EUROPEAN FEDERATION FOR FAMILY EMPLOYMENT & HOME CARE

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Position Paper of the European Federation for Family Employment & Home Care: human-centred long-term care

Introduction

It is no secret that the EU is set to grow older over the coming decades, and that already-strained social care services need reform to ensure accessibility, affordability, and quality of care. The EU institutions have taken note of this situation, with numerous initiatives recently published or currently under development: the Green Paper on Ageing, the Long-Term Care Report, Principle 18 of the European of Social Rights (EPSR) and the upcoming Care Strategy to name just a few. The debate has also spilled over into the European Parliament with the release of the EPP's position paper on a European Care Strategy in July 2021, while many civil society organisations have been actively campaigning for EU action on care for several years.

The terms of the debate are clear: demand for care services will only increase as the EU population grows older in the coming decades. Accordingly, policymakers will need to take a careful, considered approach to care policy – one based on respect for people and their decisions, which puts **accessibility, affordability, and quality at its heart**, and works for the different care models of the 27 Member States. Such a policy is vital to ensure that EU citizens have **a genuine choice between residential and home care.**

During the COVID-19 pandemic, the nearly 9.5 million personal and household services (PHS)[1] workers in the EU continued to carry out their essential care work – providing relief from isolation and helping the people they care to maintain their autonomy and decision-making power[2]. Despite their key role in society, and the fact that they represent close to 5% of total employment in the EU[3], **the PHS sector still suffers from a lack of recognition at national and EU level**. This is an obstacle to the EU's ambitious political objectives set out in the Green Paper on Ageing and the European Pillar of Social Rights. Moreover, an absence of clear legal status leads to a high proportion of undeclared PHS work, which has negative consequences for workers, people in need of care, and national care systems.

Therefore, we call on the European Commission, Council of the EU and European Parliament to:

1. Commit to **officially recognising and supporting the PHS sector** to ensure everyone has the right to affordable and accessible long-term care services of good quality – in particular homecare and community-based services – in line with the 18th principle of the EPSR.
2. Make the PHS sector an integral part of the European Commission's upcoming Care Package.
3. Recognise the diversity of care models in the EU and **the added value of the direct employment model**.

[1] The term personal and household service (PHS) work is understood as "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".
[2] J.F. Lebrun (2020). La complexité des estimations du nombre d'emplois générés par le travail domestique en Europe, p.2. Rapport réalisé à la demande du Bureau International du Travail.
[3] *Ibid.*

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Towards human-centred care models

Autonomy for people in need of care

As the EU population grows older, it is essential that human rights are enjoyed fully and equally by all individuals regardless of age. The Green Paper on Ageing highlights the fundamental rights of older people to autonomy, independence, full and effective participation in society, access to healthcare, care and support, education and lifelong learning, and to work. To make this a reality, EU legislation should be grounded in human rights standards and principles, including the EU Charter of Fundamental Rights[4] and the UN Convention on the Rights of Persons with Disabilities (UNCRPD).

Unfortunately, **most of the policy thinking on ageing still portrays older people as vulnerable individuals in need of protection.** This mindset reproduces negative stereotypes and hinders efforts to foster autonomy, independence, participation of older people in social and economic activities, and the equal enjoyment of human rights in old age. Recent Eurostat studies show that older people, especially women, suffer from isolation and anxiety as they become less independent, which leads to depression in 13.1% of the population aged 75[5]. **Without the ability to decide between home and residential care, older people are deprived of their independence and autonomy**, and cannot fully exercise their fundamental rights – which, in turn, can be harmful for their mental and physical health.

Quality care requires a human-centred approach, in which those in need of care can receive support in their chosen environment. They are best-placed to make decisions about their own needs, and the COVID-19 pandemic has revealed the importance of the home in EU citizens' lives. **Giving people the opportunity to stay in their homes, if they so wish, is a prerequisite for respecting their agency and human rights.** A prescriptive policy runs the risk of treating those in need of care solely as a burden to be taken care of.

Supporting the development of home care is also an economic necessity. **A well-structured PHS sector can play a key role in meeting the challenges posed by an ageing population and ensure the long-term sustainability of our welfare states** where long-term care can be offered in the home, as PHS workers can provide quality, skilled support at a lower cost to the social security system than residential care (see below). This creates quality local jobs that cannot be outsourced, making the home a source of social value and contribution to the social economy across the EU. It also **enables people in need of care to remain active participants in society and the economy** – thus contributing to the ambitions of the "silver economy" as proposed by the 2019 Finnish Presidency of the Council of the EU[6].

We therefore call on the European Commission, Council of the EU and European Parliament to:

1. Recognise the ability of individuals in need of care and their families to choose the care path that is best for them – residential or home care, direct employment or through service providers – and empower them to make that decision;
2. Adopt a rights-based approach to guide policy thinking on care and **place autonomy at the centre of policymaking in care**, as outlined in the recent Council conclusions adopted by the

[4] 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.
[5] Ageing Europe (2020). *Ageing Europe – Looking at the lives of older people in the EU*. Luxembourg: Publications Office of the European Union, p.81. Retrieved from https://ec.europa.eu/eurostat/documents/3217494/11478057/KS-02-20-655-EN-N.pdf/9b09606c-d4e8-4c33-63d2-3b20d5c19c91.
[6] Silver Economy Forum Finland, 9-10 July 2019. Retrieved from https://silvereconomyforum.eu/wp-content/uploads/2019/07/Silver-Economy-Brochure.pdf.

German[7] and Portuguese[8] presidencies on 9 October 2020 and 12 March 2021 respectively, and in the 2018 report of the EU Fundamental Rights Agency.[9]

Supporting informal carers

Informal care, also known as unpaid care, is an important part of long-term care provision in the EU, where 80% of care is provided by relatives and friends. Informal care is often seen as a way to avoid placement in residential care. According to available estimates for different European countries, 10% to 25% of EU citizens are informal carers, with proportions varying considerably between countries, and most of them are women – which has a detrimental impact on their participation in the labour market, with 18% of women in the EU unable to work because of the informal care they provide[10]. The European Commission estimates that the public costs of informal care correspond to 1.05% of EU-GDP (EUR 146 billion) and are mainly caused by lost tax and social security revenues[11].

The current supply of health and care workers is not sufficient to meet demand, meaning informal carers are forced to take on a significant share of the burden of care in the EU. This trend will only be exacerbated by demographic changes, and pressure on governments to contain expenditure. Even today, informal care is insufficient to cover the EU's care needs. Informal carers do not benefit from the same quality of life as the general population, and the role is often associated with poverty, isolation, frustration, ill health, and depression, as well as significant difficulties in reconciling formal work and informal care[12]. Moreover, excessive reliance on informal care has detrimental effects on the quality of a country's care services, as informal carers often lack the requisite training to provide quality care. Given that a majority of informal carers are women, excessive reliance on informal care also negatively affects women's access to the labour market and the formal economy.

Support and recognition in favour of the essential role of informal carers should not come at the expense of their mental and physical health or that of people in need of care. Developing a professional PHS workforce will help reduce the burden on informal carers, which will increase their wellbeing, allow more women to return to the workforce, and increase social security contributions.

We therefore call on the European Commission, Council of the EU and European Parliament to support strong policies in support of informal carers, including affordable and qualified PHS suitable solutions.

Lowering the financial impact of long-term care through better coordination

Demographic trends and the Covid-19 pandemic have also questioned **the financial sustainability of our welfare systems**. In this respect, long-term care expenditures should increase from 1.6% in 2016 to 2.7% of GDP in 2030 in the EU-27. 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**. The lack of financial sustainability can

[7] General Secretariat of the Council of the European Union (2020). *Council Conclusions on Human Rights, Participation and Well-Being of Older Persons in the Era of Digitalisation*. Retrieved from https://data.consilium.europa.eu/doc/document/ST-11717-2020-REV-2/en/pdf.
[8] General Secretariat of the Council of the European Union (2021). *Council Conclusions on Mainstreaming Ageing in Public Policies*. Retrieved from https://data.consilium.europa.eu/doc/document/ST-6976-2021-INIT/en/pdf.
[9] European Union Agency for Fundamental Rights (2018). *Fundamental Rights Report 2018*. Luxembourg: Publications Office of the European Union. Retrieved from https://fra.europa.eu/en/publication/2018/fundamental-rights-report-2018.
[10] In France, this rate is one of the lowest (9%). But it is 25% in Spain, 22% in Italy and 15% in Germany.
[11] European Commission (2019). *Study on exploring the incidence of costs of informal long-term care in the EU*. Retrieved from https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8423&furtherPubs=no.
[12] Diana Eriksonaite, Ragnar Horn, Kathrin Riedler and Susanna Ulinski (2021). *2021 Long-Term Care Report: Trends, challenges and opportunities in an ageing society.* Luxembourg: Publications Office of the European Union, p.109. Retrieved from https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8396.

deeply damage the efficiency of a social protection system. Member States therefore need to ensure that **the costs incurred to provide long-term care services respond to specific needs according to targeted outcomes.**

Some studies have already underlined **the financial impact of residential long-term care on social protection systems**. In average, institutional care is more expensive for people over-65 than home long-term care for low (6.5h/week) and moderate (22.5h/week) needs[13]. Besides, the funding provided for residential care including long-term care activities is not always based on support needs, but rather on the functioning costs of the institution[14]. **Many of these social and care activities could take place at home**, fostering coordination to avoid cost shifting from multiple sources instead of sharing care provision across locations[15]. In 2018, 60% of public expenditure (EUR 22 billion) for old-age dependency financed residential care in France went towards providing care for only 40% of the care beneficiaries. Moreover, the care activities performed by the institutional care workforce are mainly covered by social protection systems. **In contrast, most home care services are partly financed** by in cash benefits, in kind benefits, or out of pocket payments, **which have a lower impact on social protection finances**.

Improving access, affordability, and quality of formal long-term care services can take different forms according to each welfare state model. Whilst Member States such as Austria and Germany have implemented measures to tackle interinstitutional and territorial long-term care fragmentation, others have chosen to **increase long term care funding and to improve the status of informal carers**. Public resources can be generated through different options: general taxation, mandatory social security, and voluntary private insurance.

Considering the decline (9.5%) of the residential care workforce in the EU-27 between 2019 and 2020, **Member States need to support the performance of activities of daily living** (ADL) **and instrumental activities of daily living** (IADL) **at home to meet growing demand**. However, the implementation of targeted schemes supporting the access, quality and solvability of personal and household services (PHS) **must be accompanied by information campaigns for the elderly**.

We therefore call on the European Commission, Council of the EU and European Parliament to **develop guidelines for coordinated care approaches** that include the PHS model, to avoid additional costs to national welfare systems incurred by an overly fragmented care sector and increase the quality of care.

The direct employment model

To achieve accessibility, affordability and high quality of care, **the EU must recognise the complementarity and coexistence of the different methods of home care**. Each person in need of care 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 their needs. The care sector is characterised by multiple work arrangements (live-in, live-out) and employment relationships. Indeed, **workers may be employed directly by a private household in a direct employment relationship, or through a provider, an agency, or an authorised representative, whether public, private, profit, or non-profit**. They may

[13] OECD (2020). *Affordability of long-term care services among older people in the OECD and the EU*. Retrieved from https://www.oecd.org/health/health-systems/Affordability-of-long-term-care-services-among-older-people-in-the-OECD-and-the-EU.pdf.
[14] European Network on Independent Living (2014). *Comparing the Cost of Independent Living and Residential Care*. Retrieved from https://enil.eu/wp-content/uploads/2012/06/Cost-survey_FINAL.pdf.
[15] OECD (2020). *Who Cares? Attracting and Retaining Care Workers for the Elderly*. Retrieved from https://www.oecd-ilibrary.org/sites/92c0ef68-en/1/3/5/index.html?itemId=/content/publication/92c0ef68-en&_csp_=50980b2bb9059e51e350f213ee338dac&itemIGO=oecd&itemContentType=book#section-d1e15055.

work under a single contract or have several employment relationships. In some cases, they may even operate as self-employed.

The direct employment model permits people in need of care to define their care needs, choose their care providers, and create their own solutions. This is particularly relevant for people with disabilities or with highly specific care needs who would prefer to receive care within their homes. It is also the model that is best suitable for rural environments, as it is more effective in combatting isolation compared to, for example, care delivered by service providers.

The direct employment model also offers solutions to meet social and economic challenges: **where state investment in supporting these jobs exceeds or equals the social contributions paid by the household employers, declared work becomes less expensive than undeclared work**, at a reduced or neutral cost to the state. This encourages the uptake of declared work in the sector, which has beneficial effects for social security finances, employees, and women's participation in the labour market. For employees, it represents a flexible employment model that gives them freedom to organise their work lives as they wish while providing them with essential social protections. On average, workers in the sector work for 3 employers, and can carry out different types of care work for different employers.

Finally, direct employment is **a socially oriented employment model that creates jobs that generate social rights without profit for employers**. Meeting the increasing demand for care workers over the next decades will mean incentivising career changes and inclusive employment policies. Direct employment thus favours integration of workers on the labour market, with a higher-than-average proportion of workers from under-represented groups working in the sector[16].

We therefore call on the European Commission and Member States to **recognise and promote the direct employment model**, considering the differences between households acting as private employers and private care providers.

Placing PHS at the heart of the EU Care Strategy

To make care systems in the EU accessible, affordable, and high-quality, and ensure people in need of care have the freedom to choose the right care model for their needs, **the PHS sector must be fully integrated in the upcoming EU Care Package and Member State policymaking**. National and EU care policy should be based on three key actions: ensuring quality services, incentivising declared PHS work, and fostering the exchange of best practices at EU and Member State level.

Ensure quality services

Quality care services rely on a skilled and valued workforce – and yet pressure on staffing is ubiquitous in care systems across the EU, with the number of long-term care workers per 100 people aged 65 or over declining from 4.2 to 3.8 between 2011 and 2016[17]. This is due not only to an ageing population, but also to difficulties with recruitment and retention in most Member States[18].

To reverse this trend, **the EU and Member States should foster the professionalisation of the care workforce**, particularly the PHS workforce, to meet the rising demand for services and guarantee equal

[16] In 2013, the ILO estimated that 54,6% of domestic workers in Northern, Southern & Western Europe were migrant workers, a majority of whom were migrant women. See C189 European Alliance (2021). *Step up efforts towards decent work for domestic workers in the EU: 10th Anniversary of ILO Domestic Workers Convention 2011* (No. 189).
[17] Eriksonaite, Horn, Riedler, and Ulinski (2021). *2021 Long-Term Care Report*, p.66.
[18] Eurofound (2020). *Long-term Care Workforce: Employment and working conditions*. Publications Office of the European Union. Retrieved from https://www.eurofound.europa.eu/publications/customised-report/2020/long-term-careworkforce-employment-and-working-conditions.

rights to all. There is an urgent need for more recognition of care occupations and their crucial social contribution through significant government investments, but also through image campaigns and measures to improve working conditions – both of which were proven to work in Member States including the Netherlands[19]. Promoting formal and informal skills, training, apprenticeships, and life-long learning is equally essential to reducing staff shortages and improving the gender balance in the long-term care workforce. In this respect, the EU's recent initiatives on individual learning accounts and micro-certifications are welcome (if insufficient) first steps towards a larger and better trained care workforce.

The EU and its Member States must also facilitate social dialogue. This is especially relevant to the direct employment model, where employers are individuals instead of companies. **Effective social dialogue is a precondition for a quality, qualified workforce that enjoys strong social rights**. It is therefore essential to encourage employer and worker representation. At present, PHS stakeholders are insufficiently organised and go unrecognised by public authorities in most Member States.

We therefore call on the European Commission and Member States to:

1. **Foster the professionalisation and attractiveness of care and PHS work** through long-term investment programmes, access to skills training and certification for formal and informal skills, and campaigns to improve the image of the sector.
2. Foster the establishment of **a structured sectoral social dialogue**.
3. **Create a Blueprint for Sectoral Cooperation on Skills on the PHS sector**. This 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

<u>Promote the creation and exchange of best practices</u>

The care sector, and the PHS workforce in particular, suffers from a lack of clear, consistent data which often leads to confusion and compromises its visibility. Improved statistical monitoring of the sector could help raise the profile of PHS workers and their employment conditions, as well as improve understanding of user demographics and needs. Such data is necessary for targeted, successful public policy interventions and assessment of their social and financial impact.

Moreover, the Commission must act to foster the digitalisation of the care sector in the EU. Digital tools can simplify the process of finding and managing care resources and can help fight undeclared care work – for example with the creation of digital tools to help households to declare their employees while benefiting from social and fiscal incentives. More widespread use of digital tools will in turn facilitate the collection of accurate data on care work, allowing public authorities to better evaluate the return on investment.

We therefore call on the European Commission and Member States to:

1. Define and implement **mandatory access targets**, similar to the 2002 Barcelona targets to support the availability, accessibility, and affordability of childcare services, to have a **clear**

[19] Eriksonaite, Horn, Riedler, and Ulinski (2021). *2021 Long-Term Care Report*, p.121.

overview of progress in access to long-term care services. Data should be differentiated according to the model of care: residence, community, or home.[20]

2. Implement **online platforms for work declaration** at national level, making it simpler for private employers to carry out the administrative procedures involved in declaring their care workers.
3. Create a platform to **facilitate the exchange of information and best practices** on the care sector at EU level with space for participation from social partners.

Incentivise declared PHS work

A key challenge for care systems and specifically the PHS sector is undeclared work, with an estimated 3.1 million undeclared workers engaged in domestic and care work in the EU[21]. This represents **a significant loss of income in social security contributions** for states who are already faced with a shrinking pool of people of working age. **Recognising PHS work at EU level and tackling undeclared work in the sector will help mitigate this issue** by bringing in more social security contributions and expanding the taxation pool.

To achieve this, the EU must help Member States set up **suitable social and fiscal frameworks** regulating working conditions, professionalisation, and PHS affordability. There are multiple options open to Member States seeking to reduce care costs for users, and priority measures should include **income tax deductions, exemptions, and subsidies**. The EU should also **encourage Member States to support the creation of social and fiscal incentives** dedicated to the PHS sector, such as social vouchers, to encourage formal work. The aim would be to reduce the cost for private employers and make sure these services are affordable for people of all incomes.

We therefore call on the European Commission and Member States to:

1. Adopt a **comprehensive approach to fiscal sustainability**, notably in the analyses of the Ageing Report, the Joint Employment Report, and the European Semester. This should include measurements of the negative outcomes associated with lack of access to quality professional care and support, such as:
    a. lost economic output due to lower labour market participation, especially among women;
    b. increase in mental and physical health conditions among informal carers;
    c. avoidable use of healthcare resources as a result of lack of access or access to insufficient services (e.g. rehabilitation and prevention);
    d. loss of income associated with unaffordable care costs and informal care provision;
    e. burnout and safety issues among care professionals;
    f. lost potential for job creation in the care sector.
2. **Incentivise declared work** through the creation of social and fiscal incentives dedicated to the PHS sector such as social vouchers.

[20] AGE Platform Europe (2020). *Ageing with social rights: AGE Platform Europe's contribution to the consultation on reinforcing social Europe*, p.7. Retrieved from https://www.age-platform.eu/sites/default/files/Reinforcing_Social_Europe_consultation-AGE_submission-Nov2020.pdf.
[21] J.F. Lebrun. (2020). La complexité des estimations du nombre d'emplois générés par le travail domestique en Europe, *p.40*.

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