

# The development of Personal and Household Services - a need for today and a necessity for tomorrow

## *Memorandum for the new European Commission and Parliament*

*May 2019*

### **Signed by the main European Stakeholders in Personal and Household Services**

**Personal and Household Services (PHS) are a broad range of both care and non-care activities that contribute to the wellbeing at home of families and individuals.** Care-related services -approximately 60% of PHS activities- include childcare and care for older people and people with disabilities. Non-care or household support -approximately 40% of PHS activities- refers to maintenance services such as housework, ironing, home repairs, gardening. Rather than being identified as an occupational sector, PHS main feature is the place where work activities take place, namely the private household.

**The demand for PHS is growing throughout Europe,** in particular in response to the ageing population and the increasing female participation to the labour market.

**In 2018, has been estimated that PHS account for 8 million formal jobs in the EU, representing 4% of total employment. However, this figure does not reflect the current situation in all Member States, where employment rates in PHS vary from 1% to 6% of total employment, also based on the levels of government investment in the sector.** For comparison, the hospitality sector comprises 5% of total EU formal employment and agriculture comprises 4.4%. In addition, 91% of PHS workers are women. In the EU, 1 out of every 13 women works in PHS, representing 7,5% of total female employment. Moreover, over 50% of domestic workers are migrants (documented and undocumented), and the sector is severely affected by undeclared work. **Estimates indicate that 50% to 70% of domestic work is performed by undeclared workers.** PHS workers may be employed directly by a private household or through a provider organisation- either by a public or private employer (for-profit and not-for profit). They may work under one contract only or have multiple employment relationships.

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**The two components of PHS, care and non-care, have differences, similarities and complementarities.**

Traditionally, care-related services are considered under the umbrella of social policies, therefore funded by public bodies. Household-related services, instead, are included in the employment policies aimed at creating new formal jobs, reducing undeclared work and increasing female labour participation by the reduction of unpaid activities.

Despite these two different legal frameworks, it is important to note that the same service (e.g. home cleaning) can be considered part of the overall care provided to a dependent person, or it can be delivered to non-dependent people with other socio-economical perspectives. In this regard, PHS could ease women's integration into the labour market, contribute to a better conciliation of work and personal life, lower mental health issues and psychosocial risks, etc. Considering difficulties in distinguishing between care and non-care activities, the status of the recipient is therefore important and may contribute to defining the nature of the service. In this framework, even if care-related services and household support activities have different aims and effects and are usually organized differently at national level, both types of services can be supported by the same kind of measures.

**Public authorities should target both care and non-care activities to achieve the five following essential objectives:**

- reduction of the undeclared economy;
- better work life balance;
- home support to keep persons with support needs, including older people and persons with disabilities, at home in good conditions;
- better working conditions of PHS workers;
- quality assurance of services.

If an appropriate public supporting scheme was implemented in all Member States, **PHS would create approximately 5 million formal jobs**. Some of these jobs would result from the reduction of undeclared work, others, more importantly, would be created to match the increasing demand for PHS services.

**Suitable public support mechanisms would also foster the creation of more than 1 million jobs outside PHS since informal carers, mostly women, will be able to reduce the number of hours spent on unpaid work, therefore they will be more active on the labour market.**

**Furthermore, by providing older people and persons with disabilities with increased opportunities to stay at home, public authorities would save several billion euros.**

Finally, **the working conditions of millions of domestic workers could be improved**, provided that public support follows the best practices developed in some EU countries. Currently formal PHS workers are at risk of being excluded from "normal labour legislation". Historically, PHS workers have suffered poor labour conditions (high rate of workers retributed at minimum wage, high rate of part-time workers,



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high rate of work accidents, lack of professional prospects). In this regard, ratifying the ILO Convention 189 on domestic workers could be a significant step forward towards the recognition of the sector. Despite the European Commission's recommendation, so far only 7 Member States ratified the Convention.

Moreover, there is a responsibility for social partners to ensure decent work in PHS, and for trade unions to organize the workers.

**Besides, based on the common goals to be achieved thanks to broad PHS policies the main PHS stakeholders were able to overcome their differences and started cooperating.** In this regard, we believe that only a **multi-stakeholder approach** can efficiently address the various challenges with which PHS workers are confronted. In the future, this multi-stakeholder approach should include the European institutions and EU Member States that have a crucial role to play, in conjunction with social partners and all other relevant stakeholders alike.

**In 2018, a call for proposals was launched upon request of the European Parliament offering an opportunity for PHS stakeholders to form a Consortium and jointly present the Ad-PHS pilot project.**

**Ad-PHS aims to enable the creation of a single point-of-contact to support, guide and provide advice to public authorities in the development of their PHS policies.** The project covers 21 Member States and aims to strengthen general knowledge on PHS across Europe; identify, assess and validate the existing practices in countries with advanced PHS policies, in cooperation with national stakeholders; develop tailored guidance for PHS practices, introduce and discuss the guidelines in countries with less developed or no PHS policies; bring stakeholders together to build long-lasting cooperation. These tasks are currently underway, and the project will end in May 2020.

**In view of the forthcoming European Commission and Parliament, we consider essential to underline that despite its major contribution to our society, PHS are still insufficiently recognised and supported by European institutions and national public authorities.** This underrepresentation could affect both PHS workers and users.

**Therefore, the consortium calls on the European Parliament, the Commission, and Member States to ensure that PHS are recognised as a key element to meet EU social, employment and gender equality priorities and to work together towards the implementation of the following recommendations.**



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## RECOMMENDATIONS

### The Consortium

1. **Highlights that quality, affordable and accessible PHS is an essential precondition to ensure quality standards of living for all European citizens.** Therefore, the Consortium invites the Commission to pay particular attention to the social demand for PHS and underlines the following elements:
  - PHS are essential for people with disabilities who could accordingly receive person-centred care in their homes. In this regard, PHS policies should complement and align with the UN Convention on the Rights of Persons with Disabilities (CRPD);
  - PHS can postpone or reduce older people's admission to housing facilities for senior citizens, regardless of their level of dependence. Staying at home is both desirable for most older people and cost-saving for public authorities;
  - PHS improves work-life balance within households as well as single-parent families, since parents, especially women, can freely determine their working time, without being constrained by household responsibilities. The Consortium invites the Commission to integrate PHS-oriented strategies in the package non-legislative measures encompassed by the overall strategy on work-life balance. Since women provide most of the unpaid, informal work within their households, improving work-life balance in a PHS perspective would also contribute to increase gender equality.
2. **Invites the Commission as well as the European Parliament to support the implementation of a PHS platform or any other instrument to continue the Ad-PHS work once the project comes to an end.** The single point-of-contact and the activities launched by Ad-PHS should be pursued during the next legislature. Considering that the implementation of measures fostering the development of PHS requires time, we call the Commission to consider refunding the project, whose impact lies in the capacity to offer long-term support.
3. **Calls for a comprehensive approach to PHS development in the framework of the budgetary programme for 2021-2027.** Social investment is crucial for the European economy to thrive. It contributes indeed to the reduction of undeclared work and the opening of new opportunities for workers' professionalization, which would thus ensure improved quality service. Investing strategies on PHS should therefore be included in programmes such as InvestEU, ESF+ and the EU Cohesion Fund.
4. **Invites the Commission and Member States to integrate PHS in the framework of the European Semester.** In this regard, it seems important to incorporate PHS evaluation and monitoring into relevant Country Reports and Country Specific Recommendations (CSRs). PHS are indeed relevant to



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several trends assessed in CSRs such as undeclared work, women labour participation, integration of people with migrant background and long-term care sustainability. Besides, PHS targeted evaluations in the European semester process should be complemented by the provision of technical assistance to Member States. In this respect, the Structural Reform Support Programme (SRSP) could be an opportunity, and should collect and disseminate knowledge and expertise from Ad-PhS. Accordingly, the SRSP should support spending reviews and evaluations highlighting the direct and indirect earn-back effects of PHS development.

5. **Calls on the Commission and social partners to take actions to improve working conditions in PHS.** Both the European Pillar of social Rights (EPSR) and the ILO Convention 189 on domestic workers could be used as framework documents to protect PHS workers' rights. Since most of the workforce is - still - undeclared, it is indeed urgent to implement the existing labour regulations on domestic workers and to dialogue with social partners, especially trade unions, so that domestic workers are properly represented. PHS workers in care should enjoy the same rights as other care workers with the same qualifications working in institutions.

In this regard, special attention should be given to migrant women's representation, since this group covers a large share of the PHS workforce. **Collective bargaining would provide PHS workers with the same rights and entitlements as other workers** under general labour law, including social security access and rights to unemployment benefits, pensions, maternity leave, legal holidays, etc. Moreover, professionalization is fundamental to foster quality and formal service provision. Ratification of the existing labour regulations, social dialogue and suitable training programmes contribute to formalise the PHS sectors.

Formalisation is indeed essential to promote the sectors' social recognition, thus, to offer decent working conditions which would boost the sectors' attractiveness for both men and women.

**We consider that these recommendations should be considered in the implementation of the European Pillar of Social Rights, as they will contribute to better meet the social needs of European citizens while highlighting the added value of the European Union in their daily life.**

*In addition to these joint recommendations, Consortium members will issue their own specific requests based on the input of their national members.*



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