



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

Spain

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1 Introduction

Spain has nowadays one of the most ageing populations in Europe. The ageing index has increased in 2017 for the seventh consecutive year¹ and by 2050 Spain will be a depopulated nation dominated by elderly people.

On the other hand, the number of single person households is increasing and reached 25.2 % of total households in 2016, along with the number of single parent families, which has a share of 10.7 %².

Women's participation in the labour market is also increasing, and according to the Ministry of Employment and Social Security, the female employment rate grew by 2.5 pp. in 2016, with a record in the level of social security affiliation of women.

Therefore, Spain faces a situation in which the demand for personal and household services (PHS) is increasing, which is connected to the rising need for care of elderly people but also for childcare and home services. However the traditional supply historically provided by women who did not participate in the labour market, is decreasing.

Thus, there is a growing gap that produces problems for those demanding the services, who cannot access them with the desired quality, price or availability. The time spent doing these activities by themselves is affecting other spheres of their life (quality of life, availability to work, etc.). Problems are faced also by workers on the supply side, as working conditions are not fully standardised and social protection developments are not yet complete.

Along with the chance to meet the above described needs from the demand and the supply side, the definition, promotion and regulation of the PHS represents a very valuable opportunity for the generation of jobs in a growing sector.

For a long time, the Spanish model of PHS provision has heavily relied on families, relatives and informal (as well as undeclared) work, far from being professionalized. However, in recent years regulatory changes have fostered the provision of professional services, especially in the field of care. Thus, Spain is in the middle of a transition model, from unpaid domestic work and informal employment in private homes to paid regular domestic work³.

A lot of work has been done in this regard in the field of care by public authorities, although some of the measures approved have not been fully implemented. On the contrary, there is a lack of effort in the area of non-care activities, which would require a more comprehensive package of measures to structure and professionalize it.

These efforts in care and non-care activities would contribute not only to an increase in the level of (better quality) employment in the PHS sector but also, they would improve the living conditions of the purchasers; purchasers would witness an increase in their opportunities to access the labour market in better conditions, thanks to a better work-life balance.

It is necessary to analyse in depth if the costs of these support measures are surpassed by the economic and social benefits derived from them; if so, specific actions would be required to seize all the potentials and to avoid missed opportunities.

¹ Adecco Foundation based on data of the National Institute of Statistics (INE).

² National Institute of Statistics (INE). Continuous Household Survey. Year 2016.

³ ORSEU 2015. Thematic Review on Personal Household Services.

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

Care activities (long-term care and childcare) will be described firstly in this section, followed by a description of non-care activities.

2.1 Long term care for elderly and disabled people

The long-term care system was established in Spain in 2007, with the approval of the Law 39/2006 on the Promotion of the Autonomy and Care of People in a Dependent Situation (*Ley de Promoción de la Autonomía Personal y Atención a las Personas en situación de Dependencia*, LAPAD), which created the System for Autonomy and Care for Dependency (SAAD).

The law distinguishes three different degrees of dependency: moderate, severe and major dependency, and provides a series of benefits for each in the form of in-kind and cash benefits. The dependant person thus has access to an established range of services which includes: tele-care, home care (attention to daily home needs, personal care), personal care help, residential care and day and night residential services.

As stated in the law and reported in Mot et al (2012)⁴, if the competent administrations have no means to provide the services, the dependent person is entitled to receive cash allowances, based on the recipient's degree of dependency and their economic means. According to the report, these are:

1. "Allowance for the care recipient to hire services. It enables the care recipient to contract services from private licensed providers when the public sector is not able to provide them⁵.
2. Allowance for informal care. Financial allowance for family care and support for non-professional carers. The informal carer must be a relative of the care recipient, except when the services are not available in the area, in which case the informal carer can be a resident of the same (or neighbouring) municipality. The allowance provides compensation to some extent for the service provided by the informal carer⁶.
3. Allowance for personal assistance. It enables individual recipients to hire personal help to improve their personal autonomy, access to work / education as well as to provide help with daily activities (mainly for people under 65). A contract must be provided, and the carer needs to have appropriate professional qualifications⁷."

⁴ Mot, E., Reimer, F., Geerts, J., Willemé, P. (2012), Performance of Long-Term Care Systems in Europe, ENEPRI Research Report no. 117, December 2012.

⁵ Benefit levels range from EUR 400/month for degree II level 1, to EUR 831 for degree III, level 2, in 2012 for those who already have an assessed degree and level. For new recipients from August 2012, benefit levels range from EUR 300 for grade I to EUR 715.07 for grade III.

⁶ Benefit levels range from EUR 255.77 per month for degree II level 1, to EUR 442.59 for degree III, level 2. (In 2012 this applied to those who already had a recognised degree and level. For new recipients from August 2012, the benefit level is from EUR 153 for grade I to EUR 387.64 for grade III.

⁷ Benefit levels range from EUR 609 per month for degree III level 1, to 812 for degree III level 2, for those who already have a recognised degree and level. For new recipients from August 2012, benefits levels range from EUR 300 for grade I to EUR 715.07 for grade III.

One of the initial objectives of the LAPAD was to give priority to services provided by public administrations rather than cash allowances where the objective was that these should be residual. However, the actual implementation of the system has relied heavily on the economic benefits⁸, with implications for a lower quality of services (not professionalized to a large extent) and lower job creation.

On the other hand, the provisions included in the law are not completely fulfilled, and not all beneficiaries with recognized rights have received a reply from the public system with regard to the receipt of benefits to which they are entitled (services and/or cash allowances): for example as of 31 December 2017, there were 1 264 951 recognized beneficiaries under LAPAD, of which 954 831 were receiving cash allowances and/or services. However, 310 120 people (24.5 % of the total dependents recognised as entitled) were not in receipt of services or cash allowance but were waiting to receive any kind of benefit although they had already been assessed as entitled to benefit.⁹

Table 1. Dependent persons entitled/receiving benefits from LAPAD (Dec. 2017)

Total dependent entitled to receive benefits	1 264 951
Receiving benefits	954 831
Waiting to receive benefits	310 120 (24.5 %)

Source: Institute of Older People and Social Services (IMSERSO).

Within the context of the SAAD, Central Government is responsible for regulating the basic aspects while Autonomous Communities are responsible for developing the norms in detail and implementing the LAPAD together with Municipalities. This implementation is usually through subcontracting the services (e.g. to private nursing homes or day-care centres) although there are also publicly owned centres.

Regarding price, mechanisms are set according to regional/local authorities' specifications as laid out in the tendering contracts. Service users pay a part of the total costs, depending on their means (on average 40 % of the total amount). The home-care provision is free of charge for all those dependants below the minimum income threshold; it includes prevention of dependency and promotion of personal autonomy, help with personal care and with instrumental activities of daily living¹⁰.

With regard to working conditions, one of the objectives of LAPAD was to promote the provision of care services in a regular home environment (preferably the dependent person's home) by private providers and professional workers. However, as mentioned above, because of the lack of a sufficient infrastructure, the system is reliant mainly on services provided by non-formal or family caregivers.

As intended one of the main contributions of LAPAD to the labour market is its effort to encourage higher-quality services, better working conditions and higher qualification levels among workers in the sector. To this end, the Spanish government has promoted education and training among workers and young students as a means

⁸ According to IMSERSO, as of 31 December 2017, 57.32 % of the benefits took the form of services while the remaining 42.68 % were cash allowances.

⁹ IMSERSO, December 2017. Explanatory analysis of the SAAD monthly statistics.

¹⁰ Spain Health Care & Long-Term Care Systems. An excerpt from the Joint Report on Health Care and Long-Term Care Systems & Fiscal Sustainability. European Commission (2016).

of enhancing the professionalization of the social services sector¹¹. Thus, several regulations and programmes have been approved in recent years in order to develop qualification and training, such as initial Vocational Education and Training (VET) programmes or new procedures for evaluating and accrediting competencies acquired through work experience or non-formal methods of training.

The Law also establishes for those cases in which the beneficiary is being cared for by their family, that the family caregiver, who does not have an ordinary work contract, must be registered with the Social Security to be able to benefit from the allowance for informal care. In this regard, the regulation established in 2007 called a Special Agreement for non-professional carers with Social Security¹² was relevant; the contributions of non-professional carers were paid by the state. However, in July 2012¹³, the Government cancelled the state funding of Social Security contributions of non-professional carers, so that carers are now responsible for paying their own contributions. With this modification, the number of non-professional carers decreased from 178 000 in May 2012 (before the new regulation) to 18 518 carers one year later (end of July 2013¹⁴). In December 2017, the figure amounted to 8 498, 88.7 % of whom are women (Fig.2)¹⁵. This also means that the legal requirements of the LAPAD are not being fulfilled.

Regarding the number of jobs that the LAPAD was deemed to create, the White Paper on the care of Dependent Persons in Spain (2004)¹⁶ calculated that the gradual introduction of a national system of dependency would lead to the creation of some 263 000 jobs. Nowadays, there is no doubt that one of the consequences of the development of the SAAD is the growth of employment in social services sector. Thus, according to the Institute of Older People and Social Services (IMSERSO), since 2006, there has been an increase of 184 216 in the Social Security affiliations of Social Services professionals up to December 2017¹⁷ linked to the development of the SAAD (Fig.1).

On the other hand, according to the Association of Directors and Managers of Social Services¹⁸, there were more than 197 380 direct jobs created linked to the LAPAD in Spain in December 2016. These are direct jobs in the care sector without considering those that have been created within public administration for assessing, monitoring, administration and financial management in respect of the beneficiaries. .

Thus, SAAD shows an amazing capacity to generate employment and to obtain returns. In 2016, the ratio of direct jobs per million euros of public expenditure was

¹¹ E.g. SAAD Territorial Council, December 2008 Resolution, sets a series of requirements for the professionalization of the work force, and requires carers to accredit a specific level of training or a long period of work experience to be able to work in the sector. Up to then, only basic studies were required.

¹² Royal Decree 615/2007, regulating the Special Agreement of non-Professional Carers. The term 'non-professional carers' normally refers to people who care for dependent relatives and who receive financial support for this work.

¹³ Royal Decree Law 20/2012, on Measures to Guarantee Budgetary Stability and Promote Competitiveness.

¹⁴ Eurofound, 2013. More and better jobs in home-care services.

¹⁵ Institute of Older People and Social Services (IMSERSO), December 2017.

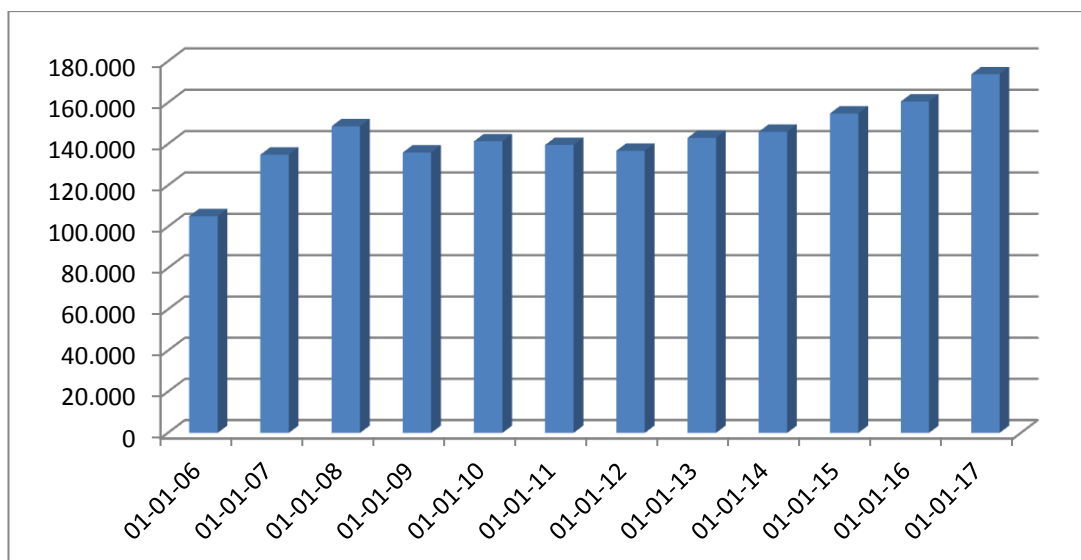
¹⁶ Institute of Older People and Social Services (IMSERSO).

¹⁷ SAAD Monthly Report. December 2017.

¹⁸ XVII Opinion of the Observatory of the Law 39/2006. February 2017.

35, and the rate of return of public expenditure was 39.5 %¹⁹. According to the XVII Opinion of the Observatory of the Law 39/2006 (February 2017), if the 310 000 persons mentioned above to be on standby were already taken care of - complying with the Law - more than 79 000 direct jobs would be generated²⁰.

Figure 1. Annual evolution of social security affiliation of social service professionals working in the SAAD in non-residential services (2006-2017)



Source: IMSERSO, SAAD monthly report, December 2017

In order to provide a wider and more accurate picture of the effects of LAPAD on employment in the care sector, it is important to emphasise the evolution and relationship between the workers in the different categories of social services. Thus, according to data on workers registered with social security²¹, after the approval of LAPAD, the number of workers in non-residential activities (NACE 88), including informal carers, more than doubled reaching a peak of 350 000 in 2011. Later, in 2012 the budget for LAPAD was drastically reduced and the funding of Social Security contributions of non-professional carers cancelled. As a result, the figure of non-professional carers registered with social security has virtually disappeared, and the number of workers in NACE 88 almost halved between 2011 and 2013 (Fig.2).

Interestingly, this sharp reduction was accompanied in 2012 by a similar sharp increase in the number of workers registered with social security with respect to NACE

¹⁹ That is, the estimated return in terms of social security contributions, income tax, and VAT collected thanks to the jobs created with the public expenditure. These estimations are based on several studies carried out on the impact of the long-term care system based on the input-output methodology and the macroeconomic model HERMIN.

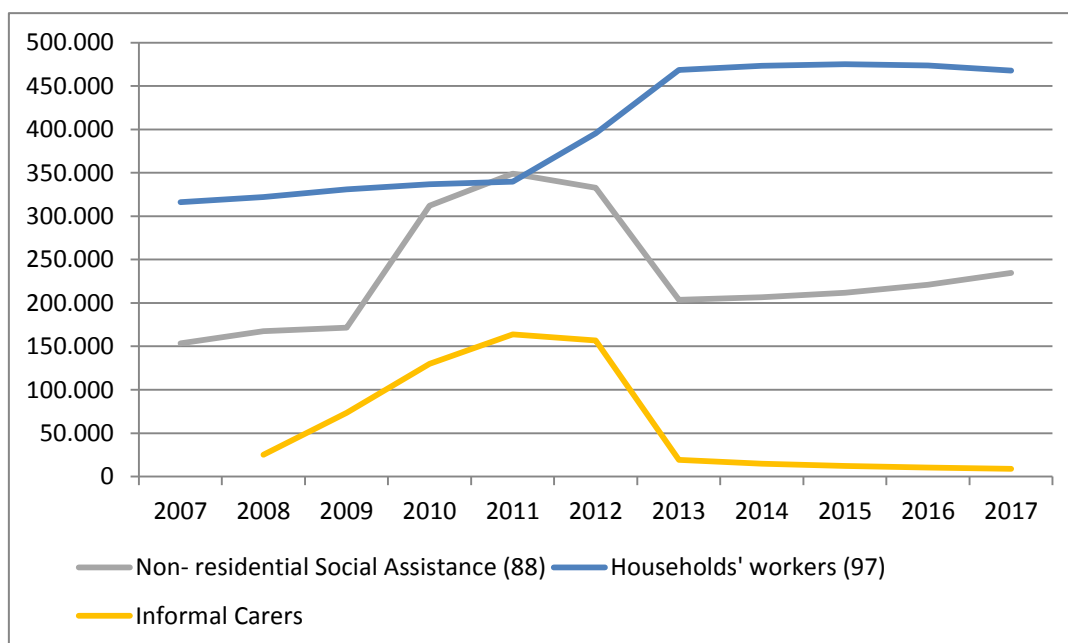
²⁰ Own update (for December 2017) of the estimation made by the Observatory of the Law 39/2006 for February 2017, based on SAAD data and average official ratios of workers assigned to the different services according to the Agreement approved by the SAAD Territorial Council on November 2008. The ratios have been: Telecare = 0.01; Home care = 0.33; Day centre = 0.25; Nursing home = 0.50; Economic benefit linked to the service = 0.4; Financial allowance for Personal Assistant = 1.

²¹ It has to be noted that social security data refers actually to 'situations of affiliation', not to individuals. This difference is important when one person is registered more than one time with the social security if s/he has more than one employer, including self-employment.

97: households hiring domestic workers. As will be explained in more detail below, in Spain, workers hired directly by households need to be registered with a special regime in the social security. These workers would carry out care (for elderly and disabled people and children) and non-care activities.

The number of workers registered with the social security in NACE 88 and NACE 97 thus evolved from 469 000 in 2007 to a peak of 728 000 in 2012, that descended to 671 000 in 2013. Since then, it has recovered reaching 702 000 in 2017, which means 50 % more than in 2007.

Figure 2. Annual evolution of social security affiliation in PHS sectors (2007-2017)



Source: Ministry of Employment and Social Security.

The working conditions of employees in the social services sector (NACE 87 and 88) are regulated by common regulations and by two main collective agreements that influence professional profiles, training programmes and pay mechanisms. The first one is the Collective Agreement on Care Centres and Services for People with Disabilities, which defines guidelines to improve professional qualifications and training. The second one is the Collective Agreement on Care Services for Dependent People and Development of Personal Autonomy, which applies to companies and workplaces that provide services for dependent people and promote personal autonomy (such as day centres, night centres, home-care services and telecare services). Workers hired directly by households (NACE 97) are however not protected by any collective agreement but only by general dispositions included in the Special Regime of Households workers, as will be detailed in the next sections.

2.2 Childcare

Spain has no formal organised family day care, and the main childcare services provided are through **educational services**. The Autonomous Communities are the administrative level exercising the powers in the area of education, although the Central State establishes the main direction of education policy. Education from zero to three years old is dealt with in the remit of Welfare/Social Services policy in some Autonomous Communities, while in other regions it is dealt with as part of education policy. There are no statistics in the case of social services, unlike in the case of education.

Thus, under 3 years is a key age group for childcare in Spain as, from the age of three onwards, free access to public early years' education has been guaranteed since 2006. According to the WILCO Project 2011, "[t]he standard demand for childcare is in collective nurseries running full-time, with preference to public ones both for quality and affordability reasons. However as working conditions in Spain might also be very variable, there is also some non-quantified demand for more diverse and flexible formats" (p.21). Also, according to that report, "[o]ut-of-school care and complementary school services for children over three years old is another relevant issue, as school hours (25 hours per week) and terms (from early or mid-September to 22 June) do not fit well with the standard working time" (p.20).²²

Early childhood education (*educación infantil*), is aimed at children under six years old (zero years old in this case refers to the period after maternity leave expires) and it occurs in two cycles: the first cycle is for children three years and under, and the second cycle is for children between three and six years old. At the age of six, compulsory education commences in Spain, with primary school (from 6 to 12 years old) and then secondary school (from 12 to 16 years old).

According to EU-SILC (2015), in Spain 19.1 % (14.7 % for EU-28) of children under three years old are in formal childcare or education of less than 29 hours a week, while 20.6 % (15.6 % EU-28) receive 30 or more hours a week. The overall rate is 39.7 % (30.3 % EU-28), above the Barcelona Objective set in 2002 of 33 %²³. On the other hand, 9.4 % of children three years and under receive other types of childcare for 29 hours or less a week (20.6 % EU-28), and 7.9 % receive 30 hours a week or more (8.3 % EU-28).

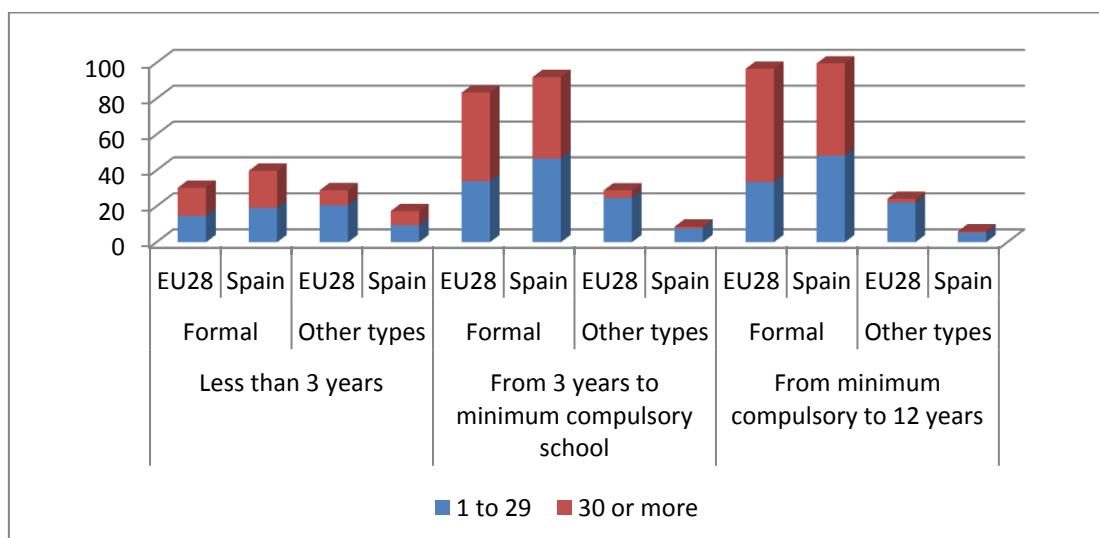
Regarding children between three years old and the mandatory school age, 46.6 % (33.9 % EU-28) are in formal childcare or education less than 29 hours a week, while 45.4 % (49.4 % EU-28) receive 30 or more hours a week. The overall rate is 92.0 % (83.3 % EU-28), above the Barcelona Objective set at 90 %. Regarding other types of childcare, for children between three years old and the mandatory school age (six years old), 7.7 % (24.6 % EU-28) are receiving 29 hours or less, and 0.9 % (4.2 %) are receiving 30 hours or more.

With regard to children between the minimum compulsory school age to 12 years, 48.2 % (33.4 % EU-28) receive formal childcare for 29 hours or less a week, while 51.4 % (63.2 EU-28) receive 30 hours or more (data for 2015). Regarding other types of childcare, 5.3 % (22.1 % EU-28) receive for 29 hours or less while 0.7 % (2.0 % EU-28) receives 30 hours or more.

²² WILCO Project, 2011. Local welfare policies in Spain: Employment, housing and child care.

²³ Barcelona European Council Conclusions, March 2002: Member States should remove disincentives to female labour force participation and strive, taking into account the demand for childcare services and in line with the national patterns of childcare provision, to provide childcare by 2010 to at least 90 % of children between three years old and the mandatory school age; and at least 33 % of children under three years old.

Figure 3. Children in formal childcare or education / other types of childcare by age group and duration (% over the population of each age group, 2015)



Source: Eurostat, EU-SILC

As mentioned above, education is free of charge for all children in public schools from the second cycle of early childhood to secondary level (from 3 to 16). This is not the case for the first cycle however. The Autonomous Communities and municipalities play an important role in early childhood education and own public nursery schools which have increased in number and facilities in recent years. However, they are not sufficient according to the need for childcare. In 2008, the so-called 'Educa3 Plan' was set up with the objective of supporting the construction of pre-primary school infrastructure for children under three years. In 2012 the Plan was cancelled, having built a record 72 548 new additional places in the four years it lasted, covering 3.92 % additional children aged three and under (Parliament Session's Diary, 2014). Although the use of formal under three years childcare services is higher in Spain than the EU-28 average (35 % and 27 % respectively in 2013, according to EU-SILC Eurostat), it decreased by four percentage points during the crisis, from 39 % in 2007.

Moreover, the national Ministry of Education, Culture and Sports and the Education and Welfare departments of the Autonomous Communities offer grants in different forms in order to make the costs of first-cycle childhood education more affordable for certain families, which are usually based on the amount of family income (European Parliament 2013)²⁴. According to Save the Children (2017), the availability of these grants is insufficient and unequal among the Autonomous Communities.

For early childhood care and education, the specific qualifications required are a university degree in Pre-Primary Education to be able to teach both the first and the second cycles. To be eligible to teach the first cycle, slightly lower qualifications are required. Auxiliary staff can be hired to help in the more care-based activities though the exact qualifications for such individuals are not clear (European Parliament 2013).

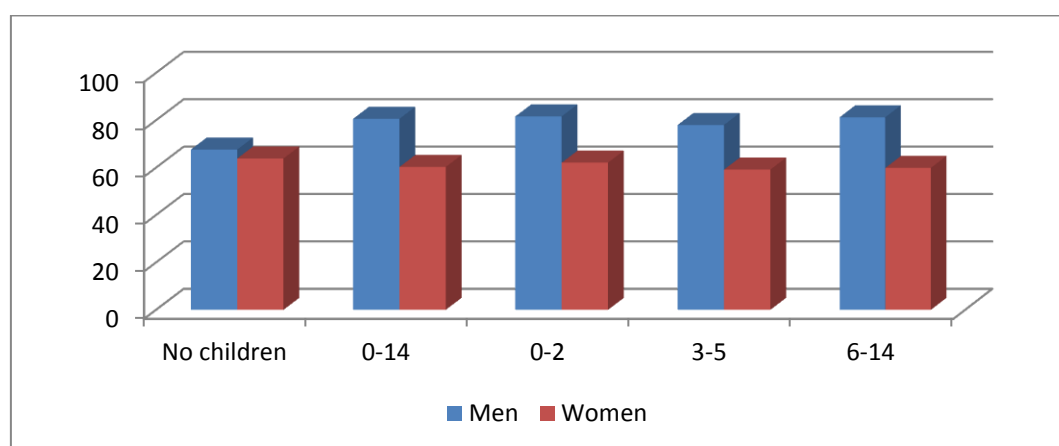
Out-of-school services, which covers the care of school-aged children, were traditionally provided by mothers, but female formal full time jobs are nowadays incompatible with extensive care activities. Thus three strategies have emerged: increasing fathers' and other family members' participation, increasing private

²⁴ European Parliament, 2013. Quality in Early Childhood Education and Care Annex Report Country & Case Studies.

professional services and increasing public support services (González-Gago 2011). As stated by the WILCO Project (2011), “municipalities and parents’ school boards are also taking more and more responsibility, and this is one area of innovation and potential good practice at local level. There have also been some experiences of vouchers and employer support to childcare in some Autonomous Communities, however they are not widespread and information [about them is not easy to find]” (p.25).²⁵

The ‘at work’ rate²⁶ can be used as a good indicator for the demand of childcare facilities. In 2014, according to OECD²⁷, maternal employment accounted for 49.95 % of mothers with their youngest child under three years old and 54.13 % with a youngest child aged between three and five. On the other hand, the impact of parenthood present opposite trends for men and women: while the difference between the employment rates of men and women without children is 3.76 pp in favour of men, this is widened when there are children between 0 and 14 years old up to 20.32 pp, due not only to the fact that it decreases the employment rate of women but mainly because it significantly increases that of men²⁸.

Figure 4. Employment rates by sex and age of youngest child (2015)



Source: OECD.

2.3 Non-care activities (cleaning, ironing, gardening etc.)

There is no available information with regard to non-care activities in Spain, because of the lack of a definition of the sector and the inclusion of these activities within different categories of NACE²⁹ classification. Therefore, it is necessary to clarify that information referring to various classifications of activities will be used in this analysis, with data about employment from the Labour Force Survey (LFS) and data on

²⁵ WILCO Project, 2011. Local welfare policies in Spain: Employment, housing and child care.

²⁶ According to OECD, ‘Employment’ as defined in international labour statistics includes not only those individuals who report they were at work during the survey reference period, but also those who had a job from which they were temporarily absent. Valid reasons for temporary absence differ from survey to survey but it usually includes employment-protected maternity and parental leave, within certain limits.

²⁷ OECD, 2016. Walking the tightrope: Background brief on parents’ work-life balance across the stages of childhood.

²⁸ Ibid.

²⁹ Statistical Classification of Economic Activities in the European Union.

affiliation to social security (situations of affiliation), which provide different types of information.

As for the care activities, there are two complementary models of employment: according to ORSEU (2013) these include, "workers who are employed by an organisation (private or public, for profit or not for profit) which sells services to households, who are the purchasers; and workers who are directly recruited by private individuals or households to perform domestic tasks in their home." (p.5)³⁰

According to an ILO report (2013), Spain is considered to be one of the industrialized countries in the EU with the highest number of domestic workers working in the sector in comparison with the rest of EU countries. From 1995 to 2010, the number of domestic workers increased rapidly, reaching approximately 730 000 employees in 2010 (Eurostat, LFS, NACE 97), which meant 2.3 % of total employment, compared with only 1.2 % in the EU-28³¹. As of 2016, this number has diminished by 14 % but it stills triples the number of workers in NACE 88, which compares to a ratio of 0.4 in the EU-28. Therefore, two important differences arise in the comparison with the EU-28 (data of 2016): first, employment in both NACE 88 and 97 meant 2.2 % of total employment in Spain, 1.2 pp less than EU-28 (with 3.4 %); second, the care and non-care system in Spain is characterized by a much larger weight of households hiring workers, thus with a large degree of informality and low professionalization.

In relation to working conditions in domestic employment, a new instruction was approved in 2011³², which regulates the specific relationship between domestic employees and employers in order to provide new guarantees and more security to employees. Thus, according to an ORSEU (2013) report for the DG Employment, Social Affairs and Social Inclusion from 1985 to 2012, workers in domestic jobs were covered by the Special Regime of Social Security for Domestic Workers (*Régimen Especial de Empleados del Hogar*), "that gave them a very weak status in terms of protection and rights, compared to standard workers. These weaker rights were indeed [reflected in a] low level of social security contributions that employers and employees were required to pay" (p.53) and on loose working condition regulations regarding working hours, holidays, wage, etc.

Applied since 1 January 2012, the new regulation considerably improved the rights of around 700 000 domestic workers, according to the LFS (see next section). According to ORSEU (2013), "[o]n such aspects as wages or working time, it now puts domestic workers on a same par as normal employees in other sectors." (p.53)

Therefore, the reform introduced the applicability of the Minimum Interprofessional Wage to household workers; also, it established that the wage must be paid in currency rather than in kind. Additionally, it introduced the allowance for householders "to make some deductions from wages for accommodation or maintenance although these may be no more than 30 % of the agreed wage" (ORSEU 2013, p.53). It also fixed the statutory maximum working week of 40 hours as well as the statutory minimum length of rest between working days of 12 hours for household workers (fixed as 10 hours before the reform).

³⁰ ORSEU, 2013. Developing personal and household services in the EU. A focus on housework activities.

³¹ On the contrary, workers in NACE 88 meant 2.4 % of total employment in EU-28 but only 1.2 % in Spain in 2016.

³² Royal Decree 1620/2011, which regulates the special employment relationship of the family home service.

Additionally, it established that any labour relationship between a householder, as an employer, and an employee who provides services for remuneration within the employer's family household shall be deemed a special domestic service labour relationship, and that workers must be included in the general social security system (though a particular division called *Sistema Especial de Empleados del Hogar*), which was not the case before the reform.

According to ORSEU (2013), "[a]nother major change is also the requirement for a written employment contract when a working relationship lasts for more than four weeks." (p.53) Also, it introduced greater employment stability as a result of eliminating non-causal temporary annual contracts and imposing the rules comprised in the Workers' Statute relating to temporary recruitment. However, the negotiating position of the employed persons of the household is still very low.

Although this legal reform has been an important step forward, Spain has not ratified the ILO Convention 189. Sources of the Ministry of Employment and Social Security declared in March 2017 that it was not a priority for the Spanish Government to ratify this agreement because it would mean an increase in public spending as it would imply recognition of the entitlement of domestic workers to unemployment benefit³³.

	Direct employment	Service provider
Care	Informal caregivers (mainly from the family environment) according to LAPAD.	Services financed by public administrations in the fields of LAPAD. NACE 88.
	Domestic workers in situations not covered by LAPAD, but who are directly hired by families for care activities. Part of NACE 97.	Services paid by the user to a company, in the field of care (childcare, dependency, etc.).
Non-care	Workers of the Special Regime for Domestic Workers, hired by families to work in non-care activities. Part of NACE 97.	Services paid by the user to a company, in the field of non-care (cleaning the house, gardening, etc.).

3 Importance of the undeclared economy for PHS activities

No official data is available about the total number of persons employed in the PHS sector in Spain, and therefore it is difficult to estimate the undeclared economy for these activities³⁴. The lack of a clear definition of the sector and of adequate statistics makes estimations difficult. On the other hand, the activity of the labour inspectorate is hampered in this sector, particularly when it comes to direct employment hired directly by households, because labour inspectors are not allowed to enter private homes, where informal and/or undeclared work is common.

However, there are available statistics from LFS and Social Security affiliation on two NACE categories under which PHS could be covered: NACE 88, 'Social work activities without accommodation' and NACE 97, 'Households as employers of domestic

³³ Martín Plaza, A. (2017), International Day of Domestic Workers. RTVE news: <https://bit.ly/2olOMu8> 30 March 2017.

³⁴ There is no official estimation on undeclared work or economy in any sector.

personnel'. The comparison between data on affiliation and the survey can provide an estimate of workers not affiliated, thus undeclared³⁵.

This methodology has been used by ORSEU³⁶, who obtain estimates of "irregularity in employment in Spain as comprised between 11 % (strict approach) and 21 % (large approach) in 2007-2008. In 2009, this rate of irregularity would have decreased to between 6 % (strict approach) and 15 % (large approach)." (p.68)

According to updated data, there is a notable difference between the number of employees as estimated from the Spanish LFS (840 800 for 2017 for economic activities 88 and 97) and the number of affiliations to Social Security (702 545). This gap represented in 2017 138 255 workers and 16.4 % of the number of employees in LFS (NACE 88 and NACE 97). This difference provides a first idea of the importance of undeclared work in PHS sector in Spain.

Table 2. Employees in PHS according to LFS and to Affiliation to Social Security

	NACE 88			NACE 97		
	Affiliation to Social Security	Labour Survey	Force	Affiliation to Social Security	Labour Survey	Force
2010	311 915	214 450		336 908	735 450	
2011	349 158	221 775		339 801	686 875	
2012	332 788	220 875		395 360	653 450	
2013	203 520	207 000		468 468	669 775	
2014	206 707	193 950		473 285	656 975	
2015	211 749	194 775		475 112	627 800	
2016	221 177	205 450		473 614	624 050	
2017	234 771	209 075		467 775	631 725	

Source: INE (LFS) and Social Security (affiliation)

As seen in Table 3, there are important gaps between workers declaring to undertake activities in NACE 97 of the LFS and those affiliated to Social Security under the same category. Thus 163 950 workers in 2017, a rate of 26.0 % of the number of employees in LFS, declared to be working under this category above those affiliated to Social Security. This is a better estimate of undeclared work in this specific sector (NACE 97), particularly affected by activities in which families hire domestic help directly.

³⁵ Data on Social Security affiliation does not strictly match with number of people affiliated. It refers to 'situations of affiliation', and one person can be affiliated several times in the same moment if, for example, he/she works for different employers. This explains why, for instance, in NACE 88 the number of workers in LFS is smaller than the number of 'situations of affiliation'. This needs to be corrected, but data are not readily available and it has not been possible. That said, when the opposite occurs, such as in NACE 97, it is an approximation of work not registered with social security, thus undeclared.

³⁶ ORSEU, 2013. Developing personal and household services in the EU. A focus on housework activities.

Table 3. Difference between LFS and Affiliation to SS

Difference LFS-SS	NACE 88	NACE 97
2010	-97 465	+398 542
2011	-12 383	+347 074
2012	-111 913	+258 090
2013	+3 480	+201 307
2014	-12 757	+183 690
2015	-16 974	+152 689
2016	-15 727	+150 437
2017	-25 696	+163 950

Source: Own calculation based on INE (LFS) and Social Security (affiliation)

It is important to emphasize that data on social security does not strictly match with number of people affiliated, because it provides information on situations of affiliation. Thus, one person could be affiliated several times in the same moment if, for example, he/she works for different employers. This usually happens in Spain in the PHS sector. This is the reason why the differences in NACE 88 are negative.

As included in ORSEU³⁷, some Spanish regions have also estimated the importance of undeclared work. "Research done by the Observatory of Employment in the Navarra region estimated a level comprised between 40 % and 66 %³⁸ in 2009." At national level, the Spanish Association of Personal Services (AESP) has estimated that 1.2 million hours of work (70 % of total hours worked, which equalled 1.7 million) were undeclared in PHS in Spain in 2009 (ORSEU 2013, p. 68).

Regarding prices and wages, the minimum wage for these workers is set in Spain, as stated in the instruction approved in 2011³⁹, by the statutory national minimum wage, which is EUR 5.76 hour in 2018⁴⁰ (gross prices).

According to an analysis of different services and providers in internet platforms and announcements (see Annex 3 for list of platforms consulted), the average hourly price in the capital (Madrid), is EUR 6 in formal non-care activities. On the other hand, for care activities there are important differences between direct employment (about EUR 7), provider organisations (EUR 14.5) and intermediary online platforms (EUR 10.2).

With regard to the undeclared economy, as reflected in the on-line platforms and announcements, the hourly wage is about EUR 10 for non-care activities while that for care activities is about EUR 6 (net prices).

³⁷ ORSEU, 2013. Developing personal and household services in the EU: A focus on housework activities.

³⁸ ONE Observatorio Navarro De Empleo (SNE), Servicios domésticos y servicios personales en el hogar, 2009.

³⁹ Royal Decree 1620/2011, which regulates the special employment relationship of the family home service.

⁴⁰ Royal Decree 1077/2017 which establishes the minimum interprofessional salary for 2018.

The higher hourly price of informal non-care with respect to formal non-care services may be reflecting the fiscal wedge and the lower number of hours worked when carrying out informal work, which tends to increase the hourly price; on the contrary, the lower hourly price of informal versus formal care services may be reflecting the higher presence of irregular migrant workers, who tend not to be very well qualified, and also the higher number of hours usually worked in care activities, which may result in a lower hourly price.

As mentioned, the fiscal wedge is an important factor affecting the cost difference between regular workers and those in the undeclared economy, at least in the case of non-care activities; namely the difference between take-home pay and the total labour cost⁴¹. Employers' social security contributions amount to 23.6 % of the regulatory basis (a proxy of the wage) and employees' contributions to 4.7 %. The social security contributions within the special system for domestic workers are slightly lower: 22.85 % for the employer and 4.55 % for the worker. There is at present a bonus for all new registrations in Social Security for domestic workers equal to 20 % of the employer's contribution, which is increased to 25 % in households with large families (families with 3 or more children)⁴². This rebate aims to promote formal hiring of domestic workers and is intended to last until 31st December 2018, since total equalisation of the special regime of domestic workers with the general regime is foreseen in 2019⁴³. When it comes to non-professional domestic workers, after the above described reform in 2012, they need to pay themselves the contributions, which amount to 22.85 % of the regulatory basis (usually the minimum wage). As explained above, this provoked a drastic de-registration of non-professional carers with the social security Special Regime of Households workers (from 180 000 in July 2012 to 8 500 in December 2017), a majority of which gradually affiliated to the general regime as household workers (NACE 97) (from 395 360 in 2012 to 467 775 in 2017).

There is no national reduction in income tax for hiring domestic workers, but three Autonomous Communities include it: Andalusia has a deduction of income tax for domestic help for workers with children, equal to 15 % of the annual social security contribution of the domestic worker, with a maximum limit of EUR 250 per year; in Castilla and Leon there is also a deduction of 15 % of social security contributions, with a maximum limit of EUR 300, for taxpayers who have a child under four years of age, and whose personal and family income does not exceed certain thresholds; and Galicia has a deduction for childcare that includes a reduction of 30 % of the cost of the pre-primary school or the amounts paid to the domestic worker taking care of a child under 3, with a maximum annual limit of EUR 400 (600 in cases of two or more children).

Finally, as will be further detailed in next section, there is a clear majority of employment provided by foreign nationals under these activities in Spain, mainly those in NACE 97. It is important to emphasize that the irregular or undeclared economy seems to be quite prevalent among foreign workers (particularly among foreign women) and that non-professional care services (with and without

⁴¹ Picchi, S. (2026), The elderly care and domestic services sector during the recent economic crisis. The case of Italy, Spain and France. *Investigaciones Feministas* 169 ISSN: 2171-6080, Vol. 7 Núm 1 (2016) p.169-190.

⁴² As established in RDL 8/2015, consolidated text of Social Security, and RDL 14/2017, approving the reactivation of the program for professional requalification of unemployed having exhausted unemployment benefits (first additional disposition).

⁴³ Above mentioned RDL 8/2015, 16th additional disposition.

accommodation) appear to be a widespread work option for irregular immigrants. The high level of irregular and undeclared economy in care activities between unfavoured and non-professional workers seems to be a key factor for low salaries in this sub-sector.

4 Statistical information

No official data is available about the total number of persons employed in the personal and household service sector in Spain, but different approximations confirms that they represent an important sector in terms of employment. As mentioned above, two main activities are considered to analyse the activity in PHS. They are:

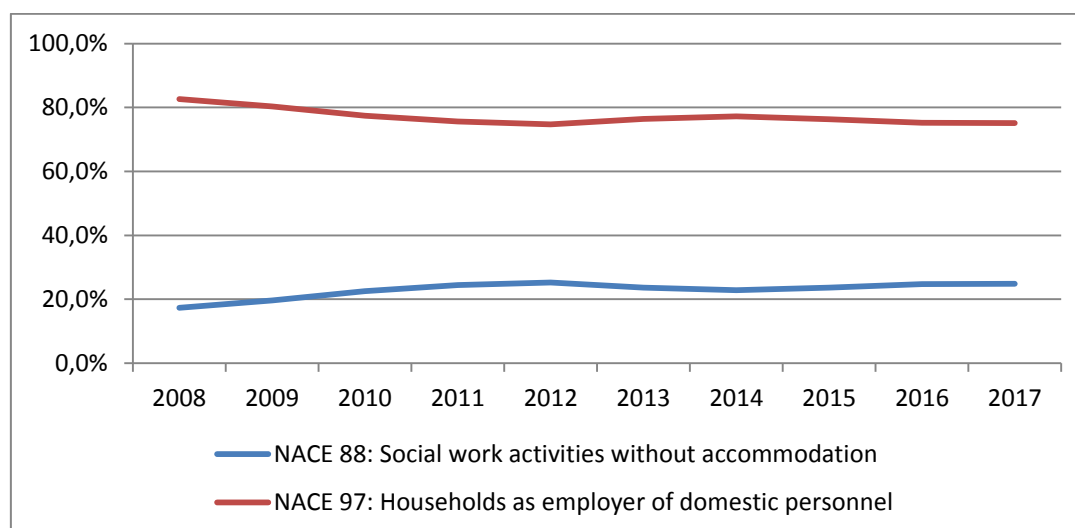
- The sector of home-based social care services. These services are regulated by LAPAD and categorized under NACE 88, 'Social work activities without accommodation'.
- On the other hand, there is the sector of households as employers of domestic personnel, including care and non-care activities. These activities are regulated by the Royal-Decree on Domestic Workers. They are categorized under NACE 97, 'Households as employer of domestic personnel'.

Also, there are two main sources of statistical information for these categories: the LFS and the social security registries.

Thus, in 2017, according to LFS, there were more than 209 075 workers employed in 'social work activities without accommodation' in Spain (NACE 88, i.e. excluding residential care activities). According to the same data, there were also almost 631 725 workers recruited to perform domestic tasks (NACE 97: households as employer of domestic personnel). In total, this represents around 840 800 workers in this field.

These data help identify national configurations of employment in PHS in Spain, where family employment is the dominant model. They also suggest that Spain is in the middle of a transition model, from unpaid domestic work and informal employment in private homes to paid regular domestic work⁴⁴.

Figure 5. Share of Employees in NACE 97 and NACE 88 (Labour Force Survey)



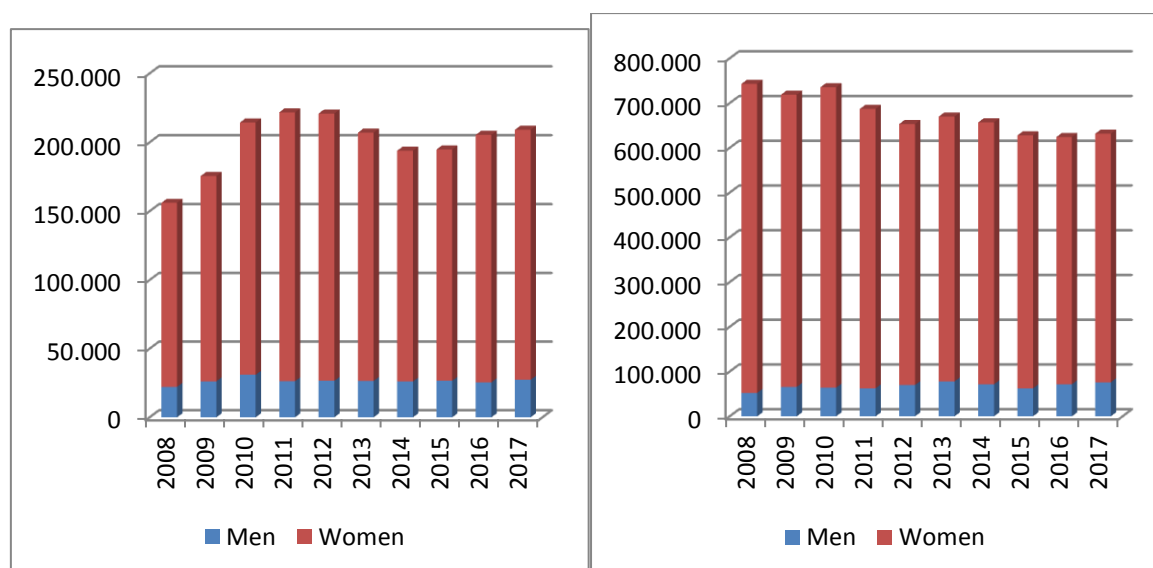
Source: Labour Force Survey.

⁴⁴ ORSEU 2015. Thematic Review on Personal Household Services.

The data on the affiliation of workers to social security under these categories show the same trends: there were 221 177 (while 209 075 according to the LFS) workers employed in 'social work activities without accommodation' in Spain (NACE 88, i.e. excluding residential care activities). According to the same data, there were also almost 473 614 (while 631 725 in the LFS) workers recruited to perform domestic tasks (NACE 97: households as employer of domestic personnel). In total, this represents around 694 790 (840 800 in the LFS) workers in this field.

Regarding gender, there is a clear concentration on women, who account for more than 86.9 % in NACE 88 and 88 % in NACE 97. For NACE 88, the proportion of women has increased by 1.1 percentage points from 2008 (85.8 %), while in the case of NACE 97 the female participation has decreased by 2.9 percentage points (92.9 % in 2008).

Figure 6. Employees in NACE 88 (left) and NACE 97 (right) by gender (LFS)



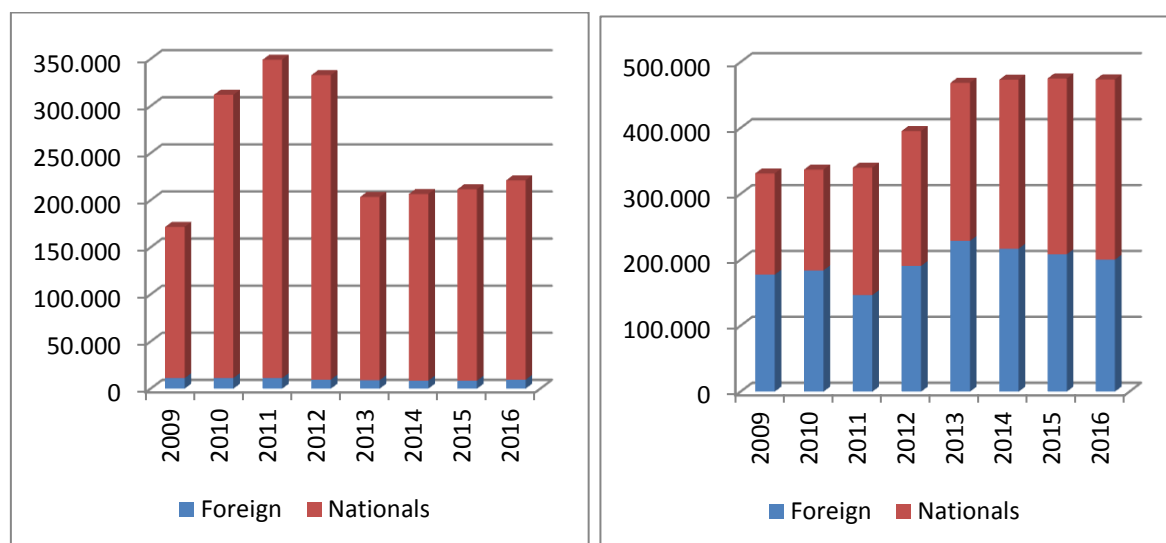
Source: Labour Force Survey.

On the other hand, the sector is characterised by an important participation of migrants (women), in particular in the sector of households as employers of domestic personnel.

No data are available from the LFS, so an analysis based on social security affiliation provides an approximation although it is heavily affected by undeclared work.

Thus, in 2016 a total of 9 463 foreign nationals were registered in the social security system as workers in NACE 88, 4.3 % of the total number of workers registered for this particular activity. This is significantly below the rate of foreign affiliation for the entire Spanish economy, which was 9.6 % in that year. On the contrary, the number of foreign workers is much more important for the activities of households as employers of domestic personnel, and those foreign national registered in social security under NACE 97 amounted to 200 122 in 2016, with a share of 42.5 % of all the affiliations to social security under that category.

Figure 7. Employees in NACE 88 (left) and NACE 97 (right) by nationality (Social Security)

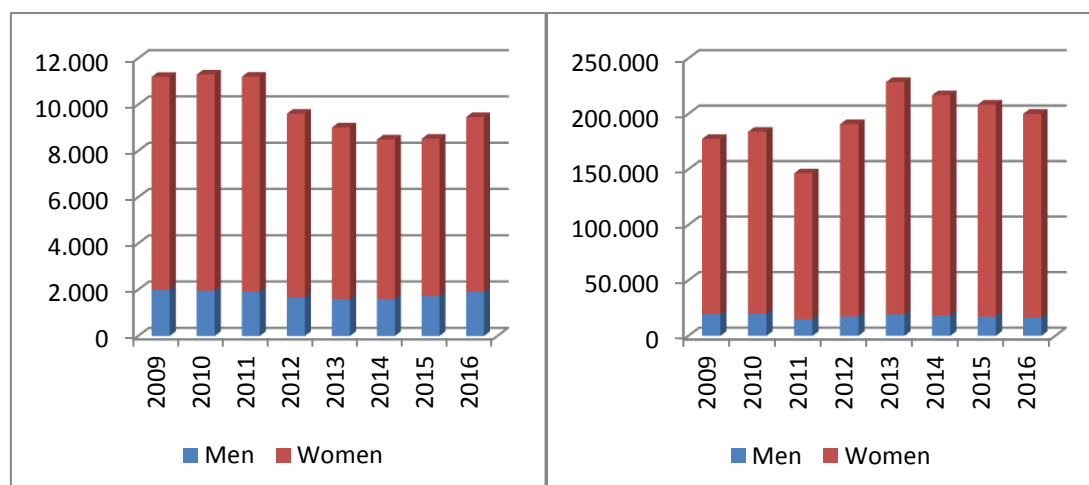


Source: Social Security.

These data reveal how significant has been the incorporation of foreign workers into the sector: while the number of Spanish domestic workers (NACE 97) has remained unaltered since 1996 (at just over 200 000), the number of foreign domestic workers has risen from 15 500 in 1996 (ORSEU 2013, p.55) to 200 122 in 2016. The share of foreign employees was equal to 7 % in 1996 and was more than 42 % in 2016.

Regarding the gender of foreign employment, for NACE 88, the proportion of women was in 2016 80.8 % of total migrant employees, although it slightly decreased by 2.3 pp in the previous seven years (from 82.3 % in 2009). For NACE 97, the female participation rate reached 91.8 % of the total foreign employment under this category in 2016 and increased by 2.9 pp since 2009 (88.9 %). Nowadays the domestic sector “is not just highly feminised but also remarkably foreignized”⁴⁵.

Figure 8. Foreign workers affiliated to Social Security in NACE 88 (l) and NACE 97 (r)



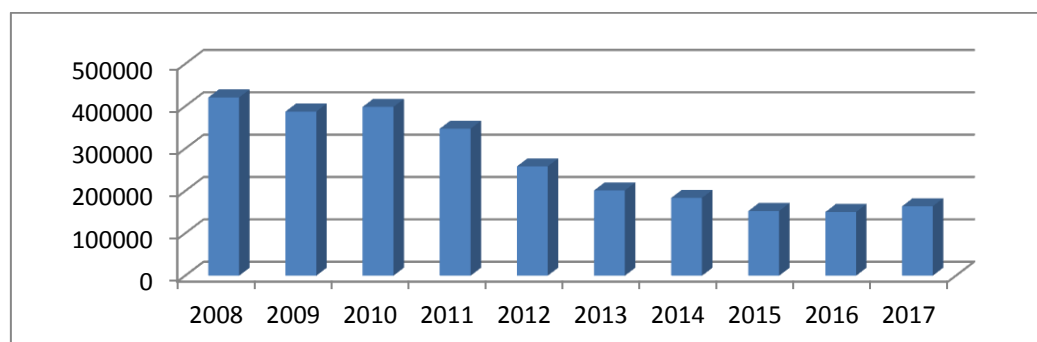
Source: Social Security.

⁴⁵ M. León, 2010. Migration and Care Work in Spain: the domestic sector revisited.

As stated earlier in this report, the irregular economy seems to be quite prevalent among foreign workers, particularly among foreign women, and non-professional care services (especially activities without accommodation) appear to be a widespread work option for irregular immigrants⁴⁶.

Finally, as seen in Table 3 in the previous section, there are important discrepancies between the number of workers registered with social security and those declaring undertaking activities in NACE 97 to the LFS. Thus 163 950 workers in NACE 97 declared to be working under this activity above those affiliated to social security. This gap could provide a first estimate of the undeclared work in this sector:

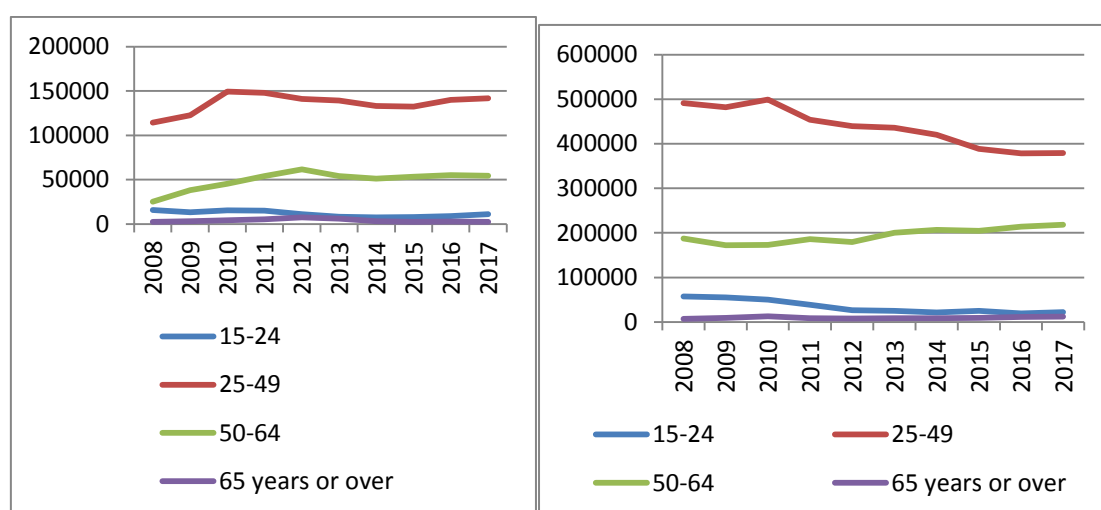
Figure 9. Difference between LFS and SS Affiliation in NACE 97 (UdW)



Source: Own calculation based on LFS and Social Security.

Regarding age, it is worth mentioning the important increase of middle-age workers (25-40 and 50-64) in social work activities without accommodation (NACE 88) from 2008 up to 2010-2012, which has partially recovered from 2015. On the other hand, employment in activities of households as employers of domestic personnel (NACE 97), has been ageing, as the number of workers between 15-24 and particularly between 25-49 has reduced sharply, while those aged 50-64 has increased. According to the trends shown in Fig. 10, some of the household workers (NACE 97) aged 25-49, could have moved to NACE 88, in line with the transition to a more formal and professional model of service provision.

Figure 10. Employment by age in NACE 88 (l) and NACE 97 (r) (LFS)



Source: LFS (Eurostat).

⁴⁶ 4Quality Project, 2015. Quality of jobs and services in the PHS sector in Spain.

5 Difficulties faced by families regarding work-life balance

One of the main difficulties regarding work-life balance is the “negative and statistically significant association between the probability of working on a temporary (precarious) contract and the probability of being off work taking parental leave” (Escot et al 2014, cited in EU Commission 2016, p.37).⁴⁷

Thus, in Spain, “the percentage of wage earners with temporary contracts is very high (around a quarter of the working population). Among them there are high levels of insecurity of employment, and this may lead to some of them not exercising their right to childbirth leave because of fear of their employers’ reaction. This negative effect of having a temporary contract, however, is significantly lower in men than in women” (Escot et al 2014, cited in EU Commission 2016, p.37).⁴⁸

On the other hand, Spain has some of the lowest levels of flexible work in Europe. Thus, the prevalence of ‘low flexibility’ in organisations in Spain has been traditionally higher than the EU average. According to the European Working Conditions Survey 2015, Spanish workers have more fixed starting and finishing times at work (69 %) than the EU (62 %). According to the European Commission⁴⁹, a 2014 study by the Institute of Public Policy Research (IPPR) (Silim and Stirling, 2014) found that countries with the highest levels of employee autonomy over work schedule “had the highest female employment rates while those with the lowest levels of autonomy [including Spain] had the lowest levels of female employment.” (p.92)

On the other hand, according to Eurofound⁵⁰,

“the work-life balance indicators in Spain are close to the EU-28 averages. Overall, 65 % of workers in Spain reported in 2016 being ‘too tired from work to do some of the household jobs which need to be done’ at least several times a month, while the respective EU-28 average is 59 %. Furthermore, 41 % in Spain feel that ‘it has been difficult to fulfil family responsibilities because of work’, which is close to the EU-28 average of 38 %. Women are more likely to report work-life balance problems in Spain. For instance, 70 % of women feel ‘too tired from work to do some of the household jobs, compared to 60 % of men.”

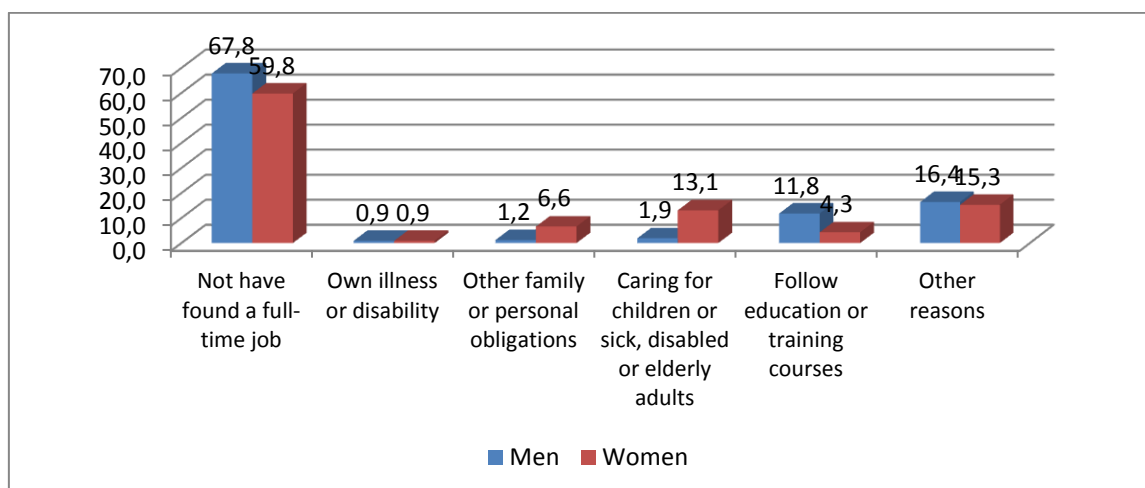
⁴⁷ L. Escot, J. (2014), Andres Fernandez-Cornejo, and C. Poza, ‘Fathers’ Use of Childbirth Leave in Spain. The Effects of the 13-Day Paternity Leave’, *Popul. Res. Policy Rev.*, vol. 33, no. 3, pp. 419–453, June 2014, in Challenges of work-life balance faced by working families. European Commission, 2016.

⁴⁸ Ibid.

⁴⁹ Challenges of work-life balance faced by working families. European Commission, 2016.

⁵⁰ Eurofound Country Profile Spain Living and working in Spain (2016). Internet: <https://www.eurofound.europa.eu/country/spain#work-life-balance>

Figure 11. Reasons for part-time work Spain (15-64 years old) (LFS). 2016



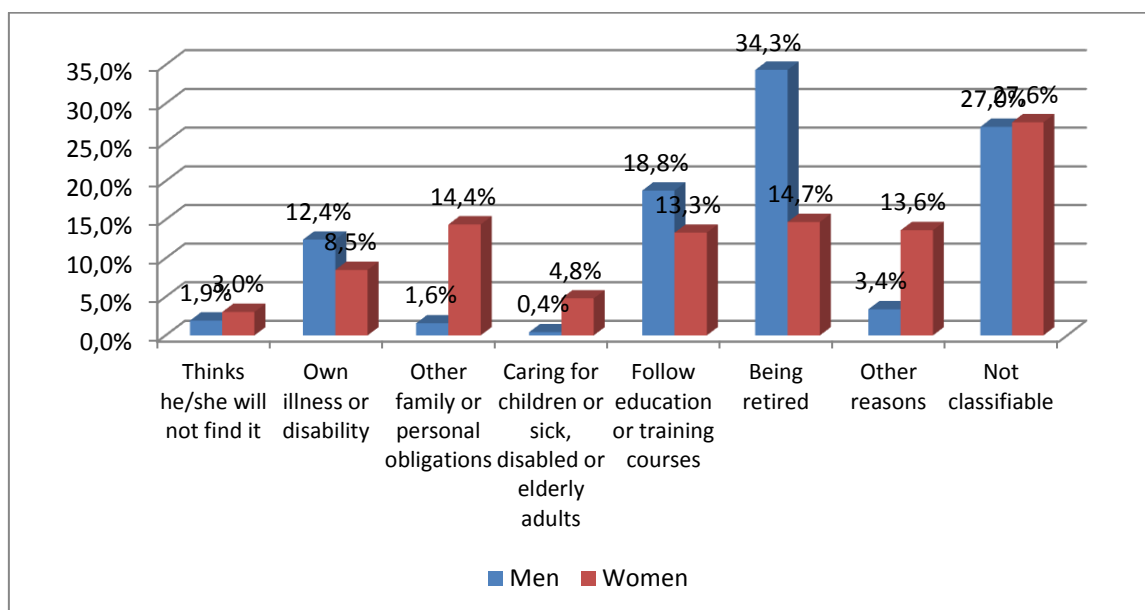
Source: LFS.

Part-time work in Spain is not as prevalent as in EU-28, much less among women: only 23.9 % of female workers are part-time, compared to 31.4 % in the EU-28. The data on the reasons for part-time employment in Spain, segregated by sex, show the important problems with work-life balance especially for women, due to personal and household activities.

In particular, 6.6 % of women working part-time use this scheme because of family and personal obligations, against only 1.2 % of part-time male workers. On the other hand, 13.1 % of female part-time workers use this scheme due to the need for caring for children, sick, disabled or elderly adults, while the ratio is 1.9 for men.

On the other hand, personal and household occupations are not only important for women in terms of part-time work, but also they are an important reason for inactivity. Thus, care and other family and personal obligations are the reason for inactivity for 19.2 % of women, while for men they account for only 2 %.

Figure 12. Reasons for inactivity in Spain (15-64 years old) (LFS). 2016



Source: LFS.

Taking the data on part-time work and inactivity, an estimate can be made on the number of consumers of PHS who could potentially (re-)start working if they had their care and non-care needs better satisfied.

According to the LFS, in Spain (2016):

- 27 000 men and 438 900 women are inactive due to caring for children or sick, disabled or elderly adults (465 900 people).
- 102 000 men and 1 317 700 women are inactive due to other family or personal obligations (1 419 700 people).

Thus, 1 885 000 more people could enter the labour market as a result of the (re-)commencement of working of inactive people due to access to PHS in the field of care or personal activities.

Furthermore, more hours of work could be available as a result of the increase of working hours of those people working part-time.

According to LFS, in Spain (2016):

- 11 000 men and 258 000 women work part-time due to caring for children or sick, disabled or elderly adults (269 000 people).
- 10 300 men and 130 000 women work part-time due to other family or personal obligations (140 300 people).

A total of 409 300 people work part-time in Spain due to caring for children or sick, disabled or elderly adults or due to other family or personal obligations. Assuming an average estimate of 40 % to 60 % potential of additional work from these people, between 163 720 and 245 580 persons (in full-time equivalent) could (re-)start working.

Besides the availability for work of potential consumers of PHS (more and better), it is important to emphasize the number of jobs created directly in the PHS sector itself, the jobs generated by the providers. As stated previously in this report, more than 79 000 direct jobs would be created in the field of long-term care if the System for Autonomy and Care for Dependency took care of the 310 000 persons entitled to benefits but still not receiving them in any form.

A simple extrapolation of this last calculation, assuming that every inactive person or part-time worker (a total of 2.3 million in FTE) would need care services in the same proportion as these 310 000 persons, then 0.52 million jobs could be created in the PHS sector, that would allow around 2.3 million additional persons to be available for the labour market in Spain.

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

Meal and/or luncheon vouchers (and to a lesser extent kindergarten places for children under age three) are one of the most widespread in-kind remunerations in business policy in Spain. According to the Spanish Association of Food Vouchers and Other Services (AEEVCOS), about 15 000 companies in Spain provide these vouchers to approximately half a million workers. However, the different legislative changes during this decade have reduced part of their fiscal advantages for the company and the workers.

Thus, until 2013, meal / luncheon / kindergarten vouchers were exempt from Social Security contributions (which are fixed at about 36 % of the gross salary and paid

between the employer (30 %) and the employee (6 %)) and income tax (which is set depending on the level of income of the employee), which made this remuneration fiscally more attractive for workers and companies than that of usual wages.⁵¹ However, the Government decided in 2013 that all those schemes needed to be listed in Social Security, thus diminishing the interest of employers and employees in them. According to estimates of AEEVCOS, about 10 % of workers lost their vouchers after the reform. Nevertheless, these in-kind benefits are still exempt from income tax⁵², so that parents of children below three years of age can benefit from approximately 20 % reduction of the childcare cost⁵³. There are no readily available data on how many workers or companies are offering this possibility.

Also, companies (mainly large)⁵⁴ are incorporating kindergartens and primary schools into their own facilities. If the company offers an education service from preschool to high school and vocational training, free of charge or at a lower than normal price, it will also not be considered as performance in kind and will not pay taxes. However, education must be provided in an approved educational institution.

On the other hand, in order to promote the exchange of good practice and experience in the field of Equal Opportunities between women and men in the workplace, a forum is being promoted by the Ministry of Health, Social Services and Equality. It is called DIE Network (Network of companies with the Equality in Enterprise Label), as a tool for the exchange and sharing of good practices on gender equality.

The DIE Network is composed of 142 companies, with around 235 000 employees, 42.5 % of which are women. Some of the shared positive experiences are related to flexible working times or specific measures for people in special need of reconciliation⁵⁵.

7 Emergence of new actors in PHS

According to the European Federation for Services to Individuals (EFSI), the number of live-in care workers is growing throughout Europe. As noted by the European Economic and Social Committee (EESC), the exact number of live-in care workers is unknown due to a lack of data. This is also the case for Spain. Due to the growing importance of this category throughout Europe, initiatives have been promoted⁵⁶ in order to give transparency to the sector and include it fully into social protection systems. Thus, it is expected that in Spain these actors will be more prominent in the future.

⁵¹ However, the lower contribution to the social protection system could affect the unemployment benefit or the retirement pension of the beneficiaries. Only in the cases of high salaries (over approx. EUR 45 000) that reach the maximum wage ceiling to calculate employers' and employees' social security contributions, on which unemployment benefits and pensions depend, did the vouchers' scheme have no impact.

⁵² In the case of meals / luncheon vouchers up to EUR 11 per day (EUR 270 per month). With no limit for kindergarten places.

⁵³ The reduction would equal the marginal income tax rate of the part of the wage that is devoted to pay the kindergarten.

⁵⁴ Such as Abengoa, Banco Santander, Caja Madrid, Casa Tarradellas, El Pozo, Mercadona, Metrovacesa, or Tous.

⁵⁵ Internet: <http://goo.gl/wCCFhY>

⁵⁶ The EESC plans to build on this and promote the development of European policies that support carers, care recipients and their families by, amongst other things, conferences on the future of live-in care work in Europe (London, 29 November 2016) to discuss concrete steps towards properly regulating the sector.

The development of new technological devices will impact on the relationship between society, technology and individuals and will be particularly important in the field of PHS. Therefore, the involvement of technology and R&D actors is becoming important for the further development of these services. Among others, the 13 Spanish Reference Sites selected by the European Innovation for Partnership in Active and Healthy Ageing (EIP-AHA)⁵⁷, are involving technology providers in their 'Quadruple Helix' models.

Today's transformative trends, calling for increased flexibility in work organisation and employment relations, have also resulted in the emergence of new forms of employment. The emergence of new technological and digital devices together with the increased flexibilisation in work organisation are resulting in the rise of innovative solutions, such as the collaborative and sharing economy, also in PHS. In Spain, platforms for care of elderly people, (such as Familiados, <https://familiados.com/>), or children (<https://www.sitly.es/>), or for cleaning/ironing (<https://clintu.es/>) are wide spread. No data are available about the number of users or workers.

However, these initiatives are characterised by new forms of employment in terms of work patterns and places of work, by the irregular provision of work, and can be based on non-standard contractual arrangements or on self-employment status⁵⁸. Indeed, one promising start-up orientated to PSH had to change its core business because it could not compete with undeclared work and faced even the risk of being sanctioned by the labour inspectorate⁵⁹.

Thus, the digital innovation and the collaborative and sharing economy in PHS suggests not only an interesting opportunity, but also an enormous challenge, at least in Spain, where labour in PHS is characterised by severe precariousness (undeclared work, part-time, low wages). It is extremely necessary to take account of this precariousness and to allow the availability and quality of services to increase.

As stated by the EC in its consultation on 'Access to Social Protection for All'⁶⁰, these new forms of employment may have less access to social protection and related employment services than workers in standard employment and yet, so it is extremely important to ensure sufficient access to social protection benefits and employment services.

8 Main findings and Conclusions

There is no definition of personal and household services in Spain. Therefore, no official data are available on their complete characterization, and it is very difficult to have a clear picture of its configuration.

However, some estimates can be made using different sources of information on two main categories of activities under NACE (88 and 97), mostly distinguishing between care activities mainly provided through companies and activities (care and non-care) provided by employers directly hired by households.

⁵⁷ Internet: <http://www.scale-aha.eu/reference-sites.html>

⁵⁸ Public consultation on a possible EU action addressing the challenges of access to social protection for people in all forms of employment in the framework of the European Pillar of Social Rights. European Commission (2017) p.9.

⁵⁹ Internet: <https://startupxplore.com/es/blog/startups-tareas-domesticas/>

⁶⁰ Stakeholder Consultation Strategy - Access to social protection. Internet: <https://goo.gl/vzkSHZ>

First, it is important to emphasise the traditional use in Spain of the 'Mediterranean' model of social protection, relying heavily on families and relatives. Thus, Spain maintains a lower percentage of services on offer in the residential and household services sector offered by companies and conversely a larger percentage of those services are financed by the family or household. The size of NACE 97 in Spain triples the size of NACE 88, whereas NACE 88 in EUR-28 is only 42 % of NACE 99. This points to a large scope for professionalisation and improvement of labour conditions, since household workers do not have any access to training, unemployment benefits and informality is still relatively high.

The LAPAD has been a major change in terms of social services in the field of long-term care, and one of its main objectives has been the professionalization and quality improvement of the services provided to dependent persons. Although not fully implemented, it has provided, together with further regulatory changes, a new framework for the provision of professional care services to dependent persons and the subsequent - still incomplete - transition to a model of social protection, from unpaid domestic work and informal employment in private homes to paid regular domestic work. In relation to childcare, free public provision for children older than three is guaranteed by the education system since 2006, and the challenge is more focused on the age bracket from zero to three, with an unequal public and private provision among the Autonomous Communities. Finally, non-care activities are not structured; non-care provision relies on workers in the domestic sector (NACE 99) and the existing information is not sufficient to adequately define the sector and its characteristics.

According to the limited data available, the PHS sector in Spain would be characterized by a clear concentration on women, who account for more than 87.7 % of total employment in the sector, and by an important participation of migrants, who account for more than 30.2 % of the workers. Foreign employment is particularly dominant in the activities of households as employers of domestic personnel, where it accounts for more than 42.2 % of the total employment (affiliation to Social Security).

Most of the workers are aged between 25 and 49, although the employment in activities of households as employers of domestic personnel has been ageing. Trends suggests that part of the household workers (NACE 97) aged 25-49, could be moving to care activities mainly provided through companies (NACE 88), in line with a slow transition to a more formal and professional model of service provision.

Undeclared work is important, but there are significant differences between estimates. Therefore, some organizations (such as the Spanish Association of Personal Services), estimates undeclared work in PHS as around 70 % of the total market (2009). Other analysis, assess the share of the black market as between 11 % and 21 %.

When comparing data surveys with social security data, this report has estimated the proportion of undeclared work in PHS as 16.4 %, accounting for 138 255 employments.

On the other hand, on the demand side of the PHS market there have not been relevant measures besides LAPAD, so as to favour the formal consumption of services by those demanding them due to work-life balance needs. As an example, some of the existing measures to incentivise in-kind payments in the form of PHS are no longer favoured by public administrations. However, the private sector is starting to promote the use of PHS through different measures.

According to estimates calculated in this report, around 2.3 million persons (FTE) could be available for work with adequate working-life balance measures. This could

be done with an estimate of 0.52 million jobs that could be created to satisfy these conciliation needs.

Therefore, a strategy to develop personal and household services is of major importance in Spain in terms of job creation but also in terms of the improvement of the quality of life of those increasingly demanding more services. The whole society would benefit from the implementation of a sustainable strategy of PHS from different points of view: on the one hand, those who would have the possibility to enter a job, increase their working hours and/or formalise their undeclared work in the area of care or non-care services, which they were probably already providing (formalisation of existing jobs and creation of new jobs)⁶¹; on the other hand, those who would be directly (formally) employed in the sector, improving their position in the labour market; finally, there will be more people benefitting from directly receiving the services (children, elderly people, families, etc.).

At this stage, it is essential to act to create and consolidate a strong PHS sector, in order to seize all its potential and to avoid missing opportunities. An important challenge is to attempt to build a high quality PHS sector, for which high quality employment is needed, as the LAPAD initially strived. The risk in not achieving this is that too many women (and men to a lesser extent) do not abandon inactivity, not only because of lack of good quality and affordable care services, but also because of lack of interest in working in a sector that nowadays offers poor working conditions. The possibilities of social innovation, taking advantage of technological changes, are promising; but again, due attention needs to be paid to employment quality and working conditions.

⁶¹ Angermann, A., Eichhorst, W. (2013) Who Cares for You at Home? Personal and Household Services in Europe. IZA Policy Paper No. 71.

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Annex 1: Contact details of key actors

Competent public services

- Spanish Association of Personal Services (AESP), <http://aesp.es/>

Annex 2: List of main actors operating in the platform economy in PHS

- Aiudo (www.aiudo.es): connects caregivers with families of elderly people in order to provide assistance in all those basic activities of daily living.
- Care (www.care.com/es-es): connects individuals and families with professional providers of childcare, babysitting and private lessons, care for elderly people, pet sitting, domestic work and gardening.
- Chronoshare (www.chronoshare.com): connects clients with professional providers of local services such as plumbing services, cleaning at home, private lessons to children, domestic repairs, etc.
- Clintu (www.clintu.es): connects cleaners with customers who demand cleaning services for their homes.
- Cuideo (www.cuideo.com): connects people with elderly dependent family members and caregivers.
- Cuidum (www.cuidum.com): connects families with dependency problems and expert caregivers providing a home care service.
- Familiados (www.familiados.com): connects care professionals and users for hourly services.
- Joyners (www.joyners.es): network of professional caregivers for elderly and dependent people that offers on-demand services for a caregiver to go to the home, hospital or residential centre where the person who needs assistance is.
- Myfixpert (www.mifixpert.com): connects owners of technological devices damaged and out of warranty with technical experts in repairing.
- Nidmi (<http://www.nidmi.es>): platform that connects families and domestic workers, babysitters, caregivers for elderly sick people and pet sitters.
- Sitly (www.sitly.es): connects parents with babysitters and also facilitates the interrelationships between different families.
- Taskia (www.taskia.es): connects clients with professionals for specific work in more than 50 service categories such as repairs, cleaning jobs, parties and events, pet sitting, cooking or emergencies.
- TopNanny (www.topnanny.es): connects parents with a database of possible babysitters for their children, in which they can find the training background and references of the candidates.
- Velvethut (www.velvethut.com): connects clients requiring cleaning services with workers providing them in companies.
- Wayalia (www.wayalia.es): connects caregivers with families of elderly or sick people who need home assistance.
- Wayook (www.wayook.es): connects cleaning professionals with clients demanding cleaning or ironing services for their homes.
- Yoopies (www.yoopies.es): connect parents with children with babysitters and it is also linked to social networks in order to help parents to know who will be caring for the children.

Annex 3 – Glossary

AESP:	Spanish Association of Personal Services.
DIE:	Equality in Enterprise Label.
EFSI:	European Federation for Services to Individuals.
EIP-AHA:	European Innovation Partnership on Active and Healthy Ageing.
EU-SILC:	European Union Statistics on Income and Living Conditions.
ILO:	International Labour Organization.
LAPAD:	Law on the Promotion of the Autonomy and Care of People in a Dependent Situation.
LFS:	Labour Force Survey.
NACE:	Statistical Classification of Economic Activities in the European Union.
OECD:	Organisation for Economic Co-operation and Development.
SAAD:	System for Autonomy and Care for Dependency.
SS:	Social Security.

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