

**Report to the Federal Parliament:  
*Promotion of employment in the private non-market sector***

**17 November 2011 – In its report the Court of Audit analyzes the funding of the private “Maribel social” plan, its impact on the creation of extra jobs in the non-market sector and the management of the operating costs that are linked to the system. This is a follow-up report of the Court’s 2010 audit on the “Maribel social” government plan. The Court noted a near-stagnation in the number of jobs created by the private “Maribel social” plan between 2006 and 2010. It also examined different aspects of control and steering by the federal Employment department. Furthermore the Court pointed to the lack of transparency in the administrative structure that manages the system’s operating costs. Since 2003 the non-profit associations entrusted with the management have built up movable and immovable reserves. The Court of Audit consequently raised the problem of the reserves’ restitution, their allocation and the appropriateness of the amount spent on the “Maribel social” operating costs.**

The private “Maribel social” plan is a system of reduced contributions that has been used since 1997 to fund extra jobs in the non-market sector (health, social action and culture). The funds for job creation are derived from a levy on employers’ contributions.

The amount of money allocated to the private “Maribel social” plan rests on an appropriation which is calculated on the basis of the number of workers of the non-profit sector concerned and on the granted contribution reduction. In 2011 the private “Maribel social” plan’s appropriation amounted to 479.6 million euros. In 2010 the number of jobs funded by the system came up to 13,083 full-time equivalents (FTE), i.e. 23.151 jobs.

The financial means are divided among sectoral funds that are set up by the joint (sub)committees falling within the scope of the private “Maribel social” plan. These funds are entrusted with the financing of extra jobs.

In its report the Court of Audit analyzed the funding mechanism of the private “Maribel social” plan, its impact on the creation of extra jobs and the management of operating costs linked to the funding of the system.

To evaluate the repercussion of the private “Maribel social” plan on the creation of new jobs, the Court of Audit examined to what extent the rise of appropriations between 2006 and 2010 has led to a similar evolution in the number of funded jobs. Information from the federal Employment department reveals a near-stagnation of employment during that period of time. There are elements indicating that an increasing part of the appropriations has been used to improve the coverage of labour costs that are already financed by the private “Maribel social” plan instead of creating new jobs. The Court recommends that the federal Employment department should set up a financing system that corresponds to the objectives of creating extra jobs, while taking into account the repercussion of inflation and the workers’ seniority on labour costs borne by the employers.

The audit found that some funds apply the principle of “juste retour” (fair return) to the management of the funded jobs, which is contrary to the pooling of financial resources intended by the legislation. This type of distribution decreases the opportunity for small non-profit associations to obtain a job that is financed by the private “Maribel social” plan. It also makes it impossible to set aside financial means for jobs which better reflect this government policy’s objective.

The audit also examined different aspects of controls that have to be carried out in relation to the private “Maribel social” plan. The government has decided that the system does not aim at financing jobs that exceed a certain wage maximum. Considering the shortcomings in the

control execution, the Court of Audit recommends that the federal Employment department should organize a systematic annual control of the compliance with that 'maximum'.

In order to make sure that funded workers are effectively hired and to control whether there is co-financing of labour costs by different government entities, the Court of Audit recommends accelerating the access of sectoral funds to the multifunctional declaration DMFA.

Concerning the steering of the system, the Court considers it necessary to establish a "Maribel social" cell with sufficient staff. A transfer to this Maribel cell of information from government commissioners in charge of the surveillance of sectoral funds would also make it possible for the federal Employment department to improve supervision of the system.

The sectoral funds can use 1.2% of their appropriation to cover administration and labour costs. They entrust the management of these labour costs to three non-profit associations (VSPF, APEF and FEBI) to which the funds transfer financial means. These non-profit associations also manage other social funds and are headed by an umbrella association (Afosoc-Vesof), which also receives a considerable amount of financial means.

The administrative structure is organized in such a way that it does not give a transparent view of the operating costs needed to manage the private "Maribel social" plan. The audit further demonstrated that these non-profit associations had not returned the balance that was not used as operating costs to the sectoral funds since 2003. In that way they set up reserves and developed a movable and immovable investment policy eluding the control provided for by law and "Maribel social" regulation.

In order to have a correct yearly detailed account of means that should have been returned to the workers' "Global Management" scheme, the Court of Audit considers that non-profit associations must return to the sectoral funds every unspent annual balance of operating costs. Therefore it recommends that the means which are available at the end of the year, including interest, should be identifiable in the accounts of the non-profit associations. It also suggests reconsidering the reserves that these associations have built up since 2003. After all, substantial amounts are concerned, which originate from employers' social contributions and which are normally allocated to the creation of jobs.

The building-up of reserves raises the question of the adequate percentage of the appropriation spent on operating costs. The Court of Audit recommends that the federal Employment department should verify whether the percentage of 1.2% is justified.