

## Structuring the PHS sector at EU level to support Europe's ageing population

### *Position Paper of the European Federation for Family Employment & Home Care*

On January 27, 2021, the European Commission presented a **Green Paper on ageing**, highlighting the impact and issues of current demographic trends on our economic, health, and social care systems.

Whilst ageing is too often considered through an economic prism, **the Covid-19 pandemic has underlined the need to develop a more human-centred approach to the long-term care of Europe's ageing population.** In fact, risks and uncertainties about the virus have threatened the equal enjoyment of human rights by older persons and sometimes led to their discrimination. Emergency measures such as lockdowns **have increased social isolation or loneliness and curtailed their access to social and health care services.** In particular, the crisis has highlighted the necessity to address major issues related to long-term care, namely the low quality of services, the limited access, and unaffordability of services, which are compounded by low public investments.

At the same time, the 9,5 million **personal and household services (PHS<sup>1</sup>) workers<sup>2</sup>**(EU 28) have shown their crucial role during the crisis by providing much-needed relief from isolation and performing high-quality, essential care services<sup>3</sup>.

We believe that **the recognition and support of the PHS sector** is essential to the provision of the accessible, affordable and high-quality care services needed for older people to live autonomously and independently in the long-term – a position we had already highlighted in [our response](#) to the Commission's call for feedback on its roadmap on the Green Paper on Ageing.

### **Structuring the PHS sector to help answer the EU's demographic challenges**

According to the latest studies, the share of people aged 65 years or older should represent 30,3% of the EU-27 population by 2070, compared to 20,3% in 2019. A similar growth is expected for the share of people aged 80 years or above in the whole population from 5,8% in 2019 to 14,6% in 2100<sup>4</sup>. **These figures emphasize the necessity to shape a long-term vision for the well-performing health and social care systems that are the cornerstone of our social Europe.** They also reveal the need to foster the professionalisation of qualified workers to meet the rising demand of services and guarantee equal rights to all. In fact, **most Europeans are eager to stay at home as long as possible** benefiting from home care support. In Europe, these services are provided by qualified paid workers – such as PHS

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<sup>1</sup> "PHS" defines a work performed by an individual for any household, including support of the household outside of the premises of the household, taking care of household members or performing tasks that other households are usually able to do themselves, excluding services that can only be performed by specifically qualified care or non-care professionals.

<sup>2</sup> J.F. Lebrun. (December 2020). *La complexité des estimations du nombre d'emplois générés par le travail domestique en Europe*. Retrieved April 26th, 2021.

<sup>3</sup> European Commission. (2012). *Personal and Household Services*. Retrieved December 9th, 2020, from <https://ec.europa.eu/social/main.jsp?catId=1427&langId=en>.

<sup>4</sup> Eurostat. (August 2020). *Population structure and ageing*. Retrieved December 9th, 2020, from [https://ec.europa.eu/eurostat/statistics-explained/index.php/Population\\_structure\\_and\\_ageing#Past\\_and\\_future\\_population\\_ageing\\_trends\\_in\\_the\\_EU-27](https://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing#Past_and_future_population_ageing_trends_in_the_EU-27).

workers (hired directly by families or through service providers) – or by family members or relatives (unpaid carers).

These demographic trends have also **questioned the sustainability of our social protection systems**. While there are important discrepancies in terms of social protection spending between Nordic and Western Member States (higher spenders), Southern Member States (Medium spenders), and Eastern Member States (lower spenders), **most struggle with cost efficiency due to the fragmentation of health and social care services**. Ageing highlights the limits of our health and social systems, with the decline in labour market-related social contributions forcing Member States to diversify their financing mix to meet people needs<sup>5</sup>.

The 25th article of the Charter of fundamental rights of the EU states that the EU recognises and respects the rights of the elderly to lead a life of dignity and independence and to participate in social and cultural life<sup>6</sup>. However, recent Eurostat studies show that our elders, especially women<sup>7</sup>, suffer from isolation and rising anxiety as they gradually lose their independence, which leads 13,1% of the population aged 75 and older to suffer from depression<sup>8</sup>.

Furthermore, 39,2% of people aged 75 years or older had severe difficulties doing occasional heavy housework, but also to manage their medication (10.4%), preparing meals (13.8%), bathing and showering (14.3%), taking care of finances and everyday administrative tasks (17.1%) or doing light housework (18.6%), with this share rising to more than one fifth for shopping (23.2%)<sup>7</sup>.

**With close to 10 million workers fulfilling essential social (47%) and care (53%) activities<sup>9</sup>**, the PHS sector plays a critical role in supporting Europe's ageing population across the Union. Indeed, it allows older people to remain physically and mentally independent for a longer time instead of moving to residential care centres, **by providing them with the necessary support to overcome the difficulties of everyday life**.

However, **the lack of formal recognition and structure of the sector**, both at the EU and national level, **significantly hinders its ability to support the attainment of the ambitious political objectives set out in the Green Paper of Ageing**.

A well-structured PHS sector can play a key role in responding to the rising needs of the growing ageing population – and ensure the long-term sustainability of our welfare states, as home and care workers are able to provide quality and skilled support at lower cost for Member States' social security systems.

***EFFE calls on the European Commission, the European Parliament and Member States to:***

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<sup>5</sup> European Observatory on Health Systems and Policies. (2019). Sustainable Health financing with an ageing population. Retrieved April 26<sup>th</sup>, 2021.

<sup>6</sup> EUR-Lex. (October 26<sup>th</sup>, 2012). Charter of fundamental rights of the European Union. Retrieved April 26<sup>th</sup>, 2021, from <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12012P%2FTXT>.

<sup>7</sup> Women are particularly concerned by isolation, since they have a longer life expectancy than men – see Eurostat. (2020). A look at the lives of the elderly in the EU today. Retrieved December 9<sup>th</sup>, 2020, from <https://ec.europa.eu/eurostat/documents/3217494/11478057/KS-02-20-655-EN-N.pdf/9b09606c-d4e8-4c33-63d2-3b20d5c19c91>.

<sup>8</sup> Ageing Europe. (2020). Ageing Europe – Looking at the lives of older people in the EU. Retrieved April 26, 2021, from <https://ec.europa.eu/eurostat/documents/3217494/11478057/KS-02-20-655-EN-N.pdf/9b09606c-d4e8-4c33-63d2-3b20d5c19c91>.

<sup>9</sup> J.F. Lebrun. (December 2020). *La complexité des estimations du nombre d'emplois générés par le travail domestique en Europe*. Retrieved April 26<sup>th</sup>, 2021.



- **Engage with PHS stakeholders to secure the recognition and development of the PHS sector**, including the direct employment model<sup>10</sup>, to implement the 18th principle of the European Pillar of Social Rights (EPSR), stating that everyone has the right to affordable and accessible long-term care services of good quality, in particular homecare and community-based services<sup>11</sup>.
- **Strengthen the sharing of public policy best practices applicable to the PHS sector** to highlight existing collective agreements and innovative tools.
- **Commit with the PHS sector and all other relevant stakeholders to develop an ambitious multidisciplinary Care Plan** to ensure that European citizens have access to high-quality and affordable care models. It is necessary to guarantee the freedom of choice to all European citizens growing older in terms of PHS services, whether they want to hire someone directly or using services providers especially for long-term care.

### **Promoting the accessibility and affordability of PHS services while combatting undeclared work**

Whilst the demand for health and social care services is expected to rise in the coming decades, **Member States cannot overlook undeclared work anymore**. Among the 9,5 domestic workers identified in the EU, at least 3,1 million are undeclared. It has devastating consequences for their rights and protection, and negatively affects the quality of care our elders benefit from. In the PHS sector, it represents 70% of all work relationships – but this figure decreases to only 30% when social and fiscal incentives are implemented<sup>12</sup>. These incentives aim at lowering the final cost for formal PHS users to be similar to its informal cost **ensuring access to affordable services, while decreasing the share of undeclared work**.

Some Member States have already **established best practices** in this regard. **In France**, the declarative CESU supports direct employment and is combined with a tax credit of 50%<sup>13</sup>. Prepaid CESU can also be distributed by employers as an additional non-monetary benefit or by local authorities as a social one. **In Italy**, which is also characterized by the direct employment model, the government provides users with a monthly cash-for-care allowance so that they can pay market prices for PHS services<sup>14</sup>.

PHS have the potential to offer significant support to Europe's elderly population. But this can only be achieved if Member States find **the right policy mix, based on the following criteria: accessibility, quality, and affordability**. Therefore, we believe that PHS must be included in a broader perspective of health and social care policies to amplify their social and economic impacts on national social protection systems, and **call on the European Commission, European Parliament and Member States to:**

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<sup>10</sup> This model is characterized by a contractual work relationship between two private individuals, without intermediary nor any profit/commercial purpose. Based on mutual trust and cooperation between employers and workers, this declared model aims to guarantee workers social rights, in accordance with the cultural approaches of each Member State

<sup>11</sup> European Commission. (2017). The European Pillar of Social Rights in 20 principles. Retrieved April 26th, 2021, 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](https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en).

<sup>12</sup> DGClS. (2011). *Etude sur les services à la personne dans sept pays européens*, Ministère de l'Economie, des Finances et de l'Industrie. Retrieved April 26, 2021, from <https://www.entreprises.gouv.fr/etudes-et-statistiques/etudes/services-a-la-personne-dans-sept-pays-europeens-novembre-2011>.

<sup>13</sup> Cesu – Un service des Urssaf. (2021). Le Cesu qu'est-ce que c'est ? Qui est concerné ? Retrieved April 26, 2021, from <https://www.cesu.urssaf.fr/info/accueil/s-informer-sur-le-cesu/tout-savoir/c-est-quoi-pour-qui.html>.

<sup>14</sup> Eurocarers. (2021). Towards carer-friendly societies – Eurocarers country profiles – Italy. Retrieved April 26, 2021, from <https://eurocarers.org/country-profiles/italy/>.



- **Support prevention campaigns tackling undeclared work in the PHS sector** in accordance with the 2021 – 2022 work programme of the European Platform tackling undeclared work.
- **Ensure that EU financial instruments include all PHS** related activities among their targets especially the Structural Funds (especially in the European Social Fund +) but also the Recovery and Resilience Facility or EU funded program (Erasmus, EASI...).
- **Encourage Member States to support the creation of social and fiscal incentives** dedicated to PHS such as social vouchers, such as “titres services” in Belgium or the French “Cesu+” to foster formal work<sup>15</sup>. The aim would be to reduce the cost for private employers and make sure these services are affordable for all people and not only wealthy ones.
- **Define and implement mandatory access targets**, such as the 2002 Barcelona targets to support the availability, accessibility and affordability of childcare services, to “*measure progress in access to long-term care and support. Data on access should be disaggregated by care setting – institutions, community and at home. Particular ambition should be given to the development of access to community and home-based services, in line with the UNCRPD and principle 18 of the EPSR.*”
- **Encourage information campaigns to promote prevention**, such as the Portuguese Health Literacy Action Plan launched in 2016.<sup>16</sup>

## Ensuring high-quality of care and social services through equal rights to lifelong learning

PHS workers should benefit from an equal access to training opportunities, according to principles 1 and 4 of the European Pillar of Social Rights<sup>7</sup>. Nevertheless, they are not included in formal Vocational Education and Training (VET) schemes and have only a few opportunities of professionalisation.

Fostering the Validation of Non-Formal and Informal Learning (VNFIL) would have a positive impact on the quality of health and social care services provided at home or by the community. On the one hand it would improve the know-how of workers, to guarantee health and safety at work. On the other hand, it would ensure minimum wages that are in line with specific qualifications.

Finally, considering the growing interest for PHS services, institutional care workers should have the opportunity to endorse homecare services. This transition could become possible through the European Care Certificate. ***We call on the European Commission, European Parliament and Member States to:***

- **Support the access to adequate lifelong learning and the development of new training schemes** dedicated to PHS workers to increase the quality of the services provided.
- **Create a Blueprint for Sectoral Cooperation on Skills in 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

<sup>15</sup> DG Employment, Social Affairs and Social Inclusion. (2013). Developing personal and household services in the EU.

<sup>16</sup> World Health Organization. (2019). Portuguese Health Literacy Action Plan helps people help themselves. Retrieved April 28th, 2021 from <https://www.euro.who.int/en/countries/portugal/news/news/2019/01/portuguese-health-literacy-action-plan-helps-people-to-help-themselves>.



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.

- **Foster VNFIL** within existing competence frameworks and support the use of existing tools such as Europass or the EU Skills profile by low-qualified workers.
- **Beyond the access to trainings, EU decision makers must improve social dialogue in the sector by encouraging the structuration of workers and private employers organisations at national level.** This would help the development of an adequate professionalisation of these workers as well as the fight against undeclared work. In some Member States, a structured social dialogue has enabled national recognition of PHS workers as “essential workers” during the crisis, allowing their priority access to personal protective equipment (PPE) or equal unemployment rights as any other worker.

## About EFFE

The European Federation for Family Employment and Home Care (EFFE) is one of the main actors of the personal and household services (PHS) sector at EU level, representing members as national organisations of households as employers and of domestic workers and childminders.

Created in 2012, EFFE specifically strives for the recognition and the development of the direct employment model (also called home or family employment) at European level, which provides and efficient response to the reconciliation of work and family life by giving European households the possibility to entrust declared and paid domestic workers with care and non-care tasks. It aims to guarantee workers social rights by declaring them.