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Personal services and ageing Proposal for a year of active ageing and solidarity among generations in 2012

Within the context of the 2012 European Year of Active Ageing and Intergenerational Solidarity, the European Federation for Services to Individuals (EFSI) takes the opportunity to stress the high potential for personal services in an ageing population and its impact on public finance.

The EFSI represents federations and companies involved in the development of personal services such as home services (housework, ironing, gardening, small repair work, etc.), help on administrative tasks, delivery of food and specific services to enable dependent people (disabled, children and elderly people) to receive assistance in their daily life.

For elderly people, the contribution of those services is unquestionable: they allow them to stay in the comfort of their home while postponing the onset of dependency. This maximizes autonomy in long term care and offers a necessary support for family carers.

However, the contribution of personal services to a healthy and active ageing requires several prerequisites such as an adequate legislative and fiscal framework. Those measures are all the more necessary in the current economic crisis context to ensure that personal services are sustainable, efficient and accessible in the long run. The EFSI believes that the EY2012 is a key political agenda that brings many opportunities. Its aim is to raise European policy makers' awareness through 3 recommendations listed below.

1. Member States should implement measures to foster the development of home help and care services

From 2010 through 2030, the number of Europeans aged 65-79 years old will increase by 36% and those aged 80 years or above will rise by 57% (*Eurostat 2011*). This unprecedented and general ageing of our societies requires major policy reforms on pension system, health and care services, work organization, lifelong learning, etc. In order to cope with these challenges and its financial implications, Member States are looking for the adoption of appropriate policy frameworks allowing older people to stay longer in their homes.

In particular, those policy reforms should promote the development of home help and care services as there is a growing demand for those services (at the expense of institutional care whose cost is a high financial burden on families and a significant expense for public budgets). Thus, 91% of Europeans are in favor of policies that use public budgets to support services allowing older people to stay longer in their own homes (*Flash Eurobarometer 247, 2008*). This trend is also observed by the OECD which underlines that 70% of care allowance beneficiaries used it to stay longer in their homes (*OECD, 2011*).

At present, the will of ageing people to stay longer at home is partially met by informal help and care (coming from family carers and informal economy) but it is not sustainable, nor economically or socially acceptable in the long run. Nevertheless, given future demographic trends and the cost of formal help and care services for ageing, the role of family carers will remain essential. Providing long term care can be an important factor determining labor participation of carers as it is associated with a significant reduction in employment and work hours and it could compromise future employability. Furthermore, caring can make it difficult to maintain relationship with friends and family.

Thus, the EFSI calls on the European Commission to increase Member States' awareness on the necessity to adopt comprehensive and coherent policy frameworks on ageing that promote the development of home help and care services for the elderly and gives family carers access to a range of affordable domestic help services that would enable them to reconcile work and family life.

It should involve a mix of demand and supply-side interventions through different and complementary set of actions to boost a direct expansion of supply services (i.e regulatory measures and financial incentives). The European Commission should encourage the Member States by facilitating the exchange of best practices and by conducting analysis on the subject. The EFSI is very pleased about the fact that some countries already implement such frameworks (e.g. France, Spain, Sweden) and asks them –despite the current constraints on public budgets- to maintain stable regulatory measures and fiscal incentives needed to accompany and foster the development of such services.

2. An equal treatment between providers and a subsidized regulation of demand should be promoted to boost the offer and meet the demand

According to the EFSI, policy frameworks on ageing promoting the development of home help and care services should simultaneously aim at the subsidization of the demand and at an equal treatment between providers.

Public frameworks should subsidize the demand rather than lowering the price of the supply of services. A subsidized regulation of demand goes through a mix of benefits and tax exemptions such as the suppression of employer's contribution and the partial or total suppression of welfare costs, a tax credit or tax rebate, a reduced VAT rate, etc. It could take various forms and be adapted to each country's specific objectives and cultural differences.

The EFSI emphasizes on the numerous advantages of a subsidized regulation of demand. It reduces the use of informal economy and grants access to the legal markets at an affordable price to a higher proportion of users. By encouraging the creation of a formal market, the subsidization of demand increases both the quality of employment and the quality of services.

Furthermore, a subsidized regulation of demand is more compatible with the neutrality which should be preserved in the competition between the various suppliers of services. The presence of different kinds of actors in the market (public, private and not for profit) enable them to meet the demand with cost-effective solutions and to share their complementary expertise. Thus access to the market of home and care services cannot be restricted through certification process, useless administrative burden, differentiated or regulated prices, biased information given to users or restricted access to public subsidies.

In addition, the users' freedom of choice should be guaranteed. The fact that a person uses home help and care through the context of public social allowances should not prevent him to maintain his freedom of choice. In this case, the use of voucher schemes for home help and care (as it is the case in Belgium, Denmark, Finland, France, Sweden or the UK for instance) leads to higher user satisfaction, improvement in quality and cost-effectiveness.

With regard to the advantages of the subsidized regulation of demand and the principle of equal treatment between providers, the EFSI calls on the European Commission to develop studies and exchange of best practices. The EFSI firmly believes that such a policy framework will lead to the sustainable rise of the home help and care market.

3. The quality of employment and the quality of services should be ensured

The rapid rise in the demand for home help and care services has met with insufficient supply. In certain countries (such as Italy and Austria) the lack of providers has led to the growth of illegal carers (mostly migrants) raising the need for better regulation of home help and care labor market. The implementation of a coherent and comprehensive policy framework on home help and care services for ageing (as explained above) will reduce informal work and will benefit both for users and workers.

For the EFSI, it is fundamental to implement measures enhancing the professionalization of workers in order to enhance productivity and quality for users as well as job satisfaction and attractiveness. Such measures should take into account the specificity of the home care and help sector and provide career mobility required to keep workers in the profession. Thus, the EFSI calls on the Member States to reform the home help and care labor market. The European Commission should help the Member States to devise adequate measures regarding training and career mobility.

Furthermore, the EFSI calls on the European Commission to encourage Member States to foster the setting-up of procedures to monitor the quality of the services offered. It is important to involve providers and users in the definition of those quality standards (such as structural and procedural requirements for providers, accreditation or certification of providers, quality monitoring systems, etc.).

About EFSI:

As the European Federation for Services to Individuals, EFSI brings national federations and associations as well as companies involved in the development of personal 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, Sweden, United-Kingdom).

More info: www.efsi-europe.eu