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7<sup>TH</sup> EUROPEAN CONFERENCE

ON PERSONAL AND HOUSEHOLD SERVICES

# Personal and Household Services in Europe: What new challenges for Businesses?

On the 7<sup>th</sup> of November 2016, the seventh edition of the European Conference on Personal and Household Services gathered about 70 participants who discussed the future challenges and opportunities faced by businesses active in the sector. Personal and Household Services (PHS) cover a broad range of care and non-care activities that contribute to well-being at home of families and individuals such as child care, long term care for the elderly and for persons with disabilities, cleaning, remedial classes, home repairs, gardening, ICT support, etc.

Co-organised by the Consultative Commission on Industrial Change (CCMI) of the European Economic and Social Committee (EESC) and the European Federation for Services to Individuals (EFSI), the event addressed three main challenges, namely: the use of ICT tools and more globally digital solutions in the provision of PHS; the means to tackle the unfair competition of undeclared work; and the improvement of job quality in the sector. The event's agenda can be viewed [here](#).

## WELCOME MESSAGES

Our societies face many challenges such as population ageing, a growing mobility of EU citizens, an higher number of single person households and single parents families, women's increased participation to the labour market or the decrease of family carers. PHS remains one of the few developing sector with an important job creation potential and huge economic opportunities. With these societal challenges new needs emerge for which new services are required. Notably, the development of new technological devices will impact the relationship between society, technology and individuals. The issues of accessibility, affordability, sustainability and the ethical aspect of new PHS will have to be addressed to an extent which "*we may need a totally new concept of personal and household services or home services*" said Dirk Jarré, Delegate representative of the CCMI.

PHS businesses deploy innovative solutions at local level but "*PHS businesses alone cannot meet those needs without adequate supporting policies*" said Aurélie Decker, EFSI's Director. Thus speakers unanimously stressed the importance of good practices exchange at EU level. Furthermore, PHS will be impacted by current and future European initiatives such as the New Start Initiative, the Digital Single Market or the European Platform on Undeclared Work. It is crucial that challenges and obstacles left ahead PHS development should be addressed by them. In particular, Nicholas Costello, Deputy head of unit "Job creation" within the European Commission's Directorate for Employment, Social Affairs and Inclusion, stressed the importance of the current public consultation on the European Pillar of Social Rights which is "*a natural consultation to consider what the best policies are for PHS*".

## 1<sup>ST</sup> ROUNDTABLE | ICT TOOLS IN PERSONAL AND HOUSEHOLD SERVICES: SEIZING NEW BUSINESS OPPORTUNITIES

In this first roundtable, participants debated about the ICT tools potential and the remaining obstacles to their full deployment. Didier Chateau, President and Cofounder of *Générale des Services* argued that PHS providers must anticipate the digital transition to ensure future growth as "*giants like Amazon and Google have decided to invest the sector of PHS*". According to him, PHS providers should fully embrace the opportunities offered by e-commerce solutions

otherwise their economic sustainability will be put at risk. However, “*these ICT solutions we are talking about today cannot substitute human services but it might change the service*” stressed Annette Angermann, Scientific Consultant at VDI/VDE Innovation and Technik.

A majority of participants agreed that human contacts are one of the core characteristics of PHS and thus a 24/7 services ordering process is incompatible and ethical watchdogs are required. The emergence of digital platforms such as Helping and other Uber-like companies is discussed. On one hand, these platforms bring simplicity and meet new needs. On the other hand they - most of the time - do not comply with the same labour and social provisions applying to traditional PHS providers and may operate on the undeclared market. This creates unfair competition and some participants asked the European Commission to act, so as to ensure a level-playing field.

Among the technical, economic, social and policy barriers hampering the full deployment of ICT solutions, participants considered that inadequate skills of both PHS users and workers as being one of the most important. In addition, they considered that there is a lack of information about the tools available. Finally, the limited access to capital and long-term investment was stressed and public private partnerships were mentioned as a possible solution by Nicolas Hurtiger, Founding President of *Senior Company*. He also underlined that legal framework instabilities was an issue which “*can be harmful to innovation and entrepreneurial spirits needed in PHS*”.

## **2<sup>ND</sup> ROUNDTABLE | HOME CARE AND HOUSEHOLD INDUSTRY IN EUROPE: HOW TO TACKLE THE UNFAIR COMPETITION OF UNDECLARED WORK?**

During this second roundtable, focus was putted on the new European Platform on Undeclared Work. It is estimated that 7 million Europeans purchase home cleaning services on the undeclared market. Member States share common challenges when it comes to undeclared work and they could thus learn from each other. Although no PHS sector specific approach is foreseen in the Platform work programme for 2017-2018, Georgi Pirinski, Member of the European Parliament and Jackie Morin, Head of Unit within DG EMPL in the European Commission, shared the view that PHS will benefit from it. Indeed, they pointed out some planned activities which will contribute to specifically tackle undeclared work in the PHS sector. Participants suggested that vouchers’ contribution to the reduction of undeclared work should be looked into by the Platform, and this was confirmed by the European Commission’s representative.

A detailed overview of the Belgian Service vouchers system was given to participants. Greg Renders from Sodexo, stressed the model efficiency relies both on the use of voucher to distribute State subsidies and the triangular model (i.e. users buy services to a provider who employs PHS workers). Finally, the specific situation of live-in care workers whose number is growing throughout Europe was highlighted by Adam Rogalewski, member of the EESC and rapporteur of an opinion on the issue. They are most of the time undocumented or undeclared and even suffer from bogus self-employment in some countries. He stressed that one of the reason is the impossibility for competent authorities or trade unions to access care-givers in private homes and thus called for an appropriate legal framework at EU level.

## **3<sup>RD</sup> ROUNDTABLE | ON THE PATH TO QUALITY JOBS. THE ORGANISATION OF PHS WORKERS AND EMPLOYERS.**

The last roundtable explored the improvement of job quality in the PHS sector through workers’ and employers’ organisations. Claire Hobden from the ILO has given an overview of the ILO’s involvement to improve domestic workers working conditions since the adoption of the ILO Convention No. 189 on decent work for domestic workers in 2011. The role of employers and workers organisation is crucial in order to identify and adequately address the needs of the workers and services’ recipients. She stressed that in many countries, significant legal barriers remain and prevent the creation of a bargaining process in the sector.

Participants identified the willingness to professionalise the PHS sector as the main factor leading to the conclusion of collective bargaining agreement. Furthermore, Eric Schneider’s intervention from O2 - a French company operating in the PHS sector - showed the shared interest of both workers and employers for quality jobs and workers’ upskilling. The market segmentation and lack of openness to various actors has been criticized, as a barrier to users freedom of choice and services’ quality improvement. Grace Papa from the Belgian Christian trade union described the well-established model of social dialogue within the Belgian Services voucher system. Over the years, it has led to significant social improvement regarding trainings, travel cost reimbursement or yearly bonuses to name a few.

## CONCLUSIONS

Since a growing interest for PHS development is shared by many Members States and new interest emerges at the European level, Jean-François Lebrun, European Commission's DG EMPL expert seconded at the French Treasury, concluded that EU actions related to PHS should not be limited to good practices exchanges and information. He stressed that more attention should be given to EU citizens needs at political level, as they are the ones driving PHS development. Decision makers should adopt a more comprehensive overview of PHS going beyond the issues of job creation for the low qualified and costs.

Public support must reduce the price paid by users, with the aim to be competitive with the undeclared market when it comes to non-care activities and with the aim to guarantee an universal access when it comes to care services. *"Without public support, PHS are today more or less in the impossibility to have a real development"* said Jean-François Lebrun. First of all, it's a necessary condition to tackle undeclared work in the sector. Secondly over the long run, public support should improve PHS productivity and quality. In this regard, more attention should be given to: the introduction of ICT tools at home and in PHS provision; the development of professional trainings and professionalization; the functioning of social dialogue; and the creation of quality ranking processes. He concluded by inviting PHS stakeholders to contribute to current EU initiatives (especially the EU Pillar for Social rights) and to work together in order to be heard at EU level.

*Event materials and speakers' presentations are available online on EFSI's website ([www.efsi-europe.eu](http://www.efsi-europe.eu)). A full report will be published early 2017.*

