

## 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 for the European Commission's new term (2024-2029), **highlights the urgent need to address labour and skills shortages**, which remain a significant obstacle to building a more robust and resilient European Union following the Covid-19 crisis. As one of the most affected sectors, Personal and Household Services (PHS) Social Partners (EFFE, EFSI, EFFAT, and UNI Europa) welcome this recognition and stress the immediate need to address these shortages.

The demand for domestic and home care services is rising, driven by an ageing population and shifting demographics, yet the sector is struggling 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%, hindered by factors such as working conditions, job quality, skill gaps, and evolving skills requirements.<sup>1</sup>

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 of families and individuals at home: childcare (CC), long-term care (LTC) for the elderly and persons with disabilities, cleaning, remedial classes, home repairs, gardening, and ICT support. A distinctive feature of this sector is that another person's household becomes a workplace.<sup>2</sup>

There are at least, 10 million PHS workers in the European Union, among which 6.5 million are legally employed while the remaining 3.5 million are undeclared. Among the identified declared workers, 60% (approximately 3.9 million) are employed through the service provider model, and 40% (2.6 million) are employed through the direct employment model, where they contract directly with one or more households.<sup>3</sup> The

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

<sup>2</sup> Glossary PHS Social Partner

<sup>3</sup> FamilyNetWork, 2° PAPER REPORT, Assindatcolf, (2024)

sector accounts for 5% of total employment in the EU, and 91% of its workforce are women. In fact, 96% of the workers surveyed in the PHS Employment Monitor 2024 were women.<sup>4</sup> This highlights the importance of PHS sectors in advancing gender equality, by ensuring fair and decent conditions for women workers, and supporting other women in pursuing their careers, while improving work-life balance by having access to these services.<sup>5</sup>

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

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 reported that they have considered leaving the PHS sectors completely in the past 3 years. From this group, 67.5% cite low pay as the primary factor.<sup>7</sup>

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

Given the physically demanding nature of the work, training is essential to ensure healthy and safe workplaces. **The insufficient recognition of acquired experience and the lack of appropriate training programmes** exacerbate the challenges faced by the PHS sectors, which are too often perceived as low-skilled, reinforcing the perception that undeclared work is the norm. Without adequately trained staff, service quality can suffer, affecting the well-being and safety of both workers and service users.

**The cost of living crisis and inflationary pressures have contributed to a further rise in undeclared work**, as users lack the support needed to ensure legal employment. Several factors contribute to the perception that domestic and care work offer low value to users, which further impoverishes PHS workers compared to those in other sectors.<sup>10</sup>

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<sup>4</sup> [PHS Employment Monitor \(2024\)](#)

<sup>5</sup> [EFSI Memorandum 2024](#)

<sup>6</sup> [PHS Employment Monitor\(2024\)](#)

<sup>7</sup> [PHS Employment Monitor\(2024\)](#) p.19

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

<sup>9</sup> [PHS Employment Monitor\(2024\)](#) p.37

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

The diversity of employment models, working conditions, and the complexity of working in private homes, calls for a unique and specific approach at the EU level. Notably, 23% of live-in PHS workers reported experiencing living conditions they considered inhumane while working in such arrangements.<sup>11</sup>

These facts threaten the sustainability and effectiveness of PHS sectors, even as demand for these services continues to grow with the aging EU population and increasing need for home-based support.

## EU Action

The PHS Social Partners welcome and reinforce the European Commission's **Action Plan on Labour and Skill Shortages** launched in March 2024, proposing actions in five key areas:<sup>12</sup>

- **Improving working conditions** in sectors to increase worker retention, particularly through collective bargaining, as 40% of cleaners and carers struggle to make ends meet;
- **Providing support for skills, training, and education** to address skill shortages and re-equip the workforce for evolving needs;
- **Supporting the activation of underrepresented groups in the labour market**, including women, migrants, and low-skilled workers. Special attention is given to women due to gender gaps in unpaid domestic work, caregiving responsibilities, and the unaffordability of Early Child Education and Care (ECEC) and long-term care;
- **Improving fair intra-EU mobility for workers and learners**, 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 both migrant and non-migrant workers.
- Social partners will collaborate on **modular learning, and 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 essential to encompass all the factors mentioned above when designing policies tackling labour and skills shortages in the PHS sectors. They call on the new European Commission to adopt a specific approach to PHS and notably to:

- **Invest in social dialogue and collective bargaining:** The Adequate Minimum Wage Directive urges EU Member States to implement national action plans, in

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<sup>11</sup> [PHS Employment Monitor\(2024\)](#) p.25

<sup>12</sup> Labour and Skill Shortages Action Plan, European Commission (2024)

consultation with social partners, to introduce the target of a collective bargaining coverage rate of 80%.<sup>13</sup> National trade unions and employers' associations, which have in-depth knowledge of the sector's situation and are committed to fair and comprehensive negotiations, are best placed to find tailored solutions to pay and working conditions. These solutions should meet workers' expectations while considering the economic realities faced by employers.

- **Support social partners' capacity-building**, which reinforces their recognition, as key players in improving the sector and remains too weak. Capacity-building initiatives can empower social partners to play a constructive role in addressing labour and skills shortages.
- **Promote recognition of skills and qualifications**, recognize PHS as qualified professional work, and foster education and training in the sectors. This includes anticipating future skills needs and promoting the right for workers to receive training, reskilling, and upskilling. Apprenticeships or similar initial vocational training should be introduced in countries where they do not yet exist, and high-quality apprenticeships should be in line with the "Council Recommendation on a European Framework for Quality and Effective Apprenticeships". It is also crucial to enhance the value of qualifications and high-quality jobs in the sector and to facilitate the recognition of certifications and skills across 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. 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 Employment Monitor, about 40% of migrant PHS workers respondents reported facing administrative difficulties related to their migration status when trying to find employment in the sector.<sup>14</sup>

## Conclusion

Addressing the labour and skills shortages in the PHS sectors is crucial for maintaining and enhancing the quality and dignity of life in Europe. A coordinated effort involving policy reforms, investment in training, and promoting the sector's attractiveness is essential. By tackling these challenges, we can ensure that the PHS sectors continue to

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

<sup>14</sup> [PHS Employment Monitor\( 2024\)](#)p.27



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.