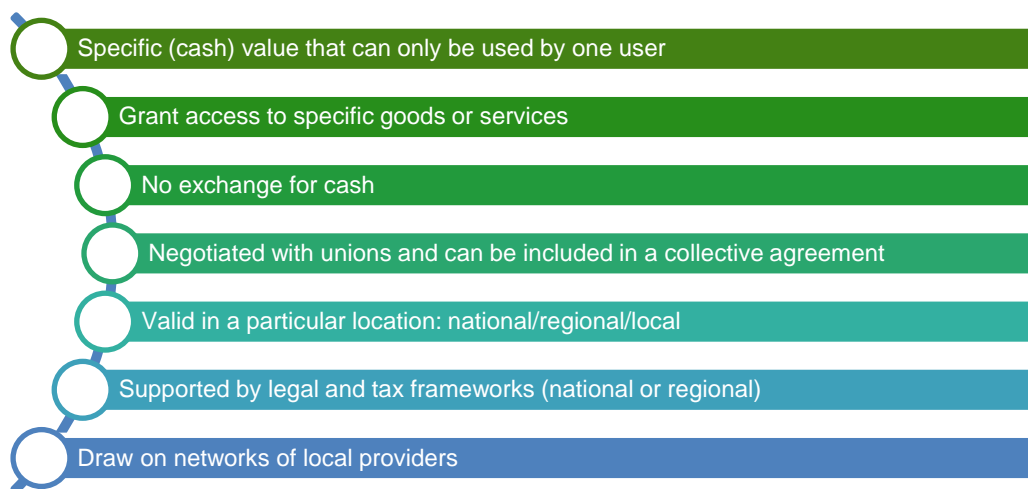
### ***Common types of social vouchers***

**There are three common types of vouchers:**

- work-related vouchers;
- public service vouchers;
- local development vouchers.

**Work-related vouchers, commonly known as social vouchers, are given by public and private employers to employees.** Funded by employers within the framework of social dialogue, their main objective is to guarantee the fulfilment of an essential need by granting access to specific goods or services, which in turn, through economies of scale and by increasing competition, can also increase the purchasing power of employees, whilst also boosting the strength of the (typically local) economy by encouraging consumption instead of savings (Bailey, 2004<sup>[3]</sup>). A list of goods or services is usually negotiated and agreed upon between trade unions and employer organisations. The list can be included in a collective agreement. A dedicated network of local providers is organised with the support of issuing companies. Voucher issuers use funding provided by employers to finance costs of the voucher system and manage the reimbursement of local providers of goods and services.

Figure 1.1. Main features of work-related vouchers



Source: Authors' elaboration.

**Food and meal vouchers are the most common of this category across countries.** Originally set up in the United Kingdom (Box 1.1) they were introduced by firms, mostly SMEs, as an alternative to canteens to ensure employees have access to a midday meal. Used in most OECD countries and beyond in Europe, Asia, North Africa and South America, their main purpose is to ensure equal access to food regardless of work location. An example of a well-established food and meal voucher is the *Titre Restaurant* in France (Box 1.2). Other types of vouchers have been developed in the workplace. In Mexico, for example, workers receive uniform vouchers if their employer requires them to wear one. Some companies in Brazil, France and Mexico, focusing on the well-being of employees, offer vouchers that give access to cultural goods, services and facilities (museums, cinemas, theatres, etc.) as well as sports and/or within-country travel.

### Box 1.2. *Titre Restaurant* – France

#### What is a *Titre Restaurant*?

A *Titre Restaurant*, available in paper or digital form, is a meal voucher provided by the employer at a subsidised rate to allow employees to purchase food at local restaurants or food merchants. In 1960, a French law for business catering required that employers provide satisfactory meal conditions through canteens and cafeterias to employees, which posed a challenge for smaller firms with less than 25 employees that often lacked resources and infrastructure to set up a canteen. This led to the *Titre Restaurant* being introduced. According to the ordinance no. 67-830 of 1967, meal vouchers are a social benefit granted to employees with social and tax benefits to both employees and employers. Companies with more than 25 employees are required to provide their employees with a cafeteria/canteen. If they cannot, they should provide the social benefit through meal vouchers.

#### What are the key features of the *Titre Restaurant*?

Each ticket is valued at EUR 7.50 with a daily limit of EUR 19 per employee. Employers often subsidise 50% to 60% of the *Titre Restaurant*. Employees exchange these vouchers at local restaurants/food merchants. Merchants receive a reimbursement from issuer companies. Edenred, Group Up, and Sodexo are the main issuing companies.

#### What is the impact of *Titre Restaurant*?

In 2014, 763 million vouchers were distributed to 3.8 million employees valued at EUR 5.8 billion. Over the last 50 years, food and meal vouchers have been used by 140 000 companies, 78% of which are small businesses (less than 25 employees). 180 000 restaurants and other food providers accept vouchers as a valid form of payment. For 80% of employees, the *Titre Restaurant* is the most preferred social benefit, followed by health insurance (*mutuelle*) and a company car (*voiture de fonction*).

- According to a study carried out in 2015 by Alternatives Economiques, without meal vouchers, employees would spend 13% to 16% of their gross salary on lunch.
- For every EUR 1 spent by the employer via a *Titre Restaurant*, a benefit of EUR 2.37 is injected into the local economy.
- In 2014, the *Titre Restaurant* created 74 000 new jobs in the catering industry, contributing up to 10% to the total turnover and 13.9% to employment in this sector.
- It is estimated that meal vouchers generate a budgetary surplus of EUR 870 million to national finances (EUR 2.31 billion of extra tax revenues and EUR 1.44 billion of tax waivers due to the fiscal exemption).

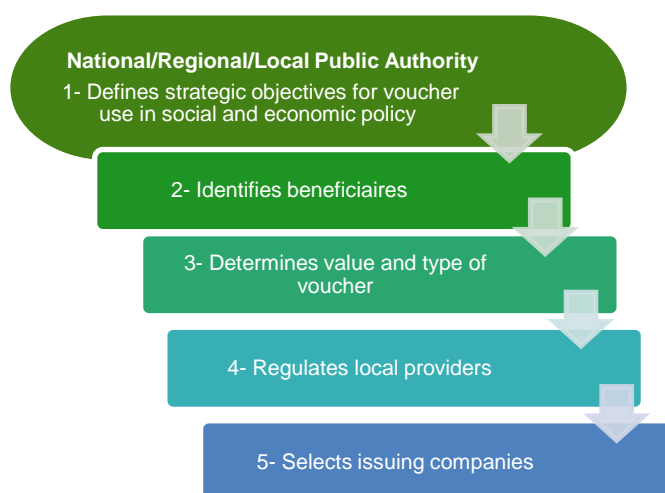
Source: (CNTR, 2014<sup>[4]</sup>); (AEEC, 2015<sup>[5]</sup>); (Edenred, 2015<sup>[6]</sup>)

### **Public service vouchers are given by national or local authorities to groups who could not have otherwise accessed, or at least not to the same extent, specific goods or services** (Bailey, 2004<sup>[3]</sup>).

They are supported by public funding, but also could be provided or co-funded by social economy organisations such as charities, foundations, etc. For example culture vouchers support wider uptake and demand for cultural goods among disadvantaged groups that can, in turn, generate wider benefits for society (e.g. through improving mental health, physical well-being, and the environment. In France, for example, the bike repair scheme sponsored by the government offers a EUR 50 voucher per family to encourage transition to more environmental-friendly means of transportation. Over 1 million bike owners have made use of this scheme (Local.fr, 2020<sup>[7]</sup>). Public authorities also use vouchers to engage private providers in facilitating or complementing service delivery to make it more accessible. By doing so, they

seek to achieve two objectives: i) match demand where there is insufficient public sector capacity (e.g. *crèche tickets* in Romania); or ii) build public-private partnerships to efficiently deliver public services (e.g. service vouchers in Belgium, culture vouchers in France). One argument for their use over cash allowances or transfers is that they do not lead to monopolies of public services, and may reduce corruption and leakage of funds (Scarlato, 2010<sup>[8]</sup>).

**Figure 1.2. Main features of public service vouchers**



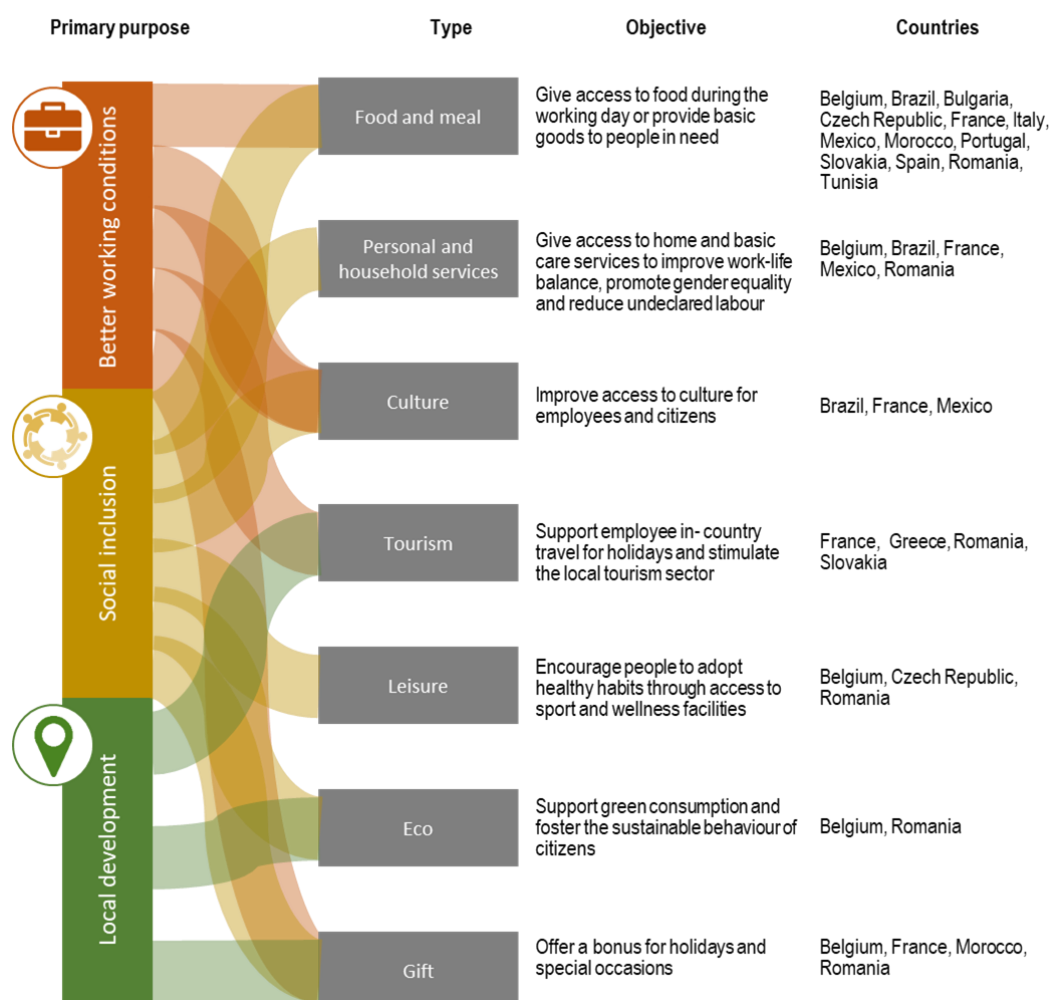
Source: Authors' elaboration.

**Local development vouchers target firms – typically small businesses to help them retain jobs increase productivity, take-up business development services and training or innovate.** The vouchers that support shopping on main streets to build a vibrant local community, or to support a local tourism industry, are examples of these local development vouchers. Others are targeting specific firms. For example, the region Wallonia in Belgium offers the “*Chèque Entreprise*” to SMEs and entrepreneurs for training, business counselling and coaching support from accredited service providers, thus tackling skills gaps and supporting their competitiveness (OECD, 2021<sup>[9]</sup>). Professional training vouchers are increasingly used to support upskilling and/or work integration for jobseekers in many countries. Mostly granted to young people, employees or the self-employed, they can be assimilated to a form of financial aid for continuous training. Innovation vouchers are used in many countries such as Germany, Hungary, Ireland, the Netherlands and the United Kingdom to help SMEs introduce small-scale innovations with the support of public knowledge providers, such as universities and public research institutes<sup>1</sup>. In addition to supporting firm productivity by promoting knowledge transfer that leads to an innovation, the voucher also serves as a catalyst to change firm behaviour and develop longer-term, more in-depth relationships with sources of knowledge in the local innovation system (OECD, 2013<sup>[10]</sup>).

**The three general types of vouchers can contribute to multiple policy goals in addition to their given primary purpose** (Figure 1.3). For example, a voucher for personal and household services to the elderly contributes to local development by creating jobs and supporting formalisation and better conditions for workers, while also supporting social inclusion of the elderly. Vouchers to support the consumption or use of environmentally friendly products and services create jobs and increase firm competition (local development), while inducing change in consumption among employees.

<sup>1</sup> [HelInnovate: Encouraging entrepreneurship through higher education - EECOLE](#)

Figure 1.3. Examples of vouchers from selected countries



Note: The three primary purposes correspond to "priorities" which guide the implementation of different voucher programmes. However, social vouchers may directly or indirectly support multiple objectives, such as local development.

Source: Authors' elaboration based on responses from a questionnaire sent to selected countries (2019) and additional research.

## Social and economic benefits of vouchers

**Social vouchers are transparent measures that are easy to use for consumers across the income distribution; they also facilitate targeting support at specific groups in the population** (OECD, 2021<sup>[11]</sup>). They tend to support the establishment of "collaborative" dynamics between various stakeholders such as employers, employees, local businesses, voucher issuers, national and local governments and beneficiaries/users. Their use can generate a range of economic and social benefits. For example, service vouchers in countries such Belgium or France have been shown to have permanent positive employment effects (Lens, 2021<sup>[12]</sup>).

### ***Vouchers can promote targeting but with some freedom of choice***

Social vouchers allow for targeting, more so than cash, yet they also provide for not insignificant freedom of choice for users regarding the providers of goods or services. Because vouchers are linked to specific social purposes, they tend to be restricted to a specific category such as food, culture or transportation. Within these categories however, the user typically has considerable freedom to choose where to spend the voucher, for example among a range of restaurants for a meal voucher. This balance between targeting and consumer choice helps markets with vouchers seek efficiency (Urpelainen, 2018<sup>[13]</sup>). Furthermore, by encouraging consumers to make their own allocation decisions, voucher systems can foster informed and responsible choice of goods and services (Box 1.4). This holds true for goods whose quality is easily identifiable and that consumers routinely purchase. But it also requires sufficient competition in the market.

**Table 1.1. Vouchers versus unconditional cash transfers**

Category	Market creation potential for specific good/services	Targeting of benefit	Consumer choice	End use	Social/economic purpose
Voucher	Large	Easy	Intermediate	Consumption	Yes
Unconditional cash transfers	Small	Not easy	High	Might be used for savings	No guarantee

Note: Unconditional cash transfers might encourage savings and/or delocalised consumption via the internet, thus potentially undermining the objectives of the tax incentives/exemptions and the economic benefits they are supposed to produce.

Source: OECD based on (Urpelainen, 2018<sup>[13]</sup>).

### ***Vouchers can increase well-being of users***

**Vouchers can increase well-being of users and targeting appears to be essential in driving well-being outcomes.** For example, meal vouchers have been shown to improve working atmosphere and enhance well-being at work (Wanjek, 2005<sup>[14]</sup>). Public service vouchers targeting in particular low-income individuals and households can also drive access to better quality services. By targeting benefits through vouchers towards low-income groups, voucher programmes seem to increase i) demand among those most in need, ii) use of necessary goods and services, and iii) improve equity (Mumssen, 2010<sup>[15]</sup>). A secondary effect of the well-being outcome is the potential increase in the purchasing power. Vouchers increase purchasing power through a collective element (in some cases), where the vouchers themselves drive economies of scale in providers of goods and services who know that they have a relatively guaranteed market, and encourage new entrants into the market, generating competition and efficiencies that boost purchasing power.

### ***Vouchers can increase social inclusion***

**Vouchers are used to support the implementation of social inclusion policies.** By targeting specific groups, vouchers secure that these groups have access to goods and services such as culture, childcare, education, food, housing, or training that they wouldn't have access to otherwise. For example, in Romania, day-care vouchers are a public service voucher provided by the state to families with income of less than EUR 60 per month to help them enrol their children in day-care facilities. This has benefits for children's development, and provides for greater household income and gender equality by offering women more opportunities to work.



### ***Vouchers can help reduce undeclared work***

**Vouchers can be used as an incentive to formalise labour contracts.** This is the case of the personal and household services voucher *Chèque emploi service universel-CESU* in France. Since its creation, the government has registered a reduction of undeclared work in this sector, and worker's protection and overall working conditions have been improved (Box 1.3). In Croatia, vouchers are used for temporary and seasonal employment in the agricultural sector to decrease the share of undeclared work. In Italy, job vouchers help regulate undeclared work in seasonal professions, especially in agriculture. In the tourism sector, vouchers encourage employers to formalise employment through contracts in order to benefit from tax advantages offered by holiday vouchers. They also encourage tourism businesses to declare their income by including them in the network affiliation, implicitly declaring the amount of holiday vouchers used and paying taxes, as is done in Romania.

#### **Box 1.3. Personal and household services – France**

In France, up to 26 activities are recognised as personal and household services:

- **Family services** include childcare at home and in day-care facilities, transport assistance for children, schoolwork, IT assistance, or administrative assistance.
- **Home services** include housework-related activities such as ironing, gardening, small repair works, preparing meals (including shopping), delivering meals, ironing clothes, home maintenance, etc.
- **Services for the elderly and the disabled** include assistance for elderly people (except medical care), nursing, pet care and walks, mobility and transport assistance.

The personal and household services sector contributes around EUR 20 billion in the economy, accounting for 1 billion paid work hours. Home help and support services for the elderly represent around 60% of paid hours in this sector.

Source: (Pipame, 2017<sup>[16]</sup>)

### ***Vouchers can help collect taxes and boost local economies***

**By directing additional consumption to the formal economy, vouchers contribute to tax collection.** More consumption in the formal economy means higher added-value tax revenue throughout the production and distribution chain, as well as an increase in the taxable amount for income in firms. Accredited providers need to declare the vouchers in order to get paid by issuer companies. Businesses that wish to capture new clients that vouchers bring need to have a system in place to process them. In Brazil, research conducted on the impacts of the Workers' Food Programme shows that the increase in tax collection boosts economic activity in the formal catering sector and that this compensates for the loss of collection due to the tax exemptions granted for vouchers. In four decades, it is estimated that 79 billion meals have been served with this programme, generating BRL 2.4 trillion (roughly EUR 366 billion). The Programme became a reference for the International Labour Organization (ILO) (Mazzon, 2016<sup>[17]</sup>).

### ***Vouchers can nudge consumer behaviour***

**The provision of vouchers can encourage new consumption patterns or service use with socially desirable outcomes (e.g. environmentally friendly behaviours, physical activity, awareness of**

**culture**). In Belgium, the eco-voucher was created to nudge consumer behaviour towards more ecological products and boost sustainable consumption. Recent research from the University of Hasselt (2019) shows that eco-vouchers have not only had a positive effect on the purchasing behaviour of consumers, they have helped them reduce their energy costs and expanded the willingness to purchase ecological products: for each EUR 10 in eco-vouchers, this willingness increases by 3% and for each EUR 150 in eco-vouchers, it increases by 45% (Box 3.2.).

## What are the institutional, regulatory and fiscal frameworks of social vouchers?

### **Regulatory and tax frameworks**

**Countries that implement voucher programmes define their scope and objectives and clarify roles and obligations of stakeholders involved through regulatory frameworks.** In general, voucher regulatory systems involve five elements: i) authorisation of issuers, ii) monitoring of their activity, iii) audit the use of vouchers, iv) control of the network, and v) prevention of fraud. A general law or decree sets categories of vouchers, operating rules and conditions for issuer companies, as well as tax exemptions. For example, Belgium has enacted its vouchers through different royal decrees. In Romania, the Law 165/2018 unified the sparse legislation on vouchers and established a general framework, with a common set of rules. There are exceptions. For example, Morocco does not have yet a clear legislative framework for vouchers, but the system is based on a *circulaire*.<sup>2</sup>

**Authorisation of issuer companies is strongly regulated and varies across countries.** In France, any company can issue vouchers, as long as they create a specific escrow account for that purpose. In Romania, issuers can be any legal entity established under Romanian law, or credit institutions established in Romania or in any EU member state.

**Tax exemptions are one of the most important tools that support the adoption of vouchers.** In most countries, social vouchers are exempt from health and other social contributions, and are frequently exempt from income tax to a given limit. This is because in tax systems, vouchers do not count as part of wages, but instead are regarded as social benefits. The fulfilment of a specific social purpose and/or the achievement of economic goals is the rationale to justify tax exemptions around vouchers. For example, the social purpose behind food and meal vouchers is to improve the quality of nutrition and overall health of employees. Other economic benefits include the positive impact on job creation in the formal economy and the widening of market opportunities for local food service sectors. These exemptions are an incentive for the employer to use, and help voucher systems develop. For example, in Romania, the increase in tax exemptions from RON 15 to 20 (EUR 3.5 to 4.7) in 2020 led to an increase of the face value of work-related vouchers such as meal vouchers. In some countries, there may be limited use of tax exemptions. In Mexico, the limit to income tax exemption is quite low. It is fixed to minimum wage and social contributions are only 53% deductible. In Sweden, vouchers are subject to social security contributions and income tax (Janský, 2016<sub>[18]</sub>).

**All types of voucher programmes require a sufficient number of local providers to be viable.** The providers need to have the capacity to increase and/or maintain sufficient quantity and quality of the earmarked goods or services to respond to demand by beneficiaries/users. They also need to cooperate within the scheme and engage in partnerships with issuers and authorities.

**Regulatory frameworks can be enablers for the digitalisation of vouchers.** For example, in Romania, the adoption of a comprehensive legal framework (Law n° 165/2018) allowed companies to transition to

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<sup>2</sup> A *circulaire* is an administrative act enacted by a government or a fiscal agency/department.

digital vouchers through electronic cards. In Belgium, food and meal vouchers are fully digitalised as required by Law and the full digitalisation of eco-vouchers is an objective.

### ***Oversight and monitoring***

**Depending on the sectors targeted by the vouchers, public authorities setting up their operating rules often work in close coordination with other sectoral ministries such as health, planning, tourism, education, etc.** For example, in Brazil the Secretary of Labour is in charge of the Workers' Food Programme. The programme is managed by the Department of Security and Health at Work in cooperation with other ministries on different aspects: tax issues are overseen by the Ministry of Finance, whereas the nutritional aspect is the responsibility of the Ministry of Health. Most of these co-ordination efforts traditionally take place within the Permanent Joint Tripartite Commission. The Commission is composed in equal numbers of representatives from government, labor unions and employer associations, and has the ability to enact regulations and to make formal enquiries. In Belgium, the National Labour Council, which is an advisory body to the government on labour relations and social issues and gathers social partners, has specific roles in the voucher system. For example, it is the National Labour Council that tracks and monitors the advancement of eco-vouchers. Every two years, the Council assesses and updates the list of products and services accessible through eco-vouchers.

**In some countries, such as France, a dedicated body of oversight and monitoring is created.** A specific commission, the *Commission Nationale des Titres-Restaurant*, regulates meal vouchers. The commission is formed by representatives of employer associations, worker unions, and unions of food service providers and issuers of vouchers. It has decision-making competences over all issues regarding meal vouchers and is responsible for granting the accreditation for local merchants and providers. The French government consults the commission for any changes in the regulatory framework of social vouchers.

### ***Local governments and social vouchers***

**In most countries, vouchers are designed and regulated at national/ federal level.** This is the case for example in Brazil, Mexico and Morocco. However, in countries such as Belgium and France, local governments may design and finance specific voucher schemes to implement targeted social programmes. For example, in France the *Auvergne-Rhône-Alpes* region was the first region in France to design and allocate culture vouchers to high school students in 1993. The vouchers were redeemable in bookstores, museums, cinemas and theaters. By 2014, culture vouchers spread to all regions in France (Lacheret, 2020<sup>[2]</sup>). In other countries, such as Belgium, Italy, and Japan, subnational governments can also design their own vouchers and implement targeted social programmes, mostly for personal, household and care services, and ensure access to staple goods for vulnerable and disadvantaged groups. Local governments also use vouchers as clients, when they hire issuer companies to provide vouchers for their employees.

**Cities and municipalities are increasingly promoting vouchers.** In France, since the outbreak of the COVID-19 crisis, several cities have distributed vouchers to support local businesses. For example, the city of *Mont-de-Marsan* in the *Nouvelle Aquitaine* region adopted a EUR 1 million stimulus package that includes EUR 300 000 in the form of vouchers to residents and tourists to be spent in local main street shops. Consumers had to register on an online platform and buy a EUR 10, 20 or 30 voucher matched by the city for the same amount. The municipality of *Coulommiers* in the *Île de France* region distributed vouchers to parents as compensation for additional costs generated by the closure of canteens.<sup>3</sup> The city

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<sup>3</sup> [https://www.lepoint.fr/economie/bons-d-achat-subsventions-quand-les-maires-se-mobilisent-pour-les-commerces-04-07-2020-2382969\\_28.php](https://www.lepoint.fr/economie/bons-d-achat-subsventions-quand-les-maires-se-mobilisent-pour-les-commerces-04-07-2020-2382969_28.php)

of Bucharest in Romania has been active in this field over the past few years, introducing a wide variety of vouchers: bicycle vouchers, eco-vouchers, professional training vouchers for the youth, etc.

### ***Social vouchers and the social economy***

**Social economy organisations and social enterprises are involved in social voucher systems in two ways: as issuer companies or as providers of goods and services.** As issuers, social economy organisations and social enterprises usually assist national or local authorities in targeting socially vulnerable groups and designing voucher programmes tailored to their needs. They are able to identify innovative and entrepreneurial ways to provide vouchers, with simplified procedures. For example, social vouchers for elderly care in Italy demonstrate the importance of user participation in decision-making and management choices of service providers, and how social enterprises can be recognised for the quality of their services (Box 1.4).

#### **Box 1.4. Social vouchers for elderly care in Bologna – Italy**

In 2002, the *Fondazione del Monte di Bologna e Ravenna* experimented with social vouchers to fund social care for seniors. Previously, like most foundations, they provided grants to service organisations that deliver care to seniors and their families in Bologna. Users had little or no role in influencing the content or quality of care. Seniors and their families were unsatisfied with the care received and had neither control rights in the organisations nor any say over the funds paid for the service.

Change occurred when the foundation decided to provide funding directly to seniors in the form of social vouchers. Instead of funding the supply side, they funded the demand side of social care. Three hundred and seventy-six seniors and their families were involved in the programme. Each voucher covered costs for a specified package of services, more or less subsidised according to the user's ability to pay. The social vouchers could be redeemed at any pre-authorized service organisation, whether a co-operative, state-operated or privately run. Users were able to select service organisations that are best able to provide for their needs based on cost and quality.

In the course of three years, the quality of senior care improved while costs dropped. The organisations that flourished were those that focused on service quality, innovation and flexibility. Multi-stakeholder social co-operatives that included seniors and their families in their membership were the ones most praised for their work.

Source: (Restakis, 2014<sup>[19]</sup>)

**Social enterprises are also providers of goods and services whose consumption, vouchers seek to stimulate.** For instance, in Belgium, France and the United Kingdom, personal and household service vouchers are developed by social enterprises as providers and issuers (Box 1.5). They have helped to develop the delivery of proximity services, in collaboration with social enterprises. Voucher systems provided by social enterprises can also help aggregate different social economy initiatives that might operate at a rather small scale. In addition, they can service multiple purposes. For example, culture and leisure vouchers, while helping to democratise access to culture facilities and events, can also support the growing number of cultural and artistic initiatives within the social economy field.

### Box 1.5. Group Up – France

Group Up is a cooperative and participatory company (*société coopérative et participative-SCOP*), which issues social vouchers and designs payment methods and management solutions to facilitate access to food, culture, leisure, education, home help, and social assistance. It also supports businesses in the management of their professional expenses. Since 1964, Group UP (formerly *Groupe Chèque Déjeuner*) has a cooperative structure and given its diversity of activities allows communities, businesses and individuals to benefit from multiple services. The cooperative has over 3 700 employees, known as *sociétaires*. They elect the board and are involved in the overall governance and decisions of the group.

Source: <https://groupe.up.coop/en/what-do-we-do/making-every-day-better> ; <https://www.avise.org/annuaire-des-acteurs/groupe-up>.

**A voucher system may have an advantage when it is open to the private and public sectors, and social economy organisations.** Such openness provides opportunities for users to choose their providers, in the context of policy measures that promote social inclusion (Box 1.6). However, social economy organisations and social enterprises may require higher rates of subsidy (investment by government) to compete in the market given the additional efforts they may make for social inclusion and the specific expertise they have (care for the elderly or people with disabilities; work integration of specific groups) relative to other providers. This is a matter of policy choice where considerations of demand (users) and supply (organisations/enterprises) require mixed policy measures.

### Box 1.6. Employers For Childcare – United Kingdom

*Employers For Childcare* is the only social enterprise in the United Kingdom that provides childcare vouchers. In addition to being a social enterprise, *Employers For Childcare* is also a registered charity. Profits generated from the social enterprise businesses (a childcare voucher company, a recruitment service for childcare providers and an indoor family adventure centre) are invested in the charity. The aim of the charity is to offer childcare services for parents with dependent children to help them get into, and stay in work. Employers that were offering vouchers through *Employers For Childcare*, support the work of a social enterprise and charity, providing additional social benefits above and beyond the childcare provision.

Source: <https://www.socialenterprise.org.uk/member-news/childcare-vouchers-add-social-value-to-your-business-while-saving-money/>

## 2 Perspectives to expand use and increase impact of social vouchers

**The COVID-19 crisis has negatively affected consumer spending, industrial output, investment, trade, and social inclusion.** The longer term challenge is to support job creation and the recovery of local economies, particularly in the most seriously impacted industries, such as travel and tourism, food and hospitality, culture and leisure, and transport. As policies are also seeking to build back better, **social vouchers can play an important role in nudging consumer and firm behaviour, as well as bridging the inclusive and green agendas.**

### Use of social vouchers and the COVID-19 pandemic

***Voucher programmes were created or adapted to address urgent social inclusion and economic development needs***

**The value and timespan of vouchers have been extended in many countries due to the pandemic.** For example, in Brazil, workers continued to use food and meal vouchers, and issuer companies reported no significant reduction in their provision. In France, food vouchers for 2020 were extended into 2021. The daily ceiling of vouchers' value was increased from EUR 19 to EUR 38 since June 2020 and recipients, mostly employees, are allowed to use them on weekends and public holidays. There was also an increase in the face value of vouchers in Austria, Bulgaria, France, Italy, Turkey, Romania and Sweden, which confirms the capacity of their underpinning systems to quickly adapt to different situations. In Mexico, a reduction of 7% to 8% in the food voucher was estimated, as employers renegotiated job contracts to avoid mass dismissals that resulted in reduced work hours and benefits. It is estimated that the reduction in vouchers was much less than salary or hours worked reductions which demonstrate their relative importance.

**Conditions for granting vouchers have also been expanded.** In Brazil and Romania, the use of food vouchers was extended to unemployed workers. In April 2020, amendments were adopted to the *Fund for European Aid to the Most Deprived* (FEAD), to include the possibility to deliver food and basic material assistance through vouchers to the most deprived persons to allow them to continue receiving assistance in a safe environment. In Italy, EUR 400 million of food vouchers were delivered by 116 municipalities for those in need.<sup>4</sup>

**New social vouchers were or will be created as a result of the pandemic and its impacts.** In Belgium, employers can grant a fully tax exempt and deductible EUR 300 consumption voucher to be used in sectors such as hospitality, culture, retail, and sports.<sup>5</sup> In July 2020, the Belgian government also introduced

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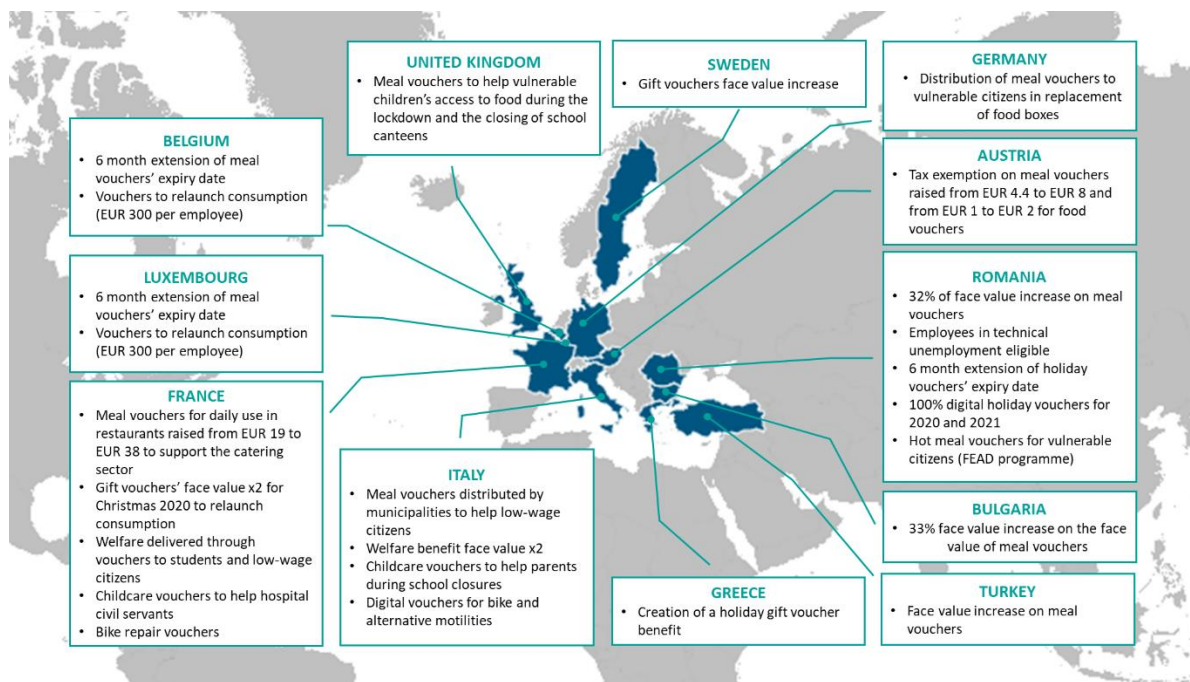
<sup>4</sup>

[https://www.clustercollaboration.eu/sites/default/files/WYSIWYG\\_uploads/social\\_vouchers\\_targeted\\_spending\\_eu\\_recovery\\_110520.pdf](https://www.clustercollaboration.eu/sites/default/files/WYSIWYG_uploads/social_vouchers_targeted_spending_eu_recovery_110520.pdf)

<sup>5</sup> <https://nandrin.blogs.sudinfo.be/archive/2020/09/01/des-milliers-de-cheques-conso-en-distribution-309666.html>

consumption vouchers to reward employees in sectors or companies which played an important role during the crisis, such as health workers. At the subnational level, the region Wallonia used the subsidy distribution system underlying the *Chèque entreprises* platform to allocate EUR 500 million additional support subsidies to SME's hard hit hard by the COVID-19 crisis and subsequent lockdowns.<sup>6</sup> In Greece, along with the “*Tourism for All*” programme, domestic travel is also supported by a corporate voucher programme through which firms provide their employees with travel EUR 300 coupons.<sup>7</sup> In Romania, the Ministry of European Investments and Projects intends to introduce within the next two years, a personal and household services voucher programme to tackle informality and create new jobs, as part of the resilience and recovery plan 2021-2027.<sup>8</sup>

Figure 2.4. Vouchers in times of crisis in selected OECD countries and beyond



Source: Author's elaboration

## Digitalisation can accelerate uptake of vouchers

Although vouchers are widely used, some voucher programmes are still distributed in paper format, which may create administrative burden and operating costs as well as risk of fraud. In countries where digitalisation and technological solutions have been introduced such as Belgium and France, they played a central role in overcoming these challenges (see Section 3, Profiles of social vouchers in selected countries). Digital voucher systems can increase efficiency, improve targeting and help monitor purchasing patterns. They offer more security than paper vouchers, which might be exchanged or given to individuals other than their recipients. They also can be blocked remotely if lost or stolen.

<sup>6</sup> Source: Sodexo Pass NV Belgium

<sup>7</sup> <https://news.gtp.gr/2020/07/30/greece-announces-more-funds-boost-domestic-tourism/>

<sup>8</sup> <https://mfe.gov.ro/wp-content/uploads/2021/06/0c2887df42dd06420c54c1b4304c5edf.pdf>

**Digitalisation and simplified procedures are strong levers that have supported the expansion of voucher schemes.** In most countries assessed in this paper (Belgium, Brazil, the Czech Republic, France and Romania) and beyond, social vouchers have transitioned partially from paper to cards, mobile phone apps and other electronic solutions. This has enabled the development of new, highly adaptable earmarked mechanisms. For example, in Belgium and Brazil, full digitalisation has been achieved for food and meal vouchers and is due to be finalised in 2021 for eco-vouchers in Belgium, In France and Romania, there is agreement on the necessity to significantly expand digitalisation of voucher schemes.

**Digitalisation can support monitoring and evaluation of vouchers.** Digitalisation can guarantee more transparency in the use and circulation of the dedicated funds and subsidies to voucher schemes, with reduced administrative burden. Because the use of vouchers leaves a digital trace, when a beneficiary purchases a product, the distributor notes that the uniquely identified vouchers have been used and can no longer be used elsewhere. Digitalisation is also a factor of simplification: the amount of the voucher spent can be capped per day (e.g. Finland, France and Spain) but can be spent several times a day, unlike with a paper voucher.

**Vouchers can help foster the transition of small businesses to the digital economy.** Many EU countries developed digitalisation vouchers to help firms, mostly SMEs, invest in digital solutions, services and/ or acquisition of machinery that facilitate their digitalisation (EC, 2019<sup>[20]</sup>). For example, the Industry 4.0 voucher policy instrument in Portugal is implemented through a financial EUR 7 500 voucher that allows SMEs to fund consultancy services and strategies leading to the adoption of technologies and processes associated with Industry 4.0 (EU, 2021<sup>[21]</sup>). The Digital Vouchers scheme from the region *Pays de la Loire*, France, has a similar setup to the digital transformation of businesses and include the option for SMEs to also use the voucher scheme for co-financing the acquisition of digital tools (EU, 2021<sup>[21]</sup>).



# 3 Profiles of social vouchers in selected countries

This section takes a deep dive into country use of social vouchers in Belgium, Brazil, the Czech Republic, France, Mexico, Morocco and Romania. It presents and analyses a selection of the most prominent and innovative vouchers and their systems in each country, as well as common trends.

## Country Profiles

### Belgium

In Belgium, there are six main categories of social vouchers: food and meal, environmental, personal and household services, culture, social support, sport and leisure, and gift. The three most widely used vouchers are food and meal, personal and household services, and eco-vouchers.

- *Food and meal vouchers*

The food and meal voucher was introduced in 1965 as an alternative for firms to providing a canteen. It is the most prominent voucher and is considered to be advantageous as it involves tax benefits for employers and employees alike, notably a total exemption from social security contributions. Private and public employers may give vouchers to their employees, including to teleworkers, workers with special status, and trainees with an employment contract. Since 2007, independent entrepreneurs may grant themselves meal vouchers, as long as they correspond to the number of days worked. An entrepreneur may grant himself meal vouchers only when his employees are benefitting from the same advantage. Independent professionals cannot receive meal vouchers, as they lack the legal status of a company (Box 3.1). Food and meal vouchers have to be included in collective agreements at sector or enterprise level, or in individual agreements.

**Table 3.1. Food and meal vouchers in Belgium (2020)**

<b>Year of introduction</b>	1965
<b>Area of use</b>	National
<b>Governing laws</b>	Royal Decree to amend art. 19bis, of the royal decree of 28.11.1969 to the execution of the law of 27.06.1969 to the execution of the decree law of 28.12.1944 concerning the social security of workers Art. 19 bis, national office for social security, executive order of 28.11.1969 Art. 38§1,1 paragraph 25° Law-book income tax 92 Art. 38/1§2 Lawbook in-come tax 92 Art. 53,14° Lawbook in-come tax 92 Royal Decree of 12 October 2010 amending article 19 bis of the Royal Decree of 28.11.1969.(digitalisation)
<b>Fiscal arrangements</b>	Free from social contribution and income tax if certain conditions are fulfilled. Tax deductibility of EUR 2 for every meal voucher.

Annual issued volume of food and meal vouchers	EUR 3 million
Domestic consumption	EUR 380-400 million
Employers taking part	119 000
Beneficiaries	2-3 million [max. EUR 6.91 per day]
Merchants affiliated	26 000
Jobs directly and/or indirectly linked to this voucher	8 300-29 000

Notes: Maximum one meal voucher per day per employee, the maximum amount that can be given per employee and per day of work is EUR 8 (maximum contribution of EUR 6.91 from the employer, and a minimum of EUR 1.09 from the employee).

Source: Based on country responses to the 2019 OECD questionnaire and on information provided by the social voucher association in Belgium, the National Labour Council and the Ministry of Social Affairs.

### Box 3.1. Food and meal vouchers – Belgium

Meal vouchers are not compulsory. An employer that decides to grant them must comply with specific conditions included in meal voucher regulations:

- The benefit must be agreed upon in an individual or collective labour agreement.
- The number of meal vouchers must correspond to the number of days worked each month.
- The vouchers must be issued in the name of the employee.

When the employer decides to grant meal vouchers, they must do so for all its employees.

Food vouchers can be used only to purchase meals or food products. They are valid for 12 months after issue. The **face value** is also part of the legislation on meal vouchers. Since 1 January 2016, the maximum value of a voucher is up to **EUR 8** with a maximum/minimum contribution by the employer/employee:

- The employer's contribution must be a maximum EUR 6.91
- The employee's contribution must be a minimum EUR 1.09

Source: (The Federal Public Service Employment, n.d.<sup>[22]</sup>)

**Since 2011, food and meal vouchers have been digitalised. Electronic vouchers completely replaced paper vouchers in 2016.** Digitalisation brought many advantages: administrative simplification, increased efficiency, innovation, legal certainty to employers, providers and issuers that have invested in the electronic format (new terminals or adaptation of existing ones, etc.), better protection against theft, loss and less fraud due to the secured payment.

- Eco-vouchers

**The eco-voucher is the most innovative voucher in Belgium.** Selected in 2019 as a good practice by the European Stakeholder Platform on Circular Economy<sup>9</sup>, the eco-voucher was created in 2009 as a result of union-employer-state negotiations. The objective was to increase employee purchasing power following the 2008 financial crisis. Employees receive up to EUR 250 per year in eco-vouchers, exempt from social contributions, to buy low or positive environmental footprint products or services in a network of designated providers. In addition to increasing the 'net benefit' to employees, eco-vouchers help increase

<sup>9</sup> The European Stakeholder Platform on Circular Economy is a joint initiative of the European Commission and the European Economic and Social Committee. Launched in March 2017, the Platform actively advocated the need for a transition to a circular economy.

environmental awareness and access to eco-friendly and sustainable products identified in an official list of goods and services. This list includes re-used, recycled products or products made from recycled or biodegradable materials, second-hand products or repaired goods, rechargeable batteries or eco-friendly lamps. Maintenance and repairing costs can also be paid with eco-vouchers. The list is updated with social partners every two years to ensure products are aligned with the latest environmental evolutions in standards and legislation. In May 2021, organic products under the label “*from farm to fork*” were introduced to the list of products that can be acquired by eco-vouchers.

**Table 3.2. Eco-vouchers in Belgium (2020)**

<b>Year of introduction</b>	2009
<b>Area of use</b>	National
<b>Governing laws</b>	14.04.2009: Royal Decree to amend art. 19bis, of the royal decree of 28.11.1969 to the execution of the law of 27.06. 1969 to the execution of the decree law of 28.12.1944 concerning the social security of workers Art.19 quarter, national office for social security executive order of 28.11.1969 Art. 38§1,1 paragraph 25° Law-book income tax 92 Art. 38/1§3° and 4° Lawbook in-come tax 92 Art. 53,14° Lawbook in-come tax 92
<b>Fiscal arrangements</b>	Free from social contribution and income tax if certain conditions are fulfilled.
<b>Annual issued volume</b>	EUR 318 million
<b>Domestic consumption</b>	EUR 70 million
<b>Employers taking part</b>	106 413
<b>Beneficiaries</b>	2 million [max. EUR 250 per year]
<b>Merchants affiliated</b>	11 000
<b>Jobs created</b>	3 000

Source: Based on country responses to the 2019 OECD questionnaire and on information provided by the social voucher association in Belgium, the National Labour Council and the Ministry of Social Affairs.

**In 2020, based on estimates, roughly 106 000 firms delivered a volume of EUR 318 million in eco-vouchers to 2 million beneficiaries and over 1 000 products and services were purchased in a network of 11 000 local shops/outlets** (Box 3.2). The eco-voucher is popular and contributes to promoting sustainable consumption and enhancing the already positive image of ecological products and services. Half of the beneficiaries still find green products and services expensive, and expressed the need for financial incentives to change their consumption behaviours.

### Box 3.2. Greening consumption through vouchers – Belgium

#### What are eco-vouchers?

In 2009, the National Labour Council of Belgium launched the **eco-vouchers** system through a collective agreement with social partners. The eco-voucher was a tool to relaunch the country's economy after the 2008 financial crisis whilst promoting consumption of green products. Eco-vouchers have a ceiling value of EUR 250 per employee per year and are provided by employers as an additional benefit. They are exempt from social contributions and taxes (Van Gyes, 2009<sup>[23]</sup>).

#### What is their impact?

- **For consumers:** in 2018, a study conducted by the **University of Hasselt and Indiville cvba** on the impact of eco-vouchers on consumer behaviour concluded the following:
  - More than half of the 14 000 consumers surveyed who received eco-vouchers declared having higher awareness about the environment. However, this does not automatically lead to behavioral change;
  - 50% considered ecological products to be very expensive and indicate the need for a financial incentive to change their behavior;
  - 29% who didn't receive eco-vouchers chose less environmentally friendly products;
  - 2/3 indicated they would have purchased ecological products, if they had access to eco-vouchers;
  - For each EUR 10 increase in eco-voucher value, the likelihood of purchasing an ecological product increases by 3%, i.e. if consumers receive EUR 150 in eco-vouchers, the likelihood of purchasing environmentally friendly products increases by 45%.

According to another study published in 2018 (CO2, 2019<sup>[24]</sup>), the CO<sub>2</sub> saved due to products purchased through eco-vouchers is over 229 797 tonnes. This corresponds to 11.6 million trips by car from Brussels to Ostend or to the annual emissions of 22 573 Belgians. 1 eco-chèque used equals 1 Kg of CO<sub>2</sub> saved. Almost 50% of eco-voucher related purchases resulted in an additional CO<sub>2</sub> saving which would not have occurred without eco-voucher availability.

- **For businesses:** eco-vouchers help firms and social enterprises achieve their environmental commitments. According to Jobat, a Belgian online recruitment portal, eco-vouchers are one of the most preferred incentives by employees.

Source: (CO2, 2019<sup>[24]</sup>) (Voucher Issuers Association, 2019<sup>[25]</sup>) (Van Gyes, 2009<sup>[23]</sup>) (Edenred, 2019<sup>[26]</sup>)

- Personal and household services vouchers

**In 2004, personal and household services vouchers (*Titres Services* or *Dienstencheque*) were launched to create new jobs, formalise undeclared work and improve work-life balance.** They are currently seen more as a middle-class tax break that enables better work-life balance and more employment chances for higher qualified women (OECD, 2021<sup>[11]</sup>). The personal and household services sector has become a professional sector in itself (Farvaque, 2015<sup>[27]</sup>), with more than 1.2 million users in 2021 (one in four families use service vouchers). They are used to outsource specific housework and non-care services (cleaning, ironing, food and grocery shopping, transport of individuals with reduced mobility) and are accessible directly to users via a social voucher issuer and not distributed by public authorities or employers.

**Table 3.3. Personal and household service (PHS) vouchers in Belgium (2018)**

<b>Year of introduction</b>	2004, regionalised since 2016
<b>Area of use</b>	Regional: each region adapted the system to their specific needs
<b>Governing laws</b>	Royal Decree of 12 December 12 2001 governing service vouchers and its amendments
<b>Fiscal arrangements</b>	Regional specific fiscal legislation
<b>Annual cost</b>	The total subsidy contribution of the 3 Belgian regions combined amounts to about EUR 2 billion in 2021, with the users contributing an additional EUR 1.2 billion per year
<b>Domestic consumption</b>	100% - vouchers can only be used to purchase the limited list of PHS services within the region
<b>Beneficiaries</b>	1.2 million [max. EUR 6 750 - 7 000 per year]
<b>Merchants affiliated</b>	3 000
<b>Jobs directly and/or indirectly linked to this voucher</b>	150 000

Source: Based on country responses to the 2019 OECD questionnaire and on information provided by the social voucher association in Belgium, the National Labour Council and the Ministry of Social Affairs.

**Personal and household services vouchers combine a regional wage cost subsidy for labour-intensive and low-skilled work with a contribution from the user.** Each voucher costs the user EUR 9 for the first 400 vouchers and EUR 10 for the next 100 vouchers, which corresponds to one hour of domestic help from a registered company and the cost is partially tax-deductible. Since 2016, the service voucher scheme is managed by Belgium's three regions. They are responsible for price setting, payment, monitoring and evaluation of the programme. The scheme entitles users to a tax cut which differs per region and is under regular review. In addition to the EUR 9 or EUR 10 cost, registered firms receive a regional subsidy of EUR 14 with slight differences per region. During the COVID-19 crisis, the three regions: Flanders, Wallonia and Brussels-Capital Region used the subsidy allocation and distribution systems to finance certified enterprises which were hit hard, especially during the first lock-down. In total, the three regions distributed an estimated EUR 265 million in additional subsidies to the certified enterprises.<sup>10</sup> Service voucher companies require certification by regional authorities and need to be active only in service voucher activities. No other activities are allowed within the same legal entity. They include profit and non-profit organisations; commercial businesses (e.g. subsidiaries of temporary work agencies or commercial cleaning companies); work integration social enterprises; and public services such as local welfare offices or communities.

**The introduction of personal and household service vouchers had a positive impact on the reduction of undeclared labour.** Social vouchers used in this sector are transparent, easy to use, and are accessible to consumers across the income distribution; they also allow for simple targeting of specific groups, if desired (OECD, 2021<sup>[11]</sup>). Evaluations highlight that service vouchers in Belgium have created

<sup>10</sup> Source: Sodexo Pass NV Belgium

new and decent jobs with increased quality over the years (in terms of contract, salary, working hours, training of workers, etc.). Recent evidence shows that the Belgian service voucher system is drawing almost half of its workers from individuals with previously weak attachment to the labour market, such as the long-term unemployed or inactive as well as those with highly erratic employment (OECD, 2021<sup>[11]</sup>). The positive employment effects of service vouchers are permanent, as workers entering the system are significantly more likely to be employed in the sector over the short and long term (Lens, 2021<sup>[12]</sup>). Another study (Leduc and Tojerow, 2020<sup>[28]</sup>) shows that subsidising the personal and household services sector considerably increases a worker's probability of being employed both in the short- and long-term. The collective benefits linked to this system raised questions in the past about its net cost to public authorities, as it is financed more than 60% by public funds. However, recent studies indicate significant direct and indirect earn-back effects. *“Reduced expenditure on unemployment benefits and increased income tax revenues and social contributions are directly earned back. Indirect effects relate to increased business activity as well as consumption and labour market substitution effects [...] against this backdrop, it is important to account for such earn-back effects, even though their estimation is complicated and usually based on a number assumptions.”* (EFSI, 2013<sup>[29]</sup>).

- Sports and culture vouchers

**Sports and culture vouchers were introduced in 2006.** In order to be distributed to employees, these benefits have to be included in a collective agreement concluded at company level or in a written individual agreement. These vouchers are not very widely used because of restrictions on their use: they can only be exchanged with cultural providers or sports associations for which there is a recognised union or belongs to a national sports federation (football, hockey, boxing or golf).

**Table 3.4. Sports and Culture vouchers in Belgium**

Year of introduction	2006
Area of use	National
Governing laws	30.06.2006. Royal Decree to amend art. 19bis, of the royal decree of 28.11.1969 to the execution of the law of 27.06.1969 to the execution of the decree law of 28.12.1944 concerning the social security of workers circulars no. 28/2002 of 16 October 2002 and no. 242/588 226 of 22 September 2008

Source: Based on desk research.

- Chèques-Entreprises

**The region of Wallonia launched a new business development services voucher system in 2017 – the “Chèques-Entreprises” platform.** This system enables SMEs and entrepreneurs to request vouchers co-financed by the region to benefit from training, business counselling and coaching support from accredited service providers. Services are organised to adapt to business needs (e.g. internationalisation, digital, innovation, intellectual property) and stages of development (creation, growth or business handover).

- Consumption vouchers

**In July 2020, the government of Belgium introduced consumption vouchers.**<sup>11</sup> Consumption vouchers have a global value of EUR 300. They are granted by employers to employees to access goods or services in three business sectors that have been hard-hit during the COVID-19 crisis: hotels, restaurants and catering sectors, culture and sport. In December 2020, authorities set up a specific consumption voucher to reward federal healthcare employees (including community health centres, home nursing, services, etc.) for their exceptional efforts during the crisis. In June 2021, the Council of ministers approved a draft royal decree, allowing companies with good results during the crisis to grant a EUR 500

<sup>11</sup> Royal Decree and a Law of 15 July 2020.

*corona bonus* to their workers for the year 2021 (excluded from the salary margin) in the form of a consumption voucher. The aim is to increase the purchasing power of employees and at the same time support companies.

## **Brazil**

**In Brazil, providing food for workers is the main strategic priority for which vouchers are used.** The Workers' Food Programme (*Programa de Alimentação do Trabalhador-PAT*) is implemented through a specific voucher scheme. The policy goal is to guarantee food and nutrition security for workers, based on the principle of food sovereignty and the right to quality and sufficient quantity of food without compromising other essential needs. The use of vouchers in this programme has supported the government's ambition to pursue a developmental programme for the country, not based only on welfare.

- The Workers' Food Programme (WFP)

**The Workers' Food Programme was set up in 1976. In 2021, it benefited 22 million workers in the formal labour market, accounting for 50% of the total of Brazilian workforce.**<sup>12</sup> Employers can either provide meal and food vouchers, or offer food prepared by the company or by a contractor directly in the company's canteen. The programme encourages firms to provide adequate food to their employees, prioritising workers who receive up to the equivalent of 5 times the minimum wage, but there is a possibility to extend it to workers with income above this limit. Any company can join the programme, including individual micro-entrepreneurs, microenterprises, non-profit companies, as well public or semi-public administrations and entities (Torres KG, 2020<sub>[30]</sub>). Up to 30% of employers registered in the programme choose canteens, whilst 70% provide food and meal vouchers. Firms join the programme voluntarily and, in case of non-compliance with its rules, they are excluded. Benefits from joining the programme include a tax benefit and a revenue tax exemption. These tax benefits are not a salary charge and lead to an exemption from contributing to the Guarantee Fund for Time-of-Service System (*Fundo de Garantia por Tempo de Serviço*) – FGTS.<sup>13</sup>

<sup>12</sup> <http://pat.mte.gov.br/relatorios2008/RelTotalPAT.asp>

<sup>13</sup> According to the Guarantee Fund for Time of Service system established in 1966 and now regulated by Act No. 8036 of 11 May 1990, ("Fundo de Garantia por Tempo de Serviço" - FGTS), every month, the employer is required to deposit 8% of the employee's monthly salary into an account managed by the Federal Savings Bank ("Caixa Econômica Federal") on behalf of the employee.

Table 3.5. Food and meal vouchers in Brazil (2015-2016-2021)

<b>Year of introduction</b>	Meal vouchers: 1976 - Food vouchers: 1991
<b>Local name</b>	Programa de Alimentação do Trabalhador (PAT)
<b>Area of use</b>	National
<b>Governing laws</b>	Law 6321
<b>Fiscal arrangements</b>	Food and meal vouchers: - Tax-exempt for both the employer and the employee - Fully deductible for both the employer and the employee - Deductible from corporate income tax up to 4% of the tax due for each tax year for large companies
<b>Impact on public finances</b>	The PAT allows an average return of BRL 15.71 for every BRL 1 of tax incentive (additional tax collection of BRL 11.5 billion per year)
<b>Domestic consumption</b>	Total value of the meals served: BRL 1.26 billion (2015) Impact on the GDP: BRL 2.4 billion (2015)
<b>Employers taking part</b>	223 000 (2015) 282 605 (2021)
<b>Beneficiaries</b>	20 million (2016) 22 million (2021) Food vouchers: BRL 15.36 per day (2016) Meal vouchers: BRL 17.00 per day (2016)
<b>Jobs directly and/or indirectly linked to this voucher</b>	670 000 (2016)

Source: Based on country responses to the 2019 OECD questionnaire, information provided by the social voucher association in Brazil and the Secretariat of Labour (Inspection Unit and Unit of Occupational Health and Safety in charge of the voucher programme PAT), Getúlio Vargas Foundation, Labour union Força Sindical, University of São Paulo, the Brazilian Federation of Banks (Febraban).

### Box 3.3. The Workers' Food Programme (WFP) Programa de Alimentação do Trabalhador (PAT) – Brazil

The Workers' Food Programme aims at improving the working conditions of low-income workers. Firms who join the programme voluntarily may offer meal vouchers or provide food at canteens. In canteens, they may organise the whole process of producing and serving meals or hire companies registered with the programme to provide the service. Meals must be healthy and adequately suited to the nutritional needs of recipients.

Vouchers appear to be a good solution for mid-sized firms in urban environments. They enable them to offer a nutritious meal at a subsidized price. Since their launch, vouchers and canteens complemented have each other, and the programme had immediate success among firms. Authorities were very active promoting it as a public-private action.

Since its creation, the number of workers enrolled in the programme has increased by 9% per year, whereas accidents in the workplace decreased by around 2% per year.

Source: Interviews conducted in Brazil in 2019 (Torres KG, 2020<sup>[31]</sup>)

However, following a labour reform in 2017, companies are exempt from the *Guarantee Fund for Time of Service System* contributions whether they offer a food voucher or not. Despite this reform, the number of companies that join the Worker's Food Programme continues to increase, but at a slower pace than before and the number of workers who benefit from it also.



**Table 3.6. Roles of stakeholders in the Workers' Food Programme (WFP) – Brazil**

GOVERNMENT	ISSUER	EMPLOYER	WORKER
Tax Incentive <u>only</u> for WFP: up to 4%	Issues cards	Can adhere to the WFP	Can take part in the formulation of the benefit in workplace
Exemption from Social Charges (INSS/FGTS)	Shared responsibility for the programme	Bears the cost of up to 80% of the amount of the benefit	Benefit is not regarded as salary
Tracks programme efficiency	Issues reports on use	Shared responsibility for the programme	
Monitoring of the programme	Relationship with employers	Can take advantage of incentives	

Source: OECD based on interviews conducted in 2019 with Secretariat of Labour (Inspection Unit and Unit of Occupational Health and Safety in charge of the voucher programme PAT), Getúlio Vargas Foundation, Labour union Força Sindical, University of São Paulo, the Brazilian Federation of Banks (Febraban).

**Over the past 40 years, evaluations of the programme have been conducted by the government.**

They have found a significant decrease in the prevalence of malnutrition among workers. A recent study conducted by the Getúlio Vargas Foundation (FGV) found that the programme has improved the self-assessment of health conditions by 6.1 percentage points, in comparison to workers who are not in the programme. The programme is also considered a valuable tool to prevent pathologies linked to nutrition, such as high blood pressure (- 1.8 pp.), heart conditions (-0.5 pp.) and diabetes (- 0.6 pp.). In addition, the programme contributes to higher rates of regular physical activity, by 2.6 p.p. This translates not only into better physical health but also into increased well-being and leisure.<sup>14</sup> The programme has also brought social and economic benefits. The outsourcing of the management for worker meals to local restaurants, as well as new beneficiaries has helped lower administration costs while providing employees with more options. Digitalisation also has helped lower administrative costs for the beneficiaries, food service providers and firms.

**An opportunity suggested by evaluations is to expand coverage by offering better incentives for SMEs to join the programme.** Today, only large firms can fully benefit from the fiscal incentives the programme offers. Small companies do not participate at a large scale due to their lack of capacity to meet the requirements of the programme. Stakeholders such as labour unions have expressed the need to further expand the coverage to small business and independent workers. Based on estimates, extending the programme to SMEs would allow 20 million employees to benefit from it, and would also be a powerful tool to formalize more food and meal providers (Mazzon, 2016<sub>[17]</sub>).

- COVID-19 related vouchers

**Following the outbreak of COVID-19, the government decided to distribute BRL 600 (USD 116) vouchers to workers who do not have a formal job** and do not benefit from the two flagship cash transfer programmes in Brazil – *Bolsa Família* and the Continuous Cash Benefit Programme (*Benefício de Prestação Continuada BPC*). These vouchers are distributed through the national registry (*Cadastro Único*) as a social benefit to buy food and other necessary goods, paid entirely by the government, without contributions from employers.

<sup>14</sup> Information retrieved from NERI, Marcelo (2021) Impactos do Programa de Alimentação do Trabalhador.

## Czech Republic

- Food and meal vouchers

**The most recent development in the Czech voucher system is a tax package which introduced a flat rate meal allowance, as an alternative to canteen or meal vouchers.** With this new meal allowance, introduced in 2020, employers may offer a tax-exempt contribution in cash, deductible from social contributions. This measure aims to lower voucher administration costs, by eliminating issuer company fees and reducing administrative burdens for accredited restaurants and shops, with the objective of bringing small companies and traders to the meal programme.

**Table 3.7. Food and meal vouchers in the Czech Republic (2018)**

<b>Year of introduction</b>	1992
<b>Area of use</b>	national
<b>Governing laws</b>	Act no. 568/1992 Coll.
<b>Fiscal arrangements</b>	Employer can achieve tax deduction of 55% of the cost of meal vouchers up to a limit (set yearly by the Ministry of Labour and Social Affairs). Employee usually contributes 45% of the value of vouchers.
<b>Annual cost</b>	CZK 241 million (EUR 9 million)
<b>Beneficiaries</b>	1.5 million

Source: Based on country responses to the 2019 OECD questionnaire and on information provided by the social voucher association in the Czech Republic and the Ministry of Economy.

**Despite the recent reform, providing meal vouchers remains possible.** Employers can still provide either meals (company cafeterias, canteens) or food vouchers. In both cases, the employer's tax-deductible expense is 55% of the price of the meal or meal voucher value and 45% is deducted from the employee's net salary. As a third alternative, the employer can now use a tax-exempt meal allowance, which would allow the employee to receive cash instead of vouchers.

**According to data of the Ministry of Finance, approximately 1.8 million out of 4.3 million employees have access to a canteen and 1.5 million employees receive meal vouchers.** By introducing the meal allowance, the objective is to support the provision of meal allowances to approximately 1 million employees, who do not have access to either a cafeteria or food vouchers.

- Culture vouchers

**In 2020, the Ministry of Industry and Trade in collaboration with the Ministry of Culture introduced a programme called "COVID - Cultural and Creative Industries", to which the government allocated CZK 1 billion.** The programme supports organisers of cultural events that were cancelled or postponed, by covering 50% of their costs (up to a maximum of CZK 5 million). SMEs in the creative industries, benefitting from this scheme are supported in the form of subsidies and/or creative vouchers.<sup>15</sup>

## France

**France has a long tradition of vouchers developed by firms and public authorities to serve many purposes.** The main categories of vouchers are food and meal, personal and household services, and culture.

<sup>15</sup> <https://www.vlada.cz/en/media-centrum/aktualne/government-proposes-meal-voucher-reform--decides-on-support-for-organisers-of-cultural-events-and-at-risk-children--182356/>

- Food and meal vouchers

**Food and meal vouchers are extensively used in the workplace in France.** Created in 1962, these vouchers have since become the most preferred vouchers by employees. According the *Commission Nationale des Titres Repas*, in 2018, food and meal vouchers benefited almost 4.5 million workers and 140.000 companies (80% of which are SMEs) as well as local authorities that also co-financed such vouchers for their employees. It is estimated that, for every EUR 1 of contribution from the employer, EUR 2.55 are reinjected in the local economy, resulting in the creation of 164 000 jobs (Box 1.2).

**The success of the meal voucher in France builds on the triple commitment of the state, employers and employees.** By granting an exemption of social and fiscal contributions for food and meal vouchers, the state encouraged negotiations between employers and employees to decide on the opportunity of setting up voucher programmes and the amount of their co-financing. It is an example of a successful social dialogue where the state defines the framework and plays a facilitating role, while leaving social partners the freedom to negotiate.

**Table 3.8. Food and meal vouchers in France (2018)**

<b>Year of introduction</b>	1962
<b>Local name</b>	Titre-restaurant
<b>Area of use</b>	national
<b>Governing laws</b>	Labour code (L.3262-1 & following) / General tax code (L.81 19°) / Social code (L.136-1-1 4° a)
<b>Fiscal arrangements</b>	Full social and fiscal tax break (employer: max. EUR 5 55 /day)
<b>Employers taking part</b>	140 000
<b>Beneficiaries</b>	4.5 million
<b>Merchants affiliated</b>	180 000
<b>Jobs created</b>	164 000

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in France, the *Commission Nationale des Titres-Restaurant* and the Ministry of Economy and Finance.

- Culture vouchers

**Two culture voucher schemes are implemented in France under different regulations.** The first scheme is work-related and refers to culture vouchers granted by employers to employees. This voucher benefits 2 million employees, in the form of a benefit exempt from taxes and social contributions. The second scheme, managed by almost all French regions, targets specific groups such as young people or low-income families. Local authorities use these dedicated vouchers to broaden access to culture. Since 2021, a third national scheme, the "*pass culture*" has been launched. The value of this voucher is EUR 300 allocated exclusively to young people to be used for all cultural products.<sup>16</sup>

**Table 3.9. Work-related culture vouchers in France (2018)**

<b>Year of Introduction</b>	1993
<b>Local name</b>	Titre-culture
<b>Area of use</b>	national
<b>Governing laws</b>	Dedicated administrative provisions
<b>Fiscal arrangements</b>	Full social and fiscal tax break (no cap)
<b>Beneficiaries of work-related culture vouchers</b>	2 million

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in France.

<sup>16</sup> <https://www.service-public.fr/particuliers/actualites/A14915>

- Personal and household service vouchers

**Over the past two decades, various schemes were introduced to stimulate the personal and household services sector in France.** These include notably, the *Chèque Emploi Service* (CES) in 1993 and the *Titre Emploi Service* (TES) in 1996. In 2005, the *Chèque Emploi Service Universel* (CESU) was introduced to replace the previous schemes. The CESU allows users to benefit from different household services such as cleaning, small maintenance works, gardening work, in-house childcare, study help, administrative assistance, preparation and delivery of meals, laundry collection, transport for people with disabilities and care for domestic animals (Box 1.3). Two CESU models coexist : i) the *CESU déclaratif* allows direct employment of service workers by households or ii) the *pre-financed CESU* allows provision of services from non-profit provider organisations or other intermediaries such as associations, businesses, or public organisations acting as *prestataire* or *mandataire*, whereby workers are hired by these intermediaries for private households (OECD, 2021<sup>[11]</sup>). The *CESU déclaratif* enables payroll, a professional work contract and means of payment. Its simplicity aims to tackle undeclared jobs of employment at home (AH-PHS, 2020<sup>[32]</sup>). Fiscal incentives have been simplified to facilitate uptake of this voucher and related services (Table 3.10). The *pre-financed CESU* allows private or public employers to buy these vouchers and subsequently obtain a tax deduction of up to EUR 50 000 per year provided that they give these vouchers to their employees (AH-PHS, 2020<sup>[32]</sup>).

**In addition to tackling informality, the CESU functions as a social equalizer, by giving access to childcare, elderly care and household services to families, including low income ones.** The rationale behind this scheme is that when employees have a voucher to use for household work, it leaves them free time, which they can spend on leisure and social activities or advance their careers. Another important element is the promotion of gender equality as women dedicate more time to unpaid housekeeping tasks and are more likely to be in undeclared labour in the sector.

**Table 3.10. Personal and household services vouchers in France (2018)**

<b>Year of introduction</b>	2005
<b>Local name</b>	Chèque Emploi Services Universel – CESU
<b>Area of use</b>	National
<b>Governing laws</b>	Labour code ( <i>Code du travail</i> ) - Article L1271-1 Social Security code ( <i>Code de la sécurité sociale</i> ) - Article L133-8 General tax code
<b>Fiscal arrangements</b>	Full social and fiscal tax break (with an annual cap of EUR 1 830 per year per employee with a total limit of EUR 6 000 per year deductible from the corporate income tax)
<b>Beneficiaries</b>	1 million

Source: <https://www.servicessalapersonne.gouv.fr/espace-pro/professionnels-et-cheque-emploi-service-universel-prefinance> .

## Mexico

**Inspired by the Brazil Workers' Food Programme, Mexico set up two types of voucher programmes: the meal voucher (*Ticket Comida*) and the food voucher (*Ticket Despensa/ Canasta*).** Both vouchers are the most widely used in the country and are regulated by the 2011 Law on Food Assistance to Workers (*Ley De Ayuda Alimentaria Para Los Trabajadores-LAAT*),<sup>17</sup> which provides a common legal framework for the implementation of food aid schemes and encourages firms to adopt voucher programmes on a voluntary basis.

<sup>17</sup> Ley De Ayuda Alimentaria Para Los Trabajadores

- Food and meal vouchers

**Meal vouchers were the first to be introduced, however food vouchers are much more widely used.**

Today, 100 000 workers receive meal vouchers and 9 million workers receive food vouchers. Before vouchers were developed, workers used to receive food baskets (*canastas*); a tradition that dates back more than 40 years, developed in the industrial state of Monterrey. Drawing on this tradition, food vouchers (*Ticket Despensa / Canasta*) are benefits that can be used in supermarkets and grocery shops. They aim to improve nutrition conditions of the recipients and their family members. Meal vouchers, on the other hand, are to be spent in restaurants or canteens, and only by the worker, thus not being perceived as a benefit that extends to the family.

**There is cap on the deductibility of vouchers as social contributions.** In most countries, vouchers are fully deductible from the salary, as they are considered a social contribution. In Mexico, only 53% of social benefits may be discounted from the salary. Moreover, vouchers can be characterised as a social provision up to a certain amount, which is the equivalent of one minimum wage. The Supreme Court of Mexico defined food vouchers as a social provision with a one minimum wage cap on revenue tax exemptions. This means that if employers grant more than the value of one minimum wage in vouchers, it would count as part of the salary and that, in either case, they would be only 53% deductible.

**Another challenge is the high level of informality of the Mexican economy.** Informality encompasses nearly 60% of formal jobs and about a quarter of GDP (OECD, 2019<sup>[33]</sup>). Many Mexican workers are informally employed, which prevents their employers from granting them vouchers. In the food service sector, small shops and street vendors are predominant. These businesses are not prepared to use vouchers, because they do not have formal procedures to declare taxes. In theory, meal vouchers could serve as an incentive to formalisation, but currently their adoption is discouraged, because of the limited tax exemption. Without additional incentives to formalisation, such as simplified administrative procedures and broader tax exemptions, the meal voucher market may not grow. Encouraging the digitalisation of meal and food vouchers could also be a strategy to accelerate formalisation.

**Table 3.11. Food and meal vouchers in Mexico (2018)**

<b>Governing laws</b>	Ley de Ayuda Alimentaria para los Trabajadores (LAAT) [Law for the Employee's Food Assistance] Income Tax Law
<b>Fiscal arrangements</b>	Food vouchers: (i) partially deductible for the employer (53%) and, (ii) exempt for employees as long as the value of the vouchers (together with all other social welfare benefits) do not exceed one minimum wage. Meal vouchers: fully deductible for the employer (as long as they do not exceed one minimum wage), not accruable income for the employee.
<b>Beneficiaries</b>	Food vouchers: 9 million Meal vouchers: 100 000 Companies that grant food vouchers: 80 000 Companies that grant meal vouchers: 1 000
<b>Network of affiliated establishments</b>	Food vouchers: 50 000 Meal vouchers: 5 000

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in Mexico and the Ministry of Labour.

Mexico also has a uniform voucher programme to help provide work uniforms when required.

**Table 3.12. Uniform vouchers in Mexico**

<b>Governing laws</b>	Income tax law ; Labour Law
<b>Fiscal arrangements</b>	100% deductible for the employer, if this is used as a work tool. Partially deductible for the employer (53%) If this is granted as a social benefit. (As long as it doesn't exceed one minimum wage), not accruable income for the employee
<b>Beneficiaries</b>	All the employees working for a company (either private or governmental) that grants this benefit under individual labour contracts or under union contracts. The benefit is not mandatory by law.

Source: Based on desk research.

## Morocco

**In Morocco, meal vouchers have existed for over 20 years.** They have contributed to changing habits in the public and private sectors and have helped employees and workers to have access to decent meals and increase their purchasing power.

- Food and meal vouchers

**In Morocco, the introduction of food vouchers allowed access to food during the working day, thus promoting the non-stop work day and achieving greater efficiency and productivity.** Most employees and workers were used to taking their lunch break at home. However, with the non-stop workday, this break has become burdensome. While meal vouchers are popular, most employees find that the current voucher capped at MAD 30 (EUR 3)<sup>18</sup> is not sufficient to have a healthy meal. Two non-cumulative measures currently coexist in Morocco:

- A cash allowance for food, exempted or not, depending on the contractual agreement between the company and the employee.
- Meal vouchers exempt up to a limit of MAD 30 (EUR 3) per employee and per day worked.<sup>19</sup>

The system lacks a public regulatory body to oversee the vouchers system and measure its impacts. Issuers and affiliated providers are not obliged to conclude a contract, therefore there are no penalties for failure to abide by required provisions. Authorities and stakeholders surveyed for this report, stated that the legislative framework could be revised and improved to guarantee workers' access to a decent meal. This would also help to formalise the food service sector. Digitalisation also could be encouraged.

**Table 3.13. Food and meal vouchers in Morocco (2018)**

<b>Governing laws</b>	Appendix 1: "Circular note-CNSS", page 23 & 24.
<b>Fiscal arrangements</b>	article 66 of the law 17-89 linked to the income tax (l'Impôt Général sur le revenu (IGR)) Appendix 2 : « Circular note nbr 729-DGI » Paragraph 2 page 9 (Finance Law 1999-2000 BO n ° 4704) exempt within the limit of MAD 30 (EUR 3) per day and per employee, and 20% of the beneficiary's gross taxable income.

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in Morocco, the Ministry of Economy and Finance, the Ministry of Health, the *Caisse Nationale de Sécurité Sociale*.

- Gift vouchers

**The other popular vouchers in Morocco are gift vouchers. They are widely used by firms to reward employee motivation and achievement.** Firms show strong support for this system, however, the benefit

<sup>18</sup> Information retrieved from the questionnaire of Morocco.

<sup>19</sup> Article 57, Finance Act 2008 No. 38-07

can be converted in cash, and may be used for any kind of product or services, even outside Morocco, thus preventing domestic VAT collection. To produce local economic and social impacts, restricting it to domestic consumption with no conversion into cash allowed are options.

**Table 3.14. Gift vouchers in Morocco (2018)**

<b>Fiscal arrangements</b>	Social and tax exemption
<b>Fiscal arrangements</b>	A global ceiling of MAD 2 500 per year per person

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in Morocco and the Ministry of Economy and Finance.

## **Romania**

**In 2018, Romania adopted a unique normative act, the Law 165/2018 on value vouchers.** The Law outlines vouchers that can be offered to employees and unifies existing legislation on meal, gift, nursery and holiday vouchers. This law also introduces a new category of vouchers: culture vouchers.

- Food and meal vouchers

**Meal vouchers were introduced in Romania in 1998 and were regulated by Law no.142/1998 until the adoption of the law 165/2018.** They were developed during a period of economic contraction (decreasing GDP for three consecutive years) and a high unemployment rate. According to the Ministry of Labour, during the first year of implementation of the meal vouchers system, over 130 000 employees received meal vouchers, representing 2.76% of the working population. The meal vouchers market evolved rapidly, reaching 50% of the working population in just 10 years. Meal vouchers are the most widespread benefit received by employees. They can be used only to access meals or food products in dedicated networks: public food facilities (canteen, restaurant, buffet) supermarkets and other similar units. Consultations with various stakeholders, informed that the system was set up by employers with unions representatives on the basis of collective labour agreements.

**Table 3.15. Food and meal vouchers in Romania (2018)**

<b>Governing laws</b>	Law no. 165/2018 Government Decision no. 1045/2018
<b>Fiscal arrangements</b>	Exempted from social contributions, but subject to 10% income tax for employees. Fully tax deductible for employers.
<b>Beneficiaries</b>	2 million employees 500 million vouchers per year EUR 1.3 billion face value of vouchers per year

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in Romania, the Ministry of Labour, and the University of Bucharest.

- Other vouchers

**The 2018 general law on social vouchers regulates meal and food, holiday, leisure and gift vouchers.** According to this Law, employers can offer more than one type of voucher at the same time to a given employee, to be used only in Romania and only for the purposes for which they were issued. The Ministry of Finance is the overarching authority responsible for issuing each category of social voucher. It oversees their implementation and reviews the periodic indexation of their value. The Ministry is also responsible for authorising issuers, who can be any legal entities established under the Romanian law or credit institutions established in Romania or in an EU member state.

**Table 3.16. Gift vouchers in Romania (2018)**

<b>Governing laws</b>	Law no. 165/2018 Government Decision No. 1045/2018
<b>Fiscal arrangements</b>	Within the limit of 150 RON per social event per employee: Exempt from income tax and social contributions. Limited deductibility for employers at 5% of the personnel expenses. Within the limit of 600 RON if awarded as prizes to business partners: exempt of taxes
<b>Beneficiaries</b>	Employees and business partners 60 million vouchers EUR 2 million

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in Romania and the Ministry of Labour.

**Another increasingly popular voucher in Romania is the holiday voucher.** Holiday vouchers can be used for the purchase of services from licensed tour operators that have classified tourist accommodation and/or licensed travel agencies. In 2018, the total nominal value of holiday vouchers issued reached EUR 250 million. Since 2017, holiday vouchers became mandatory for public sector employees on the basis on successive emergency ordinances. As a result, local tourism benefited from a significant boost, new jobs were created or formalised and hospitality services were stimulated. Based on impact studies, there was a significant growth in the net profit of hotels and restaurants between 2013 and 2018, respectively: from EUR 78 million to EUR 205 million for hotels and from EUR 39 million to EUR 330 million for restaurants. Furthermore, service quality has significantly increased in 2018, with more 4 and 5 star hotels and all-inclusive offers (Constanța, 2019<sup>[34]</sup>). The most recent value set for holiday vouchers for public sector employees is EUR 305 per year per beneficiary applicable for the period 2019-2020, with the possibility of extended use until the end of 2021.

**Table 3.17. Holiday vouchers in Romania (2018)**

<b>Governing laws</b>	G.E.O. no. 8/2009 G.O. no. 215/2009
<b>Fiscal arrangements</b>	Exempt from social contributions, but subject to 10% income tax for employees. Fully tax deductible for employers.
<b>Beneficiaries</b>	Employees from both private and public sector Minimum: EUR 305 per year per beneficiary (EUR 435 if taken outside of a holiday season) Public sector: RON 1 450 per employee per year Private sector: up to six minimum wages in the private sector Total value EUR 250 million per year

Source: Based on country responses to the 2019 OECD questionnaire, on information provided by the social voucher association in Romania and the Ministry of Tourism.

**Since January 2019, employers in Romania are able to include in the package of employee benefits culture vouchers.** Culture vouchers are a tool for motivating employees by developing and stimulating interest in cultural and creative products. These vouchers are value tickets given to employees, monthly or occasionally, for the purchase of cultural goods and services. At employer level, cultural voucher expenses are deductible from corporate income tax.

**Table 3.18. Culture vouchers in Romania (2018)**

<b>Fiscal arrangements</b>	Exempted from social contributions, but subject to 10% income tax for employees
<b>Beneficiaries</b>	Employees of the private sector

Source: Based on country responses to the 2019 OECD questionnaire and the Ministry of Culture.



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