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EFSI's contribution to the public consultation on the European Pillar of Social Rights

QUESTIONS FOR THE IDENTIFICATION OF THE RESPONDENT

1. * Are you replying as an individual or as an organisation ?

- Individual
- Organisation

***What is the type of your organisation?**

- Business
- EU level organisation
- National level organisation

Your EU level organisation is a(n)

- NGO
- Trade Union
- Employers organisation
- Think tank/academia
- Other

***Name of your organisation or institution:**

The European Federation for Services to Individuals.

***Respondent's first name:**

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***Respondent's surname:**

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***Country:**

Belgium

Register ID number (if you/your organisation is registered in the Transparency register):

Register ID number: 57795906755-89

2. Your reply:

- Can be published with your personal information** (I consent to publication of all information in my contribution and I declare that none of it is under copyright restrictions that prevent publication)
- Can be published in an anonymous way** (I consent to publication of all information in my contribution except my name/the name of my organisation and I declare that none of it is under copyright restrictions that prevent publication)
- Cannot be published - keep it confidential** (The contribution will not be published, but will be used internally within the Commission)

QUESTIONS FOR THE CONSULTATION

The Commission invites all interested parties to reply to the questions set out in the questionnaire below, together with any additional comments, by 31 December 2016. (See also [Commission communication "Launching a consultation on a European Pillar of Social Rights", COM\(2016\) 127 final](#)).

On the social situation and EU social “acquis”

1. What do you see as most pressing employment and social priorities?

EFSI considers the following employment and social priorities as being the most pressing ones in order to support well-functioning and fair labour market and welfare systems:

-supporting job creation especially for low-skilled and long-term unemployed. The EU unemployment rate has increased steadily over the years and low-skilled workers, unemployed, female and young workers are among those most hit by the current crisis. In this regard, EFSI stresses the relevance of the PHS sectors to provide quality non-relocatable jobs for people with low or no qualification that are usually on the fringes of the labour market, including migrant workers. In 2014,

the sector employed 7.3 million workers throughout Europe and its job creation potential is estimated by the European Commission (SWD(2012) 95 final) at 5.5 million in the coming years,

-fighting undeclared work as its prevalence in some sectors is extremely damaging to the State, the workers and potential users of services purchased on the undeclared market,

-enhancing working conditions as well as industrial relations in sectors too often characterized at national level by low working conditions, low social protection and absence of collective agreements,

-promoting the professional recognition of the skills and qualifications,

-promoting women's participation to the labour market thanks to a better access to childcare facilities. Indeed, women's participation to the labour market is linked to the distribution of families responsibilities and parenthood is more likely to have an impact on their employment rates than for men, especially when care services are lacking or are too expensive,

-improving access to affordable and high quality childcare and home-based long-term care services as it contribute to the social inclusion of the recipients, their carers and the workers themselves,

-improving EU's citizens ability to better balance their professional and private lives.

2. How can we account for different employment and social situations across Europe ?

EFSI underlines the importance of taking into account the different socio-economic models and current situations in EU Member States. Their economies and labour markets are closely interlinked and any policy choices in one Member State spill-over into others. Furthermore, the level of resources allocated to employment and social objectives varies widely across Member States.

This is why, the future European Pillar of Social Rights should find the right balance between guaranteeing to Member States – in accordance with the subsidiary principle – their ability to define and implement their own reform path while ensuring that these economic and social policy reforms lead to an increased convergence across Europe.

To this end, the European Commission should foster the exchange of good practices and the creation of permanent platforms for exchanges and data building. Despite the various existing employment and social situations across Europe, EFSI firmly believes that Member States can learn from experiments conducted in other countries and can draw inspiration from them towards the implementation of new policies.

3. Is the EU “acquis” up to date and do you see scope for further EU action?

The EU social acquis is well developed in many key areas and EFSI believes that before suggesting new legislation, a strengthened enforcement and an improvement of current frameworks is required. Thus, EFSI identified two fields where further EU action could significantly improve the working conditions of PHS workers :

- EU Framework Directive on Safety and Health at Work (Directive 89/391 EEC). At present, only PHS workers formally employed by an intermediate structure are covered by measures to eliminate or minimize work-related hazards and risks, leaving aside domestic workers. This discrepancy between workers performing the same tasks is highly detrimental.

- the European Platform on Undeclared Work. It is unfortunate that PHS sectors will not be the subject of any specific activities over the period 2017-2018 despite the fact that they have been recognized as one of the sectors heavily affected by undeclared work. The implementation of specific actions targeting PHS (such as tools, common concepts and non-binding guidelines development, peer reviews and European campaigns) would be beneficial as it would unquestionably make a substantive

contribution to the development of legal frameworks and incentives measures by Member States to formalize undeclared work in PHS.

Furthermore, EFSI shares the opinion that the Pillar of Social Rights is a unique opportunity to keep the EU social “acquis” up-to-date and fit-for-purpose to provide answers to current and future challenges of our societies. Thus, in order to ensure a holistic approach of PHS sectors, including all forms of work (employed by a company or an household, self-employed and on-line platforms workers), EFSI calls for the creation of an EU Platform on PHS (as initially planned for 2015). Its aim would be to improve data collection, knowledge building and sharing, as well as success criteria’s identification and analysis of effective policies in order to develop guidance for national policy makers.

On the future of work and welfare systems

4. What trends would you see as most transformative? [Please select at most three from the list below]

between 1 and 3 choices

- Demographic trends (e.g. ageing, migration)
- Changes in family structures
- New skills requirements
- Technological change
- Increasing global competition
- Participation of women in the labour market
- New ways of work
- Inequalities
- Other

5. What would be the main risks and opportunities linked to such trends? *These 3 trends are closely interlinked and so are the risks that could arise from a lack of anticipation of their impact on European societies. As such, population ageing leads to a growing demand of formal PHS (esp. home care and home cleaning services) and it is the duty of public authorities to support the availability, accessibility, affordability and quality of formal supply. Furthermore, the number of family carers is decreasing which reinforce the need for professional services. In many EU countries, it has led to the hiring of numerous migrant workers as live-in care workers. Most of the time they are undeclared and even undocumented.*

Likewise, there is an increasing number of women participating in the labour market. Family structures have changed and blended and single-parents families are now common. It results in greater difficulties for workers to cope with everyday life tasks and family responsibilities. According to Eurofound, EU citizens spend on average per week 23 hours caring for children and 8 hours caring for elderly or disabled as well as 11 extra hours on cooking and housework. Public authorities should thus recognize PHS’ major contribution to work-life balance as a flexible solution which respects EU citizens’ preferences and needs. Without adequate support, workers (mostly women) may have no other choice than to leave paid employment.

As a whole these trends – if adequately addressed by decision makers through a comprehensive public support – could lead to the development of new, more efficient, person-centered and of quality PHS. As such, PHS development in the formal market represents a potential of 5.5 million new non relocatable jobs for low and medium skilled workers throughout Europe. If not then, there is a very

high risk that PHS expansion will occur on the undeclared market, leading to the absence of adequate labour rights and social protections for workers and no guarantees of affordability, accessibility and quality for users.

6. Are there policies, institutions of firm practices – existing or emerging – which you would recommend as references ?

On the EU level, EFSI would recommend the following policies and initiatives:

- the Europe 2020 employment policy objectives to reach a labour market participation rate of 75% of the people of working age,
- the Employment package and in particular the staff working document on exploiting the employment potential of the personal and household services as it adequately describes the challenges faced by PHS sectors and potential avenues for future EU actions,
- the Social Investment Package because it recognizes social spending as an investment,
- the European Platform on Undeclared work as it puts the issue at the forefront of political discussions and will foster Member States cooperation,
- the European Parliament report on women domestic workers and carers in the EU (2015/2094(INI)),
- the European Parliament report on creating labour market conditions favourable for work-life balance (2016/2017 (INI)),
- the European IMPact project guide “PHS policies – implementation and monitoring guide” as it provides theoretical insights, policy descriptions and analytical tools that would help public authorities to design PHS measures and improve assessment and monitoring of their macro-economic effects.

Regarding the national level, EFSI would recommend the following practices and policies:

- the implementation of public support ensuring that citizens can afford PHS on the formal market (such as the Services vouchers in Belgium, the “Kotitalousvähennys” tax scheme in Finland, the CESU vouchers in France, or the “RUT-avdraget” tax exemption in Sweden). These policies have proven to be an effective mean to reduce undeclared work, create jobs and improve working conditions.
- systematic and comprehensive assessments of public investment in PHS sectors on a yearly basis in order to evaluate the total public investment in the measures implemented as well as its direct and indirect earn-back effects.

On the European Pillar of Social Rights

7. Do you agree with the approach outlined here for the establishment of a European Pillar of Social Rights?

- I strongly agree
- I agree
- I disagree
- I strongly disagree

Please specify

Generally speaking, EFSI welcomes the rights-based approach & broadly agrees with the policy domains identified, though some aspects are missing & some nuances are lacking (see below detailed comments by domain). EFSI considers that the Pillar will be a unique opportunity to improve the monitoring of the employment and social performance of EU countries but a number of key questions remains.

Firstly, EFSI considers that the Pillar should not be limited to a declaration of principles or good intentions but must consist of concrete initiatives delivering positive impacts at national level while

respecting the subsidiarity principle. Thus, benchmarking, policy guidelines, national reporting and recommendations, should be the basic framework for each principles.

However, the Pillar's scope overlaps with current legislative developments (going beyond benchmarking of policies and good practices) as well as non-legislative initiatives. Thus, defining what will be the mechanisms linking the Pillar to relevant parallel EU initiatives and processes (e.g. Europe 2020 and the European Semester, the Social Investment and Employment Packages, New Start Initiative, to name a few.) is key to its future success. In any case, the Pillar should not duplicate processes already in place.

Furthermore, EFSI is concerned by how the future Pillar initiatives will be financed, especially in the current context of budget cuts. Will the Employment and Social Innovation (EASI) financial framework become the main financial instrument? If so, will it be strengthened? In this regard, EFSI deplors that the concept of social investment is completely absent from the proposal.

Finally, EFSI fears that the Euro only area scope of the Pillar might create a double speed EU while EU Member States share the same social and employment challenges and the same EU social Acquis.

8. Do you agree with the scope of the Pillar, domains and principles proposed here? (If you wish to provide detailed comments on any of the 20 domains, please see the section "Detailed comments by domain" below).

	I strongly agree	I agree	I disagree	I strongly disagree
1. Skills, education and life-long learning	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Flexible and secure labour contracts	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Secure professional transitions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Active support for employment	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Gender equality and work-life balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Equal opportunities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Conditions of employment	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Wages	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. Health and safety at work	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. Social dialogue and involvement of workers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
11. Integrated social benefits and services	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
12. Health care and sickness benefits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
13. Pensions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
14. Unemployment benefits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
15. Minimum income	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
16. Disability benefits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
17. Long-term care	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. Childcare	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
19. Housing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
20. Access to essential services	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there aspects which are not adequately expressed or covered so far?

The European Pillar of Social Rights objectives being among other to promote a highly competitive social market economy and to overcome the 2009 crisis, EFSI believes that two aspects are missing to ensure a comprehensive approach.

Firstly, while the preliminary outline puts a strong focus on bringing people into employment, no mention is made on how job creation could be supported. In this regard and in addition to the already mentioned policy domains, attention should be given to the cost of employment. In a sector such as PHS in which the cost of services is almost entirely made up of labour cost, the cost of employment may represent the main barrier to the hiring of new workers on the formal market. As such, the Pillar will only be useful if it really contributes to improving the framework conditions in Europe for job creation and labour market integration.

Secondly, many references are made to the need to address some "grey zones" (namely dependent and bogus self-employment) but nowhere are the challenges raised by undeclared work mentioned. Tackling undeclared work throughout Europe will undoubtedly contribute to a competitive social market economy and to improve working conditions as well as to ensure a level playing field among workers and economic actors. In this regard, the Pillar initiatives should be carefully articulated with the work of the new European Platform on Undeclared Work.

9. What domains and principles would be most important as part of a renewed convergence for the euro area? (Please select maximum 5)

between 1 and undefined choices

- 1. Skills, education and life-long learning
- 2. Flexible and secure labour contracts
- 3. Secure professional transitions
- 4. Active support for employment
- 5. Gender equality and work-life balance
- 6. Equal opportunities
- 7. Conditions of employment
- 8. Wages
- 9. Health and safety at work
- 10. Social dialogue and involvement of workers
- 11. Integrated social benefits and services
- 12. Health care and sickness benefits
- 13. Pensions
- 14. Unemployment benefits
- 15. Minimum income
- 16. Disability benefits
- 17. Long-term care

- 18. Childcare
- 19. Housing
- 20. Access to essential services

Comments:

EFSI advocates for specific focus to be putted on PHS development, as PHS sector is a key element towards the achievement of the Europe 2020 strategy's objectives, while :

- *creating quality non-relocatable jobs for long-term unemployed and low-skilled people as well as for migrant workers,*
- *contributing to women's participation to the labour market and social inclusion, by directly providing them a job (thus on average 90% of PHS workers are women) and by giving them access to services enabling them to better combine their private and professional lives,*
- *providing innovative solutions to adequately tackle EU population ageing thanks to the provision of home care services for the elderly as well as services easing the daily life of family carers,*
- *helping to conciliate professional and personal life,*
- *contributing to the social inclusion of the most dependent ones.*

As such, a EU strategy for the development of PHS could be an important vector of growth and job creation and could contribute to the economic recovery of the Euro area.

10. How should these be expressed and made operational ? In particular, do you see the scope and added value of minimum standards or reference benchmarks in certain areas and if so, which ones?

EFSI considers that the development of clear social policy targets through reference benchmarks would be an effective tool acting as a compass driving social and economic reforms in all Member States. It would provide a quantitative and/or qualitative point of reference for assessing progress towards agreed goals. Comparison between Member States will be made easier and it would provide opportunities for mutual learning and best practices exchanges. In this regard, the social scoreboard in the European Semester could be a good starting point and could ease the link between the Pillar's initiatives and other relevant EU initiatives such as the European Semester process. Furthermore, EFSI believes the "Barcelona Targets" initiative could also serve as inspiration for the creation of benchmarking tools. These targets have proven to be an effective tool for collecting comparable information on childcare services throughout the EU, for monitoring evolutions and for promoting the exchange of good practices.

The added value of minimum standards might be lower as many of them are already part of the EU social acquis and as they might not be ambitious enough. In any case, EFSI considers that if minimum standards are to be developed in the framework of the EU Pillar of Social Rights, they must comply with principles of subsidiarity and proportionality.

Finally, EFSI reiterates and stresses its previous comment on the need to ensure adequate investment for the European Pillar of Social Rights. Indeed, the only way to make the principles operational at national and local levels is to guarantee sufficient funding of the related initiatives. In this regard, EFSI believes that the concepts and policy frameworks set out in the 2013 Social Investment Package should be reactivated.

Detailed comments by domain

If you wish to provide detailed comments on any of the domains, please select one or more from the list below and fill the table(s) and comment box(es) underneath. (A detailed description of the domains and principles is available in the [Annex "A European Pillar of Social Rights - Preliminary Outline"](#) to the [Commission communication "Launching a consultation on a European Pillar of Social Rights", COM\(2016\) 127 final](#)).

- 1. Skills, education and life-long learning
- 2. Flexible and secure labour contracts
- 3. Secure professional transitions
- 4. Active support for employment
- 5. Gender equality and work-life balance
- 6. Equal opportunities
- 7. Conditions of employment
- 8. Wages
- 9. Health and safety at work
- 10. Social dialogue and involvement of workers
- 11. Integrated social benefits and services
- 12. Health care and sickness benefits
- 13. Pensions
- 14. Unemployment benefits
- 15. Minimum income
- 16. Disability benefits
- 17. Long-term care
- 18. Childcare
- 19. Housing
- 20. Access to essential services

2. Flexible and secure labour contracts

	I strongly agree	I agree	I disagree	I strongly disagree
Do you agree with the challenges described?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is the principle addressing those challenges in the right way?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Should the EU act to put in reality this principle?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have other comments or additional suggestions? For instance: how to address these challenges in the right way? How should the EU act to put in reality this principle?

Although EFSI broadly agrees with the brief outline which is made of the issue of "flexible and secure labour contracts", it deplors the incomplete description which is made of the challenges linked to the development of digital economies. Indeed, the emergence of digital platforms is an opportunity to meet

new needs, to reach greater productivity and to bring simplicity in the PHS sector. PHS workers operating through these platforms must be granted access to the same social and labour rights as their counterparts employed by “traditional” PHS providers in order not to create harmful discrepancy between workers performing the same tasks and between PHS providers providing the same services.

As the Digital Single Market Strategy is limited to technical considerations and ignores the challenges raised by the emergence of new services and new form of works, EFSI calls for the European Pillar of Social Rights to specifically address this issue. Equivalent labour and social rights should be guaranteed to all PHS workers, despite their form of employment or their employer. Similarly, a level playing field regarding taxes and social contributions among PHS providers must be ensured. An EU action in this field is fundamental to ensure a sustainable development of the PHS sector in the formal market.

5. Gender equality and work-life balance

	I strongly agree	I agree	I disagree	I strongly disagree
Do you agree with the challenges described?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is the principle addressing those challenges in the right way?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Should the EU act to put in reality this principle?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have other comments or additional suggestions? For instance: how to address these challenges in the right way? How should the EU act to put in reality this principle?

EFSI would like to highlight the contribution of PHS to a better work-life balance which is partially missing in the challenges described and principles recommended. As such, the PHS sector is a key element towards the achievement of a better work-life balance (WLB) as it:

- enables families and individuals to externalise daily tasks made at home,
- provides various solutions regarding child and elderly care,
- favours women increased participation to the labour market.

Thus, EFSI deplores that the European Commission’s approach to this major challenges is restricted to leave, care arrangements for children and other dependents and flexible working arrangements. Any EU initiative aiming at a better WLB should support PHS supply in line with the definition given by the European Commission in its 2012 Employment Package of the sector which comprises of a “broad range of activities that contribute to well-being at home of families and individuals: child care, long term care for the elderly and for persons with disabilities, cleaning, remedial classes, home repairs, gardening, ICT support, etc. “. Thus, both care activities and non-care activities should be considered when it comes to WLB measures.

EFSI stresses that in addition of measures making the formal provision of PHS more affordable to EU citizens, any EU initiative should also favour direct support of companies to their employees thanks to on-site childcare facilities, support in finding and organising services, or the award of benefits facilitating access to PHS. Finally, as a general rule, WLB measures should target all workers, men and women equally, be they parents of young children or teenagers as well as carers of older or disabled family member. WLB challenges may evolve over time but they last through the entire life course.

17. Long-term care

	I strongly	I agree	I disagree	I strongly disagree

	agree			
Do you agree with the challenges described?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is the principle addressing those challenges in the right way?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Should the EU act to put in reality this principle?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have other comments or additional suggestions? For instance: how to address these challenges in the right way? How should the EU act to put in reality this principle?

EFSI considers that the European Commission should provide clarification on the meaning of “informal care”. Indeed, the under-development of affordable formal home-care services results in an increasing number of people relying on informal care. It’s important to underline that informal care can be provided by friends or relatives as well as by care workers operating on the undeclared market. EFSI stresses how crucial it is for the European Commission to bear in mind the coexistence of both type of informal care provision, when implementing the principles set out in the consultation document.

As such, undeclared home care services prevail in many countries and may represent the only affordable solution for many dependent persons and their families. From the 2013 Eurobarometer survey (n. 402) we can conclude that 1.4 million Europeans purchase assistance services for dependent relatives on the undeclared market. Specific policy measures should be implemented (e.g. targeted tax reduction and service voucher systems) in order to ensure that EU citizens can freely choose to be cared by a formally employed professional or by a family member. Furthermore, flexible systems enabling the combination of informal and formal care should be promoted. In this regard, family carers should be granted the possibility to make an informed choice and access to numerous services (e.g. respite care services, house cleaning, grocery shopping, etc.) in order to allow them to adequately combine their professional life with their private life and care duties.

18. Childcare

	I strongly agree	I agree	I disagree	I strongly disagree
Do you agree with the challenges described?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is the principle addressing those challenges in the right way?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Should the EU act to put in reality this principle?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have other comments or additional suggestions? For instance: how to address these challenges in the right way? How should the EU act to put in reality this principle?

EFSI welcomes the principle that access to quality and affordable childcare services, provided by adequately qualified professionals, shall be ensured to all children. It considers that all children should be granted access to a variety of available and affordable childcare services, including early childhood care and education, drop-in part-time babysitting services, care services for sick children, multi-purpose childcare facilities, out of hour’s childcare, and employer supported childcare. In this regard, EFSI believe that the European Pillar for Social Rights shall be the opportunity for Member States to reiterate their commitment taken in Barcelona in 2002 to ensure that 33% of children under 3 years of age and 90% of children aged between three and mandatory school age are enrolled in childcare facilities. Measures ensuring the availability, accessibility and affordability of childcare facilities for every families should be promoted at EU level.