



European Centre of Expertise (ECE) in the field of labour law, employment and labour market policy

Labour Market Policy Thematic Review 2018: An
analysis of Personal and Household Services to
support work life balance for working parents and
carers

Germany



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1 Introduction

Although employment rates of women and older workers have increased substantially over the past years, there is still room for enhancing their employment rates and numbers of hours worked. Against the background of demographic change and labour shortages, increasing the volume of labour supply has become more and more important for politicians in the recent past. Care and family responsibilities are still an important barrier for not taking up employment or extending working hours. Outsourcing of care and household duties to Personal Household Services (PHS) is more and more seen as an instrument to support private households in their efforts to reconcile family, care, and working life. Outsourcing of these tasks results in time gains that can be used to take up work, work longer hours, or increase work and life quality.

Thus, supporting PHS might help with overcoming gaps in supply of institutional care (child care, elder care). In recent years, institutional childcare has been expanded, but there are still gaps in quantity and quality (e.g. with regard to flexible working hours).

Policies to support alternatives to institutional care for older people have been implemented (allowing for an "autonomous life", and "old-age care at home"). Family members can book flexible and cost-efficient PHS to enable their relatives to live at home while being able to monitor the quality of PHS provided. Thus, persons in need of care might receive more individualised care services than the institutional care system can offer.

PHS can also help to reduce inequalities with regard to the division of unpaid housework in the private sphere. There had been some improvements in terms of gender equality during the last years, however, traditional role models (like the male breadwinner model and high shares of part-time working by women despite the wish to work longer) and inequalities (gender wage gap) still prevail. While the promotion of PHS might not help to overcome traditional role models directly, it might unburden women in households with traditional gender role models from their household and care duties.

Promoting PHS quality and standards do not only increase demand for PHS services, but will also help to combat low work satisfaction that workers in this sector often experience. For example, market surveys show that working conditions for cleaning jobs are not attractive which prevents (low-qualified) workers from taking up jobs in the PHS sector (Görner 2006:22-23). Low attractiveness of non-care services might be a reason for recruitment difficulties of PHS companies. The care sector in general is characterized by a shortage of skilled workers and a comparatively old workforce (Von der Malsburg/Isfort 2014: 1).

For many workers employment in the PHS sector is connected with socio-political problems and precarious employment conditions. For example, the incidence of undeclared work is high in the the PHS sector. Undeclared workers have to bear responsibilities for social security provision themselves and private households that employ them have to consider significant liability risks, e.g. in case of an accident in their home (Bundesregierung 2017: 115). This is also partly true if private households employ solo-self-employed persons. Similar problems occur if PHS workers from abroad are hired (Bundesregierung 2017: 115). Also, many care workers hired from abroad carry out tasks for which they are not qualified; they are also likely to work more hours than they are allowed (Von der Malsburg/Isfort 2014: 2). So-called "live-in employees" who are solely responsible for persons in need of care are specifically at risk of experiencing labour standards violations (e.g. long working hours, payment below the minimum wage). This is because many of them are migrants living 24 hours under the same roof as their customers which complicates working standards and the monitoring

activities of national authorities. (Bundesregierung 2017: 116).

Tackling the undeclared economy is not only important with a view to raise working standards, but also because undeclared work leads to foregone tax payment. Currently, commercial providers often charge twice the undeclared work price, and are therefore demanded by private households (Eichhorst/Spermann 2015: 25). The financial promotion of PHS might make these services more affordable for private households which in turn would help to combat the undeclared economy. Combating undeclared work and promoting the professionalization of the PHS sector is also essential in order to improve the willingness of households to pay for high quality services that the undeclared economy might not be able to provide.

This report will focus on policies or tools in place to promote the uptake of PHS as well as the quality and number of jobs created in this sector in Germany.

2 Description of the main measures put in place to support PHS

Definition of Personal Household Services

In Germany, there is no legal definition of the term Personal Household Services. PHS encompass “*Haushaltsnahe Dienstleistungen*” (household-related services) and “*Niedrigschwellige Betreuungsangebote*” (low-threshold care services). These terms are used in a fiscal or policy context, for example in income tax laws (e.g. §35a Income Tax Code on deduction of household-related services¹) or minor interpellations in the Bundestag (e.g. Bundestag 2014). They include the provision of care-related (childcare, elder care) or non-care related (e.g. domestic cleaning, cooking) services that could also be performed by members of the household themselves.²

PHS are provided to private households in several forms (Duell/Vetter 2015):

- i) In the direct employer model, PHS workers are employed directly by households, mostly as mini-jobbers³, but sometimes also as midi-jobbers⁴ or full-time or part-time workers subject to social security contributions (Prognos 2012: 26, 28). According to Prognos (2012), 40 % of households drawing on the legal labour supply employed persons with a mini-job (with a gross pay of up to EUR 400 per month at that time), 32 % employed self-employed persons, and 28 % of households made use of personal and household services providers (provider model). Many studies indicate that undeclared employment is predominant in the direct employer model.
- ii) In the provider model, PHS are supplied by companies. These companies play a central role in the organization and procurement of household and personal services (Bundesregierung 2017: 115) and provide employment and training opportunities for low and medium skilled workers. They are either outpatient nursing service companies (*ambulante Pflegedienste*) specialised in

¹ Internet: https://www.gesetze-im-internet.de/estg/__35a.html

² For further detail on the definition of Personal Household Services in Germany, please see Duell/Vetter 2015

³ Mini-Jobs are jobs with monthly gross incomes up to EUR 450. These can be regular or occasional jobs or jobs in addition to regular employment; also, the employer has to pay a flat rate for social security insurance which is lower than employer and employee contributions for regular employees. A flat income tax rate of 2 % on gross wages is applied.

⁴ Midi-Jobs are registered jobs with gross monthly wages between EUR 451 and 850 and reduced social insurance contributions.

professional care services performed at the home of the client or low-threshold PHS companies (*Betreuungsdienste*) that offer services like domestic cleaning or elementary care tasks.

- iii) In a few cases, PHS services are also provided by solo-self-employed persons.
- iv) Lastly, PHS are often performed by unpaid family members.

Mini-job in a private household / Haushaltsscheckverfahren

By definition, services provided by a mini-jobber in a private household need to be "*Haushaltsnahe Dienstleistungen*" (household-related services, see above), that means activities that could normally be done by family members (Enste 2017: 13)⁵. If this is the case, private households can choose to employ a PHS worker as a mini-jobber under the household cheque procedure (*Haushaltscheckverfahren*) that had been established in 2003⁶. Under this scheme, private households pay lower employer contributions to the public pension scheme (5 % of gross wages, while employees pay 13.6% of gross wages unless they opt out) than commercial employers (15% of gross wages, while employees pay 3.6 % of gross wages unless they opt out). Furthermore, private households pay a lower lump contribution to health insurance (5 % of gross wages) than commercial employers (13 % of gross wages) in the case where the employee has a statutory health insurance.⁷ In addition private households and commercial employers have to pay a levy of 0.9% for covering sick days and 0.9% for days not work because of pregnancy.⁸ Private households have to pay a contribution of 1.6% to the statutory accident insurance (while commercial employer can also opt for a private insurance scheme). Including 2% income tax contribution (calculated on gross wages), private households have to transfer a total of 14.74 % of gross wages⁹ to the Federal Mini-Job Authority (Minijob-Zentrale), in case the employee opts out of paying own social security contributions to the pension system (in case the employee does not opt out, the employer will transfer employees's contributions and will deduct the sum from the wage). The Federal Mini-Job authority not only collects these contributions, but also calculates the individual social contribution sums that private households have to pay for employing a mini-jobber. In this way, the process of employing persons according to mini-job regulations is less complex for private households than for commercial employers. The procedure promotes the employment and the registration of PHS workers directly, as private households might not shy away from registering a mini-jobber due to the comparatively low social contribution payments and bureaucratic burdens.

The impact on undeclared work is unclear. On the one hand, through the regulations of mini-jobs in the private household sector, it is plausible that undeclared work could be transformed into mini-jobs in some cases, and thus the net effect is probably positive.

⁵ This includes activities like the preparation of meals in the home, house cleaning, gardening, and child, sick and elder care.

⁶ Internet: https://www.minijob-zentrale.de/DE/01_minijobs/03_haushalt/03_infos_fuer_arbeitgeber/02_so_einfach_melde_ich_meine_hh_an/01_voraussetzungen/01_haushaltscheck/basepage.html

⁷ Employers do not have to pay health insurance contributions if the mini-jobber is insured by a private health insurance company.

⁸ „Umlage 1“ and „Umlage 2“

⁹ In comparison, transfers paid by commercial employers of mini-jobbers are 31.29 % of gross wages. Social insurance contributions paid by employers of regular workers subject to social security contributions are around 20 % of gross wages.

On the negative side, mini-jobs hinder social integration, professional development, and gender equality (Bundesregierung 2017: 117).

Income-tax-deduction (§ 35a German income tax code)

Since 2003, households can deduct expenses for personal and household services from the collective income tax according to § 35a¹⁰ of the German income tax code (Becker/Einhorn/Gebe 2012: 35). If a private household employs a worker subject to social security contributions or if services of a PHS company are used, a sum up to a maximum of EUR 4 000 (up to 20 % of gross expenses) can be deducted from income tax (Bundesregierung 2017: 117). However, for craftsman services for renovation, maintenance and modernisation measures, only 20 % of gross expenses (excluding material costs) up to EUR 1 200 can be deducted from income tax.

According to the Bundesregierung (2017: 117), the regulation was considerably successful in setting incentives for declared employment of PHS workers, mostly by increasing the number of mini-jobbers in private households instead of promoting employment subject to social security contributions despite the higher tax bonus for the latter. However, low-income households not liable to income tax do not profit from this tax reduction law (Becker/Einhorn/Gebe 2012: 35; Weinkopf 2014: 20-21).

Expenses for domestic services are tax-deductible regardless of whether the domestic worker lives abroad or in Germany. This might be a reason for German households located at the border to employ domestic service suppliers from abroad if these workers demand comparatively lower wages¹¹.

The Federal Audit Office (*Bundesrechnungshof*) (Bundestag 2017: 42) stated that this regulation will create a loss in state revenue of EUR 2.5 billion in 2018 (of these, EUR 1.1 billion loss for the federal state and the rest on the sub-national level). It also criticised that similar regulations for the promotion of PHS already exist. For example, under certain conditions, expenses for PHS can also be declared as advertising costs (*Werbungskosten* - §9 Income Tax Code¹²) or special expenses (*Sonderausgaben* - §10¹³ Income Tax Code) that lower the taxable income. This is only possible if the tax payer decides not to declare PHS expenses under §35a Income Tax Code. For example, special expenses for children (employment of childcare personnel like babysitters, au-pairs, nannies) can amount to up to EUR 4 000 per year, per child that is younger than 15 years.

Promotion of PHS according to the Social Code legislation

In recent years, regulations on PHS promotion and funding were included into the Social Code. With the implementation of the Strengthening of Care Act I (*Pflegestärkungsgesetz I*, in force since January 2015), households can apply for benefits of up to EUR 104 per month (EUR 1 248 per year) to finance low-threshold care services (Pfannes 2016: 20). The Strengthening of Care Act II (*Pflegestärkungsgesetz II*, in force since January 2016) obliged companies that already provide personal (body-related) care services to also provide domestic and non-body-related care services from

¹⁰ Internet: https://www.gesetze-im-internet.de/estg/__35a.html

¹¹ The services have to be carried out in a member country of the European Union or the European Economic Area – see http://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Steuerarten/Einkommensteuer/2016-11-09-Paragraf-35a-EStG.pdf?__blob=publicationFile&v=4.

¹² Internet: https://www.gesetze-im-internet.de/estg/__9.html

¹³ Internet: https://www.gesetze-im-internet.de/estg/__10.html

2017 onwards. To meet these obligations, personal care service companies can decide to collaborate with PHS provider companies. This might promote the professionalization of the PHS sector as it widens the audience of PHS (Pfannes 2016: 22). The Strengthening of Care Act III (*Pflegestärkungsgesetz III*, implemented in January 2017) enables persons in need of care to retroactively claim benefits that had not been claimed in 2015 and 2016 until December 2018, according to §45 Social Code XI (low-threshold domestic and care services).

According to §125 of Social Code XI, the National Association of Statutory Health Insurance Funds (GKV¹⁴) is obliged to fund pilot projects that are carried out by outpatient nursing services (*ambulante Pflegedienste*) and PHS providers that offer low-threshold services (*Betreuungsdienste*). GKV finances a maximum of one further training measure for executive personnel (according to § 71 Social Code XI) and up to five qualification measures for employees (according to § 53c Social Code XI) at the beginning of each pilot project.

Other relevant regulations (Bundesregierung 2017: 118; Pfannes 2016: 19) are § 37, 38 Social Code V (home health care regulation) and §54 Social Code IX (promotion of PHS from the funds of the Federal Employment Agency to increase labour participation).

Checklist for household service providers

In 2015, the federal Ministry for Economic Affairs and Energy (BMWi 2015) developed a checklist for household service providers that is aimed at increasing the quality of their services.

Law on better combining care, family and work

The law on better combining care, family and work (*Gesetz zur besseren Vereinbarkeit von Familie, Pflege und Beruf*, coming into effect since 1 January 2015)¹⁵ introduced the right to take care leave for a period of up to 24 months. Workers who provide nursing care for family members can reduce their working time down to 15 hours per week. Financial support is given through an interest-free loan. Pension and care insurance contributions are paid if the care workload is at least 14 hours per week. This measure promotes the non-market provision of PHS by family members.

Regional PHS voucher pilot project

From March 2017 until February 2019, the pilot project Household-related services in Baden-Württemberg (*Haushaltsnahe Dienstleistungen in Baden-Württemberg*)¹⁶ is being carried out by the Federal Employment Agencies of Aalen and Heilbronn in Baden-Württemberg. It is funded with EUR 1.6 million by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ), the Federal Employment Agency's regional office for Baden-Württemberg, the Ministry for Economic Affairs in Baden-Württemberg, and the welfare service foundation Diakonie. The project supports persons employed, persons who return to work, and unemployed people in reconciling family, work and household life by providing a financial contribution in the form of a voucher for household services (e.g. cleaning, cooking, ironing and gardening). PHS of participants are subsidised with EUR 12 per hour up to a maximum of 20 hours per month. The time

¹⁴ Internet: <https://www.gkv-spitzenverband.de/english/english.jsp>

¹⁵ Internet: <https://www.bmfsfj.de/bmfsfj/themen/aeltere-menschen/vereinbarkeit-von-pflege-und-beruf/die-familienpflegezeit/75714?view=DEFAULT>

¹⁶ Internet:

<https://www.bmfsfj.de/bmfsfj/aktuelles/presse/pressemittelungen/projektstart--gutscheine-fuer-haushaltsnahe-dienstleistungen/115886>,

<http://www.haushaltsnahedienste-bw.de/>

saved allows the target group to participate in further training. In the current coalition negotiations, an implementation of a voucher system for personal and household services on national level is also under discussion.¹⁷

Retraining of unemployed in labour shortage occupations

The Federal Employment Agency as well as *Jobcentres* provide retraining opportunities for hard-to-place unemployed people through the training voucher (*Bildungsgutschein*) programme. This also includes elder care¹⁸ retraining.

Reduction of VAT

According to §4(16) VAT Code¹⁹, PHS organisations being recognised as having a charitable status can be exempt from VAT for services that are covered by the statutory social insurance scheme if at least 40 % of their overall services are covered by the statutory social insurance scheme. This is usually the case for care services providers, e.g. outpatient nursing services (*ambulante Pflegedienste*). This regulation keeps charitable (or non-profit) organisations from offering non-care services, as these services are usually not covered by statutory social insurance schemes (Görner 2006: 34). As reported by Becker/Einhorn/Gebe (2012: 85), most (non-care) PHS companies are in favour of an application of a reduced rate of VAT.

ESF-programme Perspektive Wiedereinstieg (programme "Perspective Re-entry")

A measure to promote a better reconciliation of work and (family) care is the ESF-funded action programme Perspective Re-entry (*Perspektive Wiedereinstieg*) introduced in March 2008. The aim of the programme is to enable people who took a career break for (family) care reasons to take up work again. One component of this programme is the promotion of PHS to relieve those re-entering the labour market from daily routine work at currently 22 locations nationwide (BMFSFJ 2017c: 40-41). This is done by informing people re-entering the labour market about possible ways to obtain PHS. In the current funding period from July 2015 to December 2018, focus was also placed on the integration of hard-to-place individuals or people who are re-entering the labour market in the PHS sector. In the current period, the project is funded with EUR 28.2 million and will most likely be extended to 2021.

The programme has several effects: by informing private households on (legal) possibilities to demand PHS, it aims at decreasing undeclared work in the PHS sector. At the same time, it promotes reconciliation of work and care responsibilities by promoting PHS uptake. Lastly, it recognises employment potential in the PHS sector for hard-to-place individuals.

Support to self-employed workers

The start-up grant (*Gründungszuschuss*) is a programme conducted by the Federal Employment Agency since August 2006. Within the framework of this programme, unemployed persons receiving contribution-based unemployment benefits (UB I) can apply with a business concept for a funding of EUR 300 per month for a period of six months. According to a survey, 75 to 84 % of start-up grant receivers were still self-employed 19 months after the start of funding of their business in the first quarter of 2009 (Caliendo et al. 2012: 136). Some 71 % of recipients were short-term unemployed (for 0-3 months), few recipients were low-qualified (Caliendo et al. 2012: 3). However,

¹⁷ Internet: <https://www.spdfraktion.de/themen/familien-eltern-kinder>

¹⁸ Internet: <http://www.altenpflegeausbildung.net/ausbildung/umschulung.html>

¹⁹ Internet: https://www.gesetze-im-internet.de/ustg_1980/__4.html

PHS usually attract low qualified workers who could be overwhelmed by the bureaucratic effort that comes with self-employment (Enste et al. 2009: 64). Long-term unemployed persons receiving means-tested unemployment benefits (UB II) are not covered by the start-up grant programme. They are targeted by the introductory benefits programme (*Einstiegsgeld*). Funding of a business concept is decided on a case-by-case basis, depending on the assessment of the Federal Employment Agency. The maximum funding period is 24 months.

According to a study of Becker/Einhorn/Gebe (2012: 30), most PHS companies interviewed benefited from the start up-grant (46 out of 115 subsidised PHS companies). Some 26 PHS companies profited from the entrepreneur grant for long-term unemployed people (*Existenzgründerzuschuss* also known as *Ich-AG*) and 9 from the interim payment programme (*Überbrückungsgeld*) that were both replaced by the start-up grant and the introductory benefits programme in 2006. PHS companies profited from the introductory benefits programme.

To conclude, support to self-employed workers is concentrated on the start-up phase of non-employed persons. These measures do not provide training opportunities for potential self-employed persons that could help them to adapt to the needs of self-employment in the PHS sector. However, it seems that the PHS sector is attractive for unemployed persons willing to take up self-employment (Becker/Einhorn/Gebe 2012: 30).

3 Importance of the undeclared economy for PHS activities

Within the direct employment model (private households as employers of domestic workers), informal employment dominates over regular employment. 12 % of all German households (around 4.8 million) demand personal and household services, but only one third of these households (around 1.68 million) employed workers legally (Prognos 2012: 26, 28). Enste et al. (2009: 12) assume that only one person in twenty is employed legally in the personal and household services sector. According to Enste (2016: 2), a great majority of PHS workers (between 2.67 and 2.97 million) were not declared by private households in 2015 – compared to 47 201 workers subject to social security contributions and 296 326 mini-jobbers. Pfannes (2016) reports that around two thirds of PHS services are provided through the undeclared economy. Schneider (2017: 6) estimates that between 2012 and 2016, an annual average income of about EUR 51 billion had been generated by undeclared work in the PHS sector.

The income tax bonus according to §35a income tax code makes employing a mini-jobber under the household-checke-procedure financially very attractive for private households. According to the Federal Mini-Job Authority²⁰, a mini-jobber employed by a private household with an annual net income of EUR 2 160 costs EUR 321.84 (14.9 %) in social security contributions and creates a tax bonus of EUR 496.37 (20 % of gross wage of EUR 2 482.84). Due to the tax bonus, employing a mini-jobber might therefore be cheaper than employing a household helper illegally. However, for mini-jobbers employed by private households, the main disadvantage is the gross income ceiling of EUR 450 per month. It does not allow them to be full-time employed in a private household, while it is difficult to be self-employed in the PHS sector due to high bureaucratic barriers which lead to a high incidence of undeclared work in the PHS sector (Enste 2016: 1).

²⁰ Internet: <https://blog.minijob-zentrale.de/2016/01/12/steuern-sparen-mit-haushaltsjobs/>

Undeclared workers may not be paid the minimum wage. Circumventing the minimum wage regulation might be an incentive for undeclared work. Wages of undeclared workers do not necessarily have to lie below the statutory minimum wage: In 2014, before the implementation of the nation-wide minimum wage, the average wage in the whole undeclared economy in Germany was between EUR 1 and 5 per hour in 10 % of cases, between EUR 6 and 10 in 30 % of cases, EUR 11 to 15 and EUR 16 to 20 per hour in 8 % of cases each, and was more than EUR 20 per hour in 14 % of cases (Enste 2017: 10). The remaining respondents gave no answers.

While all PHS workers are now covered by the statutory gross minimum wage (EUR 8.84 per hour since January 2017), some sector-specific minimum wages that lie above this are in force for specific activities. According to the German Trade Union Confederation DGB²¹, since January 2018, the gross minimum wage for indoor building cleaning is EUR 10.30 per hour in the Western *Länder* and Berlin or EUR 9.55 per hour in the Eastern *Länder*. Minimum wages in the care sector also lie above the statutory minimum wage (see Table 1).

Table 1. Gross minimum wages in the care sector

| From | Western Länder and Berlin | Eastern Länder |
|-------------|----------------------------------|-----------------------|
| 01.01.2018 | 10.55 | 10.05 |
| 01.01.2019 | 11.05 | 10.55 |
| 01.01.2020 | 11.35 | 10.85 |

Source: Federal Ministry of Labour and Social Affairs²²

Informal employment as well as the payment of the minimum wage is tracked by customs administration. However, according to article 14 of the German constitution, the inviolability of the home is protected. Without a warrant, household members can keep customs officers from entering their home (Enste 2017: 19). This makes it difficult for authorities to ensure that the working hours of directly employed workers correspond to their paid wage.

In 2016, 43 % of all persons employed in the private household with domestic staff sector (including mini-jobbers) did not receive the minimum wage, compared to 8 % on average of total employment (Pusch 2018: 5). That means that in 2016, 43 % of persons employed in this sector earned less than EUR 8.50/hour.

In 2012, hourly wages in PHS (including child care, elder and sick care, simple handicraft activities) were assumed to be EUR 8.50 for undeclared workers, EUR 8.75 for mini-jobbers, EUR 10 for self-employed, and EUR 9.40 for employees of companies that provide PHS (Prognos 2012). Other surveys estimated wages to be between EUR 7.50 in 2009 and EUR 10.56 for full-time workers in 2012 (for an overview, see Düll/Vetter 2015: 14).

4 Statistical information

No official employment data on workers in all activities that are understood as PHS are available. It is however possible to display official statistics on mini-jobbers in private

²¹ Internet:

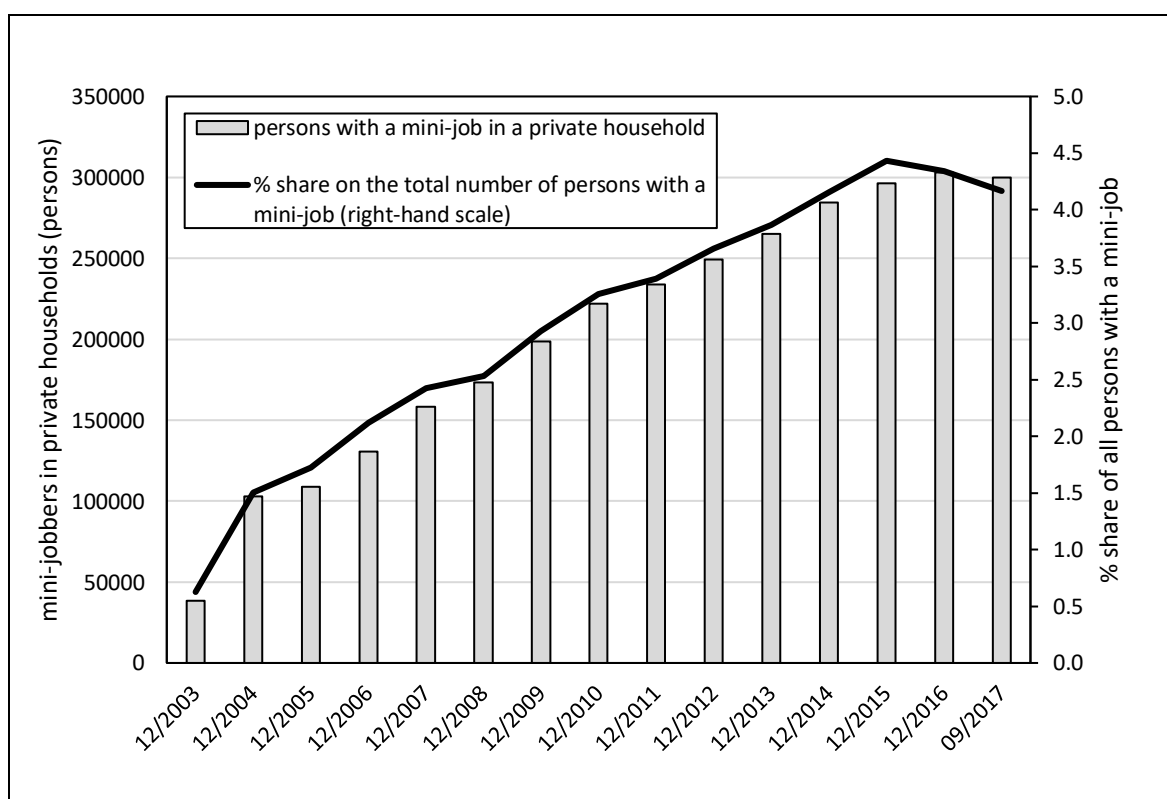
<http://www.dgb.de/schwerpunkt/mindestlohn/hintergrund/branchenmindestloehne>

²² Internet: http://www.bmas.de/SharedDocs/Downloads/DE/mindestloehne-gesamtuebersicht-jan-2018.pdf?__blob=publicationFile&v=5

households (data from the Federal Mini-Job Authority) as well as persons employed by private households and employment in outpatient nursing services (both Federal Statistical Office data). Lastly, Labour Force Survey (LFS) data on the number of persons employed by detailed economic activity is available. This allows to identify employment in PHS by age, gender, and activity.

The total number of mini-jobbers in private households as well as the share of mini-jobbers working in private households of all mini-jobs decreased from December 2016 to September 2017, while it had been increasing for several years before that period (Figure 1). In September 2017, 9.9 % of mini-jobbers in private households were male, while 90.1 % were female; 78.2 % were of German and 21.8 % of foreign nationality (Minijob-Zentrale 2017). In September 2017, more than half of mini-jobbers were at least 50 years old (Figure 2). This indicates that tasks performed by mini-jobbers in private households are not that attractive for younger workers.

Figure 1. Mini-jobbers in private households



Source: Federal Mini-Job Authority data (quarterly reports)²³

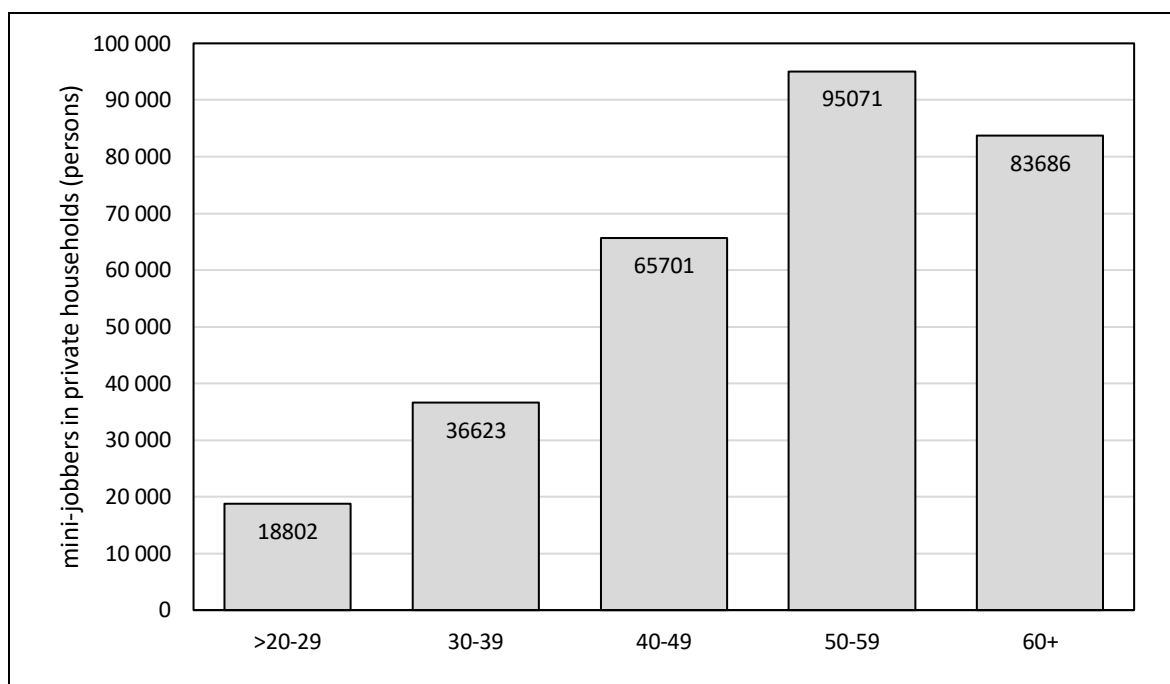
Data on employment subject to social security contributions in the Private Households With House Staff sector²⁴ (*Private Haushalte mit Hauspersonal*) are shown in Figure 3. Please note that these data do not include workers in PHS employed by companies (provider model). Similar to mini-jobbers in private households, employment increased during the last years. However, the number of persons employed by private households subject to social security contributions is significantly lower (47 000 in December 2017)

²³ Internet: https://www.minijob-zentrale.de/DE/02_fuer_journalisten

²⁴ This sector covers persons employed by private households such as maids, waiters, servants, cooks, launderers, gardeners, porters, stable attendants, drivers, caretakers, educators, babysitters, house teachers, secretaries, and so on. It does not include persons that are employed by companies that provide these services to private households (see DESTATIS 2008: 554).

than the corresponding number of mini-jobbers (303 000 in December 2017) in private households²⁵.

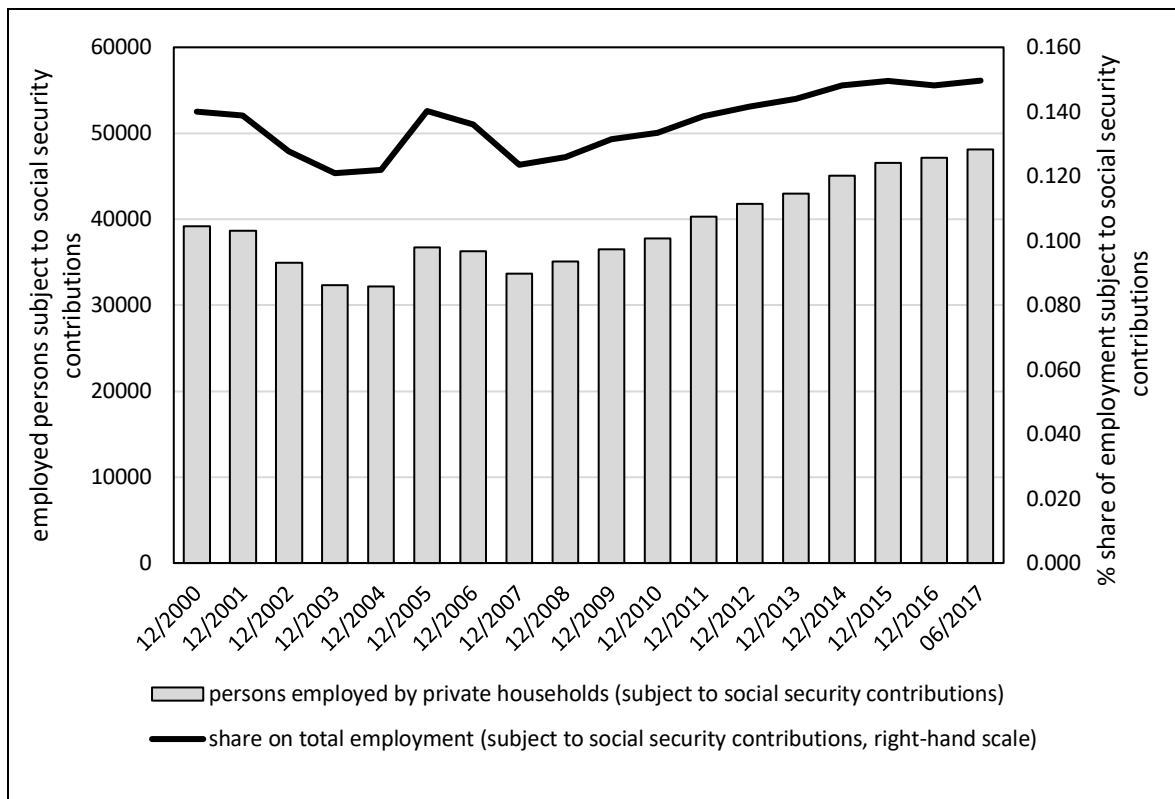
Figure 2. Mini-jobbers employed by private households by age groups, September 2017



Source: Minijob-Zentrale 2017

²⁵ Please note, however, that these numbers derive from different sources and are therefore not exactly comparable.

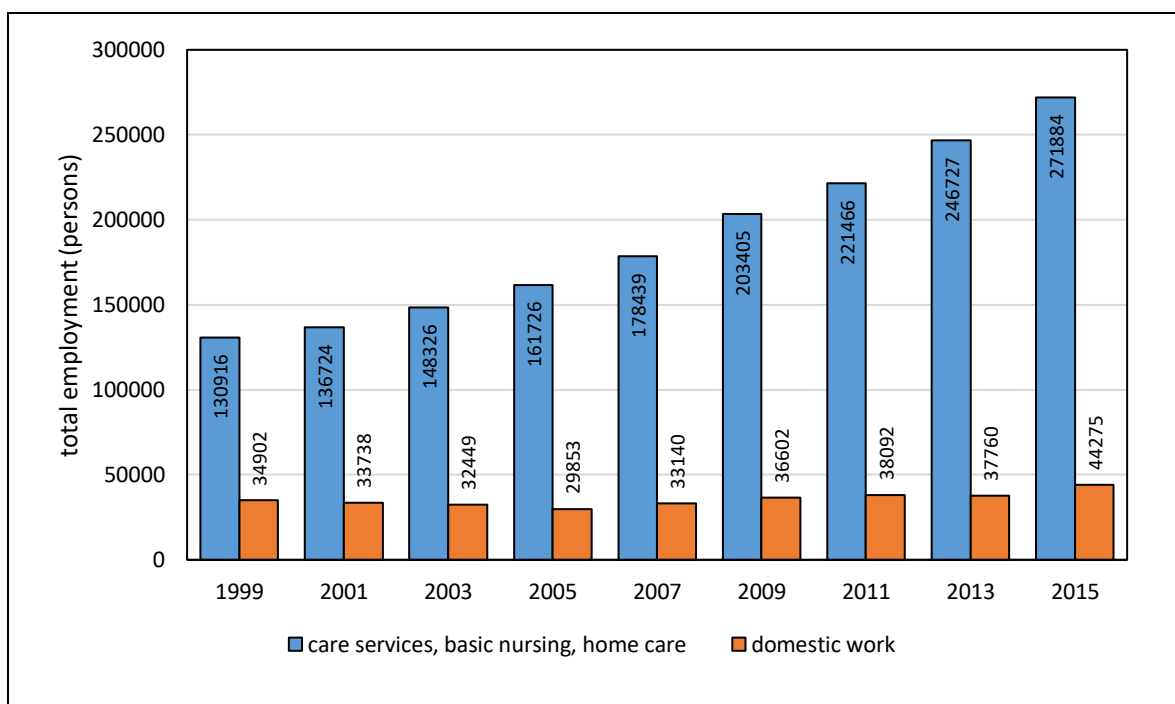
Figure 3. Persons subject to social security contributions employed by private households



Source: Federal Employment Agency, own calculations

The number of persons employed by outpatient nursing service providers (provider model) increased both for domestic work as well as for care services, basic nursing, home care (Figure 4).

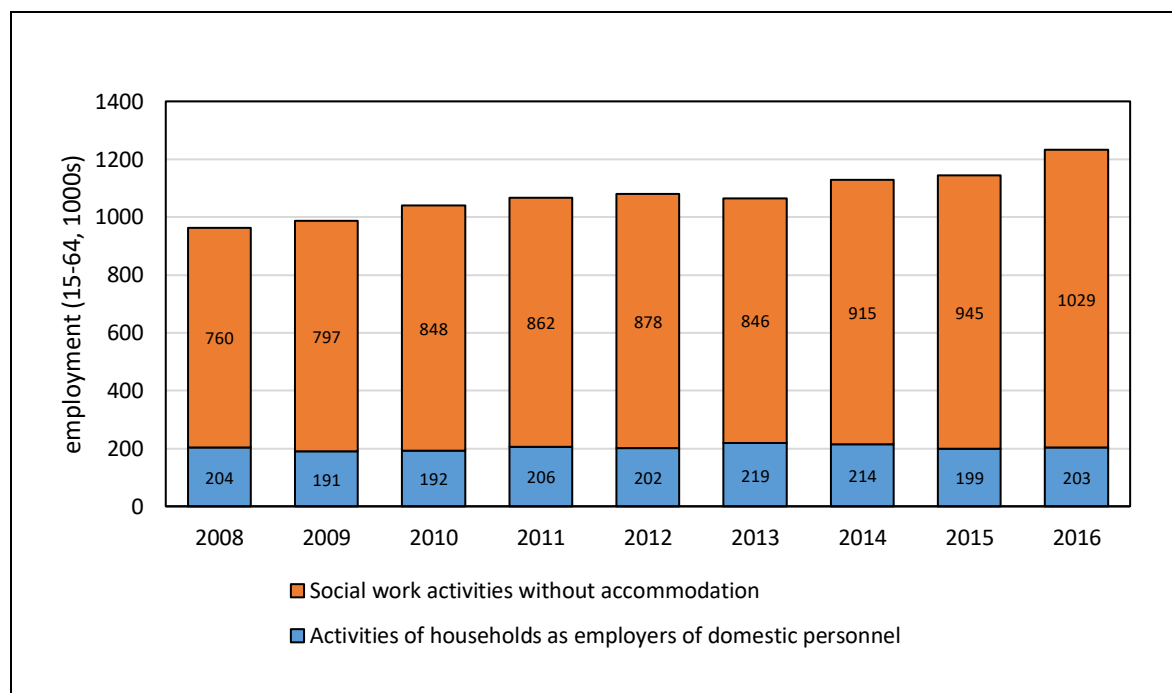
Figure 4. Employment in outpatient nursing services by activity



Source: German Federal Health Monitoring data²⁶

In Eurostat LFS data, PHS are included in the sectors 'Activities of households as employers of domestic personnel' (NACE Rev. 2 activity T97) and 'Social work activities without accommodation (NACE Rev. 2 activity Q88). While the number of persons employed by private households remained constant at around 200 000, the number of persons performing social work activities without accommodation has increased constantly from around 0.8 million in 2008 to 1.0 million in 2016 (Figure 5).

Figure 5. Employment (15-64) in PHS by activity: residential care activities and as domestic personnel (employed by households)

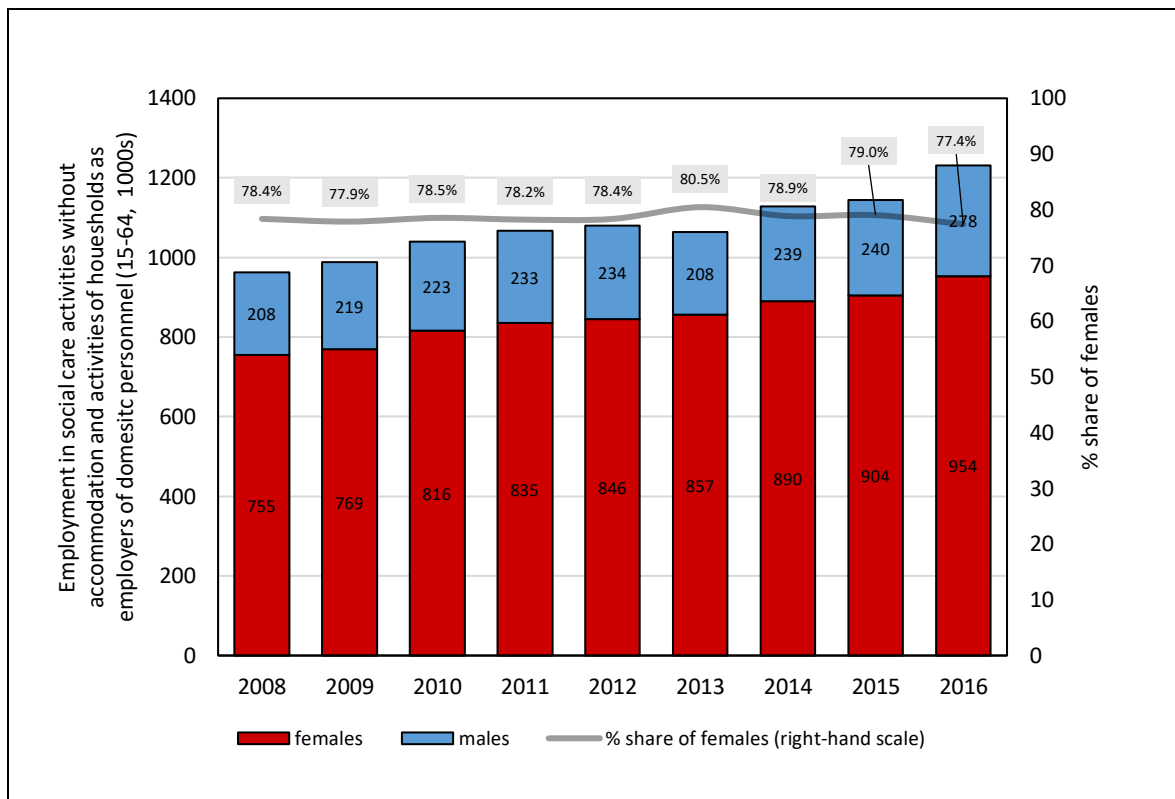


Source: Eurostat LFS

LFS data show that PHS provide employment opportunities for women (77.4 % in 2016 – see Figure 6). Also, the share of older workers (workers aged 50 and older) in social work activities without accommodation and activities of households as employers of domestic personnel had been increasing from 31 % in 2008 to 41 % in 2016, while the share of younger workers (age 15 to 24) decreased from 11 % to 8 % in the same period (Figure 7). However, this also means that these activities are or will strongly be affected by demographic change. They will experience worker shortages when these older workers reach retirement age.

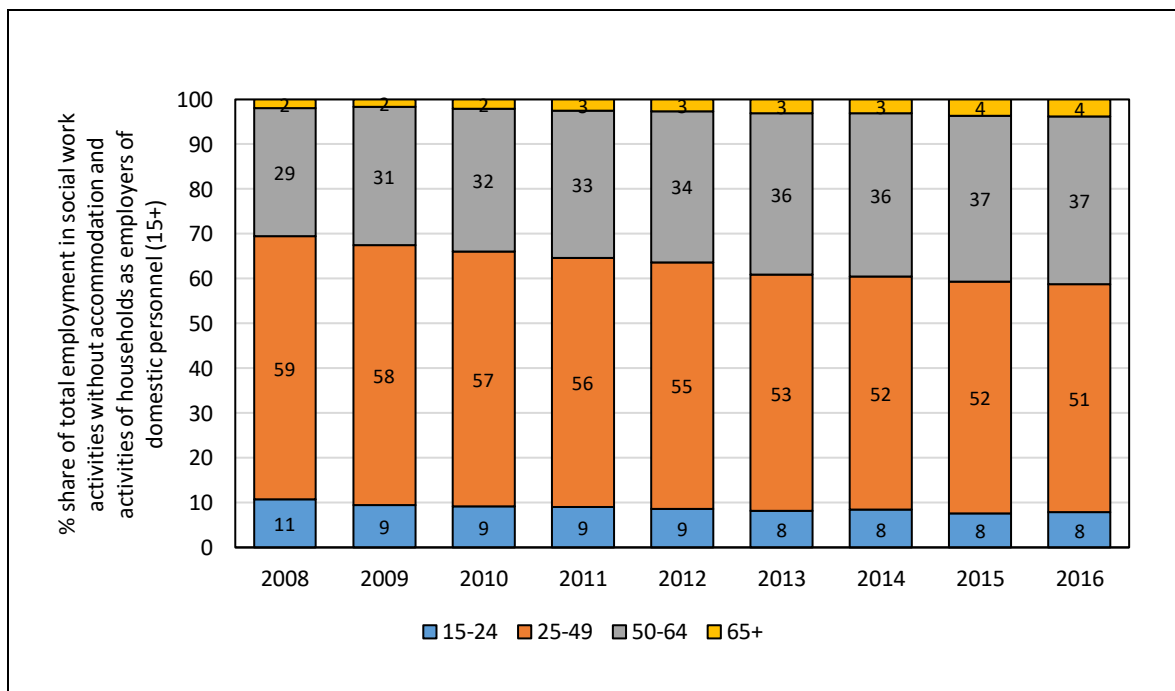
²⁶ <http://www.gbe-bund.de>

Figure 6. Employment (15-64) in residential care activities and as domestic personnel (employed by households) by gender



Source: Eurostat LFS

Figure 7. Employment (15-64) in residential care activities and as domestic personnel (employed by households) by age group



Source: Eurostat LFS

Immigration of women seems to have a significant impact on PHS provision. On average between 1999 and 2012, an increase of female immigrants in the total population by 1

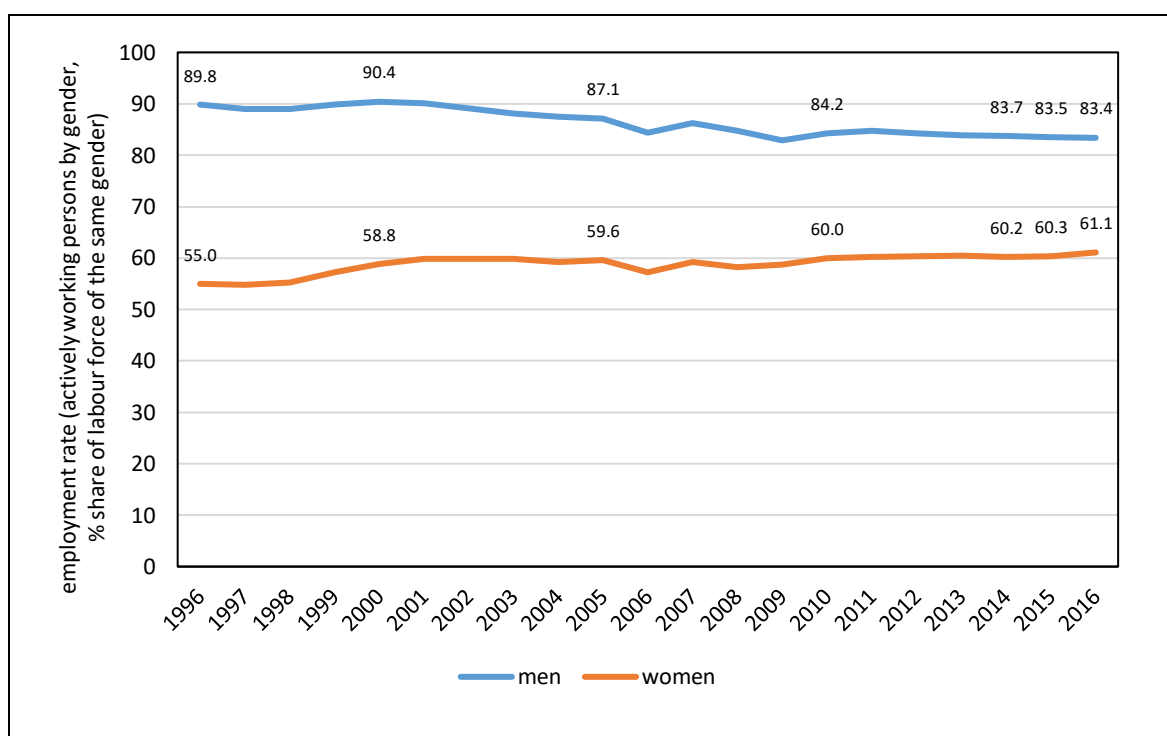
percent resulted in an increased supply of household services by 1.8 percent (Forlani et al. 2018: 3).

5 Difficulties faced by families regarding work-life balance

Childcare

While the share of women with children (aged 18 or less) actively working of the total female labour force has increased during the last two decades by around 6 percentage points to 61.1 %, the employment share of the corresponding group of men of total male labour force fell from 89.8 % to 83.4 % (Figure 8). This points to the increased participation in family life of men, while it has become more common for women to work while having a family. Nevertheless, the employment gender gap is still large.

Figure 8. Employment rate of persons with children aged 18 or less by gender (actively working), 1996-2016

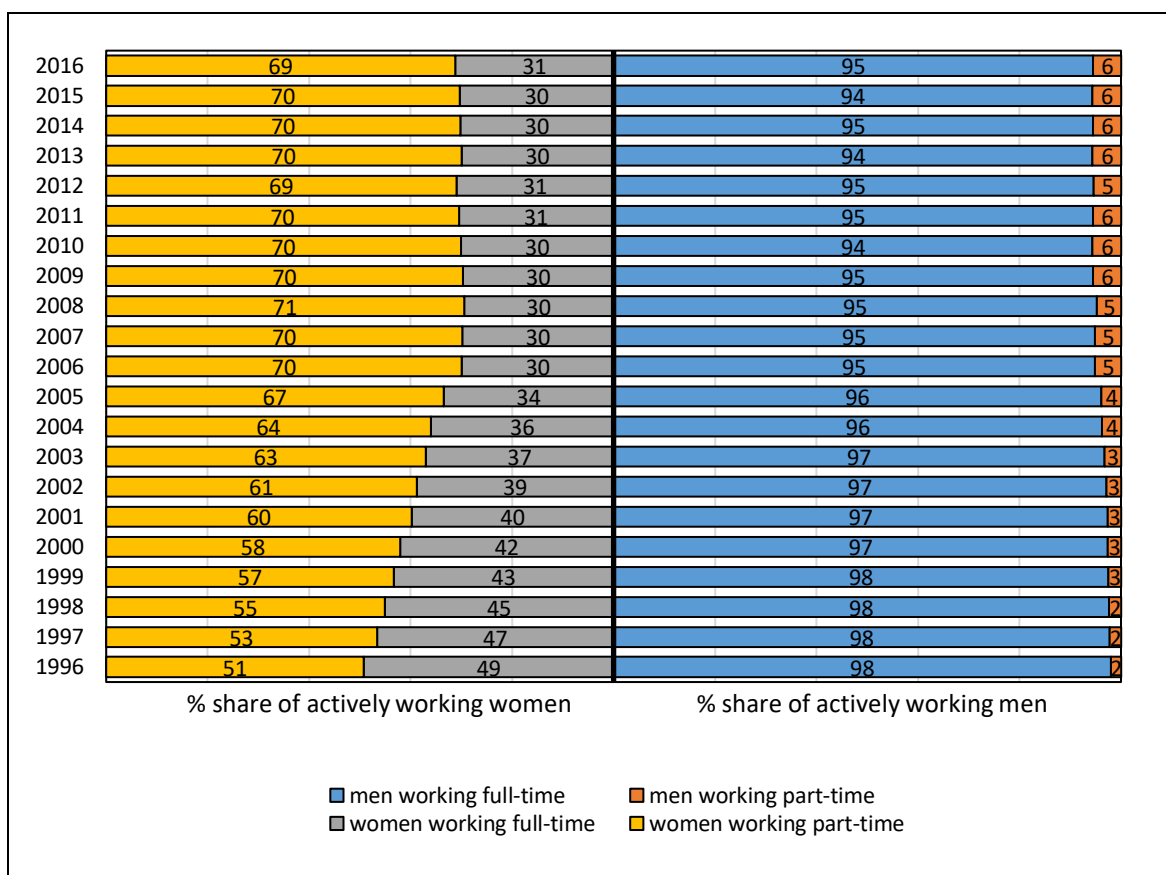


Actively working persons employed: Persons employed who are not actively working (e.g. persons who are on vacation to care for their children or persons on parental leave) are excluded

Source: Federal Statistical Office (LFS data)

Although LFS data indicate that more and more women with children participate in the labour market, it has also become more common for women with children to work part-time (around 70 % of actively working women in the last decade), while the great majority of working men with children are full-time employed (around 95 % of all men in the last decade, as can be seen in Figure 9).

Figure 9. Actively working men and women with children aged 18 or less working full-time and part-time by gender, 1996 - 2016



Actively working persons employed: Persons employed who are not actively working (e.g. persons who are on vacation to care for their children or persons in Elternzeit) are excluded

Source: Federal Statistical Office (LFS)

According to Labour Force Survey data²⁷, around 2.6 million persons (1.27 million men and 1.35 million women) employed aged between 15 and 74 wanted to work more hours per week in 2016. On average, the underemployed worked 28.9 hours per week (men: 33.8; women: 24.4) and wanted to increase their weekly working hours by 10.9 hours (men: 10.5; women: 11.2).

These persons could be underemployed for two reasons:

- i) They do not have enough time to work more due to family or household responsibilities
- ii) Their employer does not offer them more working hours.

In the first case, the outsourcing of some family or household responsibilities to PHS providers could help the underemployed to increase their working hours. Studies indicate that a prioritisation of work is already happening – specifically for women. For example, Sellach/Libuda-Köster (2017) compare results of the Time Use Survey 2012/2013 (*Zeitverwendungsstudie*) among women and men aged 18 to 65 to results of the previous round carried out in 2001/2002. Compared to 2001/2002, women seem

27

https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2018/01/PD18_021_133.html

to have shifted their priorities from household duties to work (Sellach/Libuda-Köster 2017: 40). On average, women worked 214 minutes per day in 2012/2013 compared to 171 minutes in 2001/2002, while men increased their average daily working time from 288 to 316 minutes per day in the same period (Sellach/Libuda-Köster 2017: 29). Full-time working single mothers could also increase their daily work time during that period (Sellach/Libuda-Köster 2017: 34). Compared to 2001/2002, women and men with children younger than 18 spent more time with their children than in 2001/2002 (Sellach/Libuda-Köster 2017: 33). Over the same period, women invested less time in house-cleaning, washing clothes, and cooking, while men became more engaged in house-cleaning, grocery shopping, and washing clothes. The authors concluded that household duties that were done by women in 2001/2002 are either done by men, third parties like PHS workers, have become less time-consuming, or are not carried out anymore in 2012/2013 (Sellach/Libuda-Köster 2017: 33). However, in 2012/2013, around 20 % of men and women who participated in the study stated that they did not have enough time for household duties (Sellach/Libuda-Köster 2017: 40). This gap in attending to household duties due to time constraints observed in the 2012/2013 round could be filled by employing PHS workers.

Sellach/Libuda-Köster (2017:37) argue that the extension of institutional child care did not affect the traditional division of roles in households. On the one hand, it led to an extension of work hours for women and was therefore successful in promoting reconciliation of work and family life. However, men did not decide to invest time gains resulting from the externalisation of child care into the taking-up of other social or household duties in order to reduce the workload of their partner, but instead invested them into more personal free time. One should keep in mind that an extension in availability and use of PHS could lead to a similar result.

The same survey also indicates that 9.7 % of mothers living in a household with their partner and children paid for child care services at home and 6.1 % for cleaning services (Klünder/Meier-Gräwe 2017: 81).

According to Labour Force Survey data published by the Federal Statistical Office²⁸, work on weekends or holidays has become more common for men and women alike: in 1996, 11 % of all persons employed worked on weekends or holidays, while the share was 15 % in 2016. In 2016, this was more common for self-employed (22 % of all self-employed) than for dependent employed (14 % of all dependent employed). This development could be an issue for families with young children as they have to organise care for children if they are working outside opening hours of institutional child care. Here, promotion of high-quality but affordable care services (that could also be PHS) is important to make balancing of family and work lives easier (Klünder/Meier-Gräwe 2017: 83).

Household duties

A recent representative survey on gender equality (BMFSFJ 2017a: 105-117) carried out in 2015, among 3 011 women and men aged 18 and older, finds that labour participation of women is higher, the more their (mostly full-time working) male partners share household responsibilities. Household-related services (*Haushaltsnahe Dienstleistungen*) are most extensively used by:

²⁸ Internet:

https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/zdw/2017/PD17_51_p002.html

- i) Couple households that are the “most gender equal” (7 % of all households analysed) in which men and women share household duties. In these households, 98 % of men are full-time employed and 92 % of women are full-time or part-time employed with at least 20 working hours per week.
- ii) The most traditional couple households (17 % of all households analysed) where women are responsible for housekeeping. Here, 100 % of men are full-time employed and only 59 % of women are full-time or part-time working with at least 20 working hours per week.

However, even these groups do not use much PHS²⁹, although they use it more often than other groups. In couple households that are characterised by a pragmatic, but conventional approach in dividing household duties (28 % of all households), household helpers are only hired very sporadically³⁰ – despite high household incomes and high-qualification levels of women. But also in the second-most gender equal group identified in the study (20 % of all households analysed) as well as in the second-most traditional group (28 % of all households analysed), PHS use is very low³¹. According to the authors of the study, this has the effect of keeping women in their traditional role as housewives or part-time workers. This also shows in the fact that in 2011, 37 % of mothers that took part in a representative study believed that employing a household helper could indicate that they are bad mothers and housewives (Wippermann 2011: 25). Overcoming these traditional perceptions could lead to a significant increase of labour participation. For example, working hours are up to 38 % higher for lone parents with a home helper compared to lone parents without a home helper (Enste et al. 2009: 30).

The limited use of PHS seems to be connected to a low willingness to pay a full price for these services. According to representative study among 1.821 fathers and mothers aged between 25 and 60 in 2011 (Wippermann 2011: 17), 16 % of households consumed commercial household-related services (*haushaltsnahe Dienstleistungen*). While the uptake was only 7 % for lower income households (60 % and 70 % of median equivalised disposable income) and 14 % in mid-income households (70-150 % of median equivalised disposable income), it was 40 % (>150 % to < 200 % of median equivalised disposable income) and even 57 % (>200 % of median equivalised disposable income) in richer households. The uptake was higher for persons with a higher educational and professional status (Wippermann 2011: 18). In 2011, the main reasons for not consuming household-related services (*haushaltsnahe Dienstleistungen*) were the price for these services (women: 66 %, men: 56 %), the rejection of having strangers in the household (59 % of men and women), the organisational effort (52 % of women, 55 % of men), and the belief that these tasks can be done without external help (49 % of women, 48 % of men).

In the above-mentioned study of BMFSFJ (2017a), four groups of men were classified by the grade of their support of gender equality. Even within the most gender-equality sceptical group (men that want to uphold traditional gender roles), 59 % were in favour

²⁹ 5 % of households within the most gender-equal and 6 % of households within the most traditional household group use services of 'household-related providers' (*Haushaltsnahe Dienstleister*) for floor-sweeping and vacuum cleaning, while 8 % and 7 % respectively of such households use the services for the cleaning of sanitary facilities.

³⁰ A minority of private households in this group stated they use services of “household-related providers” for car care (2 %), floor-sweeping and vacuum cleaning (2 %), cleaning of sanitary facilities (2 %), and ironing (2 %).

³¹ Between 1 % and 2 % of private households stated to use services of “household-related providers” for some specific household-related duties.

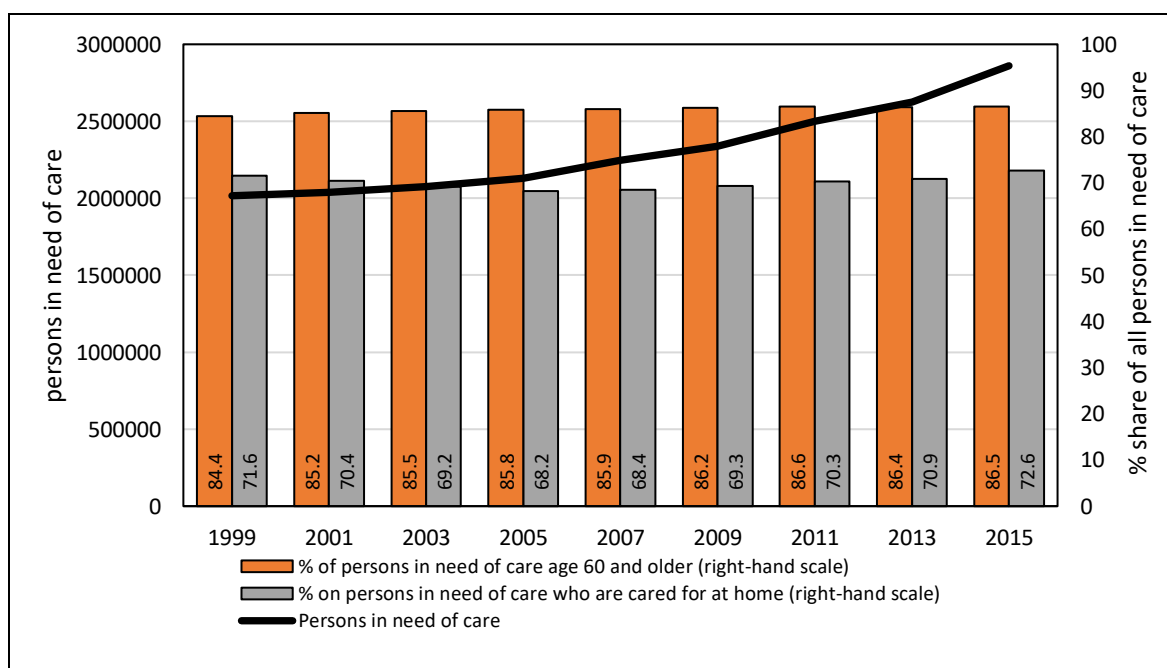
of financial promotion of household-related services (haushaltsnahe Dienstleistungen) as an instrument to promote gender equality (BMFSFJ 2017a: 59). All this indicates that a further financial promotion of PHS will very likely increase the demand quite significantly.

Elder and nursing care

Care services are provided according to the formal level of care as determined in the ninth book of the German social code (Bundestag 2014: 14). Persons in need of care are classified into five levels of care: from formal care level 1 (low care dependency) to formal care level 5 (highest care dependency) (BMG 2017). Depending on the formal level of care, recipients obtain monetary care benefits (*Pflegegeld*, which can also be used for caring family members) up to EUR 901 per month and care benefits in kind (*Pflegesachleistungen*) up to EUR 1 995 EUR per month (BMG 2017).

The number of persons in need of care (Figure 10) increased from 2.0 million in 1999 to 2.9 million in 2015. Most of these persons in need of care are aged 60 and above (86.5 % in 2015). Care is widely given at home (in 2015, 72.6 % of persons in need of care received care at home). Figure 10 clearly shows the rising demand for elder care services in Germany.

Figure 10. Persons in need of care (31 December 1999 – 31 December 2015)



Change in methodology in 2011 might indicate comparatively higher shares in persons in care at home

Source: Federal Statistical Office (care statistics based on information provided by nursing care insurance companies)

Engstler/Tesch-Römer (2017) analyse care obligations based on data of the time use-survey 2012/2013 (*Zeitverwendungsstudie*). According to this survey, persons who were classified as having significant care duties (*Vielpflegende*, 115 observations) had 34.6 care hours per week on average. 19.1 % of this group was full-time employed, 22.6 % part-time employed, and 58.3 % not employed. On average, they were 54.3 years old and the majority were female (68.7 %), lived in urban neighbourhoods (70.4 %), and 46.1 % had more than one person in need of care in their household (Engstler/Tesch-Römer 2017: 233). The authors also compare persons with significant

care duties to a control group that consists of persons without care duties (115 observations). Persons with significant care duties need 328 minutes per day for performing care services (control group: 223 minutes), of these mostly for work in the kitchen (71 minutes, control group: 53 minutes), for house cleaning (69 minutes; control group 55 minutes), care for adult household members (38 minutes; control group 3 minutes), for transit time and other tasks (43 minutes; control group 36 minutes), shopping (42 minutes; control group 36 minutes), gardening/animal care/handiwork (36 minutes; control group 26 minutes), and child care (29 minutes; control group: 14 minutes) (Engstler/Tesch-Römer 2017: 235). These tasks could all be performed by PHS workers. This might allow persons with (and without) care duties to expand their working hours: persons with significant care duties have less time for work (99 minutes; control group 157 minutes), while 27 % of this group with care duties wish to work more hours (compared to 13.8 % in the control group) (Engstler/Tesch-Römer 2017: 236). The study indicates that the use of PHS is not very extensive: persons with significant care duties get 1.8 hours per week paid support from non-household members (compared to 0.5 hours in the control group) and 1.9 hours of non-paid support (0.7 hours in the control group), mostly for house cleaning or child care (Engstler/Tesch-Römer 2017: 240).

6 Involvement of employers in helping their workers financially to obtain PHS

Employers provide institutionalised care services for their employees, e.g. company-funded kindergartens (*Betriebskindergärten*³²). According to §3 number 33³³ Income Tax Code, expenses for care for children of employees that are not yet of school age are tax-free for the employer as long as care is provided in an institution (e.g. a kindergarten). However, care services provided at home, and which are financed by the employer, are not tax free.

The Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) published a guide for employers (2017b: 23-25) that suggests companies could make framework contracts with household service providers as a way of supporting their employees to finance PHS. These framework contracts might result in cheaper services provided by PHS companies. The BMFSFJ also suggests companies could directly subsidize PHS services obtained by their employees.

7 Emergence of new actors (independent workers, auto entrepreneur, sites and platforms)

PHS Portals

One of the reasons for informal employment in the PHS sector as well as the limited demand for these services is that households may face difficulties in gathering information about local household service suppliers. Householders might also be bureaucratically overburdened in their role as the (direct) employer of domestic service workers (Von der Malsburg/Isfort 2014: 2). As the PHS market is characterised by many small and recently founded companies, many customers are often not aware of legal ways to obtain PHS (Becker/Einhorn/Gebe 2012: 76-77; Weinkopf 2014: 23). PHS portals can potentially contribute to increase transparency of supply and demand while at the same time informing their customers and users about the registering process and

³² Best practices institutional care provided by companies are listed at <https://www.erfolgsfaktor-familie.de/zum-nachmachen-erfahrungen-aus-dem-arbeitsleben.html>.

³³ Internet: https://www.gesetze-im-internet.de/estg/_3.html

working conditions' regulations. Also, many private households employ undeclared workers because domestic services are often demanded at short notice (Von der Malsburg/Isfort 2014: 2). Service platforms can help households to find a domestic service worker quickly. In the last few years, these portals have gained significance in the PHS sector:

- i) In spring 2016, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) launched the website "help in the household"³⁴ (*Hilfe im Haushalt*). It provides an overview of activity in and around the household, gives information on quality standards, costs, legal regulations, as well as employment and (re-)training opportunities in the PHS sector. Users of the website can post PHS inquiries and offers.
- ii) A similar website is also operated by the Federal Mini-Job Authority (Minijob-Zentrale): The household service job board (*Haushaltsjobbörse*)³⁵ was implemented in November 2014 as part of the *Demografiestrategie* (demography strategy) of the Federal Ministry for Labour and Social Affairs (BMAS) and the Federal Ministry of Education and Research (BMBF). Originally, it was aimed at the promotion of household services to increase labour market participation of women (e.g. employment of household service workers for childcare or to help with household duties). The website was also a response to the ageing of the population and the higher demand for services to care for elderly people. The household service job board only has an intermediary role and self-employed workers are not allowed to register. Therefore, the Federal Mini-Job Authority is not directly involved in job placement. The household service job board records 8,000 to 10,000 registrations per year and the number of users currently totals 43 000. Although the household service job board also allows for employment relationships subject to social security contributions, most relationships on the board are subject to mini-job regulations. In comparison to other domestic service platforms, the household service job board does not have fixed hourly wages for household service workers. Usually, payments for services are made to commercial domestic household platforms which keep a share of the hourly wage. Therefore, it is interesting for employers to employ workers directly without registering and without a platform taking a cut. As the household service job board is free and informs its users on the employment registering process after registration on the website by (non-digital) mail, it can circumvent this problem. The household service job board is funded by the Federal Ministry of Labour and Social Affairs.
- iii) There are several private online platforms where domestic services are offered and booked, for example Helping.de, Bookatiger.com, Putzfee, betreut.de, or Homejoy. According to Pfannes (2016: 22), the quality of services provided on these platforms is often low. The Federal Mini-Job Authority is in contact with these private household service platforms and will support them in embedding the online registration form for mini-jobbers in private households in their website. This might also help private household service platforms to assess how many minor employed are registered at the Federal Mini-Job Authority, as there is criticism that (commercial) household service platforms do not effectively ensure that household service providers are not bogus self-employed. In return, private household service platforms plan to

³⁴ Internet: <https://www.hilfe-im-haushalt.de/>

³⁵ Internet: https://www.haushaltsjob-boerse.de/DE/Home/home_node.html

share their findings on registered employment with the Federal Mini-Job Authority.

According to a representative survey among 1 158 internet users carried out by Bitkom³⁶, 16 % of persons who utilise household services (including private tuition for students) booked these online. This share was the highest (21 %) among 30 to 49 year olds. In a representative study carried out in 2011, 45 % of mothers and 48 % of fathers stated that they did not know where to turn if they wanted to book a household helper (Wippermann 2011: 25). Due to the emergence of PHS portals, it can be assumed that this share would be significantly lower today.

The Federal Ministry of Finance (BMF 2016) clarified that domestic services are also income-tax deductible if payments are made through an online-platform providing certain conditions are met: the bill has to list the service provider, the customer, the date when the service was provided, the kind of service, as well as the remuneration figure. With this publication in 2016, the Federal Ministry of Finance clarified that a potential loophole that could have overruled an incentive to employ domestic workers legally through an online platform does not exist.

Professionalisation and Quality Assurance of Household Services Centre

The Professionalisation and Quality Assurance of Household Services Centre (*Kompetenzzentrum Professionalisierung und Qualitätssicherung haushaltsnaher Dienstleistungen*) was installed at the University of Giessen in 2013 and will continue until 2018. It commissions reports on PHS (e.g. Ohrem 2014) and monitors developments in the sector. The centre is funded by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ).

German Home Economics Council

The German Home Economics Council (*Deutscher Hauswirtschaftsrat*³⁷) is an interest group of the home economics (*Hauswirtschaftssektor*) sector that had been founded in November 2016. PHS provider companies are also members of the council and one public relations sub-section is devoted to PHS.

8 Conclusions

PHS services can improve work-life balance and enable women to increase their working hours

By using PHS, consumers of these services can save time. Minutes or hours gained daily can be invested in finding work, increasing working hours, or further training.

Time gains from not having to do housework or basic care can also be used to prioritise certain family responsibilities over others. This might encourage couples that otherwise would feel that they would not have enough time for children to start a family. These findings are reflected in a recent study (Forlani et al. 2018: 4-6): an increase in the proportion of female immigrants increases the likelihood of women of German nationality to expand their working hours. For medium-skilled women workers, the probability to have a child also increases.

Overall, there is potential to further raise the demand for PHS, which may still be regarded as low in Germany in spite of increases over time.

³⁶ Internet: <https://www.bitkom.org/Presse/Presseinformation/Hilfe-im-Haushalt-gesucht-und-online-gebucht.html>

³⁷ Internet: <http://www.hauswirtschaftsrat.de/>

What has been done?

Measures put in place to support PHS are mainly focused on making them more affordable and visible for private households. Another aim is to increase demand and to combat undeclared work in the sector. This is done by implementing income-tax bonuses, easing the registering process of workers in private households, extending funding for PHS from the social code, and by implementing internet portals that provide information about PHS and ease job placement. Measures to increase service quality exist, but are not legally binding (e.g. the checklist for household service providers of the BMWI).

Remaining challenges

The demand for (declared) PHS is still low even in households that can afford household or care services performed at home. Also, in households with traditional role sharing, limited labour market participation of women is not seen as a problem by both men and women, which again limits demand for PHS. Some households also seem unwilling to pay for PHS as these tasks are perceived as simple ones that can be done by themselves without having to spend money. Therefore, many consumers are not willing to pay an appropriate market price. This reluctance leads to low wages in the sector, which further decreases the reputation of household-related services (Ohrem 2014; Bundesregierung 2017: 36). Work in non-care PHS is perceived as an employment opportunity for workers who are hard to place, while the sector overall does need well-trained and skilled professionals that are able to offer reliable high-quality services. Lastly, low-income households' demand for PHS is not subsidised by regulations, for example income tax deductions, if members of these households do not qualify for payment of income tax.

In the provider model, PHS companies are affected by labour shortages. This is mainly due to the relatively poor working conditions in this sector. At the same time, legal providers find themselves in competition with the informal economy where PHS is provided at low cost and where the consumer does not have to deal with bureaucratic obstacles.

Within the direct employment model, solo-self-employed have to meet complex legal requirements and also incur additional expenses especially as they need to insure themselves against social risks. Employees subject to social security contributions are covered accordingly, but the willingness of private households to employ workers subject to social security contributions is low. They shy away from the bureaucratic burden and might not be able to employ these workers for more than a couple of hours per week. Although mini-job regulations allow private households to employ mini-jobbers very cost-effectively without having to deal with an extensive registration process, many of these mini-jobbers in the PHS sector will lack sufficient pension entitlements in the future.

Reform proposals for increasing demand for PHS

Promote professionalisation of PHS

By promoting the professionalization of PHS, demand for good quality PHS might be raised and the willingness to pay for better services might increase. Examples of more professionalisation include higher minimum standards and the establishment of further training programmes for PHS workers thereby increasing the quality of services..These factors would also help to increase working conditions of PHS workers which would make it easier for PHS companies to recruit workers.

Following recommendations of the expert commission on equality³⁸, a certification system for (non-care) PHS and low-threshold care PHS could be developed (Bundesregierung 2017: 117). These independent and uniform certificates should ensure standards for sustainable employment beyond minimum labour standards and be subject to continuous reporting obligations. They should focus on the promotion of employment subject to social security contributions. Similar regulations already exist in outpatient nursing care and in the Social Code regulations.

The working conditions of immigrants in the sector are under debate. In 2013, Germany ratified ILO Convention 189 for Domestic Workers.³⁹ Trade unions and NGOs have stressed that working and living conditions for commuting migrant workers are of particular concern. However, workers performing PHS still have low income, excessive working hours, no social insurance coverage, experience insufficient occupational safety, and are at danger of physical abuse more frequently than workers in other sectors (Bundesregierung 2017: 116). Therefore, legal minimum standards need to be implemented, specifically for migrant workers and live-in workers who reside under the same roof as their clients.

To increase skills of workers in the PHS sector, funding of further training should be extended, e.g. through the voucher system of the Federal Employment Agency and the *Jobcenters* following the example of the pilot project in Baden-Württemberg (Bundesregierung 2017: 92).

Involve employers in PHS provision

Employers could play a much more prominent role in supporting PHS consumption of employees. Policy makers could promote employers' involvement by implementing tax exemptions for PHS expenses performed in their employees' households in order to improve the compatibility of work and household or care duties. Following the French example, employers could also be given the opportunity to buy tax-privileged vouchers for PHS that could then be handed out to employees with care responsibilities (Bundesregierung 2017: 118).

Implementation of a national PHS voucher system

To increase demand for PHS, the pilot project in Baden-Württemberg (see chapter 2.1) could be extended in order to increase low-income households' demand for PHS (Heinrich Böll Stiftung 2017: 19). Furthermore, this could help to decrease undeclared work: in Belgium, between 2004 and 2013 around 95 000 full-time jobs were created and 4,000 PHS companies were established after the implementation of the PHS voucher system (Bundesregierung 2017: 94, 118). The expert commission on equality recommends the introduction of a system where private households can obtain 20 vouchers per month worth nine euros per service hour that can be redeemed at certified public or private PHS companies (Bundesregierung 2017: 118). The forthcoming evaluation of the pilot project in Baden-Württemberg will provide further insights.

Extend regulations of PHS provision in the Social Code

The expert commission suggests an extension to the promotion of PHS according to the Social Code if effectiveness in terms of equality policy can be achieved, for example specifically: in the family formation phase; for the reintegration into work process; for

³⁸ Internet: [https://www.gleichstellungsbericht.de/de/topic/3.sachverst %C3 %A4ndigenkommission.html](https://www.gleichstellungsbericht.de/de/topic/3.sachverst%C3%A4ndigenkommission.html)

³⁹ Internet: http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=95778&p_count=14&p_classification=22

workers with elderly care duties; for elderly people who are not by definition in need of care but need help in their everyday life; for lone parents; for low-income households; and for parents with a disabled child. (Bundesregierung 2017: 118).

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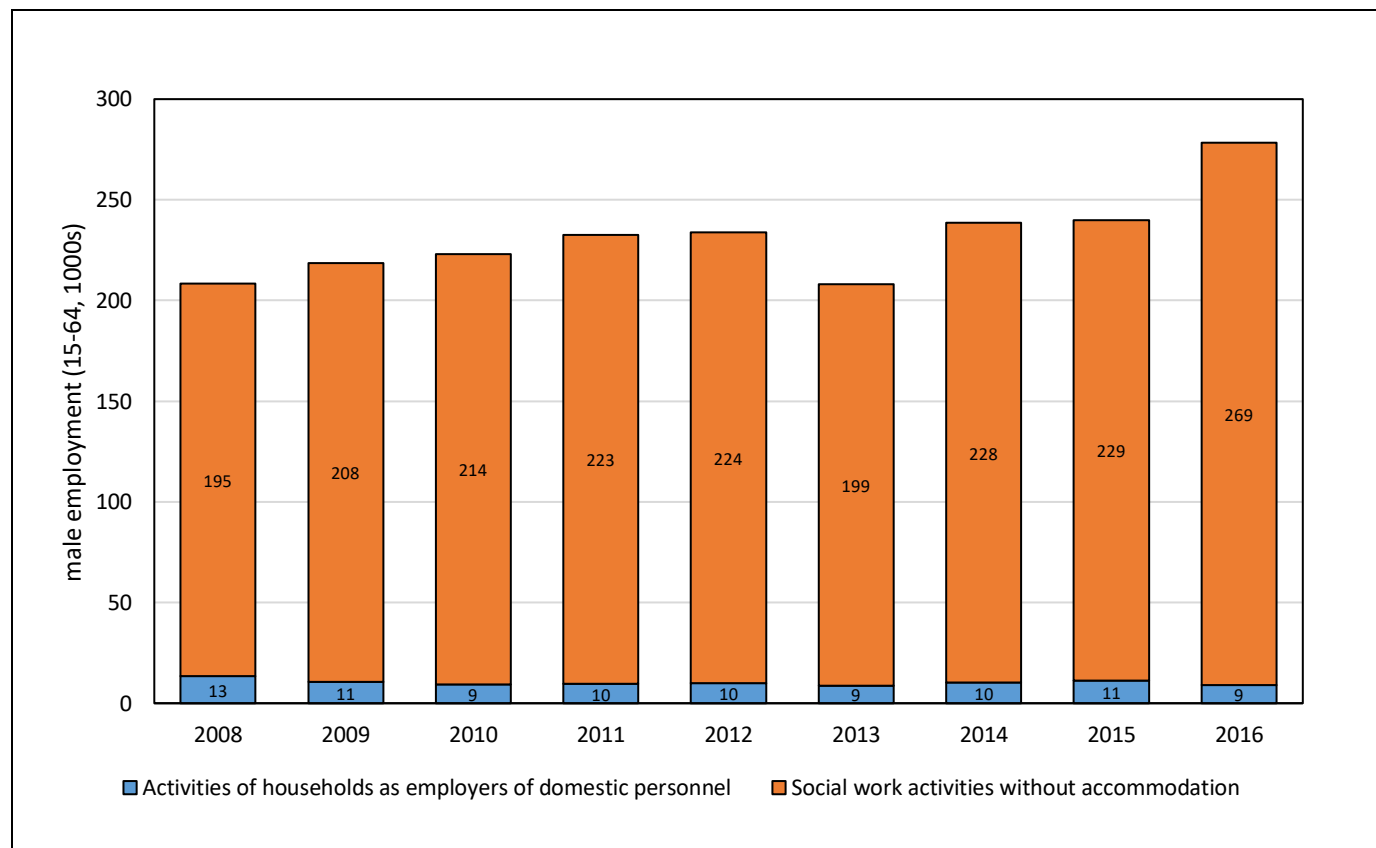
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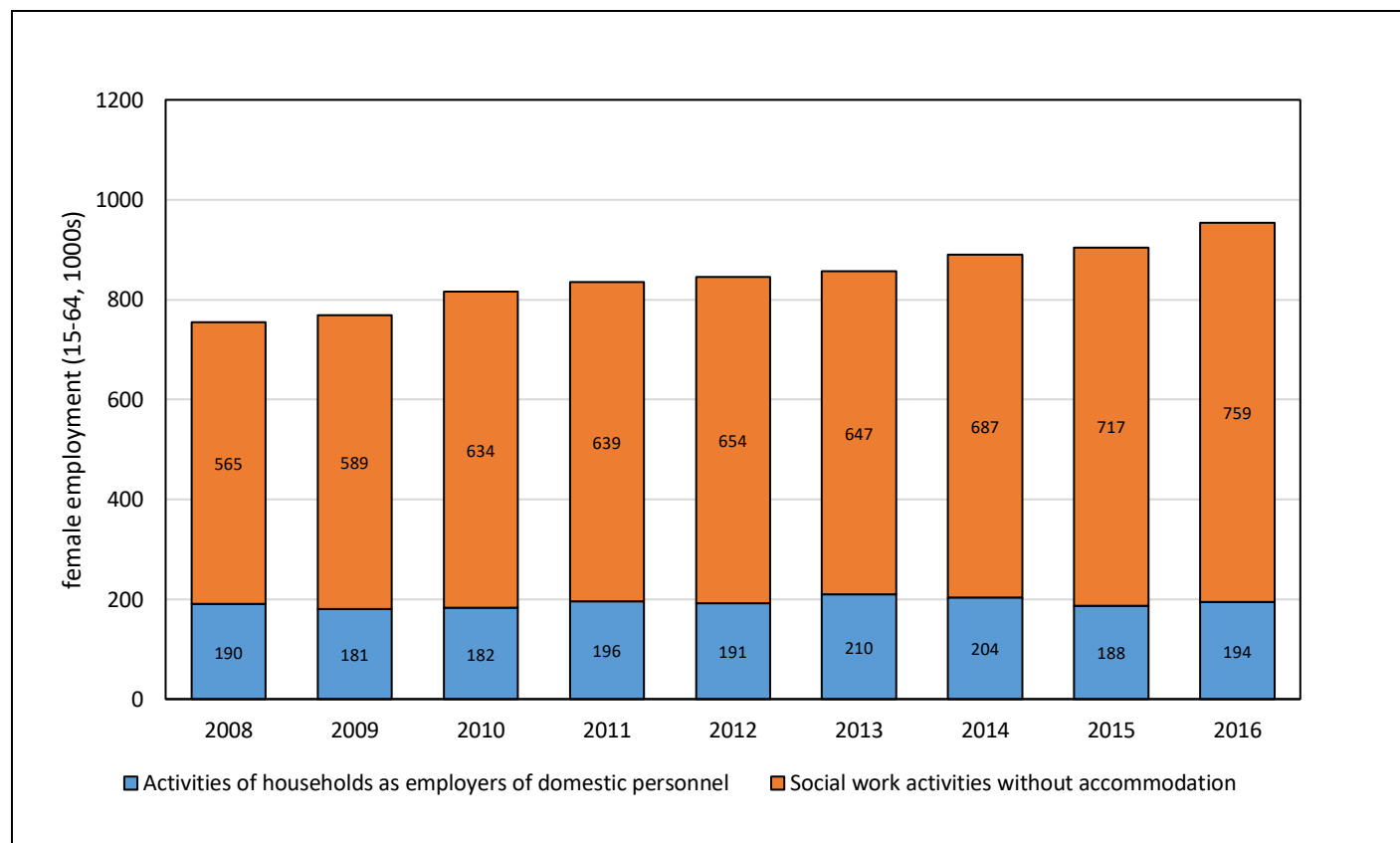
Annex 1

Figure A 1 Male Employment (15-64) in social work activities without accommodation and as domestic personnel (employed by households)



Source: Eurostat LFS

Figure A 2 Female Employment (15-64) in social work activities without accommodation and as domestic personnel (employed by households)



Source: Eurostat LFS

Annex 2

Name and address of main representatives and organisations active in this field

Allianz haushaltsnahe Dienstleistungswirtschaft (Alliance of the Household-related Service Economy – employees and employers)

Klosterstr. 64

10179 Berlin

Berufsverband Hauswirtschaft (German Federation for domestic work – employee organisation)

Waiblinger Str. 11

71384 Weinstadt

Bundesverband haushaltsnaher Dienstleistungsunternehmen (Federal Association of PHS companies – employer organisation)

Am Fallersleber Tore 9

38100 Braunschweig

Bundesverband hauswirtschaftlicher Berufe (Federal Association of domestic work occupations - employee organisation)

Zur Herl 15

66636 Theley

Deutsche Gesellschaft für Hauswirtschaft (German society for home economics – employees and employers)

Gotenstraße 6

93138 Lappersdorf

Deutscher Hauswirtschaftsrat (German Home Economics Council)

Klosterstraße 64

10179 Berlin

Ver.di (service sector union)

Schwanthalerstraße 64

80336 München

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