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Policies and Instruments in Personal and Household Services

State of Play in 21 EU Member States

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Table of Content

Table of Content	1
Introduction	2
Factors Supporting the Growth of PHS.....	4
Defining PHS.....	10
Types of PHS: Care and Non-Care Services.....	12
Work Arrangements.....	15
Challenges to Formalising PHS.....	16
Assessing the Instruments Supporting the Development of PHS.....	17
Mechanisms within PHS Instruments	19
Relationship between Welfare Regimes and PHS Policies	23
Looking Ahead.....	29
Glossary.....	32
References	34

List of Tables and Figures

Table 1: Care and Non-Care Services

Table 2: Challenges to PHS and Existing Approaches

Table 3: Interaction between Mechanisms and Instruments

Table 4: Advantages and Challenges Involved in the Expansion of Qualifications for PHS Employees

Figure 1: PHS Countries grouped by joint Welfare Characteristics



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Introduction

Around 6.3 million individuals currently work in Personal and Household Services (PHS) across Europe, accounting for about 3,4 per cent of total employment in the EU (EU) (about 9,5 million, if we include undeclared PHS workers).¹ PHS refers to paid non-care and care activities, as well as the overlap between the two that takes place in private homes.

As an area of employment, PHS has the potential to grow significantly. Increasing the number of regular PHS employees will be necessary to meet the growing demand for PHS due to the demographic changes taking place across Europe. A growing population of older people will require more support to stay in their own homes, while the shrinking working age population will necessitate initiatives that help activate and reactivate as many working age individuals as possible, for example, by a better work-life balance providing more choices for women in employment. Evolving expectations, inspired by international human rights legislation, such as the UN Convention on the Rights of Persons with Disabilities (UN CRPD), are also leading to an increase in demand for PHS.

From the gender perspective, every form of public support for PHS is beneficial, as women represent the large majority of PHS providers, both as workers in the declared and undeclared economy and as family members fulfilling household and care tasks in the unpaid sphere.² Women also represent a large proportion of PHS users, as they form the majority of the elderly population.³ Women involved in the unpaid sphere would benefit from the availability of formalised PHS, both as a possibility for respite care and as a possibility of accessing the employment market. Additionally, transitioning PHS into the formal economy would significantly bolster it, as PHS currently experiences a high rate of undeclared and informal work arrangements. Regularised PHS sectors would offer numerous opportunities for employing workers with different skills levels and qualifications, such as women, who have acquired household and care skills in the unpaid sphere and workers who have challenges (re-)establishing themselves in the formal labour market. As a result, policies aiming to boost PHS represent excellent social investment policies, with significant social and economic returns. In order to ensure that these policies are effective, more funding should be directed, at least up-front, towards the sectors associated with PHS.

The current report is part of the EU-funded “Advancing Personal and Household Services (Ad-PHS)” Project, which aims to create a common discursive framework around PHS among different actors in different Member States. Within this context, creating a common discursive framework would imply an awareness for the different definitions of PHS in different Member States and a joint communication effort in order to find a definition that is feasible for all the actors involved, a shared classification of the different approaches used for the promotion of this field and a shared understanding of the guidelines for action, that would support its further development. Therefore, the goal of the present project is to understand how PHS currently function in different contexts and to use this information to develop frameworks that support all EU Member States to develop their PHS policies.

¹ Lebrun (2020). Before Brexit, Decker/Lebrun (2018: 9) stated that 8 million people were formally working in this sector (e.g., the figure excludes undeclared workers).

² For a comparison, state subsidies for the automotive industry in Germany mainly support men, who make up about eighty per cent of the employees of the sector and also represent the main users of cars (Ohrem/Meier-Gräwe 2012).

³ European Commission (2020a).



Facilitating the emergence of a common discourse around PHS at both the EU and Member States levels contributes to the economic and social wellbeing in the EU. First of all, current and future PHS employees must have employment rights (including fair wages) and social protections associated with formal⁴ and regulated⁵ employment across each country. Additionally, PHS users, especially vulnerable populations, such as older people, chronically ill people and people with disabilities, who often depend on PHS on daily basis, need affordable and reliable services. Addressing the needs and concerns of PHS employees and users, as well as those of employers, be they the users or service providers, can help devise approaches for professionalising and regularising the associated sectors. Under the circumstances of prevailing informal work arrangements, professional and quality standards are difficult to implement. A lack of adequate worker qualification has a negative impact both on the PHS worker, who is denied access to upward professional mobility, and the PHS user, who has no guarantee for the quality of the services provided. Within this context, the associated social partners also have an important role with regard to negotiating collective agreements and influencing the relevant regulatory frameworks.

A common discourse can also help identify shared characteristics and challenges of PHS across all Member States. This makes it easier for Member States to share best practices, work toward formalisation and professionalisation of PHS, and develop necessary regulations and oversight. At present, Member States have varying degrees of professionalisation and formalisation with regards to PHS. The heavy reliance on migration chains,⁶ both between Member States and with third countries, and the resulting importance of financial remittances for certain Member States add to the importance of creating a common European framework for addressing PHS. Such a framework should be part of upcoming EU initiatives, such as the planned Action Plan on the European Pillar of Social Rights (EPSR) and any initiative linked to care services (e.g., initiatives on long-term care, the Child Guarantee and the upcoming European Disability Strategy).

Policymakers can best support the development of PHS in their countries if they clearly understand the specific challenges facing these sectors, the main direct and indirect earn-back effects linked to the PHS activities as well as the approaches that have been put forward by other countries under similar circumstances. Therefore, it is highly important to understand what impact policies have in countries with advanced PHS.

When considering policies that shape formal PHS activities, the present paper distinguishes between policy instruments and policy mechanisms:

- **Policy instruments** are the tangible interventions designed by specific government bodies to support particular policy objectives. In the case of PHS, some common instruments include mini-jobs, vouchers and cash transfers (e.g., tax reductions and care allowances). The features of these common instruments differ according to national contexts and can be adjusted or changed over time.
- **Functioning mechanisms of policy instruments** are features of these common instruments that differ according to national contexts and can be adjusted or changed over time to address specific challenges associated with formalising and regulating PHS activities.

⁴ See Glossary.

⁵ See Glossary.

⁶ See Glossary.



Understanding the different types of policy instruments and the mechanisms for addressing challenges is vital for supporting policymakers in designing instruments that are successful in the long run and best meet specific local needs.

In the present report, we have identified four broad types of challenges that Member States may want to consider when designing instruments to support PHS activities: transparency, accessibility, functionality and sustainability. Instruments can address these challenges by implementing mechanisms that offer solutions through financing, process management, and quality management. Member States, where PHS figure prominently on the policy agenda, have developed multiple instruments, each focussed on different target groups. One instrument may include multiple mechanisms in order to resolve different challenges effectively. A broad range of solutions helps a country's PHS system(s) best meet the diverse needs of different employees and users.

The report seeks to provide an overview of the state of play of PHS in 21 EU Member States: Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Luxemburg, Malta, Netherlands, Poland, Romania, Slovakia, Slovenia, Spain and Sweden. It highlights the importance of PHS for the EU and suggests approaches for analysing PHS at national level. In order to develop a framework for understanding how PHS function in different contexts, the report relies on examples of policies and instruments currently in use in various Member States. A common European framework for PHS would support Member States to continuously develop their PHS policies and instruments as well as to have a major impact on the quality of life of millions of Europeans.

Factors Supporting the Growth of PHS

Factors for PHS growth are related both to the increasing demand for PHS and to the need for increased supply of PHS labour force.

Demand for PHS is expected to grow across the EU due to the effects of changing demographics as well as the need for better social inclusion of persons with disabilities⁷ and older persons, many of whom develop impairments as they age. The increasing labour market integration of persons with caregiving responsibilities, especially women, is also an important factor.

The percentage of people aged 65 and older is increasing in every Member State. In addition, the population of people over 80, which requires the most care, is projected to more than double between 2017 and 2060.⁸ The EU has also committed to transitioning from institutional to community-based care as part of its Disability Strategy for 2010-2020 and is expected to continue this policy in the follow-up strategy and in line with the EPSR. Against this background, better regulated and advanced PHS will allow

⁷ The UN CRPD is also a contributing factor to the need for growth in PHS, as it supports the rights of persons with disabilities to live independently and be integrated into their communities (Article 19). The UN CRPD has been signed by all EU Member States and was ratified by the EU in December 2010. The EU has committed to transitioning from institutional to community-based care as part of its Disability Strategy for 2010-2020 (Open Society Foundations (2012): The EU and the Right to Community Living.)

⁸ UN (2019).



persons with care and support needs, such as older people, people with disabilities and people with chronic conditions, to have accessible and affordable person-centred services.

In addition, increasing the percentage of women in the workforce is also an important part of the EU targets. The EU's gender equality strategy focuses on increasing women's participation in the labour market, reducing the gender pay and pension gaps and closing the gender care gap.⁹ Although women's labour market participation has been increasing, it still lags behind the participation rate of men. The highest employment gap exists for mothers and women with caregiving responsibilities, with over 22 per cent of non-employed women stating that they left the workforce because of familial caregiving responsibilities.¹⁰ One of the ways of addressing this issue is the EU Work-life Balance Directive, which promotes equal sharing of caring responsibilities among parents. However, finding a work-life balance is particularly challenging for single parents, most of whom are women.¹¹ Women also perform the biggest share of unpaid work. Therefore, in addition to the equal sharing of responsibilities, it is also crucial to ensure the availability of childcare, social care and household services, in particular for single parents. Additionally, underrepresentation of some women in the labour market often results from an intersectional reinforcement of gender issues with additional factors of vulnerability or marginalisation such as belonging to an ethnic or religious minority¹² or having a migrant background. Thus, promoting the development of the PHS would not only address the issues of employment and gender-related pay, pension and care gaps for the users, but would at the same time create employment opportunities in the childcare, social care and household services sectors, thus being doubly beneficial in counteracting the pay and pensions gaps for women, which are likely to persist under conditions of informal work arrangements.

The PHS employee supply can grow by harnessing its existing undeclared workforce and transitioning them into the formal economy¹³ as well as by addressing the structural reasons that are supporting this work being carried out undeclared. Reducing undeclared work across all sectors is already a priority for the EU, because it “[damages] the Union's economy, [leads] to unfair competition, [endangers] the financial sustainability of the Union social models and [results] in an increasing lack of social and employment protection for workers.”¹⁴ In 2016, all undeclared and underreported work was equal to 17.9 per cent of EU28 GDP or €2.36 trillion,¹⁵ thereby representing a significant loss in potential tax revenue and social security contributions. *Indeed, PHS is the third most commonly identified area of employment for undeclared work.*¹⁶ Lebrun (2020) estimates at 3,1 million (prudent estimate) the number of undeclared PHS workers, amounting to one worker out of three in the sector across Europe. *In countries without developed PHS activities, statistics even suggest that 70 per cent¹⁷ of PHS employees are working in the grey economy.* Developing policy measures and regulatory and legislative frameworks supportive

⁹ European Commission (2020a).

¹⁰ Eurostat (2020); Catalyst (2019, based on Eurostat data).

¹¹ Maldonado, Laurie C./Nieuwenhuis, Rense (2015).

¹² ENAR (2017).

¹³ European Commission (2017a).

¹⁴ European Parliament and the Council (2016: L 65/13).

¹⁵ Pérez-Magro et al. (2017).

¹⁶ Decker/Lebrun (2018).

¹⁷ This statistic likely refers to employees working in non-care services.



of alternatives to undeclared PHS work should be an EU priority to advance the fight against undeclared work.

The shrinking working age population will cause bottlenecks across sectors, as employers struggle to fill vacancies left open by retiring workers. Shoring up the labour market requires activating more individuals. The development of a robust and regulated market for PHS could enable individuals currently performing care tasks and managing household responsibilities in the unpaid sphere to return to or increase their paid employment participation. Yet again, women make up the majority of this target group, due to their overrepresentation in the unpaid sphere. Given the growing significance of homecare as compared to institutional care, persons trained for institutional care work should also be transitioned to PHS work, especially regarding homecare, for example, by the use of the European Care Certificate. Thus, developing PHS would also serve to address both replacement needs and the gender pay gap across the broader European labour market.

Studies estimate that through increased development, sectors involved in PHS have the potential to create 5 million new jobs.¹⁸ PHS can create professional opportunities for millions of people to make meaningful contributions to the lives of others in Europe, in both care and non-care professions.¹⁹ It is equally important that it can offer such opportunities to a broad variety of workers because of its low barrier to entry, flexible hours and minimal training and experience requirements, in particular – but not only – in the non-care field. As such, although not the objective, PHS can also contribute to job creation for people who face obstacles to finding and keeping jobs, such as people with obsolete qualifications and people who lack qualifications and formally recognised skills. Some of these individuals are among the 20 per cent of Europeans aged 25 to 54 who did not complete lower secondary education²⁰ and may struggle to qualify for skilled work. Others may be at risk of job loss due to automation. Developing regular PHS jobs could also help integrate into the workforce long-term unemployed persons, a group that makes up about half of all unemployed persons in the EU 28.²¹ In addition, some jobs in the non-care field require limited language skills presenting opportunities for migrant workers from other Member States and third countries. Women, who are historically more affected by unemployment trends, and who tend to have higher unemployment rates in the EU-28 than their male counterparts,²² already make up about 90 per cent of PHS employees.²³ Significant efforts should be made to increase the diversity of the workforce, including the recruitment of more men and fighting gender stereotypes. Additionally, pathways for professional development and opportunities career advancement should be created, while ensuring equal access to these for all workers.²⁴ It is important, however, to note that developing skill and qualifications are key to growing and developing PHS, particularly for areas within PHS that are professionally regulated. The emphasis within PHS advancement should therefore lie on the creation of attractive jobs for all, rather than on seeing it as a sector attractive only to workers with difficulties in accessing the labour market.²⁵

¹⁸ Decker/Lebrun (2018).

¹⁹ EASPD (2019a).

²⁰ Eurostat (2018a).

²¹ European Commission (2019).

²² Eurostat (2019a).

²³ Decker/Lebrun (2018).

²⁴ Federation of European Social Employers (2019).

²⁵ Professional regulation differs by country and sometimes also by region. While it is common for care services to be regulated in many countries, non-care work can also be regulated, thereby requiring specific skills and qualifications for employment.



For all PHS work, it remains important that growth does not distract from the need to attract individuals who are interested and well-suited to fields of work that require a high level of mutual trust between user and employee, as well as an interest in the types of activities and skills required by various aspects of PHS.

Whilst the PHS sector offers unparalleled job creation opportunities, this will not happen without ensuring that these professions are attractive to workers, in particular in comparison to other fields of work requiring similar qualification levels. There are already significant staff shortages in PHS across Europe, primarily due to a lack of attractive jobs caused by austerity measures.²⁶ An appropriate funding of the relevant sectors is therefore imperative, in particular when it comes to complement effective PHS policies. Ensuring that the funding of the PHS sectors target the specific needs required for workforce development²⁷ will be crucial to unlock the job creation potential of PHS in a sustainable manner.

To expand the supply of employees and further formalised employment, developing and expanding admission and regularisation schemes is integral. In many Member States, informal work arrangements with migrant women represent one of the main forms of PHS provision. Doing so will make it easier for non-EU nationals to get work permits for PHS employment. This would enable current undocumented residents and existing undeclared PHS workers to work regularly and create a pipeline for additional workers to migrate to EU countries to meet growing demand.

In 2017, a total of 4.4 million people immigrated to one of the EU-28 Member States. Among these 4.4 million immigrants, there were an estimated 2.0 million citizens of non-EU countries, 1.3 million people with citizenship of a different EU Member State from the one to which they immigrated, around 1.0 million people who migrated to an EU Member State of which they had the citizenship (for example, returning nationals or nationals born abroad), and some 11 thousand stateless persons.

Germany reported the largest total number of immigrants (917.1 thousand), followed by Spain, France and Italy. Germany also reported the highest number of emigrants (560.7 thousand), followed by Spain, France, Romania and Poland. A total of 22 of the EU Member States reported more immigration than emigration in 2017, but in Bulgaria, Croatia, Latvia, Lithuania, Poland and Romania the number of emigrants outnumbered the number of immigrants.²⁸ These data suggest circular migration patterns linking Germany, France, Italy and Spain to Poland, Romania, Bulgaria, Croatia, Latvia and Lithuania, with citizens of the latter group also taking up residency in the former. Besides seasonal agricultural work, these migration patterns could also apply to long-term care as long-term care in Germany, Spain and Italy is often provided by rotationally changing live-in migrant domestic workers. Additionally, a considerable proportion of the women arriving from non-EU countries such as the Ukraine, Bosnia, Serbia or Moldova could also be expected to take up employment in the sectors associated with PHS.

Depending on the national migration regime, the migrant women performing domestic work throughout the EU may or may not have a regular residence status. While in some Member States, such as Spain or

²⁶ EASPD (2019a).

²⁷ EASPD (2019b).

²⁸ Eurostat (2019b).



Poland,²⁹ there are mechanisms in place that permit the regularisation³⁰ of irregular migrants under certain circumstances, including presenting a regular work contract, in other Member States, such as Germany, a posteriori regularisation of irregular migration is impossible. However, well-developed PHS sectors would make it possible to apply for a regular residence permit based on a work contract prior to entering the country.

Within this context, the Central and Eastern European Member states, who have become both sending and receiving countries for domestic workers, could play the role of a transmission belt for common European training and qualification standards to third countries, too. The European Care Certificate (ECC)³¹ is already popular in the region, where it is used both as an instrument for training and promoting skills circulation. With regards to skills circulation, research conducted within the framework of the present project suggests two complementary form of mobility: while younger domestic workers tend to migrate from the Central and Eastern European Member State towards the Western and Southern European Member States, middle-aged domestic workers often wish to re-establish themselves in their countries of origin. Some countries, such as Slovakia, have started initiatives in order to create instruments for the support of the latter dynamics, which would contribute to a more even distribution of PHS throughout the EU.

In order to ensure that PHS can meet the needs of diverse user and employee groups, it is important that policymakers focus on regularising the PHS market and professionalising PHS jobs. Creating a regulatory framework for decent jobs for all PHS workers with fair working hours, fair pay and social protection, will on the one hand motivate and enable currently undeclared workers to move into declared work. It will also present PHS as a realistic and respectable line of work for individuals considering employment in PHS. Additionally, users will benefit from the development of the sectors involved in PHS, as regulation improves transparency and trust. While a regulatory framework may encourage users of undeclared work to also choose formal work arrangements, public investment into this field is also required, in order to make services affordable. Additionally, developing sector-wide standards and quality assurance helps ensure that PHS is safe, reliable, available and affordable for all the individuals who rely on these services.

Despite the many factors supporting the expansion and regulation of PHS policies, it also has its critics. Some criticisms address the utilisation of public funds to subsidise PHS for non-vulnerable populations.³² Supporters of PHS development point to countries like Sweden, Belgium and France,³³ where the earn-back effect from existing PHS instruments, through the taxes and social contributions of otherwise undeclared or unemployed PHS workers as well as the increased taxes and contributions of re-activated

²⁹ Between 2003 and 2012, three regularisation programmes have been introduced in Poland. The first two (2003 and 2007) were offered to long-term irregular foreign residents. Migrant domestic workers employed in Poland could hardly apply for residence permits under this scheme, due to shorter periods of stay in Poland than required by the programme. However, Ukrainian immigrants have benefited from the third regularisation programme, since they have been able to meet the very liberal requirements (proof of living in Poland for at least five years, having no permit to stay in Poland at the moment when the law was introduced, namely 1 January 2012) (Kindler et al. 2016).

³⁰ See Glossary.

³¹ ECC (2015).

³² Carbonnier/Morel (2015).

³³ French Ministry of the Economy and Finance (2016).



or more activated PHS users, justify the public expenditures.³⁴ Additionally, indirect earn back effects based on positive externalities, such as those linked to a better work-life balance,³⁵ can also be observed.

Other critical remarks consider that the current discourse on PHS insufficiently addresses the personal care and household needs of PHS employees,³⁶ especially migrant PHS workers, whose families are unable to migrate with them. Supporters of expanding PHS note that professionalising this work enables PHS employees to contribute to and benefit from social safety nets, such as pensions, accident insurance, and sick leave, and to demand fair contracts, thereby putting them and their families in more stable positions than the alternative informal arrangements.³⁷ Ensuring equal treatment for migrant workers and the possibility for them to live with their families, together with measures to support a transnational circulation of skills, are also key in this context.

There is also a social critique looking at the gendered and class relationships in PHS, as most PHS employees are women and most PHS users are also women.³⁸ Despite increases in recent decades in women's paid work, women in the EU still do an average of 3.5 hours a day of unpaid housework as compared to 1.5 hours done by men.³⁹ Critics assert that developing a PHS market for services simply transforms a gender equality issue into a class issue, by encouraging and enabling qualified, middle and upper class women to outsource their unpaid household and care work to women with lower qualifications and less income.⁴⁰ That a significant proportion of women workers in the sector are also women of colour, adds the dimension of entrenched racial and ethnic discrimination and inequality. However, supporters of PHS recognise that developing PHS supports higher participation by women in the labour force, both as PHS employees and in other sectors.⁴¹ Particularly when faced with providing long-term care for relatives, PHS can mean the difference between women staying in employment versus leaving work temporarily or permanently or working on a part-time basis in order to fulfil care tasks. With regards to care, the need for PHS is shared among households, irrespective of their revenue status. While some European countries, such as Belgium, have made PHS affordable⁴² for lower income households, too, in other European countries, such as Germany, it is rather higher income households that profit from public support directed at PHS. This also underlines how formalisation must hinge on providing decent jobs, with fair wages and working conditions, social protection, training and opportunities for professional growth, and public campaigning to redress how PHS work is viewed in society. With regards to the latter, religious, ethnic, gender-related, racial and social discrimination and their intersectionality should also be addressed.

³⁴ IMPact (2014a).

³⁵ See theoretical elements of the 'Pigouvian subsidies': Subsidies for the PHS sector are used to encourage a behaviour (more households make thus use of legal employment) that has a positive effect elsewhere (e.g. enhanced work-life balance) or for society.

³⁶ Morel (2015).

³⁷ IMPact (2014a).

³⁸ Morel (2015).

³⁹ Decker/Lebrun (2018).

⁴⁰ Morel (2015).

⁴¹ Manoudi et al. (2018), European Commission (2018a).

⁴² In Belgium, about one third of the service voucher users are low-income households, with a net monthly income of less than EUR 2.500 per month (EFSI 2018).



Without dismissing the validity of some critiques, it is important to note that PHS exist and will continue to grow. Rather than letting concerns drive the discourse, it is important to take these critiques and challenges into consideration in order to develop professionalised and sustainable formal PHS activities in all interested Member States. In doing so, individuals working in the associated sectors will have access to optimal conditions, benefits and pay, while individuals requiring PHS will be able to access reliable and affordable services of high quality.

Defining PHS

The International Labour Organisation (ILO) discusses PHS by using the term “domestic work”, defined in Article I of ILO Convention 189 as “work performed in or for a household or households”, specifying that, “a person who performs domestic work only occasionally or sporadically and not on an occupational basis is not a domestic worker.”⁴³ To date, Convention 189 has been ratified by seven EU Member States: Belgium, Finland, Germany, Ireland, Italy, Portugal and Sweden.⁴⁴ The focus of this definition is on the location of the work – the home – and on the types of workers covered. It focusses, rightfully, on the rights of workers employed in the home.

The working definition of PHS used by the European Commission in its 2012 Staff Working Document “on exploiting the employment potential of the personal and household services” defines PHS as “[covering] a broad range of activities that contribute to wellbeing at home of families and individuals: child care (CC), long-term care (LTC) for the elderly and for persons with disabilities, cleaning, remedial classes, home repairs, gardening, ICT support, etc.”⁴⁵ These distinctions between care and non-care work in PHS will be further discussed in the next section. In thinking about PHS in terms of user groups and their goals, as well as the specific tasks included in the term, the EU frames PHS as a part of the formal labour market, equivalent to other areas of activity within the formal labour market.

At the Member State level, definitions of PHS are often framed through the development of various policies and instruments for promoting PHS work. For example, the Borloo Plan in France defined Personal Services⁴⁶ according to 25 specific activities identified in a 2005 decree. To date, the list includes both care and non-care services. Germany, by contrast, defines “household-related employment,”⁴⁷ based on its positioning in the German tax code. The purchase of household-related services that would normally be carried out by members of the household and which are carried out within the home, entitles households to a tax write-off. This definition leaves PHS open to a broad interpretation of activities. Belgium defines personal or so-called “proximity services” according to the activities for which its “titres-services” voucher instrument can be used, namely cleaning the house, washing, ironing, preparation of meals, shopping, etc. The definition excludes traditional care services,⁴⁸ which are available through other instruments, for

⁴³ ILO (2011).

⁴⁴ The Convention will enter into force for Sweden on 4 April 2020.

⁴⁵ European Commission (2012).

⁴⁶ In French: “services à la personne.”

⁴⁷ In German: “haushaltsnahe Beschäftigungsverhältnisse.”

⁴⁸ ORSEU (2013: 12).



example in the health and social service systems. In Sweden, two complementary tax incentive schemes, RUT and ROT, which focus on domestic work and home renovations, respectively, represent the focus for the definition of personal services.⁴⁹ However, care for the elderly and disabled as well as small babysitting are also eligible for tax refund in the RUT system.⁵⁰ Care services are also provided through other instruments. In Romania, there is no designated definition of PHS. Personal care services are covered by the definition of social services, which represent the activity or group of activities carried out in order to respond to the social needs as well as to the special needs of individuals, families or groups, in order to overcome difficult situations, to prevent and act against the risk of social exclusion, to promote social inclusion and to increase the quality of life.⁵¹ Within this framework, government decision 539/2005 defines personal household services as services offered by actors specialised on care and assistance at home. These include medical care and assistance, emotional support and psychological counselling, palliative care, household services and transportation services. In Estonia, PHS is also regarded as part of the social service system. Article 17 of the Social Welfare Act states that: “Upon provision of the domestic service, assistance is provided to a person in activities which the person is unable to perform without personal assistance due to reasons relating to state of health, operational capacity or physical and social environment but which are essential for living at home, such as heating, cooking, cleaning the dwelling, washing clothes and buying food and household articles and running other errands outside the dwelling.”⁵² In Hungary, a 2010 law, Act XC, stipulates that household services include “only activities related to providing all the necessary conditions of everyday life for natural persons and other persons living in their households” and includes a list with relevant services including both care and non-care activities.⁵³ Act XC of 2010 requires users to pay a monthly registration fee, intended to help increase the visibility of PHS. If the user fails to register the PHS worker, the user is then responsible for paying taxes and social contributions for the employee for that month. Otherwise, the user and the employee are not responsible for declaring the employee’s income and the user is not responsible for social contributions on behalf of the employee.⁵⁴ This measure represents the gendered version of the public work scheme, which obliges recipients of welfare payments to perform thirty days of labour per year.⁵⁵ In Poland, for instance, “domestic workers” are categorised into different jobs within the classification of professions and specialisations (*klasyfikacja zawodów i specjalizacji*). For example, the classification of social and household activities (*klasyfikacja działalności gospodarczej*) included in the group 97 the category “domestic household employing workers” in 2008.⁵⁶ However, some countries, such as Slovakia,⁵⁷ do not recognise the term ‘personal household services’ or ‘domestic work’ officially. However, this does not mean that social policy measures generally have not been and will not be taken that are aimed at caring for people in need of care in private households (e.g. *new Social Services Act in Bulgaria* into force since 2020), but that these must be considered in detail and examined for their significance for the PHS sector.

⁴⁹ ORSEU (2013: 13).

⁵⁰ Skatteverket (2020).

⁵¹ See Art. 27, Law 292/2011 of the Social Assistance Law (Romanian Ministry of Labour and Social Protection 2011).

⁵² Riigi Teataja (2019).

⁵³ ORSEU (2013: 14).

⁵⁴ ORSEU (2013: 50).

⁵⁵ Bódi/Farkas (2019).

⁵⁶ Kindler et al. (2016).

⁵⁷ CELSI (2020).



PHS can be regulated based on the type of service provided, but also based on the employment relationship it implies. Most countries take the position that PHS, as a concept, is composed of several different sectors or parts of several different sectors, whose common denominator is the place in which the work is carried out, namely the home. In Spain, for example, two completely separate economic sectors, regulated by different laws (home-based social care and domestic services versus households as employers of domestic personnel), complicate the development of a common approach to PHS.⁵⁸ For example, in countries such as Germany and Belgium, professional cleaning services in private homes share the same NACE code with industrial cleaning. Also at the EU level, discussing PHS as a unified sector is further complicated by its current categorisation, as PHS activities are covered by at least two NACE codes – NACE 88 ‘social work without accommodation’ and NACE 97 ‘households as employer of domestic personnel’.⁵⁹ These codes also include additional activities not associated with PHS, making it difficult to obtain accurate statistics of activity levels for PHS workers. While the fact that PHS are usually associated with different sectors is the result of complex historical developments in each country and should not be considered problematic by itself, the lack of exchange and consideration given to the overlaps between the different sectors involved in PHS does represent a challenge.

The present paper will use the EU working definition of PHS, because it introduces the need for a discourse around PHS that addresses labour market issues experienced across sectors, such as professionalisation,⁶⁰ training and compensation.

Types of PHS: Care and Non-Care Services

The two primary categories of activities in PHS are care and non-care or reproductive work. Care work is provided by an external caregiver and centres on the person. It supports the physical wellbeing of individuals as well as their access to human rights and participation in community life.⁶¹ In the case of PHS, care activities take place in the home. Non-care activities are generally object-centric, supporting the maintenance or preparation of a space or object (see Table 2). Thus, feeding or clothing a person could be considered a care service, whereas cooking a meal or mending a shirt would be regarded as non-care services. The ways in which care and non-care are distinguished from one another can affect the expectations set forth for employees, the uses of instruments and the ways in which PHS is understood as an area of activity.

⁵⁸ 4Quality (2015b: 4).

⁵⁹ Decker/Lebrun (2018: 12).

⁶⁰ See Glossary.

⁶¹ EASDP (2019a).



Table 1: Care and Non-Care Services

Care Services (person-centred)	Non-Care Services (object-centric)
Support of older people	Cleaning
Support of persons with disabilities	Cooking
Child-minding	Gardening
	Basic home-repair

Source: Cylus and Rand (2019).

Often, it is assumed that care and non-care work are performed by different PHS employees. However, this must be re-examined in light of the developing discourse around PHS, as services and activities encompassed by PHS can appear in various arrangements and constellations and overlap with one another. This overlap blurs the line between care and non-care activities and between care and non-care workers. For example, non-care services are generally comprised of activities that can be carried out by members of a household, although this is clearly not the case for many PHS users who are older or have a disability. In the case of PHS, they are electively outsourced for pay to non-household members. PHS users who are older or who have disabilities, however, may be physically unable to perform non-care activities independently, thereby requiring support for traditional non-care activities. This raises the question of whether the characterisation of a PHS activity as care versus non-care should be determined by the needs and abilities of the user rather than the nature of the activity itself. It also demonstrates the importance of considering the purpose of an activity, as well as its framework, funding and other aspects to help distinguish between care and non-care services and maintain a distinction between the two when necessary.

In addition, in some work arrangements, PHS employees are asked or expected to perform activities outside the general scope of their role. For example, a care provider may assist older people or people with disabilities with food preparation or cleaning. Conversely, non-care providers in households with older people, people with disabilities or young children may find their tasks extended to include activities generally associated with care. The ability of an individual to cross over from care to non-care work or vice versa, is to some extent a question of that person's skill set and of the set-up of the employment arrangement.

However, it is also important to respect the differences between care and non-care activities, given the different responsibilities, skills and job profiles they entail. Providing day-to-day support to a vulnerable person is a very sensitive issue, that requires adequate training and skills, that need to be recognised as such. The impact of a mistake that a homecare worker can make on someone's life is – in most circumstances – far more considerable, than that of a non-care home worker, for instance doing cleaning or gardening. Whilst it is important to discuss possible overlaps, it is equally important to not over-simplify the different responsibilities workers may have, just because they are both provided in someone's home.

Some instruments account for overlapping care and non-care needs by leaving the direction of resources to the user's discretion, while others clearly specify how and for what an instrument can be used. For example, the attendance allowance in Italy is a cash benefit designed to support older people and people



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with disabilities living independently. It is not means tested and the funds can be spent according to the needs of the recipient. While this instrument allows for overlapping care and non-care needs, it does not necessarily prioritise declared work, and it is also not widely enough available to meet demand.⁶² In the Czech Republic, monthly care allowances also target vulnerable populations, but this needs-based cash benefit specifies that the money must be spent on home care assistance and/or care provided with social services.⁶³ In Spain, an instrument called the dependency law provides vulnerable individuals with need-based aid. Although some aid is provided directly as in-kind services, it can in some cases be administered as a financial benefit, to be used for care and non-care services.⁶⁴ Interestingly, the benefit can also pay informal workers, and in some cases, it is used to pay family members to serve as caregivers, rather than hiring external PHS workers.⁶⁵

Other instruments focus on particular services but are open to all user groups. For example, Belgian service vouchers (titres-services) can be purchased by anyone, but they can exclusively be used for non-care, reproductive services.⁶⁶ In Sweden, the RUT and ROT instruments are open to all user groups, however the services are mainly focussed on non-care activities that require no specific training and take place at home.⁶⁷

Further development of PHS can help identify which skills are needed for which tasks. It can indicate where trainings may be useful or whether certifications⁶⁸ can help employees broaden their skills and create greater transparency to users about the services employees and enterprises can provide. Greater training opportunities and skills transparency can help ensure that the broad expectations of PHS users better align with the limitations of policy instruments and that PHS employees are qualified and have the necessary skills to benefit from more narrowly defined instruments.

It is important to link skills recognition with changes to pay, working conditions and career paths. Recognising potential overlaps in skills between different elements of PHS should not lead to undermining the value given to such skills, including the aforementioned changes.

The distinction between care and non-care also has implications for how PHS is understood within the sectors with which it is associated and can have an impact on organising. For example, in Finland, non-care workers are organised by a separate union, PAM (Palvelualojen Ammattiliitto), because they are considered private employees, generally hired directly by households. By contrast, many care workers in Finland are public employees and are thus organised by public sector unions. Similarly, the employer organisations in Finland also recognise this public/private difference.⁶⁹ In other countries, there are different employer organisations representing different aspects of PHS and they consult with the trade unions that represent the workers employed in the respective PHS subsectors.

⁶² Manoudi et al. (2018).

⁶³ 4Quality (2015a: 7).

⁶⁴ IMPact (2014c).

⁶⁵ 4Quality (2015b: 6).

⁶⁶ Despite being open and accessible to all user groups, titres-services have developed a particularly strong user group among older people, demonstrating the complementary or supplementary role of traditional care and non-care arrangements.

⁶⁷ Anxo/Ericson (2017).

⁶⁸ Certifications in PHS most often refer to non-care services, as care professions tend to have diplomas, formalised exams, and other forms of regulations.

⁶⁹ Mather (2015: 25).



Work Arrangements

Defining and understanding PHS requires a clear sense of the relationships between the:

- **User:** the individual or households outsourcing PHS activities;
- **Employee:** the worker paid to carry out PHS activities;
- **Organisation:** an intermediary sometimes contracted to mediate the relationship between the user and the employee;
- **Government:** the central instance that sets the rules of the game by providing funding, creating and implementing legal standards, developing instruments, regulating contracts and performing inspections.

Work arrangements between PHS actors take different forms:

- **Direct employment:** Although this is no longer the dominant form of employment,⁷⁰ it is common in many countries including France, Spain, Italy, Romania,⁷¹ Germany, the Netherlands and Malta. It is characterised by the fact that the user legally acts as the employer of the PHS worker. In Italy, France and Germany collective bargaining also include direct employment arrangements,⁷² whereas in the Netherlands and Malta, PHS employees who are directly employed do not benefit from collective bargaining.⁷³ In some countries direct employment takes the form of live-in arrangements, meaning that the employee resides with the user. This is particularly common in Mediterranean countries, such as Spain.⁷⁴ With the growth of personal budgets, as well as online platforms, direct employment will grow again, albeit perhaps under different forms.
- **Intermediary or service provider:** Service provider arrangements now constitute the majority of PHS arrangements in the EU.⁷⁵ Homecare service provision will also increase in the future as a result of changing expectations and the growing impact of human rights over social care provision; meaning that services should be provided in people's environment.

In this arrangement, referred to as a triangular employment relationship, the user contracts with an external third-party organisation to provide PHS. That organisation hires individual PHS workers as employees, who work in private homes, but generally receive wages and benefits through the organisation. Belgium has a strongly developed and publicly supported service provider system, in which employment standards are determined by collective agreement and enterprises are responsible for administering wages and benefits.⁷⁶ Finland also has strong intermediary arrangements as well as strong collective bargaining.⁷⁷ One recent variant of the intermediary arrangement involves the development of online platforms. In countries such as

⁷⁰ Some sources indicate that about 30 per cent of arrangements in the EU are currently direct employment, though this figure may more accurately reflect non-care services under NACE 97.

⁷¹ Decker/Lebrun (2018: 17).

⁷² Mather (2015: 28).

⁷³ Mather (2015: 28).

⁷⁴ Hobson/Bede (2015: 337).

⁷⁵ Decker/Lebrun (2018).

⁷⁶ Mather (2015: 21f.).

⁷⁷ Mather (2015: 28).



Austria, Germany, Denmark and Ireland, online platforms are being used to match users with individuals offering cleaning, catering, childcare/supervision, handicraft and home repair activities.⁷⁸

- The service provider arrangement can involve **self-employed individuals**, likely most often in non-care services. In the case of self-employed service providers, the “organisation” consists entirely of the PHS employee/enterprise owner, who contracts with users directly. By registering oneself as an enterprise, the employee/owner can benefit from regulatory features of the national instruments, however challenges often associated with direct employment, such as transparency, precariousness, labour rights and social protection are still problematic.⁷⁹ Sweden is an example of a country in which service providers must be legally registered companies in order to participate in the two primary PHS instruments through which users are eligible for tax deductions. As these registered companies can be entities made up of a single self-employed individual,⁸⁰ in Sweden, the enterprise is often synonymous with the employee.

Challenges to Formalising PHS

While direct employment, intermediary employment and self-employment exemplify the common constellations of regular working arrangements, the greatest challenge hindering the development of PHS is its propensity toward undeclared work arrangements. In many cases, users and employees continue to choose undeclared relationships, even in the presence of instruments meant to incentivise declared work, due to the gaps and shortcomings in the existing regulatory framework. Some employees do not have the choice of declaring their work relationships, as it is challenging or not possible for third-country nationals to get work permits for PHS. In the short term, undeclared arrangements are often attractive to users and employees. Undeclared arrangements are usually less costly. Additionally, users may be freed from extra administrative work and for workers, the absence of social contributions and taxes may cause hourly wages with undeclared work to be higher than with declared work. Challenges to formalising PHS can be categorised according to challenges related to accessibility, sustainability, transparency and functionality:

- **Accessibility and sustainability of PHS:** In most cases, undeclared work is considered more affordable for users or results in higher compensation for the employees. The Austrian voucher, Dienstleistungsscheck (DLS), used for non-care services, is an example of an instrument that has been criticised because of financing issues. The high cost per voucher makes it unattractive to users and uncompetitive compared to undeclared work. In addition, it is seen as too bureaucratic and restrictive with regard to contract length (limited to one month with renewals) and low

⁷⁸ Manoudi et al. (2018: 54).

⁷⁹ In some EU countries, when migrant workers cannot get work permits as domestic workers, they can sometimes register as self-employed in order to work „regularly.“

⁸⁰ IMPact (2014d).



earning thresholds.⁸¹ The lack of included unemployment and pension benefits further disincentivise this system for employees.⁸²

- **Transparency and functionality/simplicity of regulations:** Undeclared work also persists when instruments are considered too invasive or complicated, or when certain users or employees face barriers to using the existing instruments or are unaware of whether or not they are entitled to use an instrument. One group of employees that is often affected consist in third country nationals, based on policy issues outside of PHS. For example, the residence status of a third-country national may make it difficult for a user to hire him/her under the existing laws. In Belgium, despite a well-developed voucher system, undeclared arrangements persist when hiring irregular migrants, due to an insufficient system for regularisation through work.⁸³ One counterexample is Italy, in which PHS collective agreements include undocumented workers.⁸⁴ Transparency and functionality can also limit users. The user may not qualify to purchase PHS using the instruments available, because he or she does not meet certain pre-set conditions, such as age, health status and income. Likewise, the narrow definition of an instrument may exclude the services a user requires.

Assessing the Instruments Supporting the Development of PHS

As delineated in the previous section, PHS suffer from a lack of:

- Transparency of services: the extent to which the purpose and features of an instrument are clear and understandable to all parties.
- Accessibility of services: the ability of all users and employees to make use of an instrument.⁸⁵
- Functionality of services: the extent to which an instrument works as intended;
- Sustainability of services: the degree to which an instrument can continue to meet the country's PHS needs for the foreseeable future.

The existing policy approaches addressing these challenges fall into three categories: financing, process management and quality management. In Table 2, possible approaches to each challenge are considered from the perspective of users and employees.

⁸¹ ILO (2016).

⁸² European Commission (2017b).

⁸³ Magalhães (2015: 6).

⁸⁴ Mather (2015: 29).

⁸⁵ Note: Each instrument may not seek to address accessibility for all groups. A country seeking to develop a robust and comprehensive PHS sector will often develop unique instruments that address each target group separately.



Table 2: Challenges to PHS and Existing Approaches

Challenges	Approaches to challenges		
	Financing	Processing	Quality Management
Transparency	<p>User: Policies provide clear and publicly accessible information about cost of using instruments (e.g. price of vouchers, hourly/monthly wages to be paid to employee)</p> <p>Employee: clear communication of payment and wages, including information about collective agreements</p>	<p>User: Instruments clarify the roles of organisations (when available) and how to create and register contracts with employees</p> <p>Employee: Responsibilities of the organisation (if available) and the user are clear, with regard to contracts, payment, benefits, contributions</p>	<p>User: Instrument provides a simple way to assess the skills and reputation of an organisation or employee before hiring</p> <p>Employee: Policies provide information about training and certification opportunities, information about what skills are needed for which jobs are clear.</p> <p>User and Employee: Employment regulations/collective agreements are clear and known by both parties.</p>
Accessibility	<p>User: Public investment to make sure that services can be used by people of many income levels</p>	<p>User: Processes are easy to use (e.g. contracts can be easily created, vouchers can easily be purchased) and locations for purchasing instruments are convenient</p>	<p>User: Information about skills of employees or quality of organisation is available</p> <p>Employee: Training and certification are available to all interested employees. Employment regulations including labour monitoring, complaints and redress mechanisms cover all employees, regardless of status.</p>
Functionality	<p>User: Price point of instrument supports desired or required frequency of use</p> <p>Employee: Instrument results in expected payment and employees receive enough work to justify further involvement in the field</p>	<p>User and employee: Processes result in clear, service providers can be easily identified, fair contracts that can be understood by all parties</p>	<p>Employee: Minimum employment standards and rights are enforced.</p> <p>User and employee: Training and certification offerings fit the existing needs.</p>

Sustainability	<p>General: Earn-back effect that meets or exceeds public investment</p> <p>User: Repeated use of instrument is affordable</p> <p>Employee: Pay level allows employee to continue to meet own financial needs for self-sufficiency, resulting contributions provide safety net</p>	<p>General: offices for processing fit into the existing governance systems, sites for instrument sales</p> <p>User and employee: processes allow for extended/ongoing user-employee relationships if desired. Work permit schemes for third country nationals enable ongoing, fair, regular work arrangements.</p>	<p>Employee: Training and certification programs prepare employee for continued work in the field and/or skills to prepare for higher skilled work.</p>
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Source: Cylus and Rand (2019).

Mechanisms within PHS Instruments

The mechanisms built into PHS instruments directly address four challenges (see Table 3), approaching them from the perspective of one or multiple actors (the employee, the user or the organisation). The challenges are to be met through diverse strategies or approaches that focus on how to improve financing, process management and quality. Often multiple mechanisms are at work simultaneously within one policy instrument. That is why instruments such as , for example, social vouchers look and act differently in different Member States.

Table 3: Interaction between Mechanisms and Instruments

Mechanism	Instrument	Manifestation of the mechanism through the instrument
Financing	Social contribution adjustment or exemption	Instruments can exempt users or employees from contributions on behalf of the employee, such as pension or various insurances.
	Income tax deduction or credit	Users may be eligible for tax incentives based on the amount of money spent annually on PHS.
	VAT reduction or exemption	Organisations providing PHS may benefit from VAT rates reductions or exemption.
Process Management	Social vouchers	Social vouchers can help regulate and simplify employee registration and ease access to financing mechanisms.

	Central administrative offices	Administrative offices can make registering employees central and simplified. They can provide users and employees information and support.
Quality Management	Training programmes and certification	These qualification offerings help develop employee skills and provide standards for quality to build trust among users.
	Brands and labels	Organisations can use established brands and labels to reassure users and establish standards among employees.

Source: Cylus and Rand (2019).

Mechanisms that consider **financing** of PHS often aim to decrease the cost of services for the user while ensuring that the payment for the employee increases or remains competitive with undeclared market wages. Additionally, many care services are expected to be free of charge, at least in some of the countries considered.

Social vouchers for non-care services can take a variety of forms. In some, users pay an up-front rate to purchase the voucher, but employees generally receive a supplemented rate of pay. In France, the CESU vouchers have two main versions:

- **Declarative CESU:** This form also serves as a declaration of direct employment to the government.⁸⁶ The households report how many hours per month the employee has worked and the hourly net wage. The Declarative CESU, called CESU, supports the direct employment arrangements that dominate in France⁸⁷ and is combined with a tax credit of 50 per cent. The hourly wage must be set above the minimum wage level.
- **Prepaid CESU:** This form has two options. It can be funded and distributed by an employer to his/her employees as an additional non-monetary benefit or by local governments as social benefits. The funding entities order and distribute pre-paid vouchers to employees or residents in need, respectively. The recipient of the voucher can use them to pay for all or part of their PHS needs.⁸⁸

In Belgium, the user purchases a certain number of vouchers from an issuing company and gives the employee one voucher per hour worked. The price of the voucher is fixed by the public authorities. The employee presents the vouchers to the intermediary organisation, where he or she is employed, and receives a regular wage plus benefits in return. The organisation returns the vouchers to the issuing company in return for a sum of money that has been subsidised by regional government funds.⁸⁹ This model conforms to the triangular employment relationships common in Belgium. In the case of cash-for-care allowances, such as the Italian attendance allowance, users receive a specific sum of money monthly from the government, which they can use to pay market price for services directly to an employee.⁹⁰

⁸⁶ IMPact (2014b).

⁸⁷ Farvaque (2015: 3).

⁸⁸ IMPact (2014b); European Commission/EFSI (2018).

⁸⁹ Informatie Vlaanderen (2020).

⁹⁰ Grumiau (2012).

Instruments can also categorise PHS work as a specific category of employment that requires lower social security contributions, as is the case with the German “Minijob”. Minijobs limit employees either to €450 per month of income or to employment limited to three months per year. The number of hours that can be worked is constrained by the minimum wage. Due to their limited employment status, workers employed under the Minijob regime are exempt from social security contributions and the amount of contributions from the employer side is also reduced.⁹¹ While domestic work performed under the Minijob scheme cannot be regarded as an equivalent for full employment, this arrangement has proved beneficial for certain types of workers⁹² as well as in preventing to a certain extent the use of undeclared work, especially with regards to the households of the elderly.⁹³ The Dienstleistungsscheck in Austria functions as a hybrid, in which users pay a small contribution towards employee accident insurance, however pension and health insurance are excluded from the user costs. Employees may choose to pay for pension and health insurance at a fixed monthly rate.⁹⁴

The financing of PHS instruments can also involve tax subsidies, which generally benefit the user side, rather than the employee or the organisation. They can take the form of a tax deduction or a tax credit⁹⁵ as well as VAT reduced rates. The instrument generally specifies the maximum size of the tax credit or tax deduction, calculated based either on household need or on standard fixed rates. With some instruments, companies can also take advantage of tax benefits when buying social vouchers and then distribute them as an untaxed benefit to their staff for the purchase of PHS. A drawback to tax benefits is that they are often less beneficial to retired or unemployed users, who do not necessarily pay income taxes.⁹⁶

Process management mechanisms try to help actors in PHS interact more easily with one another. For example, instruments can determine the ways in which users access PHS. Purchasing social vouchers can be made easier by selling them at kiosks or online. In Belgium, the sale of service vouchers is organised on an official webpage funded and managed by regional authorities, while the management of the service voucher system has been granted by the three Belgian regions to one company.⁹⁷ This can simplify voucher transactions for users (buying) and employees as well as intermediary enterprises (redeeming). Instruments can facilitate the setting and reporting of work contracts between users and employees or between users and enterprises. For example, the Minijob in Germany has made efforts to simplify reporting and registration through the creation of a central office, “Minijob-Zentrale.”⁹⁸ The previously mentioned declarative CESU voucher in France streamlines payment and declaration of employment.

⁹¹ However, Minijob workers they are entitled to employee accident insurance.

⁹² These are psychically challenged workers, who do not feel prepared for employment outside a home, retired persons, who have an opportunity to stay active and earn an additional income as well as persons in transitory situations, who seek a low-level entry point to the labour market.

⁹³ Larsen, Christa, expert comment, 06.03.2020.

⁹⁴ Versicherungsanstalt öffentlicher Bediensteter, Eisenbahnen und Bergbau (2020).

⁹⁵ A tax deduction lowers an individual’s overall taxable income, while a tax credit decreases the amount of tax owed by an individual.

⁹⁶ To account for this challenge, some countries have adjusted their tax benefit systems so that unemployed persons or pensioners are reimbursed by the tax authorities.

⁹⁷ Sodexo is a French food services and facilities management company that serves as the issuing company for vouchers in Belgium. It is one of the world’s largest multinational corporations and one of the world’s top two providers of service vouchers and cards.

⁹⁸ EFSI (2013: 21).



Quality management policies aim to motivate users and employees to actively choose regular, formal PHS work based on its superior quality as compared to undeclared work. Mechanisms such as training programmes or certification for employees and brands or labels for employers denote compliance with regulations, knowledge of the industry, skills and abilities of the employees and reliability. They can help users find and choose employees, while employees can more easily advertise their skills to users or organisations and charge higher rates based on recognised skills and benchmarks. Furthermore, users and employees gain insights into the quality of intermediary enterprises based on awareness of brands and labels. On a less tangible level, the development of skills and training for PHS activities contribute to employees' sense of accomplishment and can help them garner greater respect from the wider community.

France has been a forerunner in the development of training and qualifications for PHS. In the French system, workers in any sector can apply for their professional experiences to be recognised by an educational institution through a Certificate of Vocational Experience (VAE).⁹⁹ Enterprises specialising in providing elderly care services more actively support their employees in obtaining qualification equivalences.¹⁰⁰ Since 2016, the most common type of VAE associated with PHS work has been the State Diploma of Educational and Social Support (DEAES),¹⁰¹ a certificate that confirms that an individual has the skills required to support daily needs of individuals at home, in a facility or in the school environment, regardless of formal training experience.¹⁰²

Table 4 summarises the advantages and challenges associated with improving the formal qualifications of PHS employees. It considers the process from the perspective of employees and users and mostly reflects non-care services.

Table 4: Advantages and challenges involved in the expansion of qualifications for PHS employees

	Advantages	Challenges
PHS employees	<ul style="list-style-type: none"> Improving the status of PHS work Creating a sense of solidarity among PHS workers Cultivating respect for a standard of excellence Preparing employees with relatively little formal training and educational experience to eventually transition from PHS into sectors with higher qualification levels. Improving earnings, working conditions and access to career paths. 	<ul style="list-style-type: none"> Increasing barriers for working in PHS Discouraging participation among target groups with more limited skillsets Generating costs

⁹⁹ In French: "validation des acquis de l'expérience."

¹⁰⁰ Farvaque (2015: 42).

¹⁰¹ In French: "Diplôme d'État d'Accompagnant Éducatif et Social."

¹⁰² 1901 Formation (2016).

Users of PHS	Establishing a standard of care and service that the user can come to expect when hiring a PHS employee. Facilitate a greater sense of transparency and trust.	Increasing the cost of creating PHS jobs, some of which may be passed along to the user Increasing oversight and inspections in private homes
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Source: Cylus and Rand (2019).

Quality management is a key step in professionalising PHS work, as it develops expectations for employees and employers that are in line with other career paths.

- Development of consistent employment standards;
- Availability of training and certification or diploma;
- Increased collective bargaining opportunities.

As such, policies and instruments concerned with quality are not just designed to make PHS better quality for the user, but also to make PHS a better-quality field of work for the employee. This can be accomplished through policies that aim for wide-ranging regulation.

In Ireland, for example, the development of a statutory code of practice in 2007 has led to significant shifts in public perception of PHS employees as members of the workforce with employment rights. In addition to entitling PHS employees to written contracts, minimum wage, maximum working hours and paid leave, it stipulates that PHS users must “respect the dignity and privacy of the employee.”¹⁰³ Many countries, such as Austria, Finland, France, Ireland, the Netherlands, Spain and Sweden, have introduced household inspections in the hopes of ensuring that the employee’s rights are maintained. In Spain, inspectors are supposed to check to see if employees have been provided contracts.¹⁰⁴ In Sweden, inspectors are intended to monitor whether PHS users provide a healthy and safe environment for employees.¹⁰⁵

Relationship between Welfare Regimes and PHS Policies

Welfare regime categorisation has long been used to group European countries and explain their policy behaviours and outcomes based on shared traditions and characteristics. This typology can also be helpful to attempt to understand the challenges facing the development of PHS in different EU Member States and their propensity to address these challenges with the help of different types of PHS policies and instruments.

The literature on welfare regimes categorises the European countries as follows:

¹⁰³ Mather (2015: p. 25).

¹⁰⁴ Mather (2015: 24).

¹⁰⁵ Mather (2015: 24).



- **Nordic regimes** (Denmark, Finland, Sweden and the Netherlands)¹⁰⁶ are typified by a strong state focussed on redistribution measures – as a rule based largely on general taxes – in support of equality and social cohesion. They have high employment and gender equality, strong welfare support systems and extensive family support policies.¹⁰⁷
- **Continental regimes** (Germany, France, Austria, Luxembourg and Belgium) tend to be corporatist, attaching personal benefits to participation in the strong, but often rigid, labour market. They have strong trade unions and a strong history of encouraging male breadwinners. Nevertheless, these countries tend to have strong social support systems and moderate to high redistribution levels, based on social contributions from different social security schemes or general taxes.¹⁰⁸
- **Mediterranean regimes** (Spain and Italy) are characterised by a strong focus on family-provided care, which can lead to significant gender employment gaps. They have less redistribution and less focus on poverty reduction as well as fewer social support systems.¹⁰⁹
- **Anglo-Saxon regimes** (Ireland and Malta)¹¹⁰ are characterised by a laissez-faire attitude towards welfare. Their social security systems are not well developed and social transfers remain low, with a high incidence of means-testing.¹¹¹

¹⁰⁶ The Netherlands tends to exhibit features of both the Nordic and Continental regimes with regard to PHS policies and instruments. Despite a focus on tax reductions, it has care-focused cash benefits.

¹⁰⁷ SensAge (2014).

¹⁰⁸ SensAge (2014).

¹⁰⁹ SensAge (2014).

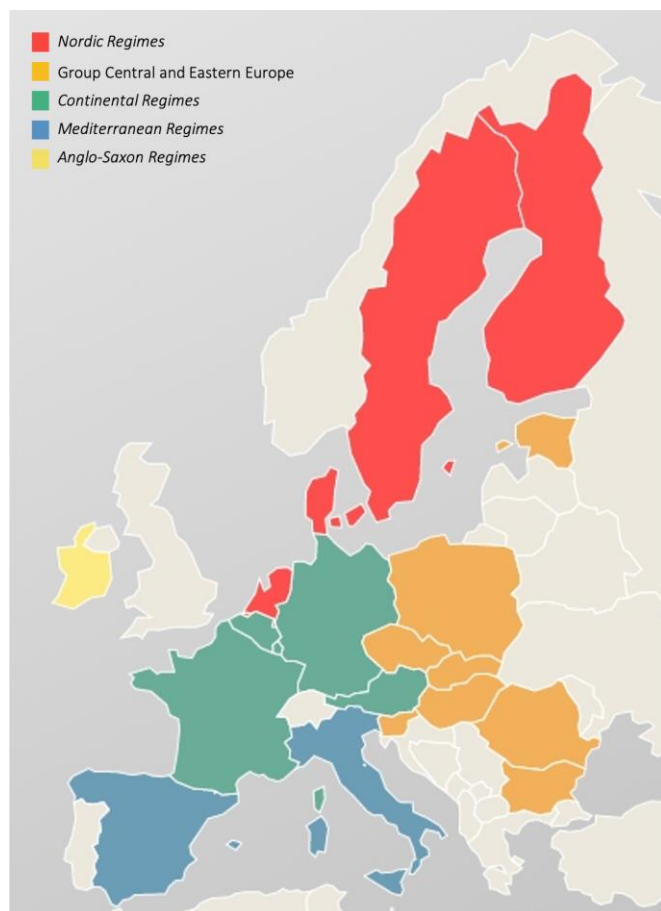
¹¹⁰ The Maltese welfare system provides a unique fusion of welfare philosophies. On the one hand, Malta has one of the highest percentages of means-tested cash benefits vis-a-vis total benefits in the EU. However, it is relatively generous in other policy areas. At the same time, the traditional family, generally associated with the traditional male breadwinner model, is more predominant than is the case in various other welfare states.

¹¹¹ Urbé (2012).



Obviously, not all countries, covered by the Ad-PHS project do fit into this categorisation, focusing on regimes. Importantly, less academic attention has been paid on the analysis of the welfare state in **Central and Eastern European Countries (CEEC)**¹¹² in general, and on the PHS sector in these countries in particular. This makes a thorough classification and seamless comparison more difficult and not conclusive and another approach to analyse these countries will be presented in the respective section below. In the map below (Figure 1), all Ad-PHS project countries are depicted and classified according to a type / regime of welfare provision to get a quick overview over the various historic paths and countries' similarities

Figure 1: PHS Countries grouped by joint Welfare Characteristics



Source: Rossow (2020). Note: Not all listed countries fit into the *regime* classification; see text.

In the following, the report gives an overview over the state of the art of PHS according to the various groups of welfare regimes or types, starting from the Ad-PHS *group A countries* (those with more advanced PHS systems).

¹¹² This classification contains those countries that were part of the former Soviet Union and are now part of the EU or strive for membership. For this very chapter, the following countries covered by the Ad-PHS project are addressed: Bulgaria, Estonia, Hungary, Poland, Czech Republic, Romania, Slovakia and Slovenia (EU Publication Office 2020).

Group A countries: Mediterranean, Nordic and Continental Regime Countries

In this group, the **Mediterranean countries** generally provide fewer social services through the state. Under these circumstances, there has been a longer, uninterrupted tradition of non-care domestic workers and even of informal and undeclared work.¹¹³ Care activities, for example, have generally been left to the determination of the family. Today, as many families cannot personally provide long-term care, especially to older relatives, families often hire caregivers informally. These employees often also do non-care work. In Italy, domestic workers are categorised either as “colf”, if they provide mostly non-care services, or as “badante”, if their main task is providing care to a dependent person. Among the latter, there are many migrant women, who are often undocumented, and usually perform these long-term caring services as live-in domestic workers.¹¹⁴ The so-called “migrant in the family” model points to the commonness of non-care labour, and even live-in labour. As such, PHS instruments have paid less attention to promoting non-care services, as this need is already met by plentiful undeclared domestic workers.

There has also been less emphasis on designing instruments that transition undeclared domestic workers to formal arrangements. Although efforts have been made to implement more contract-based labour, there tends to be less oversight of these contracts. Countries such as Italy and Spain have implemented regularisation schemes for undocumented workers, many of whom perform undeclared PHS work.^{115, 116} Thus the trend in many Mediterranean countries is to develop care-oriented instruments that focus more on the needs of the user than on those of the employee. It is common to find cash-based, means-tested care instruments, thus instruments for vulnerable individuals whose families may be financially less able to care for them. As illustrated by the attendance allowance in Italy, the use of the benefit is often left to the user’s discretion. In this way, cash-for-care instruments often indirectly support or facilitate undeclared work arrangements and can dis-incentivise up-skilling in PHS work,¹¹⁷ as the user’s interest is to obtain the most service for the least money. The goal of countries employing primarily cash-based care instruments is first and foremost to ensure that the needs of the older and most vulnerable members of society are met. As discussed earlier, in Spain, cash benefits can even be used to pay family members to provide what would otherwise be unpaid care, thereby reinforcing the focus on family-provided care these countries. These countries face challenges in making sure that limited care instruments are accessible to all as the population ages and more family carers return to the labour market. In addition, it can be difficult to ensure transparency with cash-for-care instruments, especially when there is limited oversight as to how funds are used.

¹¹³ Estevez-Abe/Hobson (2015).

¹¹⁴ Rugolotto et al. (2018).

¹¹⁵ Estevez-Abe/Hobson (2015).

¹¹⁶ One regularisation scheme in Spain is called ‘arraigo social’ or ‘social rooting’, whereby undocumented migrants can attain work permits if they demonstrate the following: continuous residence in Spain for the three prior years; no criminal record for the previous five years; signed employment contracts for at least one year totalling at least 30 hours a week (can be multiple contracts); as well as documented evidence of family ties and/or social integration. Alternatively, individuals can demonstrate: two years of continuous residence in Spain, no criminal record for the past five years and an irregular employment relationship lasting at least 6 months that has been recognised via court sentence or by the labour inspection. This program has been useful for individuals working in non-care PHS in particular. It also created a pathway to permanent residence after 5 years.

¹¹⁷ Pfau-Effinger/Geissler (2005).



Among the Nordic and Continental regimes, the goals for designing PHS instruments tend to be similar to one another – reducing undeclared work, supporting the development of low-skilled jobs and improving work-life balance. Yet, the nature of instruments differs according to the national context.

Nordic countries tend to design PHS policies focussed on combating undeclared work arrangements and developing low-skilled labour sectors. Because elderly and childcare services are generally covered through social services provided through the welfare state and pursue a social policy objective with a general interest mission, PHS instruments can focus more on developing marketplaces for non-care services. However, as use of these non-care PHS instruments tends to be widespread among older people and families with young children in Nordic countries, it appears that these instruments are also used to help older people continue to live independently and to promote gender equality and work-life balance among working parents.

The primary mechanisms used by Nordic countries are tax reductions and benefits,¹¹⁸ which can be explained by the relatively low wage differential between skilled and low-skilled work in these countries and the clear need to make PHS affordable. In addition to non-care instruments employing tax deductions, the Netherlands also has a cash-for-care instrument. In contrast to the cash instruments in the Mediterranean regimes, the AWBZ instrument is more strongly regulated, requiring users to declare whom they employ and for what services. This regulation helps ensure that this cash instrument supports formal employment.¹¹⁹ Interestingly, while Finnish and Swedish instruments focus on supporting intermediary work arrangements, the Dutch instruments support direct employment models. However, as many Swedish enterprises active in the field of household services are actually self-employed individuals, these instruments also support a work arrangement between the user and the employee.¹²⁰ Nordic instruments need to ensure that their services are accessible for different socio-economic levels or risk being seen as a benefit to the wealthy.

For non-care household services, **continental countries** share the Nordic countries' strong focus on developing instruments that reduce undeclared working arrangements and develop low-skilled jobs. However, like the Mediterranean countries and the Netherlands, Germany and Austria tend to be more care-focussed and they have developed instruments that favour direct employment arrangements for non-care household services. In France, in the case of direct employment no distinction is being made between workers providing care and workers providing non-care services. As with the Netherlands, cash-for-care instruments in these countries are better regulated in order to support formal work arrangements.¹²¹ Belgium's instruments, by contrast, are non-care focussed and promote the use of intermediary arrangements, demonstrating some parallels with Nordic countries. Continental instruments tend to employ the widest variety of mechanisms, combining tax benefits, contribution adjustments, processing mechanisms to ease the purchase and payment with vouchers and the development of special types of mini-job contracts. France also has developed branding and labelling

¹¹⁸ Pavolini/Ranci (2008).

¹¹⁹ Pavolini/Ranci (2008).

¹²⁰ Morel (2015).

¹²¹ Morel (2015).



mechanisms to denote quality. Sustainability is a key challenge for this regime, as its programmes tend to rely heavily on government subsidies.

Group B countries (less developed PHS policies) in comparison to Group A

When looking at Ad-PHS *group B countries* (with less developed PHS policies) in **Central and Eastern Europe**, research shows that “the post-communist welfare states cannot be reduced to any of Esping-Andersen’s or any other well-known types of welfare states”¹²² since their developmental paths are too diverse.¹²³ However, for the case of care, the varieties of familialism typology put forward by Chiara Saraceno and Wolfgang Keck (2008) allows for a better understanding of the post-communist welfare states as compared to their Western and Southern European counterparts.

Instead of developing separate models, Saraceno and Keck refer to “four different patterns along the familisation-defamilisation continuum”. “Familialism by default”, which is characteristic for most post-communist welfare states, refers to unsupported familialism, as there are no or little publicly provided alternatives to family care and financial support. “Supported familialism”, which would correspond to Esping-Anderson’s Mediterranean model, refers to policies, usually including taxation and paid leaves, supporting families in keeping up their financial and caring responsibilities. “Optional familialism”, which comes close to the Continental model, refers to the fact that an option is offered between being paid to provide care to a family member and using publicly supported care. Finally, “de-familialisation”, which would correspond to the Scandinavian model, refers to the individualisation of social rights, thus reducing family responsibilities and dependencies.¹²⁴

However, when considering specific areas of intervention and not the national welfare regime as a whole, the outcomes may be different. Thus, for example with regards to support for severely disabled persons, a prevalence of “optional familialism” can be observed, as attendance allowances, which may be used for hiring a care worker or a family member as a personal assistant, are available in Continental, Mediterranean and Central and Eastern European Member States as well. The authors themselves further concede that “a degree of familialism by default is present also in the most defamilialised or supported familialised countries, particularly in the area of care.”¹²⁵

At the same time, there is a general trend towards marketisation and privatisation of service delivery, supported by the EU’s regulation of competitive service contracting and fiscal pressure towards the privatisation of public/municipal assets.¹²⁶ Consequently, a pluralisation of service providers, with a greater presence of for-profit companies in all the countries considered, but also an increasing importance of the municipal level in the provision of public services as well as the (re-)emergence of the societal third sector through cooperatives, social enterprises or users’ organisations can be observed.¹²⁷

¹²² Fenger (2007).

¹²³ Lauzadyte-Tutliene/Balezentis/Goculenko (2018).

¹²⁴ Saraceno/Keck (2008: 9).

¹²⁵ Saraceno/Keck (2008: 10).

¹²⁶ Wollmann (2018).

¹²⁷ Wollmann (2018).



Within this context, care-oriented PHS provision has also become more market-led and individually focused, where users access packages of care provided by a mix of public, private and third sector organisations.¹²⁸ Chiara Saraceno and Wolfgang Keck stress that there is a major difference between de-familialisation through the state and de-familialisation through the market. In the latter case, differences in income and social status may make access to services difficult. This is even more so, as austerity budgets have severely affected public authorities' capacities to address social needs. Thus in the case of Romania, medical home care services should be available free of charge for all those ensured, but actually they are only available within the limitations set by the National Health Insurance Authority's annual budgets. Within the context of service provision by a mix of public, private and third sector actors, the risk for the intersectional reinforcement of different dimensions of discrimination appears, making access to PHS increasingly difficult for certain disadvantaged groups, such as Roma or the rural poor. Especially in the case of the Central and Eastern European Member States, where poverty alleviation is still high on the political agenda, special attention should be paid to the inclusion of disadvantaged groups and to the safeguarding of their access to all the services that they may need.

Yet, as it is the case for Bulgaria, there is some movement as well: this country introduced a new Social Services Act in 2019, coming into force in 2020, which introduces an entirely new philosophy and changes the legal framework for planning, providing, financing and monitoring social services. In most other countries, social support is mainly seen as a task to be provided by family members (which in Hungary is even enshrined in the constitution).¹²⁹

Eventually, and in particular also for practitioners in the field of PHS across Europe, understanding that countries do seem to cluster according to welfare regime when considering PHS systems can be helpful in considering how to approach the discourse on PHS at the EU level and how to develop discourses in countries, where PHS has received only limited attention so far. Countries are aligning with one another with regard to common objectives for developing the PHS, prioritisation of care versus non-care, orientation towards particular target audiences and arrangements as well as choice of mechanisms.

Looking Ahead

The Ad-PHS project has engaged key stakeholders from 21 Member States through a series of workshops and seminars related to national PHS discourses. In Member States in which PHS is already actively on the national agenda, workshops have focused on understanding the current state of the sectors, determining plans for its continued development and the gathering of best practice examples. In countries where PHS policies have received less attention so far, seminars have focused on identifying national objectives and interests that could contribute to further development and next steps.

However, it has been challenging to collect comprehensive information on the situation of PHS in all 21 EU Member States covered by the Ad-PHS project. This has been the case mainly for countries where PHS

¹²⁸ Power/Hall (2018).

¹²⁹ Spasova et al. (2018: 17).

have received less attention so far. In Italy and Spain, information was mostly available in the national languages – if available at all. In these cases, identifying and contacting experts who were not only familiar with the field, but also fluent in English and ready to engage in a European network, was of high importance. Unfortunately, this was not always possible and in some cases the outcomes of the workshops had to be supplemented with additional research and expert knowledge. In countries, such as Romania and the Czech Republic, where local stakeholders welcomed the project with a lot of interest and enthusiasm, more effort is required to encourage public authorities to take action.

In countries where only limited PHS initiatives have been introduced so far, such as Bulgaria, it proved difficult to identify and contact potential stakeholders. The lack of interest representation and a clear definition of PHS workers makes it difficult to address social partners and to have functioning social dialogue mechanisms. For these reasons (i.e. poorly developed PHS policies, low number of local interest groups; lack of systematic information and translation problems), some reports in the Ad-PHS project vary in terms of the depth of information and sources viewed. This variation is also reflected in this synthesised state of play report. A lack of in-depth information in some countries is therefore a reflection of the national situation in the PHS sector.

However, given the obvious need for PHS regularisation and the high interest in using various instruments for advancing this field, further research must be pursued. In particular, networks are to be enlarged in Central and Eastern European countries where the field of PHS is underdeveloped. Diversifying stakeholder networks in these Member States is important also for identifying experts who could be involved in transnational policy learning activities. Future projects can build upon the networks initiated by Ad-PHS and further expand them by focussing on local expertise to create a pan-European thematic stakeholder network. Creating a common knowledge base will support discourses and policy learning at national level and offer a solid starting point for policy formulation processes at European level. EU's commitment to the UN CRPD and the Disability Strategy 2010-2020 have supported the allocation of budgets and implementation of access to in-kind provision of care services and/or cash allowances to persons with disabilities at national level. In a similar manner, a stronger involvement at EU-level could have a similar impact in the field of PHS, too.

The Action Plan to implement the EPSR put forward by the European Commission¹³⁰ has a strong focus on equal opportunities and jobs for all as well as on supporting professional mobility and economic reconversion. Expanding formal employment in PHS, through different initiatives such as transitioning domestic workers from the undeclared economy, providing them with access to fair working conditions, supporting the professional reconversion of workers willing to take up employment in the domestic care and non-care sectors and creating access to labour and social rights for all PHS workers, would represent a major contribution to the goals outlined above. It would also support the European Gender Equality Strategy and the European Accessibility Act through the creation of support instruments for both women willing to take up full-time employment and persons with disabilities facing challenges with regards to inclusion. As cooperatives have already been singled out as major players in the PHS field in some

¹³⁰ European Commission (2020c).



European countries, such as Italy, the development of PHS would also contribute to the implementation of the goals of the Action Plan for the Social Economy.

Given that domestic workers are often transnationally mobile, European-level actors, such as the newly created European Labour Authority, are called upon to ensure fair working conditions for them. European-level actors can further set impulses for creating a European qualification framework for domestic workers, which would enable them to transfer their skills from one context to another. Thus, the PHS sector could set an example not only for an updated skills agenda for Europe, but also for promoting European quality standards in PHS education and training in the world. Additionally, the adoption of the ILO convention 189 on the rights of domestic workers and the safeguarding of access to social rights by migrant workers could further support regularisation in the sectors. With regards to both users and employees, the implementation of common European anti-discrimination policies, in particular regarding racism and anti-gypsyism, as put forward by the Initiative on Roma Equality and Inclusion, would simultaneously support both the inclusion of Roma workers into the sectors associated with PHS and better access for Roma people to the PHS they may need. In a similar vein, the development of PHS should also be part of the EU's Long-Term Vision for Rural Areas, both in order to prevent the exclusion of the rural population from domestic support services and in order to create diversified employment opportunities for rural residents.



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Glossary

Formalisation: In the context of informal care work, the European Commission describes how “formalisation of informal care takes place either through payments and associated social security (pension and health insurance), training/ certification of skills schemes and finally legislation (recognition of status and rights to being assessed as a carer)”. In the same article, the EC associates “any type of formal work” with the following features: payments (preferably regular and predictable); an employment contract and social security (i.e. being protected by regulation); training and validation of skills; and finally broader legislation which recognises the importance of the role and offers assurance of a certain minimum standard of rights.”¹³¹

Immigration: Immigration is the action by which a person establishes his or her usual residence in the territory of a Member State for a period that is, or is expected to be, of at least 12 months, having previously been usually resident in another Member State or a third country (Regulation (EC) No 862/2007 on Migration and international protection).¹³²

Migration chain: The terms chain migration or migration chain refer to “a process in which initial movements of migrants lead to further movements from the same area to the same area. In a chain migration system, individual members of a community migrate and then encourage or assist further movements of migration.”¹³³

Professionalisation: “[P]rofessionalisation means granting workers of a certain sector employment and social protection rights that are equivalent to those enjoyed by employees working under employment contracts regulated by law, including a decent wage, regulated working hours, paid leave, health and safety at work, pensions, maternity/paternity and sick leaves, compensation in the event of invalidity, rules governing dismissal or termination of the contract, redress in the event of abuse, and access to training; whereas the domestic work and care sector can be professionalised through a combination of public finance (tax breaks), social finance (family allowances, aid to businesses, mutual societies and health insurance, works councils, etc.) and private finance (payment for services by private individuals).”¹³⁴

Regular profession: In the context of work and professions, the EU (EU) defines a profession as “regulated (...) if [one has] to hold a specific degree to access the profession, sit special exams such as state exams and/ or register with a professional body before [one] can practice it.”¹³⁵

Regularisation: In the context of (illegal) migration, “regularisation” is defined by the EU “as state procedure by which illegally staying third-country nationals are awarded a legal status”; a synonym that is rather used in the USA and less in the EU is “legalisation.”¹³⁶

¹³¹ European Parliament (2008).

¹³² Eurostat (2018c).

¹³³ European Commission (2018c).

¹³⁴ European Parliament and the Council (2016: 6).

¹³⁵ EU (2019).

¹³⁶ European Commission (2009).



Undeclared Work: In the EU, the term undeclared work denounces “[a]ny paid activities that are lawful as regards their nature but not declared to public authorities, taking account of differences in the regulatory systems of the Member States.” The Member States have adopted a variety of different definitions focusing upon non-compliance with either labour, tax and/or social security legislation or regulations: If there are additional forms of non-compliance, it is not undeclared work. If the goods and services provided are unlawful (e.g., the production or trafficking of drugs, firearms, persons or money laundering forbidden by law), it is part of the wider criminal economy i.e., the *shadow economy* (often defined as including both the undeclared economy and the criminal economy), and if there is no monetary payment, it is part of the unpaid sphere.¹³⁷

Undocumented or Irregular Migrant: The EU defines a undocumented or irregular migrant as “a third-country national present on the territory of a Schengen State who does not fulfil, or no longer fulfils, the conditions of entry as set out in the Regulation (EU) 2016/399 (Schengen Borders Code) or other conditions for entry, stay or residence in that EU Member State.”¹³⁸

Unpaid sphere: The term unpaid sphere refers to activities that are lawful as regards their nature but not declared to public authorities and without monetary payment.¹³⁹

¹³⁷ European Commission (2018b).

¹³⁸ European Commission (2018c).

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