

Domestic work, still an unmet need?

The situation of household services around the European Union

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Domestic Expansion of services and employment in the household services (PHS) sector is prevalent, but it is not a uniform development as regards the types of services, nor does it apply equally to all countries. Almost everywhere, child care and food services are the two sub-sectors in which employment growth is most evident. In several countries there is also a less marked, but significant, increase in eldercare and domestic cleaning.

Changes in the provision of household and domestic maintenance services is difficult to assess and probably varies from country to country.

Many household services jobs continue to develop as undeclared work. The strong competition offered by the informal sector constitutes a stubborn barrier, and measures taken to remedy the situation have been more successful in some countries than in others.

Despite recent progress, there is still a large unmet need for household services, which will continue to grow as a result of social and

Founded in 2012, the European Federation of Family Employment brings together a community of thinkers, professional decision-makers and experts in this sector from the academic world, civil society, regional institutions, and social partners across the European Union.

It focuses on household services, family employment and home care. At the crossroads of European economic and social issues, this economic sector represents an exceptional growth potential, as well as a key development opportunity for the economic, social and solidarity-based European society we are calling for.

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demographic trends. The extent of this needs in the different sub-sectors varies from country to country, depending on the previous level of service provision. It cannot be taken for granted that these needs will be met by the emergence of new services and the creation of new jobs. There are many economic, socio-cultural, policy-regulatory and organisational obstacles to their development and so far these have been only partially overcome. [1]

Lack of a clear definition

The first conclusion is that household services can only be developed with a clear conceptual definition. Is it the place where the work is performed that defines it, or is it more the kind of work?

There are different concepts in different Member states, not only in the kind of work, but also in the definition of who performs it and for whom do they work.

In Belgium, the definition of PHS (titre-services) is attached to the successful implementation of a voucher for housework activities. Care of dependent

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people is excluded, except for accompanying persons with restricted mobility requiring transportation. In France, the perimeter of these activities, today named 'personal services' ('services à la personne'), is now legally defined, as the purchase of these activities opens access to certain benefits for consumers, mainly in the form of tax reduction. They can be applied to a very large and heterogeneous list of activities, much larger than in Belgium as it includes care work.

In Denmark, these tasks are targeted by a specific scheme ('home service scheme' or 'Hjemmeserviceordningen'). Though it was originally open to any household at its creation, its scope has been progressively reduced and it is now limited to older people only. In Luxembourg there is a tax reduction for households that employ housework personnel or purchase services on the market, limited to a few activities.

In Finland, the scope of PHS is also that of the tax deduction for household work ('Kotitalousvähenyksen'). The tax credit can be granted against paid costs for household work, care-giving and day-care work in the home, and also for repair work in the home or at a leisure house, and IT services. In Sweden, personal services are very much inspired by the Finnish experience. RUT stands for 'Rengöring, underhåll och tvätt' (cleaning, maintenance, servicing) and include most of the housework that can be done at home. ROT stands for 'Reparation, Ombyggnad, Tillbyggnad' and is actually a collection term for measures to renovate and upgrade existing buildings, mostly residential. Services for dependent persons are rarely covered and are generally provided by local authorities.

In other countries, the sector is not defined on the basis of such public schemes aimed at developing the sector, but rather on the basis of specific regulations concerning work and employment. In the Netherlands, the most recent regulation in place concerns housework and home services ('Regeling dienstverlening aan huis').

Similar regulation exists in Italy concerning the work of housework employees ('colf' standing for 'collaboratore/trice familiare'). A voucher system has been implemented with a yet much broader scope. Whereas in France or Belgium the objectives behind the introduction of a voucher are to foster demand and reduce undeclared employment in a well-defined field of personal and household services, in Italy the scope is not fixed in sectorial terms but rather regarding casual work or occasional activities ('prestazioni di lavoro occasionale accessorio'), i.e. professional activities characterised by an occasional and accessory nature that cannot be traced back to standard employment relationships. As a result, the voucher applies to a very large panel of activities, from personal services to agricultural activities, for instance. For this reason, it cannot be strictly considered as a tool in the field of personal and household services, which remains rather undefined.

In Austria, similarly to Germany, there is no precise definition. The sector is rather conceived of with a focus on care provision. The service check ('Dienstleistungsscheck') is used to pay for the provision of basic domestic services in private households and it provides the employee with accident insurance on the first day of employment.

In Spain, there is currently no legal definition of the sector. However, the notions 'servicios de proxi-

midad', 'servicios a la persona' or 'servicios domésticos' are increasingly used in the public debate, as the issue of conciliation has gained in importance alongside the strong increase of female participation over the last years.

In Hungary, there is relevant legislation but only activities related to providing all the necessary conditions of everyday life for natural persons and other persons living in their households are considered to be household work. In other countries like the UK, relatively little attention has been paid to the personal and household service sector.

From this comparison of legal definitions, we can see that European countries rely on very different approaches in this field. These differences are linked to the objectives of public policies and their choices in terms of targeting specific activities. Some definitions will then appear rather restricted and concentrated on domestic chores, while others will be more open. For instance, France has included private lessons support to create incentives for households to declare this generally undeclared service, while Sweden or Finland have included home renovation in the list of home services.

A broad strategic approach

According to Angermann and Eichhorst, PHS should be defined as the "institutionalized form of services that have traditionally been carried out privately and informally within households, including personal services in the form of care (care services such as nursing care) on the one hand, and household services in the form of household activities (housework services such as cleaning, laundry, catering, gardening, etc.) on the other."

As a consequence, policy objectives relating to household services should be the following:

- to create good quality jobs in household services (in the context of employment creation policies);
- to improve working conditions in household services (in the context of policies modernising social protection);
- to promote equal opportunity of access to qualified occupations in household services (in the context of mainstreaming equal opportunities in all policies).

A broad strategic approach to achieving these objectives will need to be adopted, centered on improving knowledge and information, raising awareness, developing accreditation and qualifications, fostering innovation, protecting rights, establishing partnerships and securing common financial incentives.

These elements of strategy can in turn be considered in relation to the three main general objectives: employment, social protection and equal opportunities. But the main point should be not only to improve the workers conditions, but also to ease the burden on informal carers and the welfare state with beneficial effects for the life satisfaction of carers and the cared, enabling a self-determined life and helping to maintain links to the labor market, particularly for women. Informal care by relatives, including their own household work, will continue to play a huge role. This is a critical aspect, as it interferes with the role and subsequent rights of the families and the State.

However, the potential of familial support should not be overestimated in light of the demographic pattern. Therefore, a sustainable strategy to develop personal and household services offers many advantages. For instance, it can ease the burden on informal carers (family carers/caregiving relatives – not to be confused with undeclared workers) by providing supportive services for their cared ones. Moreover, it can also ease the burden on the welfare state by increasing the employment rate on both sides,

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namely employment with personal and household service providers and higher employment through increased working hours, the return to the job market and longer working lives of those relieved from informal care.

With a higher employment rate, tax revenues and social contributions will also increase, generating earn back effects for the state. This is particularly important in times of reduced public spending on social issues. In particular, women would benefit from the implementation of a sustainable strategy of personal and household services in several ways: they would have the possibility to return to their job, increase

their working hours and formalize their undeclared work in the area of supportive services, which they were probably already providing (formalization of existing jobs and creation of new jobs).

It is also necessary to take the gender aspect into account, as the necessity of women's enhanced participation in the labor market could also be viewed as an opportunity to discuss the redistribution of paid and unpaid work between men and women.

Regular jobs can be created with appropriate regulation and organization, while the quality of jobs can be improved to some extent, also via training (although this potential is limited). In terms of the working conditions of the employees working in the PHS sector, it is notable that jobs can be made a part of the regu-

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lar labor market regarding wage setting, social protection, working time or training. Furthermore, it is possible to make formal PHS affordable through suitable policies, in order to reduce the share of PHS in the informal labor market. A significant decline in undeclared work in personal and household services has been observed in France, currently estimated at a share of around 30 percent. This is similar to Belgium, above Sweden with 15 percent, yet significantly below Germany, where undeclared PHS employment is estimated at a minimum of 45 percent, if not 80 to 90 percent, Italy and Spain with around 70 percent and the UK with 50 percent. Lower shares of undeclared

and informal work can also be observed in other countries that have started to invest in making PHS affordable, e.g. Finland and Sweden. Moreover, the German 'minijob' scheme combined with tax incentives has at least led to a marginal decline in shadow economy activities.

Consequences of PHS formalization

Formal personal and household services will not work without substantial public/social investment – PHS employment generates some earn back effects, but personal and household services will likely not be cost neutral. Formal PHS provision competes with PHS organized in the informal sector and work undertaken by household members. Hence, demand for formal PHS is highly sensitive to cost and quality considerations, as well as other more cultural barriers to externalization in the formal market. The formalization of PHS at a certain wage level, including full social protection, makes these services clearly more expensive than those offered on the black market. This is particularly true for countries where minimum wages exist and non-wage labor costs in terms of social insurance contributions are relatively high. High price elasticity of demand for PHS is probably most important in explaining the different levels of formal PHS provision (outside care) across European countries.

Finally, the regulation of housework has a direct influence on the gap between desired and actual fertility. Workers at home can make parents easier to have time for their children's education or, at least, replace them with their children when they are working. Paternal leaves (and, more specifically, fathers' leaves) can then be used for what they are primarily designed, which is to stay with the new born during a time that all studies show to be crucial for the future of their development and education.

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[1] Eurofound, 'Employment in household services'.