



AID TO BUSINESS CREATORS AND BUYERS (ACCRE/ACRE), FRANCE

What?

The Aid for the Unemployed Creating or Taking over a Business (Aide aux chômeurs créateurs et repreneurs d'entreprise, ACCRE) is a regulatory measure that aimed to facilitate both the creation of new businesses and the takeover of existing businesses by unemployed people. This measure allowed for a partial or total temporary exemption from social security contributions, social protection guarantees and minimum social benefits. The measure was expanded to the full population in 2019 under the name Aid to Business Creators and Buyers (Aide aux créateurs et repreneurs d'entreprise, ACRE).

Why?

The first ACCRE programme was introduced in 1977 to encourage the unemployed to “create jobs for themselves” by starting their own business. One of the key barriers faced by unemployed people is the lack of resources to cover initial living, working and investment costs associated with creating or taking-over a business. The intention behind ACRE is to help remove this financial and administrative barrier by exempting early-stage unemployed entrepreneurs from social security contributions.

Key Activities

To be eligible to ACRE, participants need to create or take-over a business individually or as a principal owner and have not benefited from ACRE in the previous 3 years. If the entrepreneur uses the legal form of micro-entrepreneurship, they can only benefit from ACRE if they are a compensated jobseeker (i.e. receive unemployment benefits) or have been registered as a non-compensated jobseeker for more than 6 months in the last 18 months.

The ACCRE measure had similar conditions but did not distinguish on legal form and was open specifically to the unemployed, certain beneficiaries of welfare support, those creating businesses in disadvantaged urban

areas, and youth under 26 years old.

ACRE beneficiaries benefit from an exemption on certain social security contribution usually paid by entrepreneurs. If total professional income of the beneficiary is less than 75% of the annual limit for social security contributions (i.e. EUR 30 852 in 2022), the person benefits from a total exemption. If their personal income is between 75% and 100% of the annual limit (i.e. between EUR 30 852 and EUR 41 136 in 2022), they receive a proportional partial exemption. ACRE exemptions apply for a period of 12 months. However, micro-entrepreneurs can benefit for up to 24 months under certain conditions.

The ACRE benefit can be combined with other available supports, in particular:

- the New Support for the Creation or Take-over of a Business (Nouvel accompagnement pour la création et la reprise d'entreprise, NACRE), which offers personalised support to business creation for the unemployed (pre-creation, during the fundraising phase and in the first years of operation);
- the Aid for the Take-over or the Creation of a Business (Aide à la reprise ou à la création d'entreprise, ARCE) which allows the unemployed to receive 45% of their remaining unemployment benefits as a lump sum to be used as capital for their business;

In addition, beneficiaries of welfare support for the economically vulnerable, such as the Specific Solidarity Allocation (Allocation de solidarité spécifique, ASS) can continue receiving this support while benefitting from ARCE during a transition period of up to 12 months.

Impact

There were 373 200 ACRE beneficiaries in March 2021, down 33%, from 554 000 beneficiaries in March 2020. The number of beneficiaries to the ACRE peaked in December 2019 at 639 400 beneficiaries as a result of the expansion of access.

An individual evaluation of ACRE/ACCRES is not available. However, a 2019 joint evaluation of the ACCRE, ARCE and NACRE measures found that 39% of people who created a business in 2014 benefitted from at least one of the programmes. The study found that unemployed entrepreneurs receiving ACCRE, ARCE or NACRE had improved relations to financial services providers and d access to finance (10% more likely to secure funding for their business) compared to the unemployed creating businesses without it. This led to higher starting capital for supported unemployed entrepreneurs compared to those who received no support. The study also found that unemployed entrepreneurs who received benefits were more likely to report encountering obstacles in business development than those who did not seek support, likely because their awareness of their skills gaps led them to seek out support.

In addition, a 2018 evaluation of businesses created by the unemployed in France found that in 2017, 74% of businesses created by the unemployed were still active after 3 years. On average, each unemployed business creator had created 1.8 job after 3 years. This was driven by a small subgroup of previously unemployed entrepreneurs: 18% of entrepreneurs employed others after three years, with an average of 4.3 employees per business. The study notes that 77.9% of these entrepreneurs benefitted from ACCRE when starting their business in 2015.

Source

- Agence centrale des organismes de sécurité sociale (2022), *Emplois aidés - aide aux créateurs ou repreneurs d'entreprises (ACCRES puis ACRE à compter de janvier 2019)*, INSEE.
- DARES (2019), « Les créateurs d'entreprise : quels profils, quel accompagnement et quelles difficultés à la création ? », *DARES Analyses*, June. , https://dares.travail-emploi.gouv.fr/IMG/pdf/dares_analyses_createurs_entreprise_accompagnement_difficultes.pdf

[1]

- *Pôle emploi (2016), Quand les demandeurs d'emploi créent leur propre emploi.*

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