



PERSONAL AND HOUSEHOLD SERVICES IN EUROPE:

WHAT NEW CHALLENGES FOR BUSINESSES?

SYNTHESIS REPORT

7th European
Conference on Personal
and household services'
report

April 2017



The event was co-organised by the European Federation for Services to Individuals (EFSI) and the Consultative Committee on Industrial Change (CCMI) of the European Economic and Social Committee (EESC). The views expressed in this conference's report are not necessarily those of the organisers.

Event materials and speakers' presentations are available online on EFSI's website (www.efsi-europe.eu).

Reproduction in whole or in part is permitted, provided that full credit is given to the European Federation for Services to Individuals (EFSI) and that any such reproduction, whether in whole or in part, is not sold unless incorporated in other works.

©EFSI, April 2017

About the Consultative Commission on Industrial Change (CCMI)

Part of the EESC, the Consultative Commission on Industrial Change (known by its French acronym of CCMI), examines changes in industry across a wide range of sectors. The CCMI promotes coordination and consistency of EU action on the main changes in industry within the enlarged European Union and ensures the right balance between the need to make changes that are socially acceptable and maintaining a competitive edge for European industry. The CCMI focuses on how to predict changes in the economic and social environment and find ways of keeping pace with these and tackling them in a way consistent with the values of economic, social and environmental sustainability that underpin the European social model and dialogue. The CCMI is committed to ensuring that the industrial dimension is properly reflected in all the initiatives taken by the relevant directorates general of the European Commission and at the European Parliament and the Council. In particular, it scrutinises the interplay between all the policies, which have not always been ideally coordinated.

More information : www.eesc.europa.eu

About the European Federation for Services to Individuals (EFSI)

EFSI brings together national federations and associations as well as private companies that are involved in the development of Personal and Household Services (PHS) in Europe. Through its members, EFSI is present in 22 EU Members States. As such, it promotes, defends, develops and creates opportunities for PHS providers and stakeholders while giving them voice on the EU scene.

PHS include 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, ironing, cooking, cleaning, gardening, remedial classes, small repair work, and home administrative tasks.

More information: www.efsi-europe.eu

Contents

HIGHLIGHTS 6

WELCOME MESSAGES..... 9

ICT TOOLS IN PERSONAL AND HOUSEHOLD SERVICES: SEIZING NEW BUSINESS OPPORTUNITIES 11

HOME CARE AND HOUSEHOLD SERVICES INDUSTRY IN EUROPE: HOW TO TACKLE THE UNFAIR COMPETITION OF UNDECLARED WORK? 14

ON THE PATH TO QUALITY JOBS. THE ORGANISATION OF PHS WORKERS AND EMPLOYERS 18

CONCLUSIONS..... 22

HIGHLIGHTS

On the 7th 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*".

1ST 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*”.

2ND ROUNDTABLE | HOME CARE AND HOUSEHOLD INDUSTRY IN EUROPE: HOW TO TACKLE THE UNFAIR COMPETITION OF UNDECLARED WORK?

During this second roundtable, focus was put 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 reasons 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.

3RD 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' up skilling. 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 Member 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.

WELCOME MESSAGES

The personal and household services (PHS) sector being one of the few sector which are currently developing, it is with great interest that the Consultative Commission on Industrial Change (CCMI) host today's event said **Lucie Studničná**, President of the CCMI. She hopes to pursue the cooperation launched with the European Federation for Services to Individuals (EFSI) in 2013, as there are many challenges left ahead. This year event will discuss the impacts of the Digital Market Strategy as well as the creation of the European Platform on Undeclared Work on PHS development. Furthermore, she stressed that the ongoing ratification of the ILO Convention No. 189 on decent work for domestic workers is of great importance and is changing the working conditions panorama.

The EESC adopted in 2013 and 2015, two own-initiative opinions respectively on the trends and consequences of future developments in personal services industries and on biomedical engineering and care services, recalled **Dirk Jarré**, Delegate representative of the CCMI and co-rapporteur of the first opinion.

We are living in an aging society and by 2050, 50% of total European population will be aged 50 or older. At the same time, we are facing a rise of single person households and a higher mobility of EU citizens which will trigger a new society in which fundamental rights, social integration and social cohesion will have to be guaranteed. In this regard, enormous support will have to be provided through medical, care, assistance for daily living and rehabilitation services along with new processes, appliances and quality standards.

“We may need a totally new concept of personal and household services or home services”

D. Jarré

Dirk Jarré stressed that these future developments represent huge and increasing economic opportunities. The demand and the potential of research and innovation are great, especially in goods and services. It goes beyond ICT by including artificial intelligence. The relationship between society, technology and individuals will be impacted. Thus, the accessibility, affordability, sustainability of these changes as well as the ethical limits of these innovations will have to be addressed.

Consequently, “*we may need a totally new concept of personal and household services or home services*” said Dirk Jarré. With these new technological devices, PHS workers will be largely replaced and will become managers instead of services renderers. Due to the fast technological developments we are facing, users, producers and quality monitoring bodies should ask themselves five important questions: how much are these new services and new technologies useful and beneficial? Can all benefit from them? Can they be harmful or damaging? Do people accept them and under which conditions? What is the society opinion on them, especially on a moral point of view? Finally, Dirk Jarré concluded that “*progress will be enormous but we have to be prepared*”.

Currently employing 7.5 million workers throughout Europe, the PHS job creation potential has been estimated at 5.5 million jobs recalled **Nicholas Costello**, Deputy head of unit “Job creation” within the European Commission’s Directorate for Employment, Social Affairs and Inclusion. In the recent years, legislative support has been implemented in Member States and analyses highlight the need and potential from sharing good practices across the European Union. Thus, he recalled that a thematic review has been conducted in 2015 by the European Commission gathering evidences in 6 Member States on the impact of PHS supporting policies on job creation and employment rates; on PHS workers’ employability, skills and training opportunities; and on the feasibility of taking EU actions in this field.

Furthermore, on the basis of this need to share good practices, the European Commission has supported three projects. The first one called “[IMPact](#)” explored the cost-effectiveness of public support in the sector. The second named “[4Quality](#)” contributed to the improvement of working conditions and the quality of household and care services. “[BESPAT](#)” the third one aimed at identifying good practices related to productivity gains in these service.

Apart from these analyses, continuing policy processes have an impact on PHS, such as the European Platform on Undeclared Work launched in May 2016. Another example is the New Start Initiative on

work-life balance which considers diverse EU tools, both legislative and non-legislative, to foster a better work-life balance for all workers. In particular, Nicholas Costello 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*”. It would be difficult for the European Commission to take any social or employment related initiative which will not be listed in the Social Pillar. Thus, he strongly invited participants to submit their inputs before the end of 2016.

More than ever, PHS have been the subject of numerous discussions at EU level in 2016 said **Aurélie Decker**, EFSI’s Director, and EFSI is thus thankful to the CCMI for its continuous support over the years, in order to foster debates and good practices exchanges on the challenges faced by PHS. In addition to the three EU-funded projects mentioned earlier, this year has been marked by the adoption of a report on women domestic workers and carers by the European Parliament as well as another report on live-in care workers by the EESC. Indeed, at local level demand for PHS keeps increasing due to population aging, a higher number of single parents’ families, women’s increased participation to the labour market and the decrease in family carers. New needs emerge for which new services are required in term of both quantity and new design. PHS businesses deploy innovative solutions at a local level which prove to be a catalyst for jobs creation and professionalization.

However, Aurélie Decker stressed that “*PHS businesses alone cannot meet those needs without adequate supporting policies*” and supporting PHS is not obvious for Member States, mainly because it requires significant investment. This is why the exchange of good practices is crucial regarding issue such as job creation over the long term; tackling undeclared work; the right balance between State intervention and market rules; or the net cost of PHS policies. Answering those questions was the subject of the IMPact project. Implemented between October 2014 and March 2016 and coordinated by EFSI, the project aim was to create a common and comprehensive EU Guide to help Member States to improve assessment and monitoring of the macro-economic effects of the PHS supporting measures. It addresses the budgetary, legislative and societal challenges faces by the sector.

“*A better recognition of PHS benefits, needs and challenges is also needed at the EU level*” said Aurélie Decker. In this regard, European Institutions have a role to play in order to improve the knowledge of the sector and current regulatory frameworks, to foster good practices exchanges and Member States’ investment. It is thus of crucial importance that the ongoing EU initiatives take into account PHS. She concludes by hoping that the conference’s debates will contribute to the ongoing reflections and discussions and that 2017 will be a year during which PHS will remain a high topic on the European social and employment agenda.



From left to right:
A. Decker, N. Costello, L. Studničná & D. Jarré



ICT TOOLS IN PERSONAL AND HOUSEHOLD SERVICES: SEIZING NEW BUSINESS OPPORTUNITIES

ICT solutions should ease the service and make it more qualitative and more efficient said **Annette Angermann**, Scientific Consultant at VDI/VDE Innovation and Technik. They represent an opportunity to face the increasing demand while making PHS provision more economically sustainable. As such, the Silver economy is expected to become the 3rd largest economy in the world with a value of \$7 trillion per year in 2014. Furthermore, the spending power of the so-called “baby boomer” generation will reach \$15 trillion by 2020 globally. However, she stressed that “*these ICT solutions we are talking about today cannot substitute human services but it might change the service*”. Furthermore, ICT tools should be understandable by users and their implementation must also be adequate for other stakeholders such as workers as well as family and relatives surrounding elderly persons.

Annette Angermann considered that along with the current strong capacity of technological innovation, there are many development opportunities for the PHS industry. It’s important to keep in mind that ICT solutions should not be restricted to the solutions that can prolong independent living of older people in their own home. ICT tools easing customer/provider relationships, contributing to training and

“These ICT solutions {...} cannot substitute human services but it might change the service.”

A. Angermann

organizational innovations and to the development of new services must also be considered. Four types of barriers hampering the full deployment of ICT solutions can be identified: technical barriers such as the lack of interoperability between systems; economic barriers related to the limited availability of affordable and commercially viable solutions; social barriers due to the lack of involvement of services’ users and PHS workers

in the design of the products and services; and finally policy barriers. By the latter we mean - inter alia - a lack of large scale evidence on return on investment; inadequate regulations regarding data and a lack of appropriate standards.

Finally, she mentioned the [European Blueprint for Digital Transformation of Health and Care](#) which will be submitted to the European Commission by a set of stakeholders. The Blueprint is meant to become a living document containing a “shared vision” on how innovation enabled by a Digital Single Market can transform health and care provision and contribute to the European Silver Economy.

Thereafter, **Didier Château**¹, President and Co-founder of the French company *Générale des Services* recalled that firstly with the transition from the agricultural to the industrial era, our society’s economic model moved from a subsistence economy to an ownership economy. Then, with the transition toward a service era thanks to a numeric revolution we reached a new collaborative economy model. Consumption habits who were standardised in the industrial era are now personalised, and all these changes lead to an improved well-being.

Currently, as far as the French market is concerned, PHS are fragmented in many SMEs and associations, widespread across the territory and struggling with poor visibility at a time where business overall is strongly shifting toward the internet. “*As of today, no one offer their customers the possibility to book gardening or cleaning services for the following day without the tedious process of requesting a code or being called back*”. Didier Château underlined that the hospitality sector faced the emergence of major online entities such as Booking.com, Expedia and TripAdvisor to name a few. The smaller hospitality companies joined these platforms after losing 15% to 25% of their bookings. At present, up to 70% of their bookings are done through these online platforms.

He 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*”. For example, the German platform Helping recently raised \$45 million to develop its collaborative platform. Amazon Home Service which is already established in 40 States across the USA, offers a fixed price to PHS providers and receives

¹ Didier Château’s PowerPoint presentation is available [here](#).

a 10 to 20% commission. Google purchased Homejoy which connect household professionals with a Google search bar.

PHS should learn for the hospitality industry in order to fight those initiatives by enriching customer experience and embracing e-commerce fully. As such, 24/7 services ordering should be made available, customers expects reliability, security and possibility to consult and express feedbacks on the services provided. Strategic development should maintain a strong relationship between providers and customers.



Didier Château set out a series of principles that according to him prevail when it comes to the implementation of gerontechnology solutions in elderly services. Firstly, seniors' daily needs should be perfectly understood. The use of these new technologies should be made more acceptable through regular coaching, and trust can only occur if specific ethical codes of conduct are applied. At least 10% of the workforce must be trained to perform added value tasks which in turn will foster job and career evolution. He considered that the use of gerontechnology solutions are a differentiator in a competitive environment and in a sector with high labour-content and very sensitive to undeclared work. Furthermore, these technologies create a countrywide network operating daily in elderly's homes, allowing a collaborative approach and which can be rapidly activated. He illustrated this through the concrete example of the Domus Prevention company. It's a new Silver Business company providing home diagnostic and specialised in risk prevention of domestic accidents in an aging well perspective.

Lastly, **Nicolas Hurtiger**, Founding President of Senior Company, stressed that the American market is five years ahead of the European one in term of customer appropriation of digital products. He is convinced that within five years, the market will grow and pick up in Europe. He deplored that on the French level, *"Silver Economy start-ups focus too much on the technological value of their products and not enough on the customer value. As provider, we would like to be associated to the conception of new products"*.

He also raised the issue of financing these new ICT solutions and stressed that in France customers only pay 5 to 10% of the elderly care services and products they have access to. In consequences, new tools should target both the individual needs and the public sector needs as a financing authority. Attention should be paid on the final amount customers will pay after deduction of public and insurances companies support. Finally, Nicolas Hurtiger underlined that legal framework instability and *"the excess of regulation can be harmful to innovation and entrepreneurial spirits needed in PHS to respond to all challenges that await us."* While PHS providers invest in the development of new services, of quality improvement and of productivity gains, legislators' initiatives should not make their efforts futile.

"Silver Economy start-ups focus too much on the technological value of their products and not enough on the customer value."

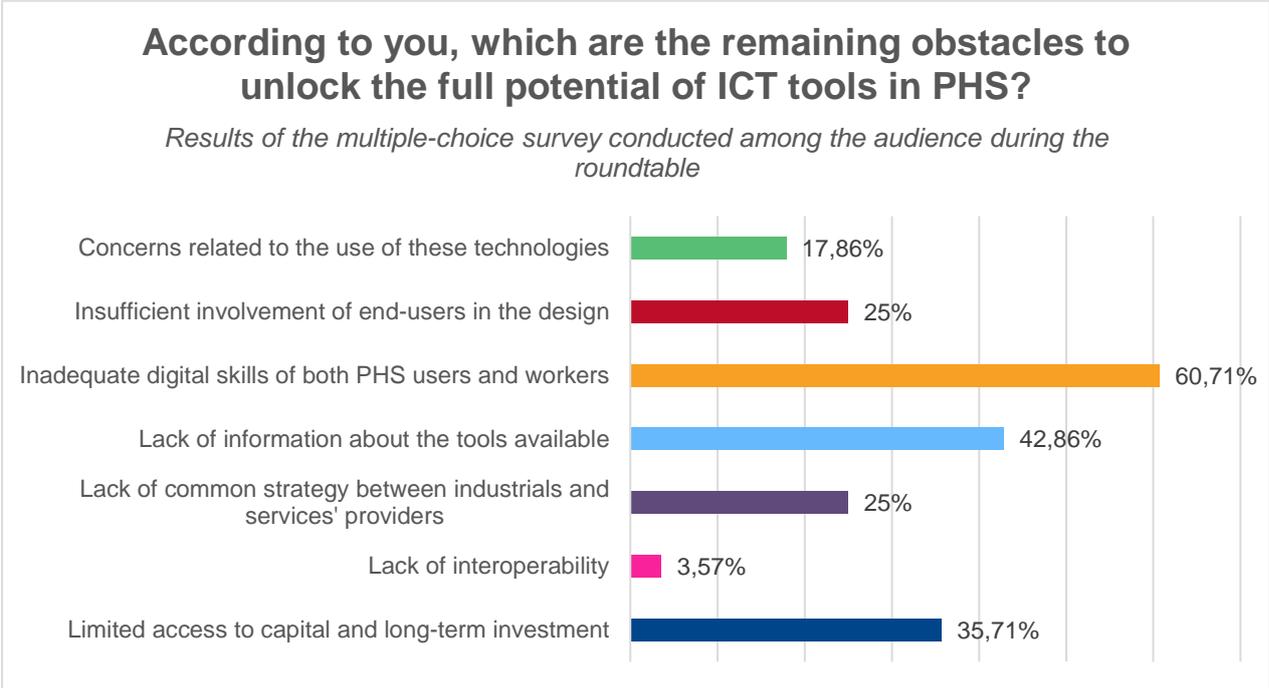
N. Hurtiger

During the **discussion** that followed speakers' presentations, the "natural" digital skills of elderly people in order to use ICT tools were questioned. Participants also raised doubts about the feasibility of a 24/7 services ordering process in PHS. Whereas Didier Château considered it feasible and stressed that it is already implemented in the USA, a majority of participants believed that human contacts being one of the core characteristic of PHS, it's incompatible with complete "Uber-type" services. In addition, it was stressed that the ethical aspect of standardized services should be questioned as PHS users - and in particular elderly people - need social contacts.

Several participants stressed that the emergence of digital platforms in the PHS sector are transforming the market. They offer new solutions to consumers' needs, bring them simplicity and increase effectiveness while reducing the cost. "Traditional" PHS providers must anticipate these changes and look at the added value of the services they offer. On the other hand, these platforms may not guarantee that the service is provided on the declared market and – for the vast majority of them - they do not comply with the same regulation, their workers being sole contractors or self-employed. As a consequence, many participants underlined this competitiveness problem and the absolute necessity to ensure that a level playing field is ensured and that there is no resurgence of undeclared work.

In this regard, Annette Angermann mentioned that in Germany traditional PHS players and new PHS digital platforms held a dialogue on working conditions and the sector's development in general. It is worth noting that following this initiative, the platform "Book a Tiger" achieved a radical change. Instead of using freelance cleaning staff, from now on the platform recruits permanent workers and applies the minimum wage regulation.

Finally, PHS being a sector benefiting from public investments, cost-benefits analysis should be regularly conducted as it is the case in Belgium with the Service voucher. It is in the need and interest of every actor involved, including PHS workers.



Nb of respondents: 28

HOME CARE AND HOUSEHOLD SERVICES INDUSTRY IN EUROPE: HOW TO TACKLE THE UNFAIR COMPETITION OF UNDECLARED WORK?

Back in June 2015 on the occasion of the International Domestic Workers' day, EFSI called for the future EU Platform on undeclared work to adopt a sector specific approach. In addition, it urged to combine measures for curtailing and preventing undeclared work with compliance-oriented ones as there are approximately 7 million European purchasing home cleaning services on the undeclared market.

Georgi Pirinski, Member of the European Parliament and rapporteur of the decision on establishing a [European Platform tackling undeclared work](#) highlighted that it was precisely one of the principal issue debated during the 2 years long negotiations. Since the European Commission's initial proposal, the idea was there to combat and deter undeclared work but the European Parliament made an important contribution by introducing the idea of tackling it through preventative measures.

To which extent is the final outcome able to respond to EFSI's call of having this sector-specific approach? Georgi Pirinski indicated that the work programme of the Platform adopted in October 2016 mentions 20 activities among which three are relevant as regards PHS. Thus, activity number 19 on shared definitions and common concepts foresees the identification of common features in terms of definitions and concepts. It will be of interest when it comes to following undeclared work in the domestic

“There is enough {...} for you to take up what is there and move forward on all these very legitimate and burning concerns domestic workers have.”

G. Pirinski

work and care sectors as on several occasion it has been mentioned that the current definitions used by the European Commission does not reflect their specificities.

Furthermore, another important activity is the planned thematic review on data mining for more efficient enforcement (activity No. 8). The organisation of peer learning, follow-up visits and recommendations will be an opportunity to broaden up to other countries examples of PHS practices that work such as in Belgium,

France and Sweden. Finally, he mentioned the activity No. 20 which aims at identifying preventive measures to stop non-compliance from the start such as direct and indirect tax incentives. *“I believe although the domestic work sector has not been named as such, there is enough in this work programme for you to take up what is there and move forward on all these very legitimate and burning concerns domestic workers have”* stressed Georgi Pirinski.

Finally, he mentioned the European Parliament's adoption in April 2016 of a [report on women domestic workers and carers](#). Its driving paragraph states that there is a need for a common recognition of care and domestic work as real work. It calls for common EU rules on domestic work and care and for the adoption of quality guidelines and a carers' leave directive.

Recently, there have been important developments on enforcing EU law stressed **Jackie Morin**², Head of unit “Free movement of workers, EURES” within the European Commission Directorate General for Employment, Social Affairs and Inclusion, especially on the issues of posting of workers and on the free movement of workers. *“There is quite an important focus at present at making work fair and respectful”* he said.

The launch of the European Platform tackling undeclared work is one of this year major developments. Criminal activities are currently excluded from the EU definition of undeclared work which defines it as “any paid activities that are lawful as regards their nature but not declared to the public authorities, taking into account differences in the regulatory systems of the Member States”. Thus, a new common definition of undeclared work will be discussed within the Platform. Undeclared work is quite significant in the EU today as 4% of Europeans performed undeclared work and 11% of Europeans purchased goods or services involving undeclared work. Drivers behind this phenomenon indicate that the trend will not reverse automatically. Jackie Morin even considered that with the introduction of new

² Jackie Morin's PowerPoint presentation is available [here](#).

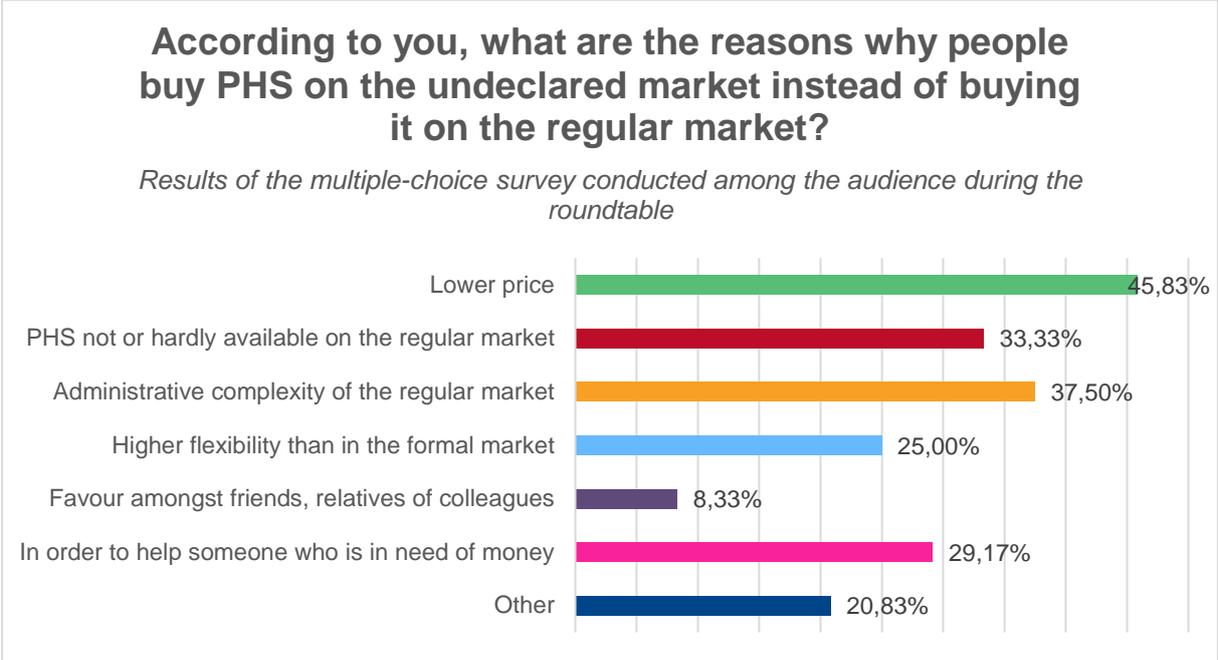
technologies or the changes on the labour market, a further development of undeclared work might be expected.

Undeclared work has a significant impact and puts into question the fair competition principle between companies, workers' protection, health and safety as well as the collection of taxes and social security contributions for the State. The latest Eurobarometer shows that undeclared work is a relevant issue shared by all countries. Thus, Jackie Morin stressed that there is room for exchange at EU level and the variations noticed among countries indicate that there is also room to learn from other Member States performing better.

“There is quite an important focus at present at making work fair and respectful.”
J. Morin

He indicated that undeclared work is concentrated in sectors with low capital investment and there is high personal dimension. Household and care services is one of them among others such as agriculture and transport. Actions taken at Member States level are characterized by a silo approach between the different topics and a multiplicity of actors (e.g. labour inspectorates, social security authority, tax authority, etc.) which may not be working on a coordinated and coherent way. This is why the aim of the Platform is to develop cooperation, share understanding, identify the available enforcement tools and have better cooperation on cross-border issues. *“One of the aim is to use the Platform as a driver for change within Member States”* said Jackie Morin.

Accordingly, the Platform is composed of social partners and senior representatives of all Member States, the latter being the contact point between the various national bodies involved. Its activities are articulated around three axis: firstly the development of joint actions at EU level; secondly mutual learning activities and thirdly increasing knowledge. In addition with the activities mentioned by Georgi Pirinski, Jackie Morin draw attention on other activities that could be important for the PHS sector. Thus, Member States can call for mutual assistance in order to get visits from other Platform members and get advice on the development of new reforms. So far, Bulgaria and Romania have made such request. Furthermore, a study will be conducted on the evasion of taxes and social security contributions with the aim to identify the tools available to better collect them. Finally, a working group will collect good examples from companies/workers' representatives on policies and practices which change behavior on the ground. Jackie Morin concluded that the European Commission welcome any contribution from the PHS sector to the activities to be conducted by the Platform.



Nb of respondents: 24

Thereafter **Greg Renders**³, Manager Public Benefits within Sodexo, reminds that in 2004 the Belgian government launched the Service voucher system and at that time, nobody thought this system would be such a success. He recalled that the system is characterized by a triangular model – a user, a worker and a company - which in itself is the guarantee of its good functioning. Users are in a contractual relationship with the company, not with the PHS worker.

How does it work? Firstly, the user orders vouchers from Sodexo (a voucher-issuer company) at a face-value price of €9 per hour. After receiving its Service vouchers, the user books household chores through a registered company. To be registered, companies must fill a series of criteria. They send workers to users' homes, who then perform the requested tasks. The user pays the company with service vouchers which are afterwards remit to Sodexo. In turn, registered companies are paid €22 per voucher and they pay the workers according to contract terms.

Greg Renders underlined that the system is competitive with undeclared forms of labour thanks to the public intervention. Firstly, registered companies receive a State subsidy of around €13.3 per voucher and secondly users benefit from a tax reduction ranging from 10 to 30% on the €9 initially paid. He considered that the system's reliability lies in the use of registered companies because *“as long as you use a company, it will be much easier for all the actors to control the entire process”*. Thus, he referred to anti-fraud controls, safeguards on employment quality and insurance against risks which are implemented. Only four PHS activities are eligible in the Belgian Service vouchers system: household chores; remote ironing services; household shopping and transportation of disabled people. From the very beginning, the Belgian State pursue three goals with the system which were: increasing work-life balance, boost citizens' purchasing power and create jobs while decreasing undeclared work. In 2015, more than 120.000.000 vouchers were issued and 21% of Belgian household used the system. There were 2.057 registered companies employing 166.709 service vouchers workers, thus representing 4.7% of total employment in Belgium.

Greg Renders considered that the choice of the Belgian State to support the sector through dedicated subsidies allocation was the best possible policy option. Indeed beneficiaries can be selected, they have access to dedicated goods and services through a registered network of suppliers. In addition, the State

“Initially, nobody thought that this system would be such a success.”

G. Renders

benefits from a direct pay-back effect because Service vouchers companies pay taxes on their profit and workers are formally employed and thus pay income taxes and social security contributions as well as VAT on their extra consumption. He concluded by saying that the impact of the system on undeclared work is difficult to assess but according to recent studies it was about 100%.

Adam Rogalewski⁴, EESC member belonging to the workers' group, stressed that from his perspective, the situation of live-in care workers is missing from the debate. Many of them are (regular or irregular) migrant workers from outside the EU. They represent one of the most mobile part of workforce in the EU. A large majority are women, and when they come from Central Eastern European countries, they are aged between 40 and 60 years old. Many of them have family obligations in their home countries and they possess qualifications or experience which are not recognized.

Due to population ageing in Europe, their number is growing. Since 1994, care was defined as a strategic sector by the European Commission and we know that there will be a lack of two million healthcare workers by 2020. With austerity measures and these increasing needs, there is a lack of infrastructure and personnel. Furthermore, elderly's preference for care at home should not be forgotten. Adam Rogalewski stressed that it's interesting to notice that Western, Southern and Central Eastern Europe countries are equally affected by labour shortages. Consequently, live-in carers fill in the workforce gap in the long-term care sector.

He stressed that the exact number of live-in care workers is unknown due to a lack of data. Similarly, there is no estimate of their contribution to the European and Member States economies. However the ILO has estimated that domestic work accounts for between 5% and 9% of all employment in

³ Greg Renders' PowerPoint presentation is available [here](#).

⁴ Adam Rogalewski's PowerPoint presentation is available [here](#).

industrialised countries. For its part, the European Commission mentioned in 2014 that there were 7.3 million workers in personal and household services in the EU.



From left to right: Jackie Morin, Adam Rogalewski, Georgi Pirinski & Greg Renders

Adam Rogalewski underlined the fact that care work is highly demanding, both physically and emotionally. In some cases, working conditions are similar to modern slavery due to 24/7 work requirements. In some countries like Austria and Germany, live-in carers are employed through bogus self-employment regimes while in others, they are undocumented or work undeclared. He recalled that labour inspectorates or trade unions do not have access to care-givers in private homes making control of their working conditions even more difficult. The situation of care recipients and their families is similar. They face difficulties in employing care workers. Recruitment occurs through informal networks of families and friends or through internet. They do not have a guidance on how to employ care workers, nor do they benefit from quality guarantees on the care delivered nor from supervision from relevant health authorities.

“In an ideal world they will not be live-in care workers” said Adam Rogalewski. But reality prevails and that is why the EESC issued recommendations in a recently adopted [opinion](#) on the topic. Without getting into the specific details, the solutions proposed are the recognition of existence of live-in carers in the EU labour market, their inclusion into the long-term care sector, better EU data collection and research on working and living conditions and the implementation of a legal protection framework at EU and national level. Furthermore, it should not be forget that support should be provided to care recipients and their families and that long-term and sustainable investment is needed.

Following the adoption of the opinion, the EESC will held in 2017 a conference on the future of live-in care work in Europe. Civil society, employers and trade unions representatives will work together on the development of a legal framework to formalise live-in care work in the EU. Adam Rogalewski draw participants' attention to the fact that by the adoption of several opinion in the past few years on undeclared work, services to families, the social investment package or the inclusion of migrants workers, the EESC is playing a leading role in shaping PHS policies.

During the **discussion** that followed speakers' presentations, it has been suggested that the EU Platform on undeclared work should investigate how service vouchers can contribute to the reduction of undeclared work in PHS. Jackie Morin confirmed that vouchers systems will be among the systems discussed by the Platform at one point or another. Another participant suggested that in order to further combat undeclared work, the Belgian service voucher system should be wider in term of services eligible and could include babysitting or care services as the French system does. Comparison with the flexibility of the French system. It is stated that the Belgian system ensures to its workers access to social rights, insurance and training funds. It is also an entry point to the labour market for migrants or for women who have stopped working after having children.

ON THE PATH TO QUALITY JOBS. THE ORGANISATION OF PHS WORKERS AND EMPLOYERS

PHS is an important and growing sector with very different and various situations across countries stressed **Kerstin Howald**, Secretary of the Tourism Sector at the European Federation for Food, Agriculture and Tourism Trade Unions (EFFAT). She indicated that EFFAT is dealing with PHS along with other trade unions such as UNI-Europa and EPSU. Some work have been conducted on the issue such as a [project](#) in 2014 on industrial relations within the domestic work sector. To have better quality jobs, one of the prerequisite is to have better organisation of employers and employees.

The demand for PHS is going up indicated **Claire Hobden**⁵ from the International Labour Organisation (ILO). Thus, at the global level there were 67 million domestic workers in 2013 and their number increased of about 20 million between 1995 and 2010. Governments are under pressure to find an answer to many questions in order to be able to cope with this rising demand. What are the real needs of households? How to ensure that there is a skilled workforce? How to create sufficient formal jobs? How to build the capacity of workers' and employers' organisations? How to ensure transition from informal to formal work?

Being in the charge of the coordination of the strategy towards the ratification of the ILO Convention 189 on decent work for domestic workers, Claire Hobden presented its main characteristics. Thus, according to the ILO, domestic work is "*work performed in or for a household or households*" within an employment relationship. There is no definition of employees nor of employers who can be household, public or private agencies, etc. Tasks range from cleaning, cooking, ironing, to caring for children, the elderly or the disabled. The definition of domestic work may vary according to country but the idea is to have the broadest scope as possible. There are three different kind of employment models and the spirit of the Convention was to extend equal rights to domestic workers while taking into account their specificities.

"We see that the role of employers and workers' organisations is ever more important."

C. Hobden

"That means to take into account the specific situation of domestic work because there are some particularities to it. And this is why we also see that the role of employers and workers' organisations is ever more important" she indicated. However, it is difficult to take into account the peculiarities of household needs as well as of workers' needs. The only way to know what people want and what are their needs is through organisations.

The ILO estimates that there is in Europe 4,1 million domestic workers among which 2,21 million are migrants (54,2%) representing 19,2% of migrant domestic workers globally. Part of the ILO Strategy on making decent work a reality for domestic workers is to identify the best practices, to promote the sharing of knowledge in relation with social dialogue but also on key policy issues such as wages, working time, social security and so on. Claire Hobden specified that ILO support goes beyond the ratification of the Convention 189 and include the extension and implementation of social protection for domestic workers.

Since its adoption in June 2011, 23 countries ratified the Convention and another 40 countries engaged in law and policy reforms. "*In the end, about 70 countries in the world that have reacted to the adoption of the Convention*" said Claire Hobden. She specified that this growing concern of governments around the world has been achieved thanks to workers organizations and - to a lesser extent- employers organizations involvement.

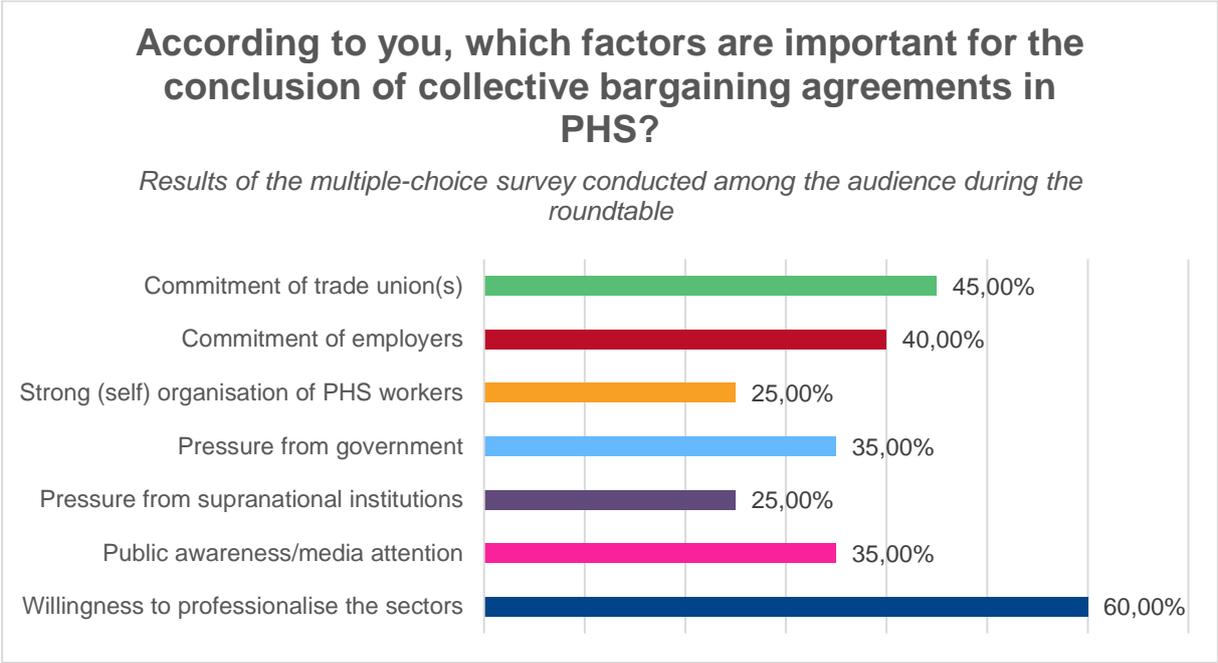
She gave an overview of the ILO initiatives that aim at supporting employers and workers organisation. Thus, the ILO has developed a guide on how to organize domestic workers and conducted analysis of legal frameworks that prevent collective bargaining in the sector. Specific diagnosis of freedom of association and collective bargaining were conducted in some countries. One of the main area the ILO work on is on the organisation and setting up of a social dialogue.

Finally, she indicated that the ILO is going forward with some other research programmes. Thus, on the 5th of December 2016, ILO will release a [paper](#) on formalizing domestic work which looks a lot into

⁵ Claire Hobden's PowerPoint presentation is available [here](#).

voucher systems but also many other means, to ensure quality care and quality working conditions. The ILO hopes to conclude this research program with an analysis of intermediaries and apps and the role of web platform in promoting formalization and potential bargaining for domestic workers. Furthermore, part of the initiative “women at work” will conduct research on the care economy. It will notably define how the care economy and domestic work overlap and where they separate. It will also explore how it can be ensured that improving working conditions in one part of the care economy does not create informality and poor working conditions in another part of the care economy.

Kerstin Howald mentioned the existence of an umbrella organisations named the International Domestic Workers Federation which represents 58 organisations (trade unions or self-organised) and 500.000 domestic workers worldwide.



Nb of respondents: 20

Representing the O2 group which gathers more than 3.000 PHS agencies throughout France, **Eric Schneider**⁶ mentioned that he is often told that PHS jobs are low qualified, part time, precarious and with no professional future. However, companies can change these peculiarities. Thus, some PHS jobs require qualifications such as childcare and elderly care. To this end, training budgets and solutions have expanded massively over the last few years and he mentioned the example of his company which has trained more than 2.000 employees in 2015. Likewise, 100% of O2 employees are on permanent contract and their aim is to have as much as possible full time employees. He stressed that in this regard, companies and employees share the same interests. Thus, companies have to find solutions to increase the number of hours worked by employees as it reduced fixed costs and it is extremely valuable to keep employees over the long run. Finally, Eric Schneider indicated that in its recruitment processes, O2 succeeded to reach 40% of internal promotion, including for managerial positions. This is possible thanks to the wide range of services they offer as the level of qualifications differs among them. For instance, home cleaning can be the entry job and the worker can be trained to become care provider if he wish so. Being trained to provide different services enable workers to build a career path. It contributes to the recognition and the professionalization of PHS jobs, an issue on which O2 is working daily.

Thereafter, Eric Schneider gave a rough overview of the French PHS market. It is estimated that the PHS market (incl. both care and non-care activities) amounts to around €40 billion. Half of it is being declared and the other half is undeclared. Out of the 20 million declared, only 8% is made by private companies and the other 92% are roughly equally shared between non-profit organizations or private

⁶ Eric Schneider’s PowerPoint presentation is available [here](#).

households acting as employers. There is still a lot to do considering this massive level of undeclared work. In addition, non-profit organisations are very atomized structures, based upon their own legislation. Indeed in France, regulations for employees, for employers and regarding taxation are different depending on the employer's status be it a company, a non-profit organisation or a private individual. The latter encounter difficulties when it comes to training and management of PHS workers. Since 2014, a new national collective agreement is implemented and it is a very important step for PHS employment. However, it only applies for private companies. Thus, Eric Schneider considered that the French situation in which three different PHS sub-markets with three different regulations coexist does not make sense. What matters is that in the end the user have access to quality services.

He mentioned the new ASV regulation on elderly care services in France which is applied since July 2016. A market formerly open to all players is now closing its access to only some selected players designated by local authorities. Service recipients are no longer able to choose their care provider and Eric Schneider considered that it is likely that the cost for end users are going to be higher. An equal treatment of all PHS providers should be guaranteed because *"if everyone is treated equally both customers and employees will get the benefits"* he stressed.

"Our first focus is going to take care of our employees because that's also in the interest of our customers."

E. Schneider

His company has been number one in job creation in France in the last five years. These jobs are local and sustainable and PHS development as a whole contributes to women's participation to the labour market, both on customers and employees side. The sector provides a long-term solution to the ageing population and represents a necessary adaptation to more services consumers. Eric Schneider stated that they are on the path to provide quality jobs. There is still

a lot to do and they try every day to improve things. Given that a satisfied employee is at 99.9% a satisfied customer, *"our first focus is going to take care of our employees because that's also in the interest of our customers"* he concluded.

This panel ended with a presentation of the social dialogue in the Belgian Service voucher system by **Grace Papa**, Regional Secretary within the Confederation of Christian Trade Unions (CSC-ACV). She reminded that the Service voucher sector is a subsidized and legalized sector created in 2004 by the government. A work contract between the worker and the Service voucher agency is compulsory. The agency has to provide clients to the worker who, in exchange, will have to clean homes or work in ironing agencies. The client will pay the worker by means of a voucher. Each voucher has a value of €9 and equals to one hour of domestic work. The agency will transfer the vouchers to one of the issuing company mandated by the government. These companies will transfer to the agencies an amount of €22-23 for each voucher. So the government subsidizes each voucher for an amount of €13-14, thus allowing every agency to pay the wages and cover all the overheads. The Service voucher system has been created with the aims to legalize the informal economy surrounding domestic work, to decrease unemployment rates, to create new jobs for low-qualified workers (particularly women) and to improve work-life balance.

Grace Papa indicated that one of the most important body regulating the sector is the "Joint Committee" which meets each month at the Labor Ministry. It is composed of workers' representatives and employers' federations and is chaired by a Ministry's official. It regulates every convention related to working conditions, minimum wages' etc. as well as every rules related for example to training and social dialogue. That makes the Service voucher a very well organised sector with different supervisory bodies which control whether the agencies comply with the stipulated set of rules.

Thus, each Region has its own inspection unit which control if the services provided are in line with the domestic activities allowed in the system. They also check whether the number of vouchers declared by the agencies are in line with the to the subsidies received in order to detect fraud. These inspection units report to the "Accreditation Committee" which is also composed of workers' representatives and employers' federations. This Committee analyses each breach identified by the inspection units and issue a joint opinion to the Regional Labor Ministry on whether or not to the agencies involved should keep their accreditation.

“License Commission that is also composed of representatives of workers and employers federations. This Commission is in charge of analyzing each Companies violation. They have to report a joint advice to the Regional Labor Minister on whether or not to maintaining the license. Grace Papa stressed that *“every agency that doesn’t respect the rules could lose its license”*”.

Within Service voucher agencies, the social dialogue is organised as follows: every worker that has been in service for more than 9 months can apply to become a Job steward and represent his Union within his agency. Social elections are held every four years and are compulsory in every company employing over 50 workers. The elected candidates will represent the service voucher workers in the “Work Council” or in the “Committee for protection and prevention at work” which are in charge of work conditions negotiations within the companies. Job stewards collect the information from all the agency’s workers to speak on their behalf and report back after each monthly Committee’s meetings. These committees discuss any issue ranging from safety shoes to bonuses or even collective dismissal. The Unions provide their job stewards with expertise on legislation, negotiation techniques and action planning.

Grace Papa concluded her presentation by stressing that in parallel with the Service voucher development, the sector has undergone significant changes. *“Numerous social improvements have been decided in recent years and imposed by the Joint Committee”* and she named a few of them: the introduction of a yearly bonus of about 4% of the yearly salary; the reimbursement of travel expenses from one client to another one; the creation of a dedicated funds for training; or the implementation of the federal inter-sectoral convention on the reduction of workload for workers over 45.

“Numerous social improvements have been decided in recent years and imposed by the Joint Committee.”
G. Papa

In the **discussion** that followed, some participants expressed their disagreements with the objective of having PHS workers employed on a full-time basis for 40 years. Furthermore, according to them, it is not PHS workers’ wish either. Participants discussed the difference in job quality between for-profit and not-for profit providers due to different collective bargaining agreements. They questioned the possibility to reach a level playing field in this matter. Claire Hobden remarked that from the discussion, it appears that more work needs to be done within social dialogue. She indicated that in the future the ILO will try to look in the differences between for-profit and not-for-profit employers in terms of job and service quality. Kerstin Howald concluded that more needs to be done at EU and national levels.



From left to right: E. Schneider, G. Papa, K. Howald & C. Hobden

CONCLUSIONS

The day ended with the concluding speech of **Jean-François Lebrun**, European Commission's DG EMPL expert seconded to the Directorate General of the Treasury in the French Ministry of Finance. He welcomed the long term approach of the annual conferences on personal and household services. PHS are close to local concerns and their development varies between countries. Moreover, they are at the crossroad between social and commercial activities. It makes discussions at the European level difficult and a first analysis driven by the subsidiarity principle would recommend for limited actions from the EU such as good practices and information exchanges. However, there is a shared interest in a growing number of countries for PHS and related issues such as job creation, the undeclared economy or competition.

At least four European federations are active in the PHS sector and represent PHS providers namely the European Social Network (ESN), Social Services Europe, the European Federation for Family Employment (EFFE) and the European Federation for Services to Individuals (EFSI). The coexistence of different business models can be good for the State and users as it means a more diversified offer and more pressure on price. Jean-François Lebrun called on PHS European Federations to demonstrate openness and to work together in the respect of their different values so as to ensure an efficient lobby.

Two different behaviours characterize the sector. At individual level, everybody recognise the importance and the need for PHS. However, at collective or political level few people do so. A possible explanation to this phenomenon could be that at individual level, we speak about daily needs whereas at policy level we speak about jobs and costs. *"Users and providers of services have the same preoccupation: meeting needs"* underlined Jean-François Lebrun. Thus, at political level more attention should be given to needs and we must avoid to restrict policy perspective on the sector to costs and job creation for low qualified people. He stressed that the main difference between PHS sector and another sector is the high level of support given by public authorities. This support must reduce the price paid by users for care and non-care activities. For care activities, the aim is to grant access to everybody whereas in the case of non-care activities, it aims to make formal market competitive compared with the undeclared market.

If public support targeting price reduction is a necessary condition to tackle undeclared work, in the long run, attention should be given to productivity and quality so as to improve the sector's image. Thus, businesses must try to differentiate themselves from undeclared activities. As such, the use of ICT tools, social dialogue, vocational trainings, etc. can make the difference.

When it comes to ICT tools, Jean-François Lebrun considered that their introduction in the home and in PHS provision must be anticipated. Currently, there are several EU projects dealing with the issue and there is room for policy support and business opportunities in order to unlock the full potential of ICT tools. According to him, in the short term the main obstacle is the ICT illiteracy of aging people. On the longer term, we must think of how houses will be impacted by the introduction of domotics and robotics.

Secondly, price reduction is a necessary pre-condition for the formal provision of PHS. *"Without public support, PHS are today more or less in the impossibility to have a real development"* said Jean-François Lebrun. Instruments implemented in countries such as Belgium, France or Sweden show that the fight

"Without public support, PHS are today more or less in the impossibility to have a real development."

JF. Lebrun

against the undeclared economy is possible. With the creation of the EU Platform on undeclared work it has become an area of EU interest. In this field, the first added value of the European Union is the exchange of practices and information according to Jean-François Lebrun. In this regard, the [IMPact project](#) has been an interesting example of exchanges of good practices and the guide it produced remains very useful.

Furthermore, it is important that businesses try to offer a new vision of PHS, with the idea to differentiate themselves not only from undeclared services but also from self-supply provision which remains the main supply nowadays. Increased productivity and quality are the two main vectors of differentiation. Thus, if the development of professionalization, of trainings and the introduction of new technologies are necessary, they are also a topic and an opportunity for social dialogue. PHS attractiveness and good

image lie in the quality of both job and services. The implementation of a ranking process and communication campaigns are initiatives that could be taken by PHS representatives with the support of public authorities. Jean-François Lebrun stressed the need for the PHS sector to differentiate its products and services and to demonstrate that it is an economic activity in itself with its own social needs and social consideration. The different perspectives of care and non-care activities as well as for-profit and not-for-profit providers must be aggregated together despite the difficulties it represents.

Finally, Jean-François Lebrun concluded his speech by reminding that the main opportunity for PHS to be present in European debates is the EU Pillar of social rights which will be crucial in the coming decade. Its preliminary outline lists six or seven domains which are directly in line with PHS activities or concerns such as skills, social dialogues, gender equality, work-life balance, disability, long-term care, childcare etc.. Indeed, as it has been stressed earlier by Nick Costello PHS actors' participation to the public consultation would be a positive signal.





European Federation for Services to
Individuals (EFSI)
Avenue du Port 86C, box 302
1000 Brussels, Belgium

