Ad-PHS
Advancing Personal and Household Services

This project is funded by the European Union.
(Ad-PHS - VS/2018/0344)

COUNTRY REPORT NETHERLANDS

October 2020

EASPD IMPROVING SERVICES IMPROVING LIVES
EFSI European Federation for Services to Individuals
UNI global union europa
EFFAT
IWAK Institut für Wirtschaft, Arbeit und Kultur Zentrum der Goethe-Universität Frankfurt am Main
diesis
EFFE EUROPEAN FEDERATION FOR FAMILY EMPLOYMENT & HOME CARE

Introduction

The Dutch government's declared aim is to move from a welfare state to a "participation society" built on citizens' self-reliance and networking. Large parts of the social security system have been devolved to the municipalities, which are expected to follow an integrated approach to social services, while offering solutions tailored to each individual case. Against this background, individuals are encouraged both to get involved with their local communities and to seek out communities and networks to help provide needed services, often looking to family, friends and neighbours for support. These developments may lead to the emergence of innovative, locally integrated models for PHS provision offering stable employment relationships such as Buurtzorg, but they also imply that previously formal PHS arrangements are transformed into informal and unpaid work.[1]

Factors Supporting the Growth and Development of the Field of PHS

A fast aging population, the breakdown of care homes, and a care policy aiming at maintaining clients living at home as long as possible, will lead to further growth of PHS. Due to a growing population in need for home care and the policy to keep them at home as long as possible, more complex care needs are predictable and therefore higher qualification for care workers will be needed.

The Netherlands have relatively high labour market participation among women. By 2016, female employment reached 70 per cent and the net participation rate reached 61.9 per cent in 2017. However, women have a high rate of part-time employment, with nearly half of working women working 28 hours per week or less.[2]

Childcare costs in the Netherlands are very high. Nonetheless, the existing subsidies system increased the rates of formal access to childcare. However, there is criticism directed at the tax authorities, for unfounded charges of fraud of use of subsidies, leading to financial troubles for families.[3]

As far as undeclared work is concerned, according to a recent survey, 21 per cent of PHS service providers do not report their income.

[1] Farvaque (2015).
[2] Manoudi et al. (2018).
[3] Blomkoelk, Erik, written comment, 8.01.2020.

Definition and Development of PHS Instruments

The Netherlands do not have a legal definition for PHS, as the activities included within PHS are seen as corresponding to several distinct sectors.[4]

Childcare allowance[5] and the Dutch Childcare Act[6] of 2005 support workforce participation by subsidising both day-care, after school care and child-minders for families in which both parents work and/or study and in which children are under 12 years of age. The childcare allowance is determined per child based on childcare costs and family income. In 2018, families were entitled to up to EUR 5.91 per child per hour to pay for childminders. The maximum hourly rate is slightly higher for day-care centres, which does not fall under PHS.

In the Netherlands, there is a difference between cure services – addressed to people in need for temporary and targeted support – and care services – addressed to long-term vulnerable people in need for continuous support.[7] Against this background, three different legal frameworks on cure and care services can be applied:

(1) The Social Support Act (WMO) provides municipal-level support to different groups of clients, in order to enable them to live independently in their homes for as long as possible. It supports non-care services, such as housekeeping, transport and provision of meals. Discretion for services is left to municipalities, although they are not permitted to means test potentially eligible individuals. In this context, access to WMO could be difficult: vulnerable people are indeed repeatedly questioned on eligibility and asked to justify their request for services. WMO is applicable for a maximum of three years for a client.

(2) The Long-Term Care Act (WLZ) provides care costs for people requiring 24- hour a day support or other forms of intensive care. WLZ is organised at the national level and addresses beneficiaries in need for care. While long-term care is generally provided by service provider organizations, individuals can apply for a personal budget for at-home care. However, the personal budget is not exclusively dedicated to at-home care, as it can also be used to pay for e.g. day-care services from a service provider.[8]

(3) In the Netherlands, there is a basic health insurance act that makes health insurance obligatory for all inhabitants of the country. However, health insurance is not publicly provided, but the citizens have to sign an insurance contract with a private health insurance company. Addtionally to the basic package, which is mandatory, Dutch citizens are free to contract additional health insurance services.[9]

Service Provision at Home[10] (SPH) is an instrument for individuals and/or households, who employ a PHS worker either for the provision of care or non-care services, for fewer than four days a week. Services covered by this instrument include cleaning, ironing, gardening,

[4] Farvaque (2015).
[5] In Dutch: *kinderopvangtoeslag*.
[6] Government of the Netherlands (2019).
[7] Workshop contribution, Mathieu Raafenberg (C2GT).
[8] Blomkoelk, Erik, written comment, 8.01.2020.
[9] Blomkoelk, Erik, written comment, 8.01.2020.
[10] RVO (2019).

cooking, dog walking, shopping, collecting medicines, services of a nanny, minor maintenance on the house, work as a private driver, personal and/or medical care. The employers are exempt from paying taxes and social contributions on wages. However, the employees are not insured and receive fewer public benefits that other employees.

It appears that the SPH increases the share of undeclared labour, since employers could declare only part of the PHS received in order to be eligible for tax exemption. Furthermore, employees are not covered by social protection. Additionally, if the subsidised price remains higher than the price of informal direct employment, users are likely to renounce the SPH subsidy and turn to undeclared labour.

A further instrument promoting the development of PHS in the Netherlands is the Dutch Participation Act.[11] This legal act states that access to social benefits is denied to young people who neither work, nor study. Consequently, young persons with lower education levels tend to turn to the PHS sector for employment opportunities.

Landscape of Users

Around one million households, which make up nearly 13 per cent of all Dutch households, make use of PHS through SPH. Households buy 196 hours of services on average per year.[12]

Recipients of care programs in the Netherlands must have their needs assessed by their local municipality.[13] Municipalities arbitrarily and unsystematically assess criteria for eligibility, based on budget cuts for PHS. For instance, if the applicant can rely on a network of informal carers, municipalities could deny access to subsidised care.

Financing of the Main Instruments and Associated Prices

Subsidies for the childcare allowance are provided through the Dutch Tax Office. The subsidy level is determined by the Ministry of Social Affairs and Employment. Municipalities are responsible for checking whether conditions for the childcare allowance are met by childcare service providers.[14]

Subsidies for *cure* and *care* services can be allocated under two different frameworks.

[11] RVO (2019).
[12] Farvaque (2015).
[13] Farvaque (2015).
[14] Manoudi et al. (2018).

With regards to Care-in-Kind (ZIN),[15] the beneficiaries apply for care services under the WMO framework and the municipalities subsidise a budget, directly paid to a provider to provide the requested service.

With regards to Personal Care budgets (PGB), the subsidies are also set by municipal governments, but allocations go directly to the user, who then purchases the requested service. However, in this case the municipalities are also in the legal position to determine to what extent services for an individual beneficiary will be publicly financed and what needs to be contributed by the user. In some cases, users are permitted to designate the budget to pay family, friends or neighbours to provide services to them.[16]

Household services purchased through SPH are privately funded by individuals and households. However, these services are subsidised by the government, as users are exempt from taxes and social contributions on wages, that would otherwise be required of employers.[17] In this case, employers are responsible for monitoring that key quality criteria are met, otherwise they might be asked to reimburse subsidies.

Work Arrangements

As far as work arrangements are concerned, PHS users can go through a contracting party, but they may also contract the service providers or workers themselves, either at informal or formal tariffs, with the latter being higher than the municipal WMO tariffs.

Childminders, including grandparents serving as childminders, are self-employed and can legally look after up to four children in his/her home or the home of the parents.[18]

Long-term care providers may work for intermediary organisations. However, the percentage of open-ended work contracts has declined in recent years and since 2007 an increasing number of workers employed through the WMO instrument are directly employed.[19]

PHS workers under the SPH instrument are often directly employed by households and work for the same household for many years, so that a relationship of trust between the two parties is created. Especially in light of budget cuts for PHS, potential users seek out communities and networks to help provide needed services, often looking to family, friends and neighbours. As such, previously formal PHS arrangements are transformed into informal and unpaid work.[20]

[15] Municipality of Eindhoven (2019).
[16] Farvaque (2015).
[17] Farvaque (2015).
[18] Manoudi et al. (2018).
[19] Farvaque (2015).
[20] Farvaque (2015).

Landscape of Intermediaries and Quality Management

Childminders are privately and generally directly employed individuals who must meet a set of qualifications to be accredited. Many grandparents in the Netherlands watch their grandchildren as part of the childcare allowance program,[21] although childminding may be combined with other forms of childcare.[22]

Quality management is not systematic, especially under the SPH system. Indeed, there is no appointed monitoring body, but inspections are run in case of claims. In this case, health insurance companies are responsible to check if the quality criteria are met. Furthermore, inspections are run randomly, also in private households.

Landscape of Employees and Degree of Professionalisation

There are an estimated 435,000 PHS workers in the Netherlands. Most are women between 25 and 64 years of age. More than half have low levels of education and they generally have a low average income. 65 per cent of PHS workers have a partner/spouse. Many PHS workers have low education levels, but this is also because some employers believe that workers with a low educational attainment are better-suited for social tasks than workers with higher educational levels.[23]

Additionally, the Dutch welfare system encourages young people who are not studying to find a job quickly, thus leading many young people towards the PHS sectors. The Dutch Participation Act, which encourages family and community involvement, also impacts the workforce.

Childminders must be certified by an accredited childcare bureau, in order to be employable by using a childcare allowance. In situations where grandparents are looking after children and families are receiving the childcare allowance, the grandparents must meet the same requirements as other childminders, including accreditation and qualifications (first-aid, etc.).[24]

In terms of professionalisation and career development, the Dutch system includes provisions for several levels (2-3-4) of skills and responsibilities, based on a certification which is thus transferable to another employer or region.[25]

[21] It is estimated that 60 per cent of the children born in 2012 are cared for by their grandparents.
[22] Manoudi et al. (2018).
[23] Raafenberg, M, Rotterdam Workshop.
[24] Manoudi et al. (2018).
[25] Raafenberg, M, Rotterdam Workshop.

Wages

The majority, i.e. 75 per cent, of the employers taking advantage of SPH at home report paying their employees above minimum wage, but few provide sick pay, holiday pay or a holiday allowance.[26]

Home care workers (WMO) determine their wages through collective bargaining. As of 2016, the minimum wage in this sector and its adjacent non PHS sectors, was EUR 10 per hour. However, wages could vary based on the type of employment relationship: whether workers are employed by contracted parties under the ZIN system, or they are directly employed under the PGB/SPH system. If employed by contracted parties, rates are established by municipalities. Otherwise, households could either resort to a list of certified providers, which set the wages, or they could directly employ the PHS worker under the SPH system. In this latter case, wages are set in the contract between the independent worker and the household.

However, there have been concerns about wage dumping by municipalities, which often offer wages below the minimum wage and unfair competition by employees in SPH arrangements, who are not covered by collective bargaining, but who may perform similar tasks to WMO workers.[27]

Social Dialogue in the Field of PHS

Employees in the home care sector (WMO) and the childcare sector are covered by collective bargaining agreements with their respective adjacent sectors. However, some social protections for PHS workers are only provided to individuals considered to be in a traditional employer-employee relationship, which excludes most SPH workers.[28]

Overall, SPH workers tend to have low levels of education and to lack awareness of their rights. Additionally, the fragmentation of the Dutch system further reduces their ability to defend their rights. Trade unions such as FNV (Federatie Nederlandse Vakbeweging) try to organize these low-represented workers.

[26] Manoudi et al. (2018).
[27] Farvaque (2015).
[28] Farvaque (2015).

Policy Process

Municipalities are the primary actors for processing services provided to older people and people with disabilities requiring at-home care and non-care services (particularly for WMO). They set the budgets and allowances, determine which services are applicable and what types of providers/employees may be contracted.[29]

In 2007, the WMO instrument was decentralised, with decision-making relegated to the municipalities. Reforms in 2015 aimed to save costs, putting pressure on municipalities to cut services. For example, many municipalities have eliminated or reduced the availability of cleaning services for WMO recipients.[30]

SPH was established in 2007, regulating the relationship between users and PHS employees who work less than four days a week.[31]

Commonalities across Countries

With reference to PHS, the Netherlands shows characteristics of a Nordic regime, with high employment and gender equality, extensive family support policies and a strong welfare support system. However, the welfare support system seems to have gotten under financial pressure, which has led to the emergence of new practices of community involvement, which bring the Netherlands closer to the Mediterranean regime.

Previous Instruments

Between 1998 and 2008, the Netherlands had an arrangement of cleaning services for individuals (RSP)[32] whereby employers, generally private households through a direct employment arrangement, were incentivised to hire long-term unemployed persons. It was eventually abolished, as it failed to meet its two primary objectives – create significant numbers of jobs for long-term unemployed persons and reduce undeclared work.[33]

[29] Farvaque (2015).
[30] Farvaque (2015).
[31] Farvaque (2015).
[32] In Dutch: Regelingschoonmaakdienstenparticulieren.
[33] Farvaque (2015).

Promising Practices

Buurtzorg:[34] The Buurtzorg model is structured at the community level and neighbourhood-oriented. It functions on the basis of the key principle of care adapted to an individual patient's needs, so that care can be designed to accommodate the client's living arrangements while ensuring that clients retain independence and their personal network. Additionally, the Buurtzorg team are contracted by municipalities and self-managed with the objective of being well-integrated within the community by developing relationships with the relevant stakeholders.

Care 2 Get There:[35] Among the various forms of care which C2GT provides, an innovative practice is the solution developed for forensic care, i.e. court-ordered care. Patients are housed in a building consisting of various studio apartments where they are able to live autonomously, while the ground floor still contains a security and surveillance service to comply with the court requirements. This facilitates the transition to independent living following the forensic care.

Helpling:[36] The Helpling app is being increasingly used in the Netherlands, notably due to its convenience.

[34] See: https://www.buurtzorg.com/
[35] See: https://c2gt.nl/
[36] See: https://www.helpling.fr/

References

Farvaque, Nicolas (2015): Thematic review on personal and household services. European commission. URL: https://ec.europa.eu/social/BlobServlet?docId=14435&langId=en (last accessed 20 December 2019).

Government of the Netherlands (2019): Where can I apply for a personal budget? URL: https://www.government.nl/topics/care-and-support-at-home/question-and-answer/where-can-i-apply-for-a-personal-budget (last accessed 20 December 2019).

Manoudi, Anna / Weber, Tina / Scott, David / Woodall, Jo H. (2018): An analysis of Personal and Household Services to support work life balance for working parents and carers. Synthesis Report, ECE Thematic Review 2018. European Commission. URL: https://ec.europa.eu/social/BlobServlet?docId=20330&langId=en (last accessed 20 December 2019).

Municipality of Eindhoven (2019): Personal care budgets (PGB) and care in kind (ZIN). URL: https://www.eindhoven.nl/inkomen-zorg-en-onderwijs/zorg/zorg-en-ondersteuning/persoonsgebonden-budget-pgb-en-zorg-in-natura-zin (last accessed 20 December 2019).

Netherlands Enterprise Agency (RVO) (2019): Participation Act and jobs agreement. URL: https://business.gov.nl/regulation/participation-act/ (last accessed 20 December 2019).