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FEDERATION
FOR FAMILY
EMPLOYMENT
& HOME CARE

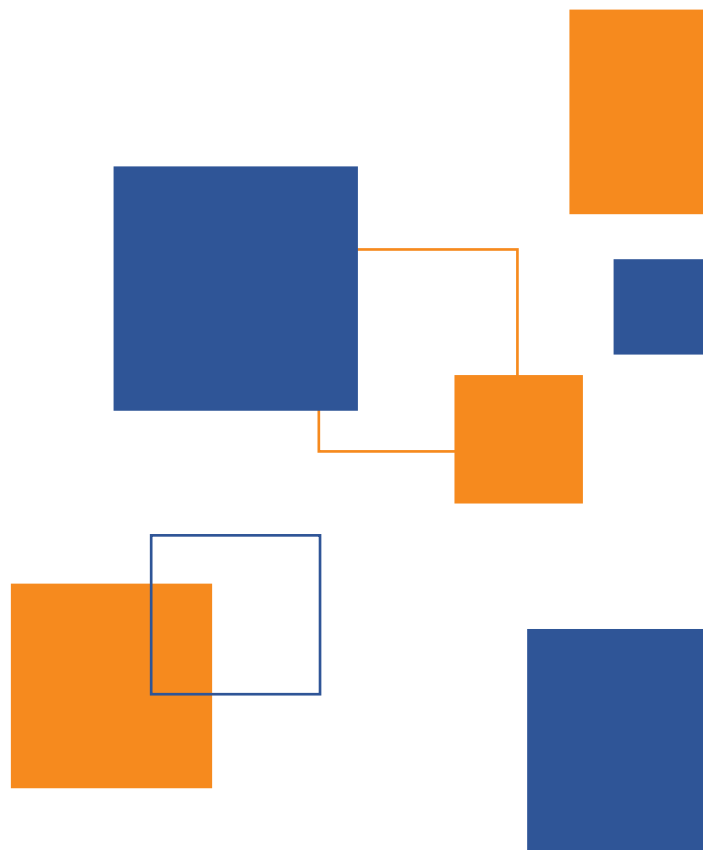


European Federation
for Services to Individuals

EUROPEAN PILLAR OF SOCIAL RIGHTS

Personal and Household Services (PHS): a key sector of the future Action Plan

Joint statement
October 2020



The European Pillar of Social Rights (EPSR) gathers 20 common principles for a European social convergence around 3 themes:

- Equal opportunities and access to the labour market
- Fair working conditions
- Social protection and inclusion

One of the main objectives of the European Pillar of Social Rights is to guarantee decent working and employment conditions to all workers. Personal and Household Services (PHS) are one of the sectors most concerned by this issue. EFFE (European Federation for Family Employment and Home Care) and EFSI (European Federation of Services to Individuals) represent the diversity of the PHS sector at European level, both in terms of employment models (such as direct employment between private individuals¹, or employment by provider organisations, by agencies, or by an authorised representative), and in terms of services provided. According to their field of expertise, they unite to make concrete proposals on the future Action Plan.

1. Personal and Household services (PHS)

The Personal and Household Services sector refers to a broad range of activities and services mainly carried out in private households that contribute to the well-being of families and individuals. It covers personal assistance (early childhood and education care, childcare, long-term care in situations of dependence, disability, invalidity, etc.), broadly identified as “**care-related services**”, and activities of daily living (cleaning, ironing, gardening, small DIY, maintenance, remedial classes, etc.) united under the term of “**household support services**”.

At European level, care related services – around 60% of PHS activities - include support for so-called vulnerable or dependent groups: childcare and care for the elderly and the disabled. The others 40% correspond to maintenance services such as housework, ironing, repairs, and gardening². At the international level, Convention 189 of the International Labour Organization (ILO) defines domestic work as “*work performed in or for a household or households*”, with this definition focusing on the workplace, namely the home.

2. Key figures

In 2016, the PHS sector gathered **8 million formal jobs** within the EU, representing **4% of total employment** in comparison with the hospitality industry (4,7%) and the construction sector (6,72%)³. However, this figure does not reflect the situation in all Member States, where the PHS share of total employment vary from 1% to 6%, due to the discrepancies in investment levels by public authorities.

Besides, **91% of PHS workers are women**. In other words, 1 in 13 women works in the PHS, reaching 7,5% of female employment in the EU⁴. Moreover, a growing share of PHS workers are regular or irregular migrants. PHS workers may be employed directly by a private household (direct employment) or through a provider, an agency, or an authorised representative (whether a public, private, for-profit, or non-profit employer). They may work under a single contract or have several employment

¹ EFFE, Home & Family Employment and Home Care in the EU, European White paper, March 2019, 52 p. <https://www.effe-homecare.eu/wp-content/uploads/2020/02/White-Paper-EFFE.pdf>

² European Commission. (2018). *Personal and Household Services*. Retrieved September 29, 2020 from <https://ec.europa.eu/social/main.jsp?catId=1427&langId=en>.

³ *Ibid.*

⁴ Decker A. & Lebrun JF. (April 2018). *PHS Industry Monitor, Statistical overview of the personal and household services sector in the European Union*. Retrieved September 29, 2020 from http://www.efsi-europe.eu/fileadmin/MEDIA/publications/2018/PHS_Industry_monitor_April_2018.pdf.

relationships. In some cases, they even operate as self-employed. Nevertheless, it is important to stress that the sector is particularly affected by undeclared work. Estimates underline that between 50 and 70 per cent of domestic work in Europe is carried out by undeclared workers⁵. The latest Eurobarometer⁶ on the topic reveals that the propensity to hire domestic workers on the undeclared market is maintained or even increased for certain activities such as gardening, babysitting, or tutoring.

3. Stakes

The PHS sector is central to current social, demographic, and societal changes, namely ageing, women's labour market participation, migrants' integration, changes in family structures, and new employment forms linked to the digital transition, etc. **This sector has developed rapidly to meet the growing demand** for care services and the needs for a better work-life balance. Despite its major contribution to our society, **the PHS sector is neither sufficiently recognised nor supported by public authorities**. This under-representation has had serious negative consequences for workers and users of PHS. Legal constraints limiting access to PHS that are financed and organized by public authorities (where they exist) and their high costs in the absence of public support has fostered the use of undeclared work, and increased the number of family carers, most often women, who are then forced to reduce their participation in the labour market.

The Covid-19 related crisis has highlighted and sometimes strengthened these trends. According to a report published by the ILO mid-April, 55% of domestic workers (of which 44% are undeclared) were significantly impacted by the crisis worldwide⁷. In Northern, Southern and Western Europe, this percentage reached 50%, of which only 19% are undeclared, underlining the impact of the crisis on the PHS sector, even for declared workers. Furthermore, containment measures, and the fact that household had to take over several care responsibilities have had a dramatic impact on the usual paid and unpaid work distribution between family members. This has led in most cases to the reassignment of household and care responsibilities predominantly to women. There is therefore a significant risk that this crisis will have a lasting impact on women's paid employment.

Therefore, EFFE and EFSI call on the European Commission to consider the important contribution of the PHS sector, which meets the societal challenges of the coming decades, and to adopt measures in the following three areas:

- Tackling undeclared work and improve working conditions in the PHS sector.
- Encourage professionalisation.
- Promoting a work-life balance and fostering women's access to the labour market.

⁵ DGCIS (2011), Etude sur les services à la personne dans sept pays européens, Ministère de l'Economie, des Finances et de l'Industrie, available at: <https://www.entreprises.gouv.fr/etudes-et-statistiques/etudes/services-a-la-personne-dans-sept-pays-europeens-novembre-2011>.

⁶ European Commission. (February 2020). Special Eurobarometer 498 – *Undeclared Work in the European Union*. Retrieved September 29, 2020 from <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/SPECIAL/surveyKy/2250>.

⁷ International Labour Organisation. (June 15, 2020). “*Impact of the COVID-19 crisis on loss of jobs and hours among domestic workers*”. Retrieved September 29, 2020 from https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/--travail/documents/publication/wcms_747961.pdf.

4. For an inclusive Action Plan which enables PHS to fully contribute to delivering on the ESPR commitments

a. Tackling undeclared work and enhancing working conditions in the PHS sector

Undeclared or under-declared work represents a significant loss of potential tax revenue and social contributions for Member States. In the PHS sector, it is estimated that in countries where few or no supportive public policies are implemented, almost 70% of workers are not declared. Thus, after the construction and catering sectors, the PHS is the third most affected employment area by undeclared work.

The development of policy measures, regulatory and legislative frameworks that encourage the use of formal work must be a priority for EU Member States to tackle undeclared work in PHS and to promote the emergence of social rights for domestic workers across the EU. To this end and in line with principles 5 "Safe and adaptable jobs"⁸ and 6 "Wages"⁹ of the European Pillar of Social Rights, EFFE and EFSI call on the European Commission to implement the following initiatives:

- **Identify the personal and household services (PHS) sector** as one of the sectors severely affected by undeclared work, which requires a specific sectoral approach in the framework of the **next Work Programme of the European Platform against Undeclared Work** under the authority of the new European Labour Authority (ELA). Its intrinsic characteristics (such as the regularity of the services provided or the importance of the home as a place of work) distinguish the PHS from other sectors and justify a targeted sectoral approach.
- **Improve European statistical nomenclatures** to enable the collection of accurate and comparable macroeconomic data on the sector. The sector suffers from a statistical weakness which often leads to confusion and compromises its visibility. Better statistical monitoring of the sector is needed in terms of both the profile of workers and their employment conditions, and the profile of users and their needs. It is a prerequisite for any targeted and appropriate public intervention and makes it possible to subsequently assess the social and financial impact of the public policies implemented by the Member States.

Moreover, in too many of them, domestic and care workers, including those working within a legal framework, are still subject to less protective regulatory frameworks and social protection than employees in other sectors of activity¹⁰.

It is therefore essential that, in addition to the implementation of social and fiscal mechanisms to fight undeclared work, effective social protection is guaranteed for declared PHS workers, such as every other European worker.

It is based on the principle that any declared activity must give access to the same social rights and the same social protection, regardless of the sector of activity in which the employees exercise their professional activity. It refers to fairness and dignity, which are the cornerstones of the European Pillar of Social Rights. It should foster the creation of more inclusive societies and labour markets and achieve

⁸ European Commission. *The European Pillar of Social Rights in 20 principles*. Retrieved September 29, 2020 from https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en.

⁹ *Ibid.*

¹⁰ PHS-Quality Project. (2018). *Job Quality and Industrial Relations in the Personal and Household Services Sector*, VS/2018/0041. Retrieved September 29, 2020 from <https://aias-hsi.uva.nl/en/projects-a-z/phs-quality/phs-quality-project.html?cb>.

better and more sustainable results for all, in accordance with the principles enshrined in the European Pillar of Social Rights and more particularly in Principles 8 " Social dialogue and involvement of workers "and 12" social protection ". Therefore, EFFE and the EFSI call for:

- **The granting of European funding allowing actions at national level with a view to structuring actors in the PHS sector**, which is still too often non-existent, especially when it comes to social dialogue. Better representation of workers and employers in the sector would promote negotiations on working conditions, access to social security and social protection, and thus help define social and employment policies focused on PHS.
- **The funding of initiatives in the PHS sector must be assured through the inclusion of the sector in the objectives of many existing programs such as Erasmus or EASI. Severely impacted by the health crisis, the sector must be considered in the European Economic Recovery Plan.**

b. Foster professionalisation

Skilled labour shortages and underqualification currently limit the potential of PHS to create declared jobs, enhance growth, and meet the needs of our societies. Furthermore, the stigma faced by PHS workers, classified as having low-skilled profiles, does not reflect their need to develop technical and interpersonal skills. **Professionalisation is fundamental to guarantee both the quality and the delivery of formal jobs, as well as to promote social dialogue and the attractiveness of PHS.** It also makes it possible to strengthen the attractiveness of these professions for young people or for men and thus avoid the shortage of manpower in view of the demographic curve of the Member States. Thus, in conjunction with the principles 1 "*Education, training and life-long learning*" and 4 "*Active support to employment*" of the European Pillar of Social Rights, EFFE and the EFSI invite the European Commission to:

- Integrate the PHS sector into the actions resulting from the **European Skills Agenda** published on July 1st, 2020, in particular action 1 "*A Pact for Skills*" which targets, among other things, health as the sector most affected by the Covid-19 related crisis. The social role of the PHS sector which has been highlighted by the crisis, must be included in this Pact, and deserves to benefit from new sources of funding as well as from the development of partnerships for skills.
- Create a ***Blueprint for Sectoral Cooperation on Skills*** on the PHS sector. Such an initiative would allow the various players in the sector (companies, employers and workers federations, research or training institutes, public authorities, etc.) to exchange views within sectoral alliances for skills. Ultimately, this would allow the development of a strategy and an action plan that effectively respond to the sector's skills challenges.

c. Work life balance and women access to the labour market

The development of PHS favours women's access to the labour market either because they become employees in the sector or because by using PHS, they can pursue the career of their choice, while entrusting domestic and care tasks to a skilled worker. The unequal distribution of family and housework responsibilities within the household between men and women is one of the most characteristic features of gender inequality. When it comes to providing long-term care to relatives, for example, allowing universal access to PHS can make the difference between women who keep a job and those who leave work temporarily or permanently or who have to reduce their working time. The deeply held stereotype

that women should take primary responsibility for unpaid domestic work impacts the value placed on women's contribution to the labour market. **Therefore, it is essential to create tools to allow access to affordable and quality services to individuals and households, while ensuring decent working conditions in the sector.**

Today, due to a lack of public investment, it is mainly the middle and upper classes who have access to formal PHS in most EU countries. The establishment by some Member States (Belgium, France, Luxembourg, Sweden, for example) of public policies to support PHS has demonstrated many positive effects. First, this allows low-income households to have access to declared PHS and not to reinforce and perpetuate precariousness by remaining illegal. Only the implementation of fiscal measures allows households with lower incomes to use affordable and quality services. Thus, in accordance with principles 9 “*Work-life balance*”, 11 “*Childcare and support to children*”, 17 “*Inclusion of people with disabilities*” and 18 “*Long-term care*”, EFFE and EFSI invite the European Commission to:

- **Promote the exchange of good practices and provide technical assistance to Member States** in the design and implementation of public policies to support the PHS sector.
- **Revise the Barcelona** objectives relating to the development of childcare services for young children and work towards **upgrading highly feminized sectors** as announced in the strategy on gender equality adopted in March 2020.
- **Pay particular attention to the PHS sector in the drafting of the future Green Paper on aging**, regarding to its financing and access to long-term care as well as working conditions. The sector is a means of meeting the growing needs of supporting vulnerable groups in their homes.

5. Conclusions

EFFE and the EFSI therefore call on European decision-makers to adopt and implement a clear framework that promotes the development of PHS in Europe. These key measures are essential to meet the challenges the EU will have to face in the decades to come.

- **The PHS sector must be apprehended as a whole and in its diversity. This requires, in particular, the recognition of the complementarity and coexistence of the different modes of intervention at home: each citizen must be free to decide to become a private employer or to call on a service provider, an agency or an authorised representative to help meet his needs.**
- **Member States should be encouraged to facilitate social dialogue in order to guarantee quality and qualified jobs on the one hand, and to extend social rights to PHS workers on the other, guaranteeing decent working conditions.**
- **Access to PHS for the greatest number of European citizens must be facilitated. Therefore, it is essential that the EU encourages Member States to invest in the sector. Quality, affordable and accessible PHS are essential prerequisites for ensuring a quality life for all European citizens.**

To date, the sector remains insufficiently supported and recognized by the public authorities. However, the Covid-19 related crisis has revealed its social role and contribution to solidarity actions.

Through this joint statement, EFFE and EFSI, join voices and call for an unprecedented European political mobilisation for a sector characterized by a huge potential of declared job creation. This mobilisation requires a better legal framework for the PHS sector that considers its specificities and the needs of stakeholders: employers (whether individuals or organisations), users and workers.

According to the principle of subsidiarity, the EU must stimulate a real dynamic, at national and European level, so that the PHS sector can respond to the growing demand for qualified and quality PHS jobs.

These measures will allow the PHS sector to contribute actively to the recovery of the economy and the competitiveness impulse by the Commission. In the current health context and considering its heavy economic and social consequences, it is inconceivable not to rely on all the forces involved, including those from civil society and the economic world.

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