

Personal and Household Services (PHS)

March 2014

Key Points

- PHS is a positive step in the transition to community-based services.
- Undeclared work remains one of the largest downsides to PHS.
- The quality of services must be guaranteed and monitored in order for PHS to be perceived as a positive contributor to community-based services.
- The demand for social and health services in the PHS sector is part of an overall growing trend, with a diminishing supply.
- In order to meet the growing demands in PHS, a stronger job market must be created through better funding, training and social dialogue.

I. What is Personal and Household Services?

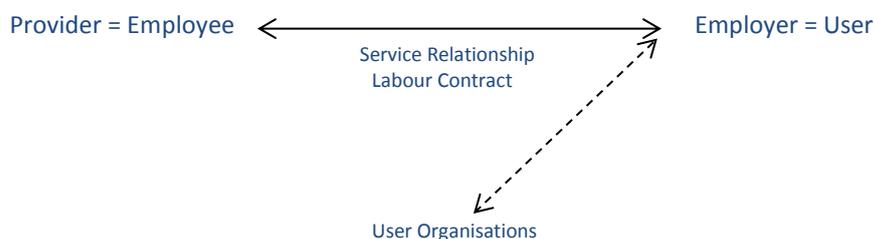
Personal and Household Services (PHS) covers a broad spectrum, of activities that influence the well-being at home of families and individuals: child care, long term care for persons with disabilities, long term care for the elderly, cleaning, remedial classes, home repairs, gardening, ICT support, etc. This can include both “care” and “non-care” activities depending on the state of need of the benefactor of the services. Care services are generally provided to dependent persons with special needs such as childcare services or long term care for the elderly, where as non-care services are aimed at improving the well-being of the recipient, such as home repairs, or education.

Through PHS there are two different employment models. One model includes workers who are directly employed by private individuals to perform tasks in their home also known as the bilateral relationship. In this instance, the employer is the household. According to ORSEU there are nearly 2.1 million workers in the EU employed through this model.¹ This model has also led to the development of networks bringing together user/employers in organised platforms. Through the second model, workers are employed by an organisation that provides services to the household. This model is more commonly known as the triangular relationship. Unlike the first model, the household is not the employer. Under this second model care activities are categorized as “social work without

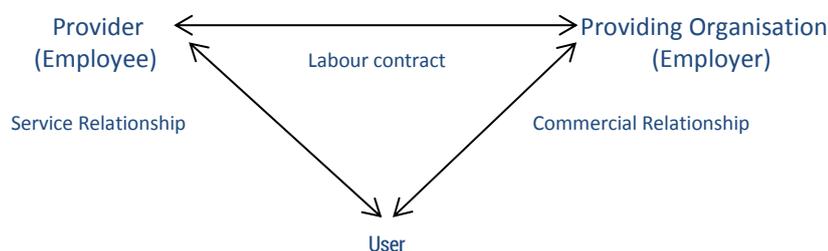
¹ ORSEU, 2013, Developing personal and household services in the EU A focus on housework activities <http://www.orseu.com/re/fichiers/ORSEU%20Comparative%20report%20Final%20version.pdf>

accommodation" (NACE88), it is harder to track the overall numbers of people employed through this model due to the various categories under non-care activities. It is estimated that 4.8 Million people are employed under the bilateral model category.

The bilateral relationship ("direct employment" relation): households as direct employers



The triangular relationship: Employment in service providers organisation



II. Policy Context

Through allowing the individual to remain with his or her family or community, the increase in PHS is a positive step in the transition to community-based services. Indeed, it is clear that the closer an individual can be to his family or community, the higher the chances that he or she is integrated in society. EASPD therefore fully supports the increase in PHS throughout Europe.

Currently there is little to no **distinction in law regulating PHS between, both "care" and "non-care" activities, despite the fundamental difference between the two. Care activities require specific training in order to ensure the best quality care/support is provided**, whereas "non-care" activities require less training and stringent guidelines. Guidelines should be in place to ensure that employees who fall under "care" activities are adequately trained in order to protect them from receiving poor quality care/support, which can threaten the well-being of the user. However, despite this overall positive perspective, the rise in PHS have also led to certain issues which need to be tackled by Policy-makers to ensure that this trend remains a positive contribution to the transition to community-based services.

One of the biggest downsides and points of caution in regard to PHS is, what is seemingly, the rise in undeclared work. Undeclared work can account for over 70% of the sector in countries like Italy and Spain, and in Germany, it can reach as high as 90%.² There are several issues which arise through undeclared work:

- Lowers labour standards and deprivation of workers of social protection;

² ORSEU, 2013, Developing personal and household services in the EU A focus on housework activities <http://www.orseu.com/re/fichiers/ORSEU%20Comparative%20report%20Final%20version.pdf>

- Inhibits the creation of regular employment with full social protection;
- Fewer training opportunities and skills development opportunities;
- Less tax revenue and social security contributions for the state;
- Undermines the financing of social services, under increasing financial pressure due to the recent and current austerity measures

It is important to note that the several issues associated above with undeclared work can also arise through declared PHS work as well, including lower labour standards and fewer training opportunities and skill development opportunities for instance.

For the social and health services sector, there are also other serious concerns due to the nature of many of the jobs included in this sector and in particular the close proximity between the carer/support worker and the individual receiving the services.

Both strengths and weaknesses exist in both the bilateral model and triangular model of PHS. The bilateral model, where the user is the employer, is positive in the fact that it empowers the user through choosing his own support/care. However, it is also important to note that at times this can also, be an additional burden on the user to have to hire and manage an employee, which requires certain labour management skills. If unchecked, there is also the risk that the bilateral model can lead to an abuse of power by the employer and a degradation of workers' rights and to an increase in undeclared labour. Through the triangular model, it is easier to develop and manage human resources around the employment of staff and to guarantee quality due to (government led) monitoring systems that are often in place; however the user is usually less empowered than compared to the bilateral model.

Indeed, due to the nature of the job, it is of key importance that the worker is sufficiently trained to perform the tasks at hand. If the workers are undeclared, then there is no control over the quality or level of the services provided by the worker. This, in turn, can have a negative impact on the worker's well-being, as well as for the user. This is also the case where a family member provides care to the user on an unpaid or undeclared basis.

Ultimately, PHS can only be perceived as a positive contributor to community-based services if the quality of the services can be guaranteed and monitored. This quality check can only be ensured if the work is declared, monitored and the sector well regulated. Public officials should ensure that not only are the caretakers adequately trained, but they should also ensure that the skills of the care taker match with the needs of the recipient in order to guarantee the quality of the service provided.

Several public policies can contribute to fighting the issue of undeclared workers in the PHS sector:

- **reducing the price of well-trained professional social support and healthcare workers,**
- **simplifying the employment of staff through, for example, the creation of vouchers,**
- **encouraging the creation of professional networks of PHS workers,**
- **an action plan to foster the emergence of a supply in professional staff,**
- **stronger regulation on the employment of staff in the sector focusing on decreasing the amount of undeclared workers.**

Economics also pose a challenge to PHS. Both the income of the user and the price of the service provided can either negatively or positively affect PHS. High costs can lead to an increase in undeclared workers. Current austerity measures have led to a lack of funding in PHS and the social and care sector as a whole. Furthermore, based on 2012 research conducted by EASPD it was discovered that, 75% of funding of service providers to people with disabilities was linked to at least some form of public funding.³ When funds are cut, many other programs and policies such as vouchers and tax credits run by governments are restricted or eliminated altogether. As up to 80% of the expenditure of social service providers is related to staff, cuts to their funding ultimately results in cuts to staff. This obviously has a negative effect on the quality and quantity of services provided and consequently on the well-being and social inclusion of the users of such services.

III. EASPD's Proposals

It is clear that undeclared work is an important dimension to the development of PHS throughout Europe. **Although PHS are a positive trend in terms of the transition to community-based services, it is important that Public Authorities, at all levels, ensure that the quality of the services provided are of high standard and monitored, and that the professionals in the sector are declared, well-trained and adequately protected.**

Due to the fact that undeclared work in the sector is affecting all Member States, and often has a transnational dimension due to migration, it is important for the European Commission to work on adequately addressing this problematic at European level.

EASPD fully welcomes the fact that the European Commission considers undeclared work in the PHS sector to be an important European employment issue for them.⁴

As the PHS sector is part of an overall trend of growing demand for social and health services but with a diminishing supply, EASPD considers that the European Commission should also issue a Communication on an action plan detailing how Member States can unlock job creation in the sector and ensure decent working conditions. This would contribute to ensuring that those in need of quality social and health services have access to them, thus leading to a more smart, sustainable and inclusive Europe.

However, in order to properly address the particular issues arising from PHS, the Communication must be accompanied by a working paper on how to effectively strengthen the PHS sector and tackle the many challenges it poses to the State, the Service Providers and most importantly the users.

This working paper should include:

- A clear and consistent definition of PHS to be adopted throughout Europe;
- Guidelines as to how public authorities should eliminate undeclared work in PHS, including best practices;
- Ways in which to reduce the costs of PHS and Community-based services for the users, such as through tax deductions, vouchers, self-directed support; and other means of sustainable public financial support;
- Guidelines as to how to reduce the [gender gap between women and men](#) working in PHS;

³ Vlerick Business School, Report on Recruitment and Retention in the Social Services Sector, 2012
http://www.easpd.eu/sites/default/files/sites/default/files/Policy/Vlerick/fact_sheet.pdf

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- Methods in which to improve working conditions for the staff in the social sector, including in PHS; potentially through strengthening social dialogue in the sector.

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This publication has been produced with the financial support of the European Union Programme for Employment and Social Innovation “EaSI” (2014-2020). The information contained in this publication does not necessarily reflect the official position of the European Commission.”