

## JUNCKER'S INVESTMENT PLAN: MISSING THE EMPLOYMENT OPPORTUNITY OF THE PERSONAL AND HOUSEHOLD SERVICES (PHS)

### EFSI regrets that the plan does not include the PHS sector in its strategy

BRUSSELS, 4<sup>th</sup> December 2014 : Jean-Claude Juncker's €315 billion investment plan may be a key step towards a renewed economic growth in Europe, but, unfortunately, the plan misses the opportunity of **investing in the Personal and Household Services<sup>1</sup> (PHS) sector in order to create millions of jobs and economic growth with minimal risk-taking.**

The President of the European Commission, presented on 26 November 2014 his investment plan which is designed to respond to the lack of investment the EU is currently facing by providing guarantees and encouraging additional private and public capitals. Aurélie Decker, Director of the European Federation for Services to Individuals (EFSI) declares that ***"this is a very positive impetus in order to raise growth prospects in Europe. However, it is unfortunate that Mr Juncker's plan focuses only on a range of sectors while excluding others recognized to have a high job creation potential as well as many social benefits for our societies, such as the personal and household services sector"***. Indeed, the 2012 European Commission's Employment Package identified the PHS as a sector with a potential of European job creation of **5.5 million<sup>2</sup>**.

Whereas, Mr Katainen (European Commission Vice-President) described the investment plan as a *"magnet"* that *"will create real jobs"*, EFSI underlines that this is exactly what supporting measures to PHS activities does (such as services voucher schemes or targeted tax-breaks). In addition, PHS enable the **transfer of hundreds of thousands of jobs from the informal to the formal economy**. However, further action to support the sector is needed since it is estimated that **7 million Europeans purchase cleaning services on the undeclared labour market<sup>3</sup>**. Therefore, EFSI encourages the Commission and EU28 Member States to support PHS, both politically and financially, as a smart investment of public funds.

Indeed, several studies, including reports for the European Commission reveal that **supporting measures to PHS generate non-negligible return on investment**. In addition to jobs creation, such

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<sup>1</sup> The personal and household services sector represents a broad range of activities that contributes to well being of families and individuals such as child care, long term care for the elderly and for persons with disabilities, housework, remedial classes, home repairs, etc.

<sup>2</sup> COMMISSION STAFF WORKING DOCUMENT on exploiting the employment potential of the personal and household services (SWD 2012 95)

<sup>3</sup> According to the latest Eurobarometer survey on undeclared work, 11% of the respondents declared to be involved in purchasing goods or services on the undeclared market which corresponds to 46.7 million individuals. Among them, 15% said they bought home cleaning which represents 7 million individuals (EFSI's own calculation based on Eurostat & European Commission).

policies also bring a considerable number of indirect earn-back effects, either measurable, such as additional income taxes and social security contributions, or non-measurable, such as a better work-life balance for citizens and an increased female participation in the labour force thanks to a better access to childcare and long-term care. Moreover, Aurélie Decker, states that ***“the jobs created are local and non-relocatable. They also represent real perspectives for the low-skilled and long-term unemployed who have been particularly affected by the crisis”***.

In addition, **PHS activities such as home-based care also represent a sustainable answer to the rapid ageing of the population**, by providing personalised and affordable quality care. The modernisation of social protection systems is an issue that may be addressed through the funding of projects under the European Fund for Strategic Investment; however, to face such demographic challenges, a real change of paradigm is needed.

This is why **EFSI is willing to work in close collaboration with the European Commission**, in order to take advantage of the PHS's sector great potential for European citizens, economy and social model.

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**Contact:**        **Aurélie Decker**  
Director - EFSI  
+32 (0) 2 204 08 73  
+32 (0) 473 66 48 69  
[aurelie.decker@efsi-europe.eu](mailto:aurelie.decker@efsi-europe.eu)  
[www.efsi-europe.eu](http://www.efsi-europe.eu)

As the European Federation for Services to Individuals, **EFSI** is the representative body of national federations and associations as well as companies involved in the development of personal and household services in Europe. Through its members, EFSI is present in 22 EU Members' States.