

The stakes of professionalizing millions of declared jobs at EU level

atHOME

Brussels

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THE FAMILY NEEDS AND THE CONCEPT OF PHS

« Personal and household services (PHS) cover a broad range of activities that contribute to well-being at home of families and individuals »

(European Commission, 2012)



- Cleaning

- Cooking

- Ironing



- Home repairs, maintenance,

- Gardening,

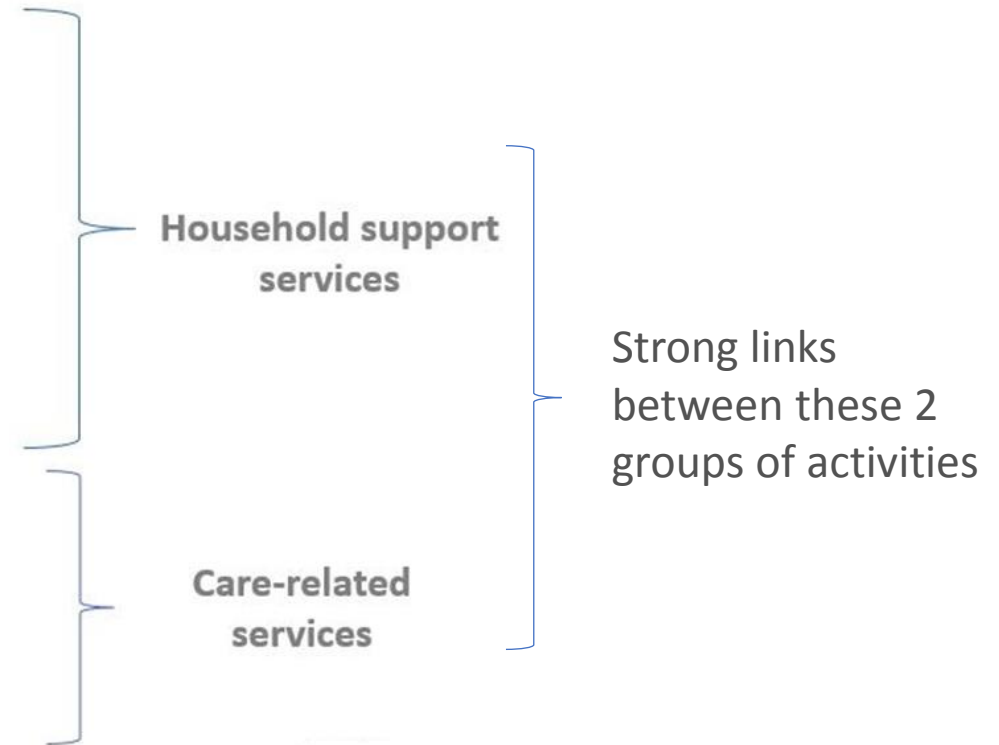
- Remedial classes



- Childcare

- Care for the elderly

- Care for person with disabilities



Excluding health activities

Domestic workers (ILO) = Personal and Household Services (EC)

THE FRONTIER BETWEEN CARE AND NON-CARE ACTIVITIES IS BLURRED

From the point of view of service providers - directly

France 2011 %	« Caring » function	« Housework » function	Other declared functions
Home caregivers	56	36	8
Domestic workers	7	88	5

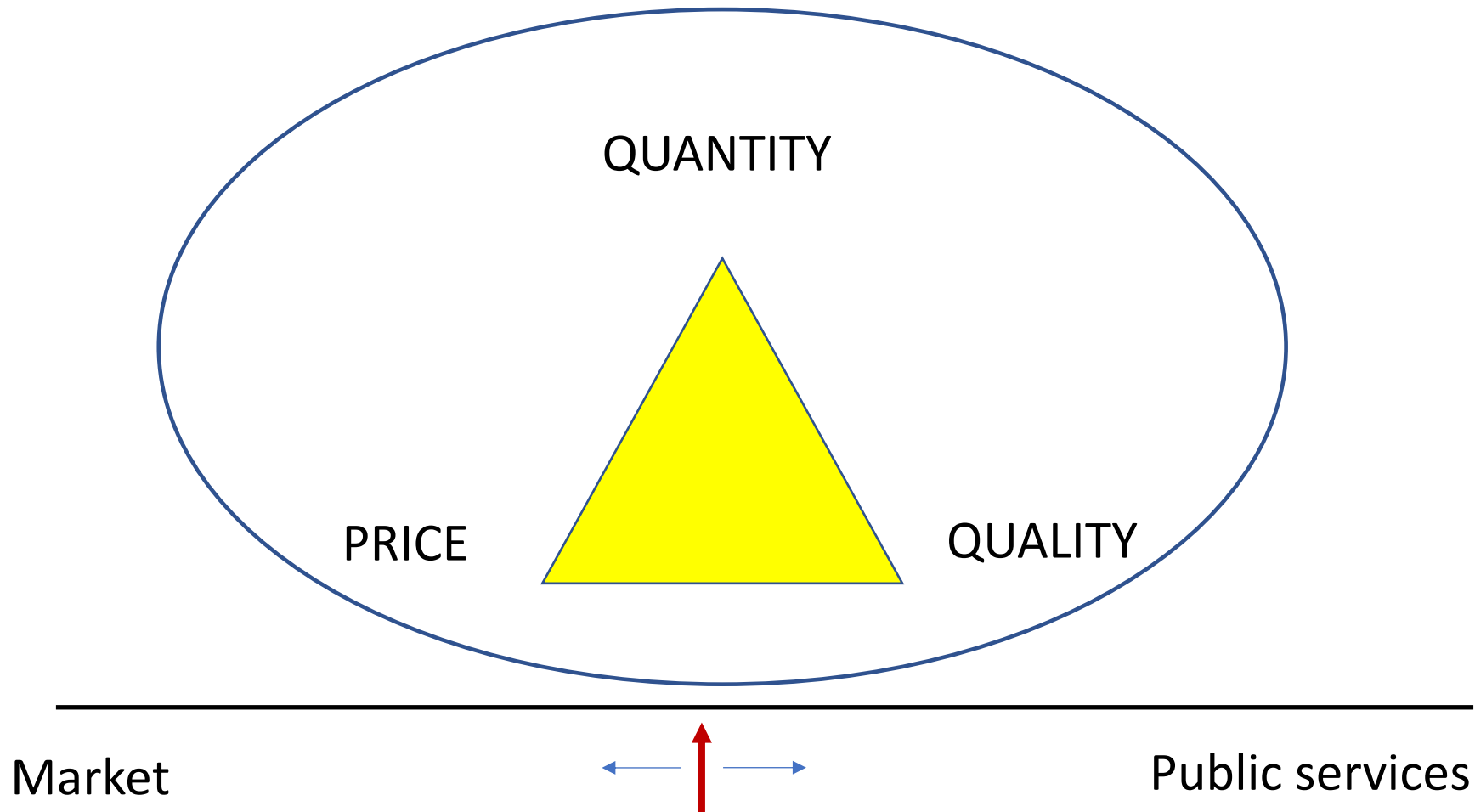
Source : Employment quality in the sector of PHS (Devetter and Lefebvre 2015)

From the point of view of users - indirectly

With housework outsourcing, an active woman can have more time to care her parents

MAIN CHALLENGE : MEETING THE NEEDS

To meet the needs, three interconnected elements must be examined

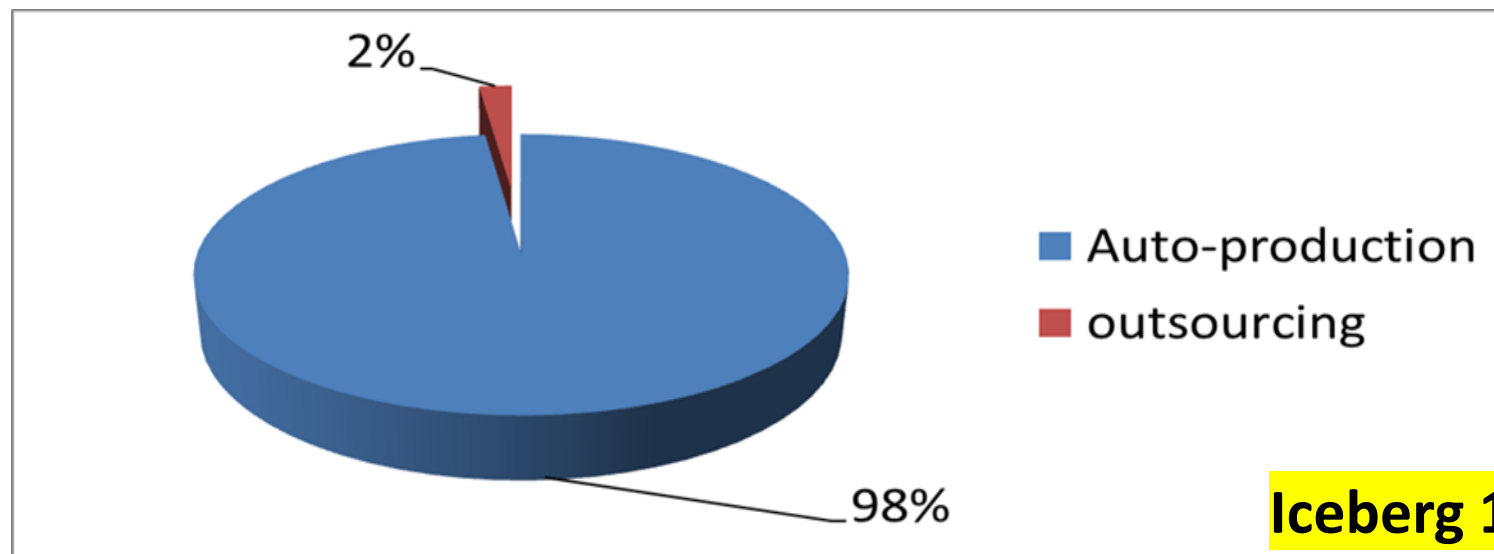


QUANTITY

Essential characteristic

Large self-production: every European adult "self-produces" an average of 3 hours per day of PHS (2 for men and 4 for women).

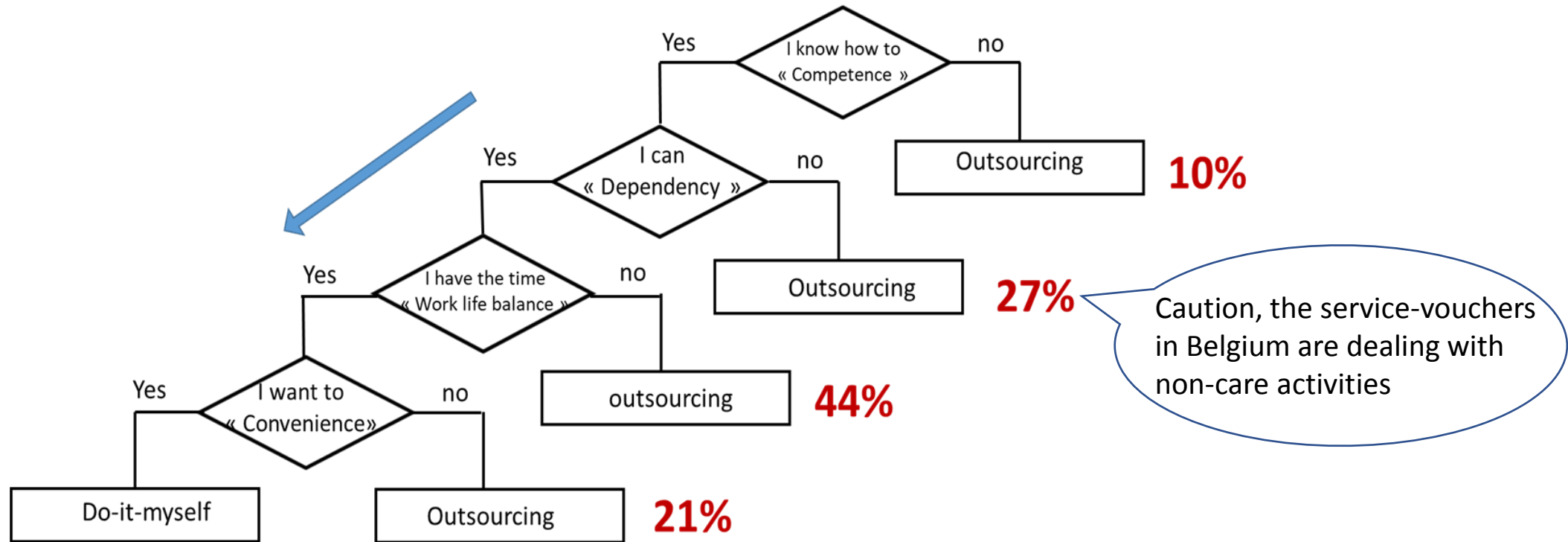
Today formal outsourcing is limited to 2 minutes 1/2 per day and adult



Women = centuries of free work
Self-production = factor of wage inequality

So each European will evaluate the outsourcing choices to its own self-production

REASONS TO OUTSOURCE SOME ACTIVITIES

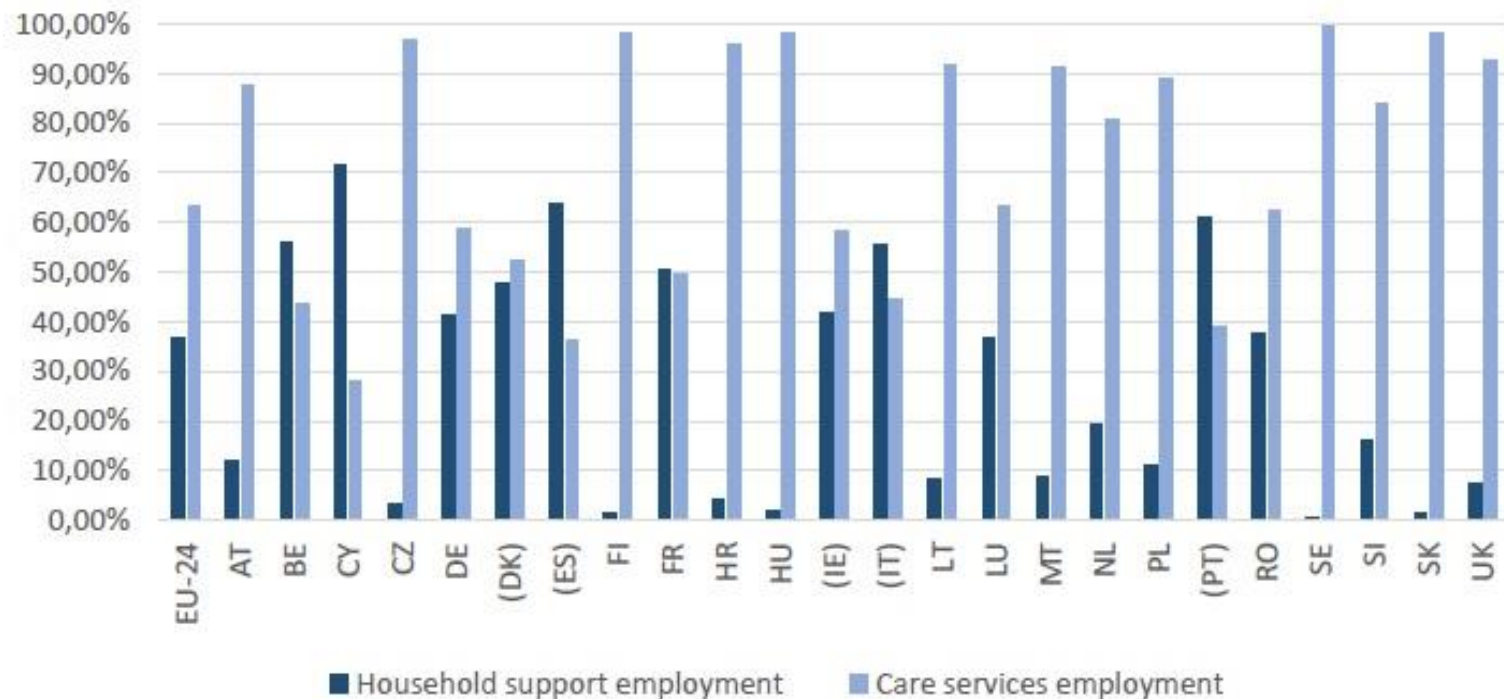


The figures are coming from a recent Belgian study (Federgon 2018)

CARE / NON-CARE ACTIVITIES

In average, the share of care activities in EU represents 62%

Share of household support employment and care services employment in PHS jobs in 2016 in EU 24



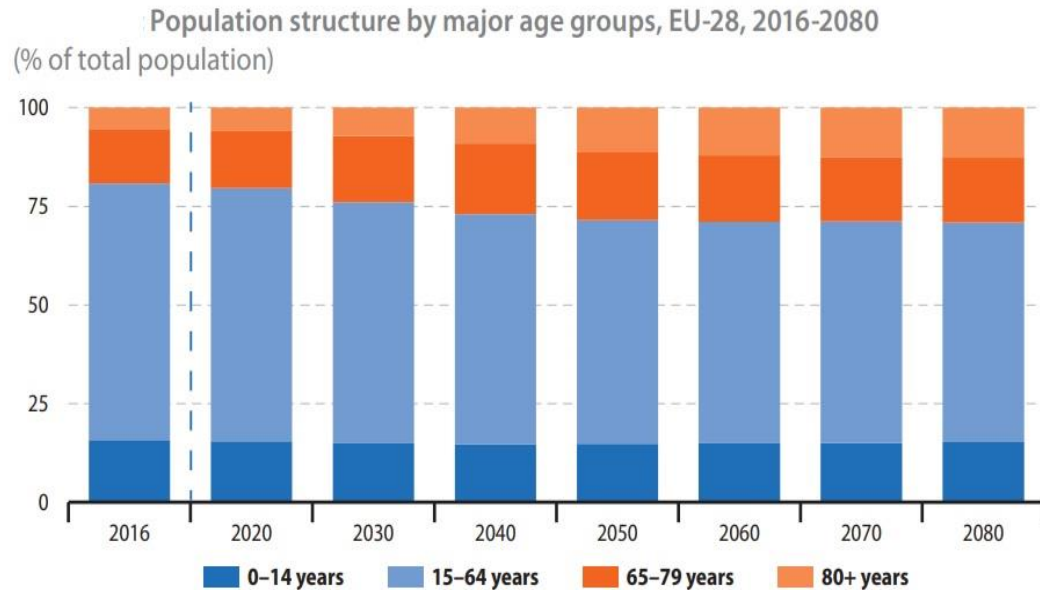
Presence of social care in all MS

For non-care only in several MS

NEEDS ARE GROWING

Aging of the population

In 2050 people over 65 will be twice as many as today

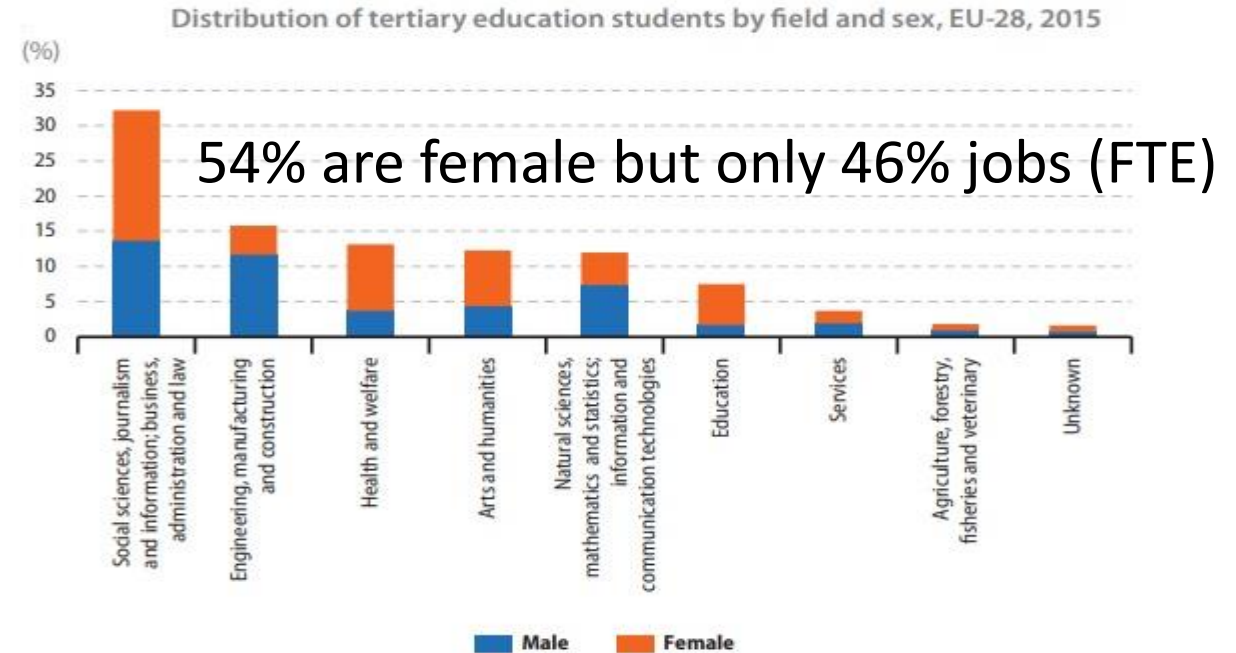


Note: 2016, estimate and provisional. 2020-2080: projections (EUROPOP2015).

Source: Eurostat (online data codes: demo_pjangroup and proj_15ndbims)

Better work life balance

Women will be more present on the job market

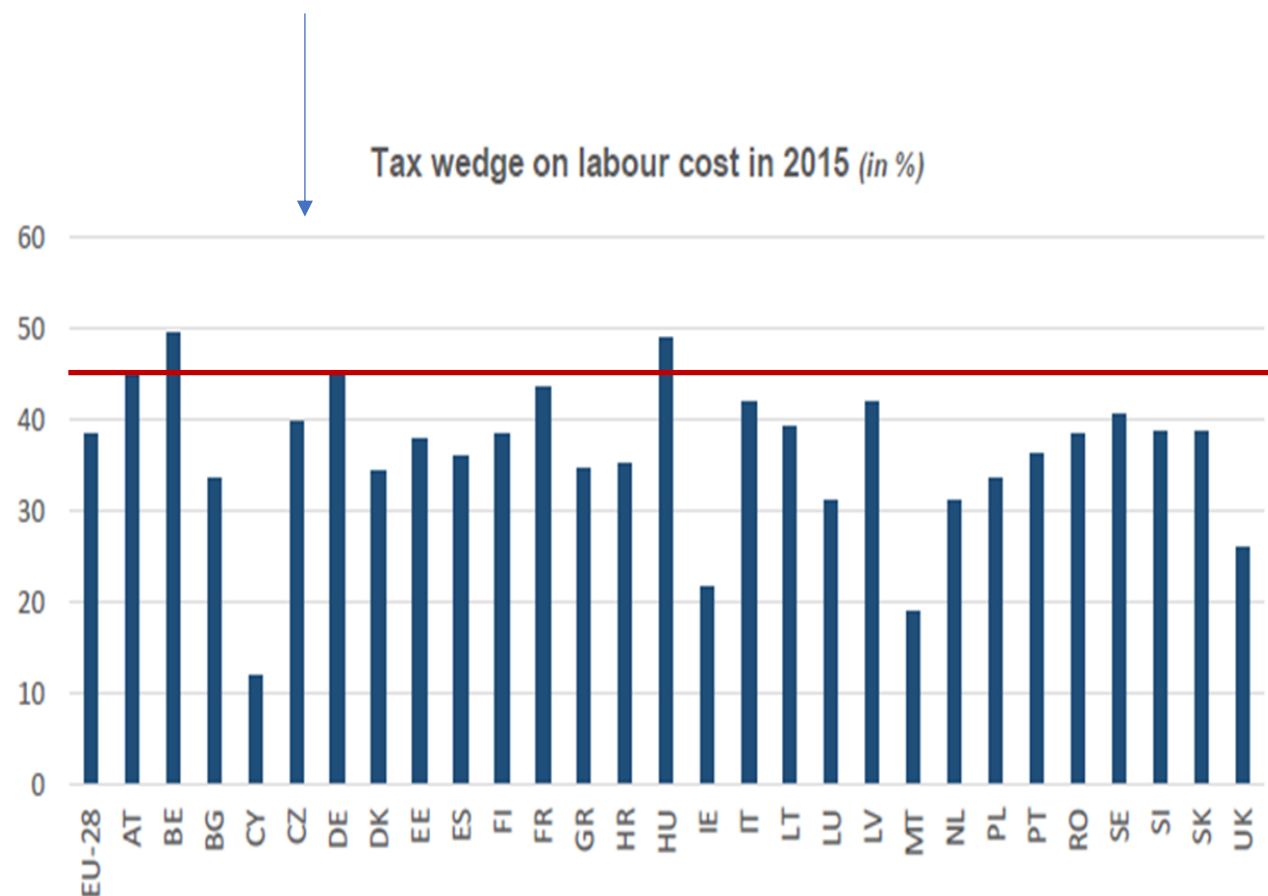
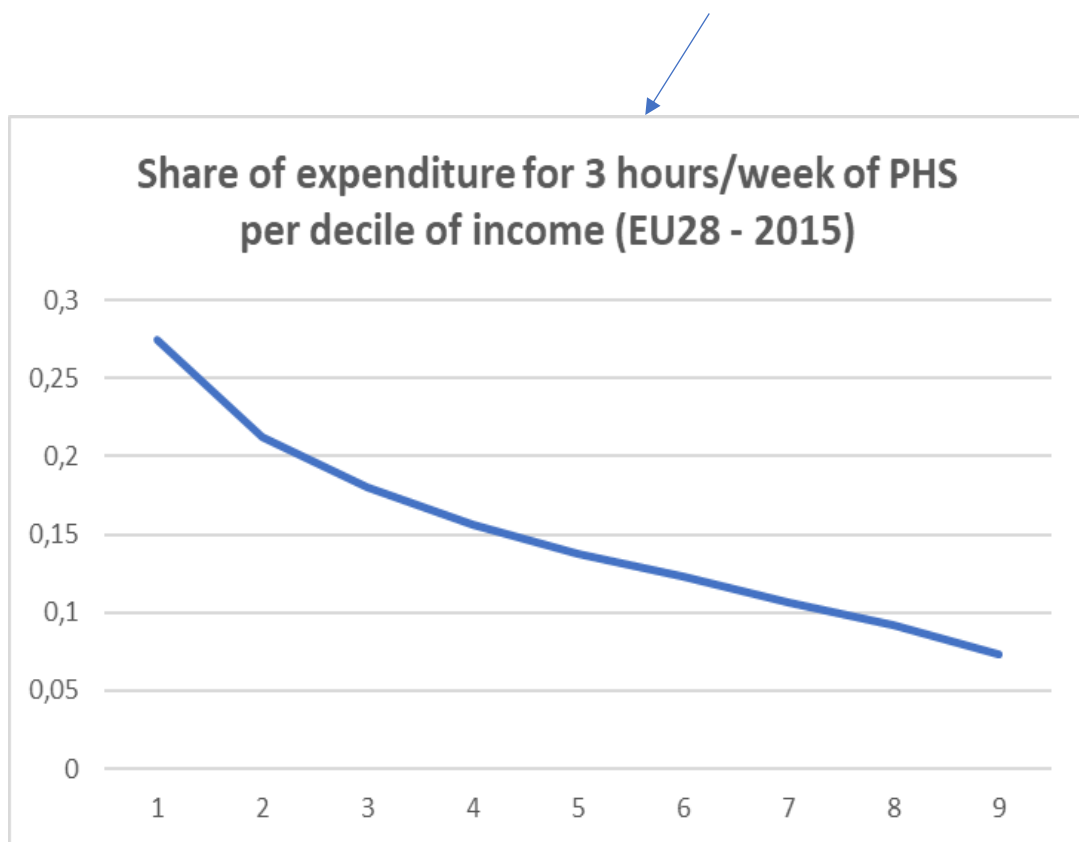


Note: includes data for Ireland, Greece and Italy for 2014.

Source: Eurostat (online data code: educ_uoe_enrt03)

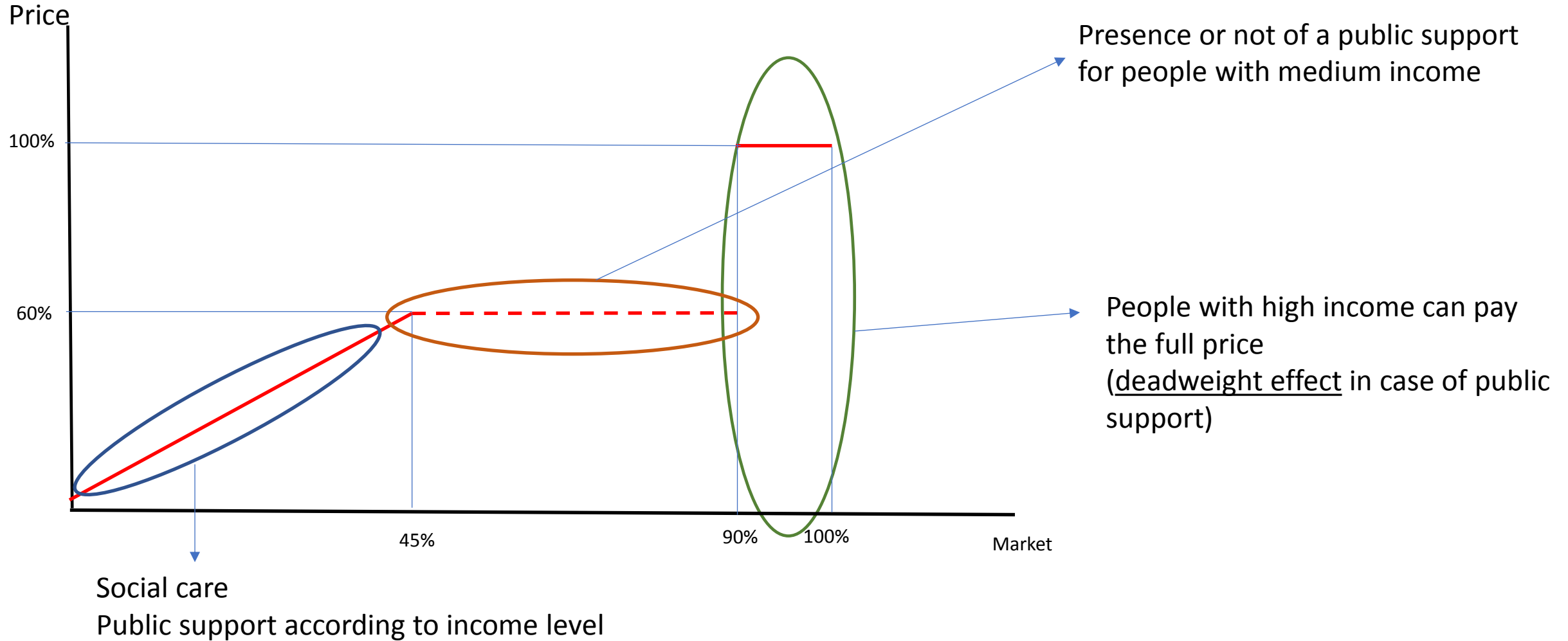
PRICE

Opportunity cost = Net wage = Wage without taxes and social contributions*



* See Family economics of Gary Becker (Nobel Prize)

PRICE FOR FORMAL ACTIVITIES



HOW MANY FORMAL JOBS ?

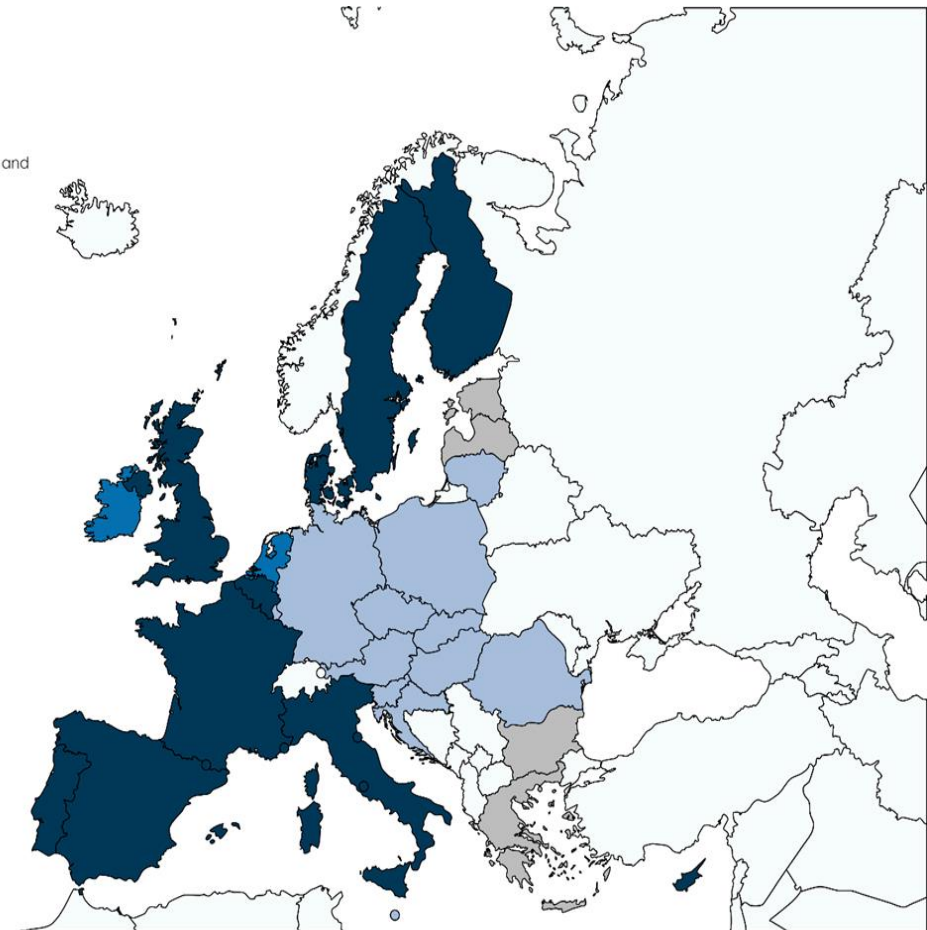
The public authorities have developed some supports for the social care and, in a limited number of Member States, for the non care activities.

In the EU, the « formal » PHS sector represents

8 million jobs

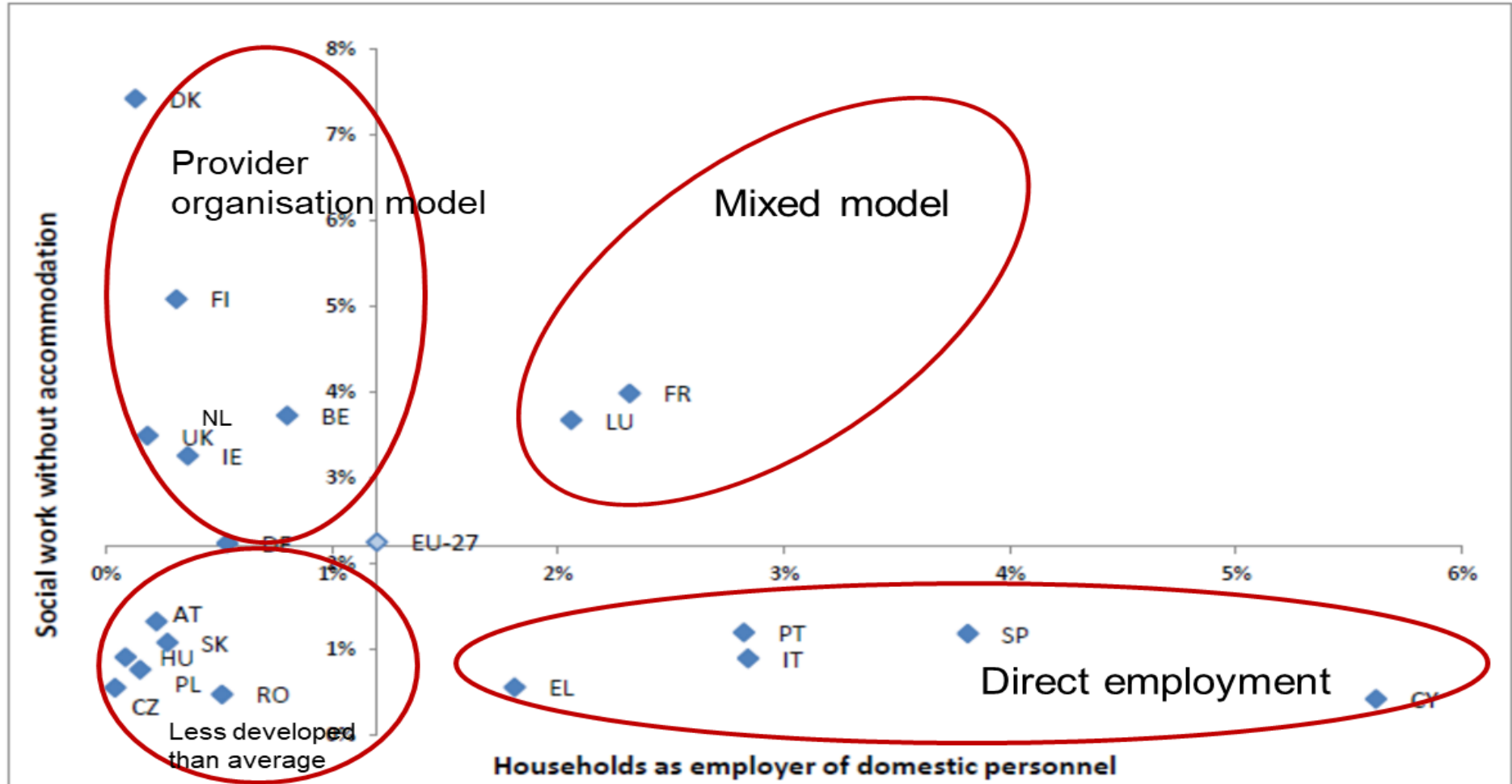
But No real sector (Nace) & several occupations (ISCO),
figures both too narrow and too broad

Iceberg 2



TWO MODELS IN EUROPE

Comparison of employment rates in two sectors of personal and household services, 2011



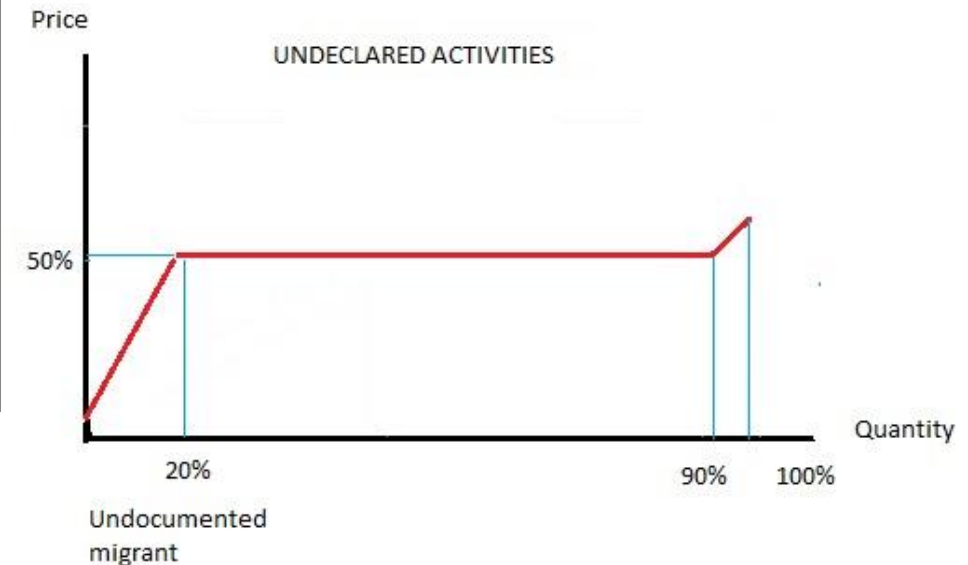
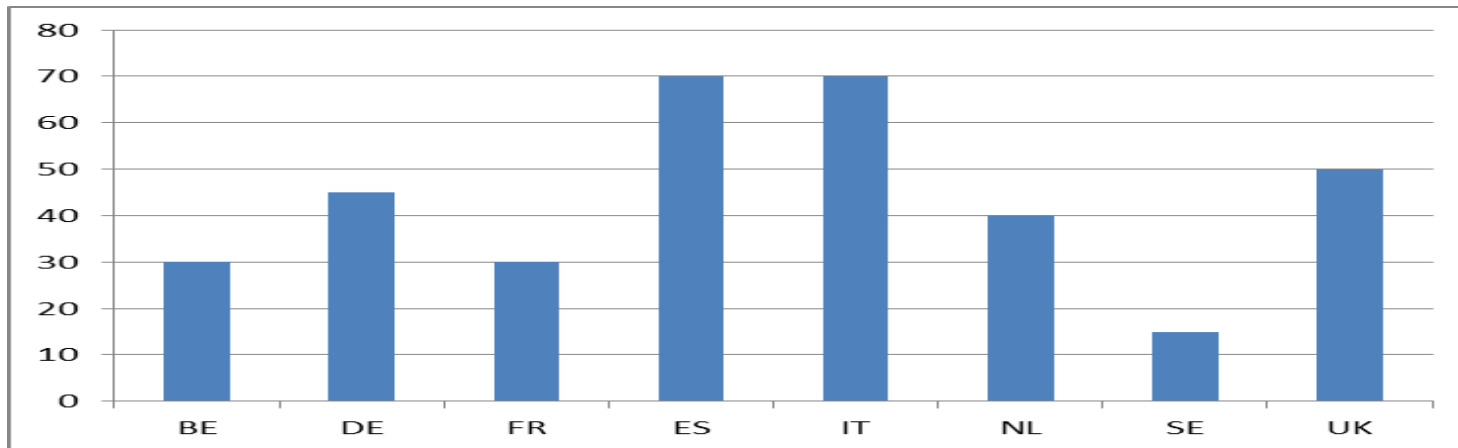
Source: Eurostat

THE UNDECLARED WORK

The dominant outsourcing model in many Member States

In Member States without support or/and with a limited support, presence of undeclared jobs where the price corresponds to the net wage

Estimated share of undeclared work in the PHS sector (2010)



UNDECLARED WORK REPRESENTS 50% OF THE PHS SECTOR

Iceberg 3

THE GRAY AREA

On the border of the formal jobs, there are different forms of « new » providers

- Platforms and collaborative economy
- posted workers (especially for in-home care)
- Casual jobs
- derogatory systems (less social contributions but also less social security)

Iceberg 4

IN PRACTISE HOW MANY JOBS

TODAY

8 Million formal jobs + 8 Million of undeclared jobs = 16 Million jobs (4% of outsourcing)

With a minimum of 50% working for elderly people

AFTER TOMORROW (2050)

With a doubling of the number of elderly people

16 Million + 8 Million = 24 Million jobs

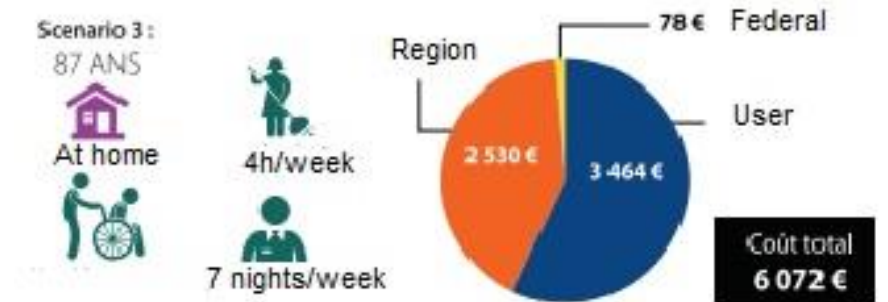
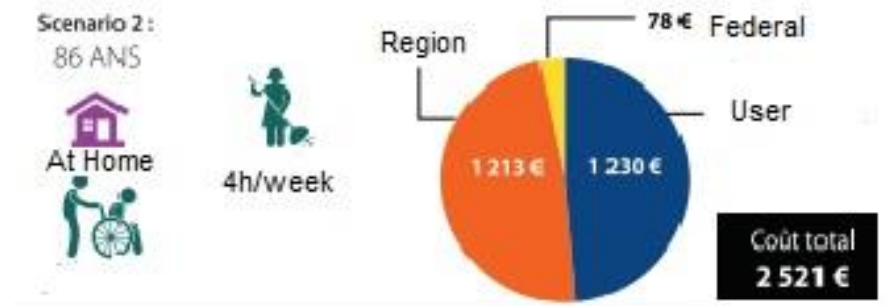
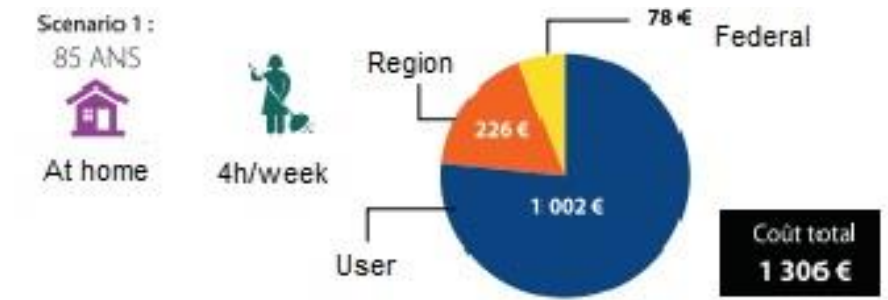
Or one of the main economic sector (10% of all jobs, all other things being equal)

EVOLUTION OF NEEDS

With age and level of dependency, the issue of home care arises :

Is it better to stay at home or to go to an institution ?

See the Belgian example



PRESENCE OF POSITIVE EXTERNALITIES

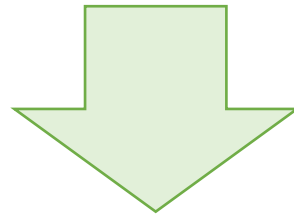
I outsource to have more time:	Externalities	Socio-fiscal impact
• to take care of a relative (children, parents, etc.)	Less expense for care activities	++
• to relax	More leisure expenses and less stress at work	+
• to work more	New tax revenue and social security	+++++

We can speak about these externalities of indirect earn-back effects

E.g. following a survey conducted in Belgium (2018), 24% of service vouchers users declared working more or avoided working less.

THEREFORE PUBLIC INTERVENTION IS REQUIRED

- The existence of needs related to the human life cycle and to the gender balance.
- The limited formal market (opportunity cost and tax wedge) and the existence of the undeclared work.
- The presence of externalities.



call to a public support for the development of a PHS formal market.

THE REAL COST OF THE PUBLIC SUPPORT

Examples

€/hour	France (2015)		BELGIUM (2017)	
	Care	Non-care	Non-care	Another sector
NATIONAL DATA				
Price in the undeclared economy (€/hour)	10	10	10	
Net wage(€/hour)	8,8	10,5	10	15
VAT (%)	0,5	2,5	0,0	21,0
Rights for pension (€/hour)	7,0	8,4	8,0	12,0
PARAMETERS				
Tax wedge (% of labour cost)	42,0	42,0	44,0	50,0
Other costs (% of labour cost)	20,0	10,0	28,0	50,0
Taxes on other cost (%)	28,0	28,0	45,0	45,0
Deadweight effect (% of price)	8,0	8,0	8,0	75,0
Positive externalities (% of return)	10,0	17,5	25,0	0,0
Subvention rate (% of labour cost)	100,0	57,0	88,0	52,2
Minimum pension (€/hour)	7,0	8,4	8,0	12,0
CALCULATION				
labour cost	15,2	18,1	17,9	30,0
Other costs	3,0	1,8	5,0	15,0
Cost of production	18,2	19,9	22,9	45,0
Taxes on other costs	0,8	0,5	2,3	6,8
VAT	0,1	0,5	0,0	9,5
Price	18,3	20,4	22,9	54,5
Subvention	15,2	10,3	15,7	15,7
Price paid by the user	3,1	10,1	7,1	
Pension cost	0,0	0,0	0,0	0,0
Positive externalities	1,8	3,6	5,7	0,0
Direct earnback effect	6,4	7,6	7,9	15,0
RESULTS				
Public gross cost cost	15,2	10,3	15,7	15,7
Return	9,1	12,2	15,8	31,2
Return after deadweight effect	8,4	11,2	14,6	7,8
Public net cost	6,8	-0,9	1,2	7,9

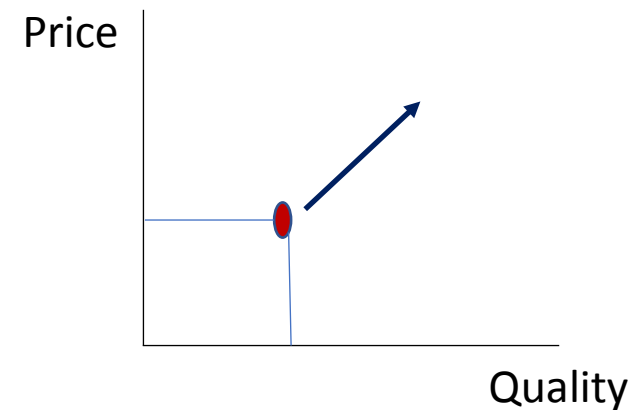
QUALITY

Expectation of a level of quality equal to self-production

+ Employment policy : jobs for low- skilled people and/or derogatory systems

This sector is therefore confined to a poor price / quality ratio

This ratio has an impact on attractiveness and retention in employment



Is it possible to increase this ratio ?

But caution : difficulty in perceiving the level of quality (asymmetrical information)

So productivity as a proxy for quality

Iceberg 5

PROFESSIONNALISING SERVICE PROVIDERS

Outsourcing must be synonymous with higher quality and / or productivity

« Do more or better than me» & « Job quality = Service quality »

The service provider must be a professional

Professionalization is a key asset to ensure:

- greater quality
- greater professional security for these jobs

First step of the professionalization pathway is the recognition of the profession of domestic worker/service provider.

Greater quality

- Competence framework (specific and transversal) and the curriculum design
- Need of a training fund with quantitative targets
- Technical training suitable for different occupations and tasks
- Relationship training and management of psychosocial risks
- Certification and valorization of vocational experience
- Mentoring
- Management with room for self-determination

+ introduction of new technologies like robotics



Greater professional security for these jobs

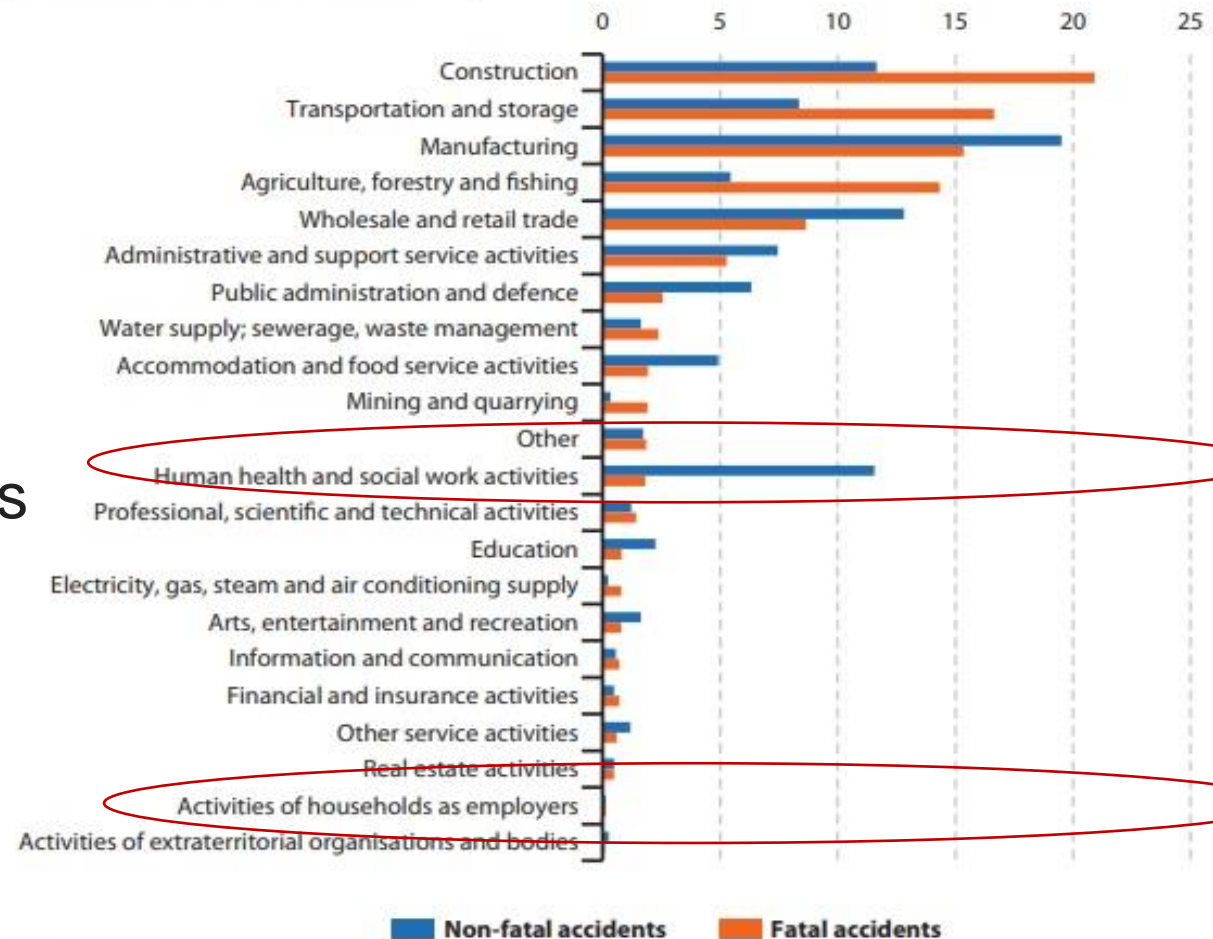
Non-fatal accidents, a reality in this sector (as musculoskeletal disorders)

Twisting a towel several times an hour every day, it's not the same as doing it periodically for oneself

- need adapted training
- need good tools provided by the users



Fatal and non-fatal accidents at work by economic activity, EU-28, 2014
(% of fatal and non-fatal accidents)



Note: provisional.

Source: Eurostat (online data codes: hsw_n2_01 and hsw_n2_02)

PERCEIVE THE LEVEL OF QUALITY

Quality must become a criterion for the choice of provider:

- Certification
- Quality ranking
-

A room for social partners

+ Information campaigns supported by public authorities

NEED OF A STRATEGY

Too often this sector is the subject of only one-off measures without strategic vision

Public authorities:

- Solvabilization of the demand
- Simplicity of the support
- Actions for the professionalization development
- Information campaign
- Support for social dialogue

Social partners

- Management of a training fund
- Improvement of the working conditions
- Information campaign

Market



Public services

POSSIBLE NEW SOURCES OF CO-FINANCING

- additional social contribution for dependency
- private insurance for dependency risks
- employer support for a better Work Life Balance
with or without socio-fiscal benefits as the lunch vouchers
- use of European funds (European Social Fund and InvestEU)

THE VOICE OF EUROPEAN STAKEHOLDERS

EFFE's European white paper : 10 proposals to strengthen social Europe

EFSI's Memorandum - 10 proposals for high quality, accessible and affordable PHS

AD-PHS's Memorandum

EFFAT's Report "Promote industrial relations in the domestic work sector in Europe"

EASPD's Report "How to fund quality care and support services: 7 key elements"

+ atHOME REPORTS

+PRODOME REPORTS

MAIN REFERENCES

- European Commission's [webpage](#) on PHS
- [IMPact guide](#), March 2016
- EFSI, [PHS Industry Monitor](#), April 2018
- IDEA Consult, "[360° review of Service vouchers system](#)", July 2018
- French Directorate General of the Treasury, "[Policies to support PHS](#)", August 2016

+ Tomorrow the AD-PHS's results



Thank you for your attention

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