

Statistics of the Working of the Social Insurance Act in France from 1932 to 1935¹

Compulsory social insurance was introduced in France for all workers by an Act of 30 April 1930, which supplemented the special schemes for certain categories of workers (e.g. railwaymen, miners, seamen) and the local scheme for Alsace-Lorraine.

An analysis of the results of the application of the 1930 Act in 1931 and 1932 has been published in this *Review*². Since then, the Social Insurance Act has been amended by the Legislative Decrees of 28 and 30 October 1935 and the Act of 26 August 1936. The changes made are too recent, however, to allow of numerical estimates of the results, and what is given below is a brief summary of the statistics of the working of the Act which were presented to the French Parliament in connection with the preparatory work on the Budget for 1937.

These statistics, which relate in the main to the period 1932 to 1935, are given here under the same headings as those previously published in the *Review*. There will be no need, therefore, to repeat the explanations already given in the previous analysis in regard to each item.

SCOPE

Industry and Commerce

Number of Persons Registered.

The following table shows the number of persons registered under the general insurance scheme for industry and commerce at 31 December of each year (after deduction of the number of persons crossed off the registers).

¹ Sources : *Rapport... sur le Budget général de l'exercice 1937*. No. 1288. CHAMBRE OF DEPUTIES : Appendix to the Minutes of the sitting of 12 November 1936.

Bulletin de renseignements de la Fédération nationale des Caisses départementales d'assurances sociales, No. 172, Jan. 1937.

Rapport d'application de la loi sur les assurances sociales, 1934. Paris, Imprimerie nationale, 1936.

² Cf. *International Labour Review*, Vol. XXXI, No. 1, Jan. 1935 : "Application of the New Social Insurance Legislation in France".

**NUMBER OF WAGE EARNERS REGISTERED UNDER THE GENERAL SCHEME
AT 31 DECEMBER OF EACH YEAR**

Year	Wage earners earning less than 15,000 (or 18,000) francs a year	Wage earners earning 15,000 (or 18,000) to 25,000 francs a year, registered on account of their family responsibilities	Wage earners registered for old-age insurance only	Total	Wage earners coming under the special insurance schemes who are covered by the general scheme in regard to		Total
					Old age	Sickness, maternity and death	
1932	9,184,763	42,500	32,397	9,259,660	8,879	39,536	48,415
1933	9,561,827	43,141	30,296	9,635,264	8,676	35,560	44,236
1934	9,734,406	36,270	27,132	9,797,808	11,595	46,032	57,627
1935	9,989,279	22,950	19,771	10,032,000	10,092	46,968	57,060

The increase in the number of persons registered is due to the fact that not enough names have been crossed off the registers. In the absence of a clear definition of the term "wage earner" and of adequate means, all the services concerned have not yet rectified their registers of insured persons.

The true number of insured persons may be deduced from statistics of wage earners to whom the services have been able each year to supply the documents (cards and sheets), used for the payment of contributions. The resulting figure is about 8,000,000.

Numbers of Contributors.

As contributions are paid by means of cards (old-age insurance), renewed every year, and sheets (sickness, maternity, and widows' and orphans' insurance), exchanged every quarter, the number of contributors may be obtained from the number of cards and sheets returned to the services at the expiration of their period of validity. These figures are shown below.

A. ANNUAL CARDS

Year	Wage earners earning less than 15,000 (or 18,000) francs a year	Wage earners registered for old age only
1933	6,360,056	20,311 ¹
1934	6,253,557	18,302 ¹
1935	6,266,382	28,286

¹ For the departments of the Seine and Seine-et-Oise, the figures are included with those of the preceding column (in 1933 and 1934).

B. QUARTERLY SHEETS

(a) *Insured persons earning less than 15,000 (or 18,000) francs a year*

Quarter	1934	1935
1st	5,706,945	5,740,963
2nd	5,528,068	5,437,429
3rd	5,490,738	5,488,932
4th	5,603,544	5,280,266

(b) *Insured persons earning from 15,000 (or 18,000) to 25,000 francs a year.*

Year	Number of quarterly cards returned (4 per insured person)
1933	61,116 ¹
1934	127,552 ¹
1935	115,169

¹ For the departments of the Seine and Seine-et-Oise, the figures are included with those of the preceding table (in 1933 and 1934).

The fluctuation of the number of quarterly sheets returned to the services follows that of the number of contributors with a time-lag of one quarter. The number of contributors was about 6,400,000 in 1933 and 6,300,000 in 1934 and 1935, and they paid contributions on an average for 3½ quarters in the year.

Agriculture

The following table shows for agricultural insurance the number of persons registered at 31 December in each year.

NUMBER OF AGRICULTURAL WAGE EARNERS REGISTERED
AT 31 DECEMBER OF EACH YEAR.

Year	Wage earners earning less than 15,000 (or 18,000) francs a year	Wage earners earning 15,000 (or 18,000) to 25,000 francs a year, registered on account of their family responsibilities	Wage earners registered for old-age insurance only	Total	Wage earners coming under a special insurance scheme who are covered by the general scheme in regard to		Total
					Old age	Sickness, maternity and death	
1932	918,567	119	8,530	927,216	66	20	86
1933	1,025,567	69	9,063	1,034,699	84	45	129
1934	1,098,629	68	8,415	1,107,112	85	50	135
1935	1,159,056	64	6,015	1,165,135	22	53	75

The registration statistics for the agricultural insurance scheme call for the same qualifications as those for the general scheme. The true number of insured persons appears to be about 800,000. The number of contributors was about 670,000 in 1935.

DISTRIBUTION OF INSURED PERSONS BY WAGE CLASS AND AVERAGE WAGE IN EACH AGE GROUP

Until the Decrees of October 1935 were passed insured persons were divided into five wage classes as follows :

Wage class	Daily wage Francs	Annual wage Francs
I	under 8	under 2,400
II	8 to 14.99	2,400 to 2,499
III	15 to 19.99	4,500 to 5,999
IV	20 to 31.99	6,000 to 9,599
V	32 and over	9,600 and over

As changes in wage classifications may take place only once a year, when the contributor's card is renewed (at the end of the quarter in which the insured person's birthday falls), the cards examined in 1930-1931 correspond to the 1930 wage, those examined in 1932 to the 1931 wage, those examined in 1933 to the 1932 wage, etc.

In order to determine whether the economic depression and the progress of the application of the Act have modified the wage distribution of insured persons, the reports on the working of the general scheme compare the distribution of insured persons by wage class and by average insured wage for each age group.

DISTRIBUTION OF PERSONS INSURED UNDER THE GENERAL SCHEME BY WAGE CLASS AND AVERAGE WAGE

Wage class	Percentage distribution of annual cards examined			
	1 July 1930 to 31 March 1932	1 April 1932 to 31 March 1933	1 April 1933 to 31 March 1934	1 April 1933 to 31 December 1934
I	5.80	6.62	7.50	7.77
II	11.42	12.04	13.06	13.02
III	11.75	11.44	11.45	11.39
IV	33.72	33.35	33.64	33.48
V	37.31	36.55	34.35	34.34
Wages for	1930	1931	1932	1933

From the distribution given above, it is possible to calculate the average wage, using the basic daily wage (Class I, 6 francs; Class II, 12 francs; Class III, 18 francs; Class IV, 24 francs; Class V, 36 francs). These averages are as follows :

	Francs
Cards examined before 1 April 1932	25.36
Cards examined from 1 April 1932 to 31 March 1933	25.06
Cards examined from 1 April 1933 to 31 March 1934	24.55
Cards examined from 1 April 1934 to 31 December 1934	24.47

These figures, however, are of value only as an indication, since the real fall in wages was greater, for the following reasons :

1. The above averages take into account only changes of wage class, and disregard the fall in wages within each wage class ;
2. The general fall in wages must have led to the registration of wage earners who formerly earned wages in excess of the maxima, and thus to an increase in the membership of Class V.

If the distribution of insured persons by wage class in the different age groups is considered, a fall in the average daily wage will again be observed. This holds good for every age group except 45-49.

AVERAGE WAGES CLASSIFIED BY AGE GROUPS

Age group	Average daily wage		Age group	Average daily wage	
	1930-1931	1933		1930-1931	1933
Under 15	12.43	10.98	40-44	26.56	26.38
15-19	18.76	18.27	45-49	25.76	25.84
20-24	24.91	24.51	50-54	24.86	24.70
25-29	27.60	27.16	55-59	23.68	23.01
30-34	27.90	27.58	60-64	22.68	21.33
35-39	27.40	26.97			

This table does not show the full extent of the fall in wages, for the reasons mentioned under the previous table.

INSURANCE INSTITUTIONS

The organisation of insurance funds follows the distinction established by the Act between accumulation risks (old age and invalidity) and assessment risks (sickness, maternity, and death).

Over 1,200 bodies are responsible for the payment of benefits.

There were 788 primary assessment funds (sickness, maternity, and death) at the end of 1932, 791 in 1933, and 771 in 1934. The number of mutual benefit associations undertaking agricultural insurance and agricultural sections of departmental funds was 379 in 1932, 381 in 1933, and 377 in 1934.

The number of primary accumulation funds and agricultural sections of self-governing mutual benefit funds (old age and invalidity) was 81 in 1932, 82 in 1933, and 82 in 1934.

The number of reinsurance funds did not change during the three years in question; in 1934, there were 36 reinsurance federations of primary funds.

Taken altogether, and including the General Guarantee Fund, the number of insurance institutions had fallen slightly since the end of 1932, from 1,285 to 1,268.

These figures do not include small local societies whose management comes under bodies with a much wider jurisdiction.

Primary Assessment Funds for the General Scheme

Without repeating the figures given in the summary of the previous annual reports, it may be noted that 10 funds had over 100,000 members (32 per cent. of the aggregate membership), 167 had over 10,000 and up to 10,000 (49.7 per cent.), 275 had over 2,000 and up to 10,000 (14.1 per cent.), 218 had over 500 and up to 2,000 (2.7 per cent.), and 101 had 500 or less (3 per cent.).

The classification of the funds according to origin cannot give significant results, since a very large number of employers' associations or groups and others spontaneously formed by insured persons have set up mutual benefit societies solely for the purpose of applying the social insurance scheme. If groups of funds are taken instead, it is possible to make a classification fairly close to the facts, though the administration is not always certain how far the connection between a particular fund and a particular federation of mutual benefit societies actually exists.¹

The classification is as follows :

I. Funds that appear to act in sympathy with the National Federation of Mutual Benefit Societies :

Group A : Funds covering a large area (one or more districts, a department, a region, or the whole country) ;

Group B : Local funds (covering a canton or commune) ;

II. Employers' funds, corporative funds, and occupational funds :

Group C : Funds not confined to one trade and funds founded under the auspices of chambers of commerce ;

Group D : Corporative funds or occupational funds for insured persons working for more than one employer ;

¹ In many cases the connection is ideological or personal and has no pecuniary character.

Group E : Funds for staff of particular firms (factory, shop, bank, etc., mutual benefit societies) ;

III. Group F : Funds that appear to be formed on the basis of a religious denomination, funds in sympathy with the National Federation of Social Insurance Family Funds, Protestant funds ;

IV. Group G : Workers' funds (" *le travail* " funds, co-operative funds) ;

V. Group H : Departmental funds.

The statistics given below show a slight decline in the membership of the departmental funds and of the funds for workers in particular undertakings.

PRIMARY ASSESSMENT FUNDS UNDER THE GENERAL SCHEME CLASSIFIED
ACCORDING TO GROUP TO WHICH THEY ARE ATTACHED

Type of fund	Number of funds				Percentage of total membership			
	End of 1931	End of 1932	End of 1933	End of 1934	End of 1931	End of 1932	End of 1933	End of 1934
1. Mutual benefit funds : A.	115	115	114	114	16.6	16.5	18.0	17.5
B.	90	93	100	92	2.8	2.7	3.2	3.2
C.	46	46	46	45	3.8	3.7	4.1	3.9
2. Employers' funds and occupational funds : D.	93	90	94	90	3.6	3.5	3.8	3.8
E.	232	234	219	209	3.8	3.6	3.5	3.5
3. Funds attached to religious organisations : F.	77	77	76	77	6.7	7.0	7.7	7.7
4. Workers' funds : G.	57	57	56	58	3.0	3.4	3.7	3.9
5. Departmental funds : H.	86	86	86	86	59.7	59.6	56.0	56.5
	796	798	791	771	100.0	100.0	100.0	100.0

In a general way, after the first period during which the departmental funds covered over 60 per cent. of the insured persons, nearly 10 per cent. of the members of these funds were lost to other institutions. From 1934 onwards the tendency was reversed, and the membership of departmental funds again increased, though very slightly ; these funds received only 50.42 per cent. of the insurance sheets, and 48.21 per cent. of the contributions.

Primary Assessment Funds for Agricultural Insurance

In 1935 the agricultural sections of the departmental funds covered 34.5 per cent. of the insured persons, the mutual benefit societies

consisting solely of agricultural workers covered 55.5 per cent., and the agricultural sections of mutual benefit societies 10 per cent.

As regards voluntary insurance, 72 per cent. of the insured belonged to mutual benefit societies consisting solely of agricultural workers. The rest belonged to the agricultural sections of mutual benefit societies.

From 1932 to 1934 the numbers of primary agricultural funds fluctuated as follows :

PRIMARY ASSESSMENT FUNDS FOR AGRICULTURAL INSURANCE CLASSIFIED
ACCORDING TO GROUP TO WHICH THEY ARE ATTACHED

Type of institution	Number of funds			Percentage of total membership		
	End of 1932	End of 1933	End of 1934	End of 1932	End of 1933	End of 1934
(a) Compulsory insurance						
Agricultural sections of departmental funds	84	84	85	35.9	35.4	34.5
Mutual benefit societies consisting solely of agricultural workers	106	106	103	54.4	54.7	55.5
Agricultural sections of mutual benefit societies not consisting solely of agricultural workers	109	191	189	9.7	9.9	10.0
(b) Voluntary insurance						
Mutual benefit societies consisting solely of agricultural workers	82	92	91	74.1	75.2	72.1
Agricultural sections of mutual benefit societies not consisting solely of agricultural workers	112	115	116	25.9	24.8	27.0

Primary Accumulation Funds

In 1935 there were 78 accumulation funds consisting of the following:

- The National Old-Age Pension Fund ;
- 63 self-governing mutual benefit funds ;
- 4 mutual benefit funds for workers' pensions ;
- 2 regional funds for workers' pensions ;
- 3 trade union funds for workers' pensions ;
- 5 employers' funds for workers' pensions.

There was no change in these figures since 1932. The percentage distribution of the total membership over these different types of funds changed only slightly.

Two accumulation funds had over a million members and twelve had over 100,000 members. The two funds with over a million members comprised the majority of insured persons (51.1 per cent.).

Agricultural Accumulation Funds

There was no marked change in the percentage distribution of the total membership among the various institutions during the period under review. In 1934 there were only three institutions with over 100,000 members liable to compulsory insurance.

Unions and Federations of Social Insurance Funds

Under section 28, sub-section 3, of the Act of 1930, a number of unions or federations of funds have been formed. By the end of 1934, seventeen had had their rules approved.

FINANCIAL RESOURCES

The funds of the social insurance schemes are derived from contributions paid by the workers and their employers, and from grants from the public authorities.

The total amount paid in contributions was as follows, leaving out of account various contributions collected directly by the institutions in respect of agricultural insurance or voluntary insurance, which total about 25 million francs a year :

Year	Francs
1932	3,261,798,159.68
1933	3,271,276,895.27
1934	3,175,994,197.29
1935	3,085,908,635.37

The State grants comprised the following :

- (a) A subsidy corresponding to the expenditure previously incurred by the State in respect of workers' and peasants' pensions, as follows :

Year	Millions of francs
1932	540
1933	508
1934	540
1935	340
1936	140

- (b) The reimbursement of various agricultural bonuses, as follows :

Year	Francs
1933	27,404,224.07
1934	70,877,802.09
1935	107,602,695.31

- (c) An advance for the expenditure of the administrative services (part of this advance has already been repaid).

For the sake of completeness, it may be mentioned that the insurance schemes have certain other sources of income, such as the proceeds of fines, etc.

EXPENDITURE OF INSURANCE INSTITUTIONS

Benefits

Sickness, maternity, death (assessment risks).

The following tables give the expenditure on benefits from 1930-1931 to 1935 :

TOTAL BENEFITS PAID IN 1930-1931 TO 1935

Year	Sickness (francs)	Maternity (francs)	Death ¹ (francs)	Miscellaneous ² (francs)	Total (francs)	Number of funds
Compulsory insurance for industry and commerce						
1930-1931	683,629,033	145,126,085	6,824,249	132,630	835,711,997	780
1932	812,582,890	159,085,783	28,978,120	—	1,000,646,793	776
1933	873,312,754	151,532,340	32,428,255	—	1,057,273,349	785
1934	941,370,688	153,993,013	33,431,991	—	1,128,795,692	776
1935	996,289,877	149,442,710	32,990,008	—	1,178,722,595	746
Compulsory insurance for agriculture						
1930-1931	28,166,033	10,252,541	186,913	333,882	38,939,369	247
1932	50,849,314	12,855,301	1,197,888	10,420,182	75,322,685	268
1933	55,887,034	15,668,566	1,597,481	—	73,153,081	353
1934	60,521,395	16,169,162	1,726,730	—	78,417,287	338
1935	71,629,875	18,026,419	1,933,014	—	91,589,308	322
Voluntary insurance for industry and commerce						
1930-1931	18,957	—	—	—	18,957	5
1932	47,237	300	—	—	47,537	15
1933	101,872	1,497	3,854	—	107,223	40
1934	115,701	605	687	—	116,993	38
1935	117,888	5,425	1,980	—	125,293	42
Voluntary insurance for agriculture						
1930-1931	2,830,593	401,709	5,100	196,458	3,433,860	64
1932	6,078,461	873,365	78,055	74,058	7,103,939	99
1933	6,695,704	940,091	102,822	—	7,738,617	192
1934	7,308,879	1,135,006	131,404	—	8,575,289	161
1935	8,279,620	1,082,246	146,545	—	9,508,411	141

¹ Lump sums payable at death.

² Expenditure on items that cannot be assigned to a particular risk.

To the above figures should be added the General Guarantee Fund's expenditure in respect of sickness, maternity, and death on bonuses granted to insured persons with dependants, supplementary benefit, etc., as follows :

Year	Francs
1930-1931	9,180,180.00
1932	19,051,369.60
1933	19,703,227.59
1934	20,895,933.07
1935	25,497,580.26

Reference should also be made to the considerable sums expended by the funds out of their surpluses on supplementary benefits, subsidies to social institutions, the establishment or development of medical consultation offices, clinics, hospitals, sanatoria, etc. The total expenditure of this kind was 54,423,000 frs. in 1932 and 1933, 43,752,000 frs. in 1934, and 48,009,000 frs. in 1935.

Invalidity.

The number of pensions awarded and in course of payment was as follows :

NUMBER AND AMOUNT OF INVALIDITY PENSIONS

Date (31 Dec.)	Number of pensions		Amount of pensions	
	Awarded	Giving rise to payment of arrears (after deductions in respect of lapsed pensions, deaths, etc.)	Awarded	Lapsed
1933	2,286	— ¹	Francs 4,624,718	Francs —
1934	14,759	11,769	29,960,770	5,080,000
1935	33,041	25,550	67,734,050 ²	13,348,160 ²

¹ Number not available.

² Approximate figures.

Old Age.

The expenditure on old-age pensions is of two kinds :

(1) Pensions due under the Social Insurance Act (the 1930 legislation) ;

(2) Pensions due under the Workers' and Peasants' Pensions Act (the scheme in force before the 1930 Act).

Since 1 July 1935, the date when the first pensions subject to the guaranteed minimum became payable under the Social Insurance Act, and up to 15 October 1936 the services responsible for the payment of pensions received a total of 345,275 claims for old-age pensions. Most of these claims came from insured persons who were 60 years old or over on 1 July 1935 (under the exceptions provided for after the expiration of the initial period of 5 years). The number of claims for pensions of this kind was 251,456 at 15 October 1936, and 82 per cent. of them had been settled by that date. The rest came from insured persons who reached the pensionable age after 1 July 1935.

The expenditure on the payment of pensions awarded under the Social Insurance Act cannot be stated as yet owing to the short time that has elapsed since they were awarded. Reports on the working of the insurance schemes give only the expenditure on the payment of pensions under the Workers' and Peasants' Pensions Act, which was as follows :

Year	Francs
1932	415,606,043.24
1933	384,073,746.51
1934	349,674,153.85
1935	323,557,648.75

Death (Orphans' Pensions).

The expenditure on orphans' pensions was as follows :

Year	Francs
1932	78,481.83
1933	499,935.96
1934	1,069,420.45
1935	1,923,389.43

The rate of the pension, which was fixed at 180 francs in 1931 (Decree of 31 December 1931), was afterwards raised to 240 francs (Decrees of 2 September 1932, 11 April 1933, 21 March 1934, and 5 February 1935).

ADMINISTRATIVE EXPENSES

The sums placed at the disposal of the social insurance institutions in order to meet the cost of management were as follows :

Year	Francs
1932	75,787,669.22
1933	89,709,465.51
1934	107,577,394.56
1935	120,824,997.69

These figures leave out of account the expenditure of the General Guarantee Fund and the central and regional social insurance services.

ASSETS OF THE SOCIAL INSURANCE FUNDS

The assets of the primary assessment funds at 31 December 1935 included :

State bonds	6,352,942.50 frs. (interest).
French bonds issued in the United States	\$38,900 (nominal value).
National defence bonds and Treasury bonds	353,435,500 frs.
State securities, securities guaranteed by the State, collateral accepted by the Bank of France	1,017,562,500 frs. ¹

¹ This item includes the sum of 415,845,700 francs in bonds of the principal railway systems.

In addition, the funds had also made the following investments :

	Million francs
Loans to departments and municipalities	68
Loans to cheap housing and agricultural credit institutions	9
Mortgage loans and real property	38

Besides their cash in hand and their postal cheque accounts, they also had current accounts amounting to about 603 million francs with the Deposit and Trust Fund.

The assets of the primary accumulation funds ¹ at 31 December 1935 included :

French bonds	30,942,382 frs.
Bonds issued by the colonies and protectorates	1,070 frs.
French bonds issued in the United States, and debentures of the <i>Messageries maritimes</i> issued in Canada	\$104,000 (nominal value).
National defence bonds and treasury bonds	13,855,000 frs.
Estate securities, securities guaranteed by the state, collateral accepted by the Bank of France	2,191,147,800 frs. ¹

¹ This item includes the sum of 1,374,962,500 francs in bonds of the principal railway systems.

The accumulation funds had also made the following investments :

	Million francs
Loans to departments and municipalities	613
Loans to cheap housing and agricultural credit institutions	64
Real property	107
Mortgage loans	89

They also had current accounts with the Deposit and Trust Fund amounting to about 201 million francs. The total invested with the Joint Business Fund at 31 December 1935 was 1,302 million francs.

The National Old-Age Pension Fund had a current account with the Deposit and Trust Fund of 41 million francs at 31 December 1935. Its investments with the Joint Business Fund amounted to about 455 million francs.

From the date the Social Insurance Act came into operation until 31 December 1935, the National Old-Age Pensions Fund had invested a total of 984 million francs in State securities, securities guaranteed by the State and collateral accepted by the Bank of France. These investments included 728 million francs in bonds of the principal railway systems. In addition the Fund had issued 306 million francs in loans.

The General Guarantee Fund had made the following investments at 31 December 1935 :

	Francs
Liquid assets	1,852,299,399.82
Mortgage loans	73,381,663.51
Loans to municipalities	754,461,244.57
Real property	71,092,687.29
Joint Business Fund	376,547,574.94
Securities assigned to the General Guarantee Fund	22,129,255.43
Total	3,149,911,825.56

¹ Old-age and invalidity insurance funds, other than the National Old-Age Pensions Fund.