

Labour and Skills Shortages in the Personal and Household Services Sector in Europe

Joint Statement – Action to Tackle Labour and Skills Shortages

Brussels, October 2024

Preamble

The Mission Letter recently issued to the designated Commissioner for People, Skills, and Preparedness of the European Commission's new term (2024-2029), **emphasizes the urgent need to address labour and skills shortages**, which continues to be a significant obstacle to building a more robust and resilient European Union following the Covid-19 crisis. As the Personal and Household Services (PHS) sectors remain one of the most affected sectors, the Social Partners (EFFE, EFSI, EFFAT and UNI Europa) in the PHS sectors welcome this recognition and stress the immediate need to tackle these shortages.

The demand for domestic and home care services is rising, driven by an ageing population and shifting demographics, yet the sector is grappling with increasingly severe labour shortages, year after year. The growing demand for employment in the PHS sectors has the potential to generate up to 17.5 million jobs by 2035. However, recent CEDEFOP estimates indicate that employment growth in the care sector is projected at only 7%, constrained by factors such as working conditions, job quality, skill gaps, and changing skills requirements.¹

In light of this, the PHS Social Partners **urge the new Commission to prioritize addressing labour and skills shortages in the PHS sectors** as its mandate begins later this year.

Background

The Social Partners recall that the PHS Sectors cover a broad range of activities that contribute to the health and well-being at the home of families and individuals: childcare (CC), long-term care (LTC) for the elderly and persons with disabilities, cleaning, remedial classes, home repairs, gardening, and ICT support. Their distinctive feature is that another person's household becomes a workplace.²

There are at least, 10 million PHS workers in the European Union, among which 6.5 million are legally employed while the other 3.5 million are undeclared. Among the identified declared workers, 60%, or approximately 3.9 million, are employed through the service provider model, and 40%, or 2.6 million are employed through the direct

¹ European Centre for the Development of Vocational Training (Cedefop), Handling change with care: skills for the EU care sector (2023).

² Glossary PHS Social Partner

employment model, where they contract directly with one or more households³. The sector represents 5% of total employment in the EU, and 91% of its workforce are women: 96% of the workers surveyed in the PHS Employment Monitor 2024 were women.⁴ This means that PHS is a key sector to achieve gender equality, by ensuring fair and decent conditions for women workers, as well as by supporting other women advancing in their careers, while improving work-life balance by having access to these services.⁵

The PHS sectors are characterized by facing specific issues, which exacerbate labour and skill shortages. This makes it harder to attract and retain workers in the sectors, as it was underlined by the PHS Employment Monitor, the largest-ever survey in Europe on Personal & Household Services (PHS).⁶

More than 70% of PHS workers in the age range of 18-34 do not believe their jobs are sustainable until retirement age, and 60% of workers surveyed in the PHS Employment Monitor said that they have considered leaving the PHS sectors completely in the past 3 years. From this group, 67.5% state low pay as the primary factor.⁷

The limited presence of collective bargaining in the PHS sectors highlights the vulnerabilities caused by gaps in economic and social protection systems.⁸ A large majority of PHS users are aware of the necessity to improve working conditions in the sector. Thus, among service users who receive PHS services through a provider organisation, 66% say they would prefer to use a company or organisation that has a collective agreement with a trade union defining the working conditions for the PHS workers, and over 40% of unrepresented user-employers surveyed believe they would benefit from representation by an employer's organisation.⁹ Overall, the lack of representative bodies of PHS employers is shown to be an obstacle to social dialogue at the national level.

Considering the heavy and arduous work, training is central to ensure healthy and safe workplaces. **The insufficient recognition of acquired experience and the lack of appropriate training programmes** exacerbates the challenges faced by the sectors which are too often regarded as a low-skilled sector, reinforcing the perception of undeclared work being the norm. Without adequately trained staff, the quality of services can suffer, impacting the well-being and safety of workers, users and quality service provision.

The cost of living crisis and inflationary pressures have contributed to a further rise in undeclared work, as users do not receive support to ensure legal employment. Several factors contribute to the perception that domestic and care work are of low

³ FamilyNetWork, 2° PAPER REPORT, Assindatcolf, (2024)

⁴ [PHS Employment Monitor \(2024\)](#)

⁵ [EFSI Memorandum 2024](#)

⁶ [PHS Employment Monitor\(2024\)](#)

⁷ [PHS Employment Monitor\(2024\)](#) p.19

⁸ See upcoming PHSDialogue project report on "Collective Bargaining & Social Dialogue report" – January 2025.

⁹ [PHS Employment Monitor\(2024\)](#) p.37

added value to users, impoverishing PHS workers even further compared to other sectors.¹⁰ Indeed, the diversity of employment models and working conditions, and the complexity of working in homes, calls for a unique and specific approach at the EU level. It has been shown that 23% of live-in PHS workers said they have experienced living conditions that they would consider inhumane while working in live-in arrangements.¹¹

These facts put at stake the PHS sector's sustainability and effectiveness, even though the demand for such services will only tend to grow, as the EU population ages and progress heightens the need to have support at home.

EU Action

The PHS Social Partners welcome and reinforce the **Action Plan on Labour and Skill Shortages** launched by the European Commission in March 2024, proposing actions in five areas:¹²

- **Improving working conditions** in sectors to increase worker retention, particularly through collective bargaining, given that 40% of cleaners and carers struggle to subsist;
- **Providing support for skills, training, and education** to combat skill shortages, and re-equip the workforce for evolving needs;
- **Support the activation of underrepresented people in the labour market**, including women, migrants, and low-skilled workers. Women are highlighted, given gender gaps in unpaid domestic work and caring responsibilities, and unaffordable Early Child Education and Care (ECEC) and long-term care;
- **Improving fair intra-EU mobility for workers and learners**, including by facilitating learning mobility, recognition of skills, and social security coordination;
- **Promoting jobs accessibility for third-country nationals** through legal pathways, and skills recognition, while ensuring fair and equal working conditions for migrant and non-migrant workers.
- Social partners will collaborate on **modular learning, train long-term care service workers to deliver person-centered care** under the large-scale skill partnership on long-term care.

Recommendations

However, more needs to be done. Therefore, EFFAT, EFFE, EFSI, and UNI Europa emphasize that it is key to encompass all the factors mentioned above when designing policies tackling labour and skills shortages in the PHS sector and call on the new Commission to adopt a specific approach to PHS and notably to:

¹⁰ For further information on undeclared work, [Joint Declaration tackling undeclared work in personal and household services](#) (2022)

¹¹ [PHS Employment Monitor\(2024\)](#) p.25

¹² Labour and Skill Shortages Action Plan, European Commission (2024)

- **Invest in social dialogue and collective bargaining:** The Adequate Minimum Wage Directive calls on EU Member States to implement, in consultation with social partners, national action plans designed to introduce the target of a collective bargaining coverage rate of 80%.¹³ National trade unions and employers' associations, knowing the situation in a sector, and being committed to fair and comprehensive negotiations, are best placed to find tailor-made solutions to pay and working conditions that meet workers' expectations, while taking into account the economic realities facing employers.
- **Support social partner's capacity-building,** which reinforces their recognition, as they are key to improving the sector and remain too weak. With capacity building social partner's roles can be strengthened and they can act in a constructive way towards tackling labour and skill shortages.
- **Foster recognition of skills and qualifications,** recognize PHS as qualified professional work, and promote education and training in the sectors. This can be done by anticipating future skills needed and promoting the right for workers to be trained, reskilled, and upskilled. Implementing apprenticeships or similar initial vocational training in countries where they do not exist and promoting quality apprenticeships in full compliance with the "Council Recommendation on a European Framework for Quality and Effective Apprenticeships". Enhance the value of qualifications and high-quality jobs in the sector. Facilitate the recognition of certifications and skills within the EU, while respecting Member States' competences.
- **Provide a protective framework for the labour mobility of third-country migrant workers aimed at addressing labour shortages** through regularization of undocumented workers and the promotion of access to work permits and social rights for care migrant workers. The social partners should be involved in the governance, implementation, and monitoring of these initiatives. They should be consulted on the shortage of occupation lists in the sectors, both at the national and EU levels. It is also important to ensure that migrant workers from third countries receive equal treatment when compared to national workers in the EU. According to the PHS monitor, about 40% of migrant PHS workers respondents said that they faced administrative difficulties related to their migration status when trying to find PHS workers.¹⁴

Conclusion

Addressing the labour and skills shortages in the PHS sector is crucial for maintaining and improving the quality and dignity of life in Europe. A coordinated effort involving policy reforms, investment in training, and the promotion of the sector's attractiveness

¹³ [Directive on Adequate Minimum Wage](#) (2022/2024)

¹⁴ [PHS Employment Monitor\(2024\)](#)p.27



is essential. By tackling these challenges, we can ensure that the PHS sectors continue to provide vital support to individuals and households, contributing to a more inclusive and resilient society.

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EFFAT is the **European Federation of Food, Agriculture and Tourism Trade Unions**. As a European Trade Union Federation representing 120 national trade unions from 35 European countries, EFFAT defends the interests of more than 22 million workers employed along the food chain. EFFAT is a member of the ETUC and the European regional organisation of the IUF.

EFFE, the **European Federation for Family Employment & Homecare**, represents the interests of national stakeholders including social partners organisations operating in the field of direct employment. This model is characterised by a contractual work relationship between two private individuals, without any trading or profit-making objective.

EFSI, the **European Federation for Services to Individuals**, is the voice of the Personal and Household Services industry at European level, representing national associations, employers' organisations, PHS providers and companies involved in the development of personal and household services, and currently operating in 21 EU Member States.

UNI-Europa is the **European Trade Union Federation for 7 million service workers**. It speaks for the sectors that constitute the backbone of economic and social life in Europe. Headquartered in the heart of Brussels, UNI Europa represents 272 national trade unions in 50 countries, including: Commerce, Banking Insurance and Central Banks, Gaming, Graphical and Packaging, Hair and Beauty, Information and Communication Technology Services, Media, Entertainment and Arts, Postal Services and Logistics, Private Care and Social Insurance, Industrial Cleaning and Private Security, Professional Sport and Leisure, Professionals/Managers and Temporary Agency Workers.