

CALL FOR RESEARCH PROJECTS

Evaluation of the impact of the exceptional increase of the Prime d'activité

Issues and themes

05 October 2020

This call for research projects comprises a single stage of **selection among the detailed proposals of the research teams.**

KEY DATE :

Closing date for submission of full proposals :
November 13, 2020 at 2:00 p.m. (Paris time)

Agnès Buzyn, then Minister of Solidarity and Health, entrusted France Stratégie with the ex-post evaluation of the National Strategy for the Prevention and Fight against Poverty. France Stratégie set up an Evaluation Committee in September 2019. Chaired by Louis Schweitzer, this committee is composed of three presidents of associations (ATD-Quart-Monde, Secours catholique-Caritas France, Uniopss), four qualified personalities and six researchers. It draws on eight public administrations and organizations (Dares, Depp, Drees, Insee, Cgdd, Cnaf, Pôle emploi, INED).

In addition, the Committee has undertaken two participatory approaches: it consults on the one hand the college of people in poverty or in a precarious situation (formerly the 8th college, which became the 5th college in 2020) within the “Conseil national des politiques de lutte contre la pauvreté et l’exclusion sociale (CNLE)” and on the other hand a panel of thirty citizens representative of the French population. These two bodies are called upon to contribute to the evaluation, from the development of the evaluation approach to the interpretation of its results.

France Stratégie is in charge of the secretariat of this committee and, together with the chairman, is responsible for its management.

The Evaluation Committee's [progress report](#) published in March 2020 sets out the main thrusts of the evaluation process, the methods under consideration and the timetable for the work to be carried out.

The committee decided that the evaluation would have a dual strategic and analytical dimension and that it would be carried out at two levels:

- Monitoring the implementation of thirty-five measures and evaluating their effects ;
- Evaluating the national strategy as a whole with respect to the major objectives targeted by the Strategy, integrating within the scope of the Strategy other policies that may have an effect on poverty.

It is within this framework that various calls for research projects have been decided.

I. CONTEXT

1. Reminder on the National Strategy for the Prevention and Fight against Poverty

The National Strategy for the Prevention and Fight against Poverty was presented on September 13, 2018 by the French President Emmanuel Macron. Developed after a consultation phase with the concerned stakeholders and after an online consultation, it is made up of a large number of measures based on two distinct axes: preventing reproduction of poverty through acting for children and providing support for employment. The measures are grouped under five major commitments:

- Equal opportunities from the very first steps to break the reproduction of poverty
- Guaranteeing the fundamental rights of children on a daily basis
- A guaranteed training path for all young people
- Towards social rights that are more accessible, fairer and providing greater incentives to work
- Investing to support everyone's path to employment

The committee identified thirty-five concrete measures, which it classified into five public policies areas :

- Early Childhood and Education

- Health
- Support, training and employment
- Housing
- Social rights

The Strategy could evolve as part of the policy response plan to the coronavirus crisis: some measures could be expanded, others postponed, others added.

The Strategy has two main objectives, rephrased by the Evaluation Committee as follows:

- to prevent the intergenerational transmission of poverty;
- to enable people to move out of poverty.

The Evaluation Committee decided to add a third major objective:

- to leave no one in deep poverty.

2. Objectives and timeframe of the committee's evaluation work

The committee mobilizes different tools to monitor the measures' implementation and different methods to evaluate the effect of the measures and the strategy at the global level (see progress note: <https://www.strategie.gouv.fr/publications/evaluation-de-strategie-nationale-de-prevention-de-lutte-contre-pauvrete-note-detape>). It programs the evaluation work, relies on work already carried out by the administrations, and, for measures for which a scientific evaluation committee is or will be set up, on the conclusions of these evaluations.

In particular, the committee wishes to assess the impact of the exceptional increase of the *Prime d'activité*, which is one of the Strategy's measures. This is the purpose of this call for research projects.

II. ISSUES AND RESEARCH AREAS

1. Issues

The *Prime d'activité* ("Activity bonus"), which was introduced in 2016 to replace the *Revenu de solidarité active (RSA)* ("Active Solidarity Income") and the *Prime pour l'emploi* ("Employment Bonus"), was substantially increased at the end of 2018 (decree no. 2018-1197 of December 21, 2018 relating to the exceptional increase of the *Prime d'activité*). The exceptional increase took the form of an increase in the individual bonus' maximum amount of the *Prime d'activité*. Paid to each member of the beneficiary household whose professional income is greater than 0.5 minimum wage (SMIC), this bonus is an increasing function of this income up to the minimum wage (SMIC). Beyond that, the amount of the bonus remains constant. The revaluation came into effect on January 1, 2019.

More specifically, the decree of December 21, 2018 introduces two modifications to the path of bonus increase provided for in the 2018-2022 finance law:

- The "increase in the income ceiling at which the bonus reaches its maximum amount, which is raised from 95 times the SMIC to 120 times the SMIC, thus making it possible to expand the number of beneficiaries;
- an increase in the maximum amount of the bonus from 12.782% to 29.101% of the lump sum, thus allowing the amount to be increased".¹

¹ Rapport Assemblée Nationale, 2019, n°2301, made on behalf of the Commission des finances, de l'économie générale et du contrôle budgétaire sur le projet de loi de finances pour 2020, by M. Joël

According to CNAF (Caisse nationale des allocations familiales) data ([Prime d'activité conjonctures n° 17, March 2020](#)), the caisses d'Allocations familiales (Caf) paid the *Prime d'activité* to 4.35 million households at the end of 2019, for an average amount of 185 euros per month. This represents a 43% increase of the beneficiaries between the end of 2018 and the end of 2019, primarily due to the increase in the number of people eligible for the bonus. Expenses related to the *Prime d'activité* paid quarterly by caisses d'Allocations familiales (Caf) increased by approximately 80% between the first quarter of 2018 and the first quarter of 2019. In the draft of the finance law for 2020, *Prime d'activité* expenditure was estimated at 9.5 billion euros, compared with a cost of 5.6 billion euros in 2018. *Prime d'activité* expenditure is therefore now higher than expenditure of the *Revenu de solidarité active (RSA)* (Active Solidarity Income)

An evaluation of the effects of the exceptional increase of the *Prime d'activité* was carried out for the Senate's social affairs committee, but this evaluation was only conducted on study cases ("cas types") and only analysed the issue of the gains in purchasing power of eligible households. DREES is also carrying out work to measure the redistributive effects of the exceptional increase of the *Prime d'activité*, the first results of which should be published at the end of 2020 in the next edition of *France, portrait social*. This work should lead to a more in-depth publication at the beginning of 2021, presenting the evolution of the number of recipients of the *Prime d'activité* and their profile, and proposing an estimate of the effects of the exceptional increase of the bonus on the amounts served, the number of eligible households and the take-up of the benefit. However, an evaluation of the effects of this increase in terms of activity behaviour (employment trajectories, work quantity, level of remuneration) has yet to be carried out.

According to CNAF, the increase in the number of beneficiaries is linked both to the broadening of eligibility conditions and to the greater take-up of the bonus by households.

Methodological work to make the data on non-take-up of the *Prime d'activité* more reliable is underway at the DREES (Dossiers de la DREES n°57 - June 2020 : Le non-recours aux prestations sociales : mise en perspective et données disponibles). DREES is continuing its methodological work with the aim of proposing a regular estimate of non-take-up in the autumn of 2021. This work should make it possible to measure non-take-up more reliably and to analyze the evolution of the take-up of the *Prime d'activité* before and after the January 2019 exceptional increase. However, it does not include a qualitative section on the reasons for non-take-up by this population.

France Stratégie thus wishes, within the framework of the present call for projects, to encourage research projects on two distinct aspects:

- **research projects to measure the effects of the 2019 *Prime d'activité* exceptional increase on activity behavior. The work should propose an empirical (and not descriptive) approach to identifying these effects.**
- **research projects to document the effect of the exceptional increase of the *Prime d'activité* on the take-up of the benefit and the reasons for a possible increase in take-up. The work should propose a qualitative approach.**

2. Areas of research

Two types of work, which may give rise to two different research proposals, may be proposed :

First research axis: Impact of the exceptional increase of the *Prime d'activité* on activity behaviors

A first research axis of this call for projects has the main objective of evaluating the impact of the exceptional increase of the *Prime d'activité* at the beginning of 2019 in terms of activity behaviors (employment trajectories, quantity of work, level of remuneration).

In order to analyze this impact, the study can in particular distinguish between households and individuals based on :

- The amount of disposable income gain related to the return to work (for various work quantity) before and after the reform, including the effect of all benefits and taxes ;
- Their pre-reform work quantity , in order to distinguish, in the impacts on employment, an impact on the intensive margin (change in work quantity) and an impact on the extensive margin (return to employment of unemployed persons);
- Their age and gender ;
- Their marital status: single persons or couples ;
- Their number of children and their age if they have any.

Differentiated effects of the exceptional increase according to the characteristics of the sectors of economic activity or the territories in which the beneficiaries live may be sought.

A detailed description of the effects on the employment of households in income poverty is desired.

A distinction between households and persons could be made according to the situation of eligibility for the benefit before and after the reform (households not eligible before and after the reform / households not eligible before the reform and eligible after / households eligible before and after the reform), and, for eligible households, according to whether or not they have taken up the benefit (households eligible but not claiming the benefit / households eligible and claiming the benefit). Since eligibility and therefore the rates of take-up and non-take-up are complex to establish, the teams will specify the methods used to determine them.

Other research questions may also be proposed by the research teams.

The candidate teams will propose a research design that tests the hypothesis of a causal effect of the reform in the observed evolution of household activity behaviors: double difference, *regression discontinuity design*, etc.

Second research axis : Impact of the exceptional increase of the *Prime d'activité* on the take-up of the benefit

The second axis of this call for projects aims to document the effect of the exceptional increase of the *Prime d'activité* on the take-up of the benefit and the reasons for a possible increase in take-up.

In order to analyze this aspect, a qualitative study of households/persons could be conducted in order to, at the very *least*, identify the determinants of the take-up of the benefit by households eligible for the benefit before its exceptional increase, but only took-it up after its revaluation.

The study, if it is able to identify them, could also cover the reasons for non-take-up by eligible people before and after the exceptional increase, who did not apply for the benefit even after its exceptional increase.

Particular attention will be paid to households/persons in income poverty.

The work carried out on the basis of the 2010-2011 Dares and Cnaf survey of modest income earners, which was aimed in particular at studying and quantifying non-take-up as part of the work of the *Revenu de Solidarité Active (RSA)* evaluation committee, could be relevant to the framing of the work in this line of research. (e.g., Warin P. (2011), [Le non-recours au RSA : des éléments de comparaison](#), working paper, Odenore, December; Domingo P., Pucci M. (CNAF) (2011), *Le non-recours au RSA et ses motifs*, annexe 1 du rapport du comité d'évaluation du RSA, December; Domingo Pauline, Pucci Muriel (2014), [Impact du non-recours sur l'efficacité du RSA activité seul](#). In: *Economie et statistique*, n°467-468, pp. 117-140). The issue of non-take-up of the *Prime d'activité* is analyzed in a recent study by the DREES: DREES (2020), [Les rendez-vous des droits des Caf: quels effets sur le non-recours? Les dossiers de la DREES n° 47](#), January.

III. CONDITIONS FOR CARRYING OUT RESEARCH PROJECTS

1. Methodology

The purpose of this call for research projects is to generate and fund research that sheds new light on the impact of the exceptional increase of the *Prime d'activité* on activity behaviours on the one hand, and on the take-up of the benefit on the other hand. The work will cover the period from January 1: 2018 to February 29, 2020.

First research axis : Impact of the exceptional increase of the *Prime d'activité* on employment

Evaluating the exceptional increase of the *Prime d'activité* and in particular its effects on employment, poses a number of difficulties. Research proposals will need to describe precisely the empirical evaluation method they wish to use to show the causal effect of the reform. They should specify the anticipated methodological limitations and how these will be addressed. Responses will be assessed on their ability to measure the impacts of the reform and not to limit themselves to a descriptive analysis.

The choice of databases should be precisely defined and justified by the laboratory.

Second research axis: Impact of the exceptional increase of the *Prime d'activité* on take-up of the benefit

For this axis, qualitative approaches are expected to shed light on the determinants of the take-up of the *Prime d'activité*. Research proposals will be required to describe precisely the method that the teams wish to use. The teams will have to specify in their project which data sources or modes of information collection (semi-structured interviews, questionnaires, etc.) will be used for the work, as well as the selection criteria for these data sources and respondents. A detailed methodological note will have to be proposed by the research teams.

2. Databases

The choice of databases should be precisely defined and justified by the laboratory.

Access to these databases may be requested by the laboratories, and France Stratégie will seek to facilitate it as far as possible.

The conditions and modalities of access to the selected databases must be explained in the project. The time needed to prepare the file and obtain the agreement of the [comité du secret statistique](#) must be taken into account by the responding teams.

Candidates' attention is drawn to the fact that the transmission of certain data could be done via the [Centre d'accès sécurisé aux données \(CASD\)](#). Applicants are invited to contact the producers of the data they wish to mobilise, to find out about the conditions and deadlines for access but also to check the suitability of these data for their project.

For information purposes, a number of data sources have been listed in the measure sheet proposed as an annex to the Evaluation Committee's March 2020 progress note.

Example of data that could be used :

- Eniacrams database (DREES)
- Force database (DARES)
- CNAF administrative data (CNAF)
- A matching of the Eniacrams panel with the DSN should be completed in the coming months and be available by the end of 2021.

3. Communication of research results

The research team will have to plan interventions during two to three seminars with researchers, administrative and business leaders around the results of the research work.

4. Composition of the teams

The selection committee will pay particular attention to the quality of the team formed to carry out the project. Collaborations between academic research structures are possible. The teamwork method as well as the commitments, responsibilities and investments of each individual must be clearly explained in the research projects submitted. International experience or the association of foreign team(s) will be an advantage.

5. Schedule and budget

The total duration of the project, which will start from the date of signature of the research agreement between France Stratégie and the representative acting in the name and on behalf of the research team (the laboratory or unit) initiating the project, may not exceed **eighteen months**.

For the **first research axis**, project leaders must ensure that they present a research schedule that is compatible with a final report submission within **eighteen months of notification**, and provide for the presentation to France Stratégie : - of a progress report within five months of notification ; - of interim results, based on the first analyses, within twelve months of notification. The final results will be presented at the latest within sixteen months of notification, which will leave two months to complete the final report and possibly refocus the work.

For each step, a deliverable will be submitted to France Stratégie.

For the **second research axis**, project leaders must ensure that they present a research schedule that is compatible with a final report submission within **twelve months of notification**, and provide for the presentation to France Stratégie : - of a progress report within three months of notification ; - of interim results, based on the first analyses, within seven months of notification. The final results will be presented at the latest within eleven months of notification, which will leave one month to complete the final report and possibly refocus the work.

For each step, a deliverable will be submitted to France Stratégie.

This schedule will need to take into account the time required to access the data.

The budget for the research project will be detailed and, where appropriate, additional funding will be specified depending on whether it has been applied for or obtained from other funders.

6. Selection mode

This call for projects comprises a single step which consists in selecting the projects to be funded among the detailed proposals of the research teams.

Several projects may be selected by the selection committee, in order to cover all research areas.