



European Pillar of Social Rights

EFSI contribution to the debate

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I Introduction

EFSI represents national federations and associations as well as companies involved in the development and the provision of personal and household services in Europe. Through its members, EFSI is present in 22 EU Members' States (Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxemburg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United-Kingdom). EFSI seeks to ensure that the specificity of the sector is recognised and that the provision and access to high quality and affordable personal and household services are granted thanks to adequate economic, social and legal conditions.

Personal and household services (PHS) comprises of a broad range of activities that contribute to the well-being of families and individuals which are: home services (housework, ironing, gardening, small repair work, delivery of food, etc.), child care facilities including all kind of services (nursery, nanny, shared childcare, holiday centres, baby-sitting, etc.), tutoring (school help, IT assistance etc.) and services to enable disabled, dependants and elderly people to continue to live in their own home.

EFSI considers that the European 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. Furthermore, in order to support well-functioning and fair labour market and welfare systems, the Pillar should contribute to tackling the following employment and social priorities:

-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, the relevance of the PHS sector must be stressed as it 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,

-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.**

II A social and employment situation which requires EU actions

At present, our European labour markets and welfare systems are undergoing significant transformative trends such as demographic trends (e.g. ageing, migration), changes in family structures and an increased participation of women in the labour market. These 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 23 hours per week caring for children and 8 hours caring for elderly or disabled as well as 11 extra hours on cooking and housework. Without adequate support, workers (mostly women) may have no other choice than to leave paid employment to care themselves for their relatives.

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 Europe¹. 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.

III General remarks on the preliminary outline of the Pillar

EFSI welcomes the rights-based approach of the Pillar but a number of key questions remains open. 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

¹ Commission Staff Working Document on exploiting the employment potential of the personal and household services, SWD (2012) 95 final, April 2012.

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

EFSI considers that the **development of clear social and employment 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 good practices exchanges. In this regard, the social scoreboard in the European Semester could be an interesting starting point and could ease the link between the Pillar's initiatives and other relevant EU initiatives such as the European Semester process.

Furthermore, the **exchange of good practices and the creation of permanent platforms** would also be an effective way of supporting policy reform while ensuring that these economic and social policy reforms lead to an increased convergence across Europe. Indeed, 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. In this regard and in order to ensure a holistic approach of PHS sector, EFSI calls for the creation of an **EU Platform on PHS**. 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.

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. EFSI stresses the **necessity to ensure adequate investment** for the Pillar. 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 and it is unfortunate that they are 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".

IV Specific remarks on the policy domains and principles identified

EFSI broadly agrees with the policy domains identified though some aspects are missing and some nuances are lacking. Thus, the Pillar objectives being among others to promote a highly competitive social market economy and to overcome the 2009 crisis, EFSI believes that two policy domains should be added to the already 20 domains identified in order to ensure a comprehensive approach.

Firstly, while a strong focus is put 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 represents 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.

Furthermore, EFSI highlights four of the twenty principles which we believe would be useful to address the most urgent challenges identified above and for which some elements in the description are missing.

- ***Flexible and secure labour contracts***

Although EFSI broadly agrees with the brief outline which is made of the issue of “flexible and secure labour contracts”, it deplores 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. 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 Pillar 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.

- ***Gender equality and work-life balance (WLB)***

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 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 sector’s definition given by the European Commission in its 2012 Employment Package, thus including both care activities and non-care activities. 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.

- ***Long-term care***

EFSI considers that clarification on the meaning of “informal care” should be provided. 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 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.

- **Childcare**

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 Pillar 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.

V Conclusions

EFSI invites the European Commission to take into account its contribution in the final version of the European Pillar of Social Rights. We believe that the benefits of the PHS sector to European societies are numerous in terms of employment, social inclusion and work-life balance and fit perfectly into the Pillar's objectives. In this respect, EFSI supports the inclusion into the future Pillar of actions appropriately targeting the PHS sector.

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