



**European Employment Policy Observatory Ad  
hoc Request**

# **Personal and household services**

**Germany**

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## 1 Presentation of the "personal and household services sector in Germany

### Definition

In Germany, there is no legal definition of the personal and household sector. The broad term "*Haushaltsnahe Beschäftigungsverhältnisse*" (household-related employment) is not statutorily defined, however, it is used in a fiscal context (Federal Ministry of Finance 2014: 1<sup>1</sup>). The Federal Ministry of Finance (2014: 1) gives some examples for household-related employment in the letter on the application of the German Income Tax Code § 35a: preparation of meals in the household, cleaning of the home of the consumer, garden care, and care and supervision of children and sick, old, or dependent persons. According to the Federal Ministry of Finance, the provision of education (e.g. language teaching), sports or leisure activities are not covered by the fiscal term 'household-related' (*haushaltsnah*).

This fiscal term covers mostly non-personal services related to the domestic economy that are implemented at the home of the consumer (Pfannes/Schack 2014: 19-20). They can be offered either by persons that are employed directly by the household, or by a service agency, or by self-employed service providers. Personal services (*Personenbezogene Dienstleistungen*) provided by craftsmen, hairdressers, or beauticians are not covered under the term 'household-related services', even if they are provided at the client's home (Federal Ministry of Finance 2014: 3). However, other personal services like care services (*Pflege- und Betreuungsleistungen*, e.g. childcare, care of the elderly) are tax-deductible according to § 35a as long as they are listed in the service catalogue of the statutory care insurance (Federal Ministry of Finance 2014: 3-4).

To be differentiated from this legal understanding of personal and household services according to the Income Tax Code is the scientific conceptualisation of the term. There are different approaches to delimit the sector. One perception is that personal and household services are paid services that would otherwise be performed by members of the household (Deutscher Bundestag 2014: 3). However, this definition is not clear cut, as members of the household can have different skills and be more or less able to perform certain tasks themselves.

Different definitions of personal and household services can also be found in relevant publications. A broad understanding of PHS is adopted in the study carried out by Prognos (2012). Personal and household services are defined as 'services close to households' (*haushaltsnahe Dienstleistungen*) (Prognos 2012: 1). This term includes non-care services (e.g. cooking, cleaning) as well as care services (e.g. child care, homework supervision, care assistance of older or sick persons). In a survey by Becker/Einhorn/Gebe (2012: 91) among 373 companies providing 'services close to households' (*haushaltsnahe Dienstleistungen*), PHS companies were classified into five sub-sectors: building cleaning companies, household service companies, gardening service companies, janitorial service companies, and other services companies. No care service providers were included.

In a study by Enste et al. (2009), the term family-support services (*familienunterstützende Dienstleistungen*) is used. This term includes all paid services that help families to cope with everyday life, e.g. house cleaning, linen washing and ironing, shopping, cooking, caring of the elderly, child-caring (Enste et al. 2009: 5).

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[http://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF\\_Schreiben/Steuerarten/Einkommensteuer/2014-01-10-anwendungsschreiben-zu-paragraf-35a.pdf?\\_\\_blob=publicationFile&v=1](http://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Steuerarten/Einkommensteuer/2014-01-10-anwendungsschreiben-zu-paragraf-35a.pdf?__blob=publicationFile&v=1)

In the following it will be shown how a distinction between "personal" and "non-personal" services as well as between "care" and "non-care" services can be made in case of Germany.

#### *"Personal" and "non-personal" services*

Personal and household services can be differentiated by the kind of service that is supplied. According to Pfannes/Schack (2014: 20), 'non-personal services' (*Sachbezogene Dienstleistungen*) can be implemented in the absence of the customer. Examples are services within the client's home (home cleaning, textile cleaning, heating, cooking, pet care, delivery of goods e.g. meals on wheels), services outside of the client's home (taking out the trash, gardening work, small repairs, car care), and services only conducted once (relocation assistance, house maintenance). In the case of 'personal services' (*Personenbezogene Dienstleistungen*) the physical presence of the customer is required. Examples are household management services (arranging everyday life, appointment coordination, support in administrative tasks etc.), domestic assistance and support (helping the customer to lead a self-determined life, e.g. accompaniment on shopping tours), organisation of leisure time (doing sports, walking, media usage support), mobility services (churchgoing, transport services, travelling), body care and wellness (e.g. hairdressing), and health and basic care services (physical therapy, dressing assistance).

#### *"Care" services and "non-care" services*

Generally, personal and household services can be demarcated by activity into two "care" sub-sectors (childcare, care of the elderly) and three "non-care" sub-sectors (domestic cleaning, catering, domestic maintenance and gardening) (Cancedda 2001: 8<sup>2</sup>). If however the consumer's state of health is considered, the boundaries between care and non-care services are blurred (Cancedda 2001: 8<sup>3</sup>): If the recipient is a dependent person, household services (like cleaning) as well as personal services (like hairdressing) can be assigned to the "care" services category. If the consumer demands these services out of convenience, these services could also be called "non-care" services. It is therefore difficult to distinguish between "care" and "non-care" services.

### **Structure of the market model**

#### *Demand structure*

Private households are consumers of personal and household services. According to a study carried out by Prognos (2012: 26, 28), around 4.8 million private households are in demand of personal and household services. Many of them are employed as a "mini-jobber"<sup>4</sup>.

Weinkopf (2014: 11) assumes that this number is too high, as the number of households that indicated to employ a registered "mini-jobber" was three times higher than the number of registered mini-job employment at the end of 2010. It however, might as well be that more households answered in the survey to employ a registered PHS worker out of a sense of wrongdoing. Informal employment is probably widespread in the sector (see below).

According to Bröcheler (2014: 1), the demand for PHS in Germany is on the rise for three reasons: (i) due to demographic change, the number of older and care-dependent persons

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<sup>2</sup> [http://www.eurofound.europa.eu/sites/default/files/ef\\_files/pubdocs/2001/13/en/1/ef0113en.pdf](http://www.eurofound.europa.eu/sites/default/files/ef_files/pubdocs/2001/13/en/1/ef0113en.pdf)

<sup>3</sup> [http://www.eurofound.europa.eu/sites/default/files/ef\\_files/pubdocs/2001/13/en/1/ef0113en.pdf](http://www.eurofound.europa.eu/sites/default/files/ef_files/pubdocs/2001/13/en/1/ef0113en.pdf)

<sup>4</sup> Mini-Jobs are jobs with monthly incomes up to EUR 450. These can be regular or occasional jobs or jobs in addition to regular employment; also, employers pay a low lump sum to social insurance.

is substantially increasing; (ii) family networks are no longer as able to provide care for relatives as they used to be; (iii) linked to rising labour participation rates of women (and mothers) the demand for (child)care services increases to ensure compatibility of work and care.

With regard to old-age care services, PHS are also often supplied by unpaid nursing relatives or household members. In December 2013, 71 % of around 2.63 million care-dependent persons (according to the social code) were treated at home (Federal Statistical Office 2015: 5<sup>5</sup>). About 1.25 million persons were treated at home by members of the household without further professional assistance. 616.000 persons in need of care were treated with the help of professional services provided by outpatient nursing services (*ambulante Pflegedienste*). Note that there is the possibility for nursing family members to get a compensation for their service by the old-care insurance. The number of nursing household members might be even higher, as it is estimated that around 3 million persons are in considerable need of care without being classified as care-dependent (Von der Malsburg/Isfort 2014: 1). Therefore, the demand for PHS is often not met through the market. In the future, demand could not only increase as a result of growing number of elderly, but also in the context of increases employment rates of women (traditionally women are more likely to care for older relatives) as well as in the context of raised income of household which can afford non-reimbursable care services.

In general, PHS workers are most frequently demanded by high-income households, households with active mothers, older people, and households receiving benefits provided under the care insurance scheme (Pfannes/Schack 2014: 38). Due to spatial income level differences, personal and household services are requested twice as often by households in the area of the former West German federal states than by households living in the area of the former GDR (Prognos 2012: 26). According to Prognos (2012: 27), the highest willingness to pay for personal and household services showed single persons aged between 40 and 59 (EUR 12/hour), active women with children (EUR 12.30 /hour), and families with children under the age of six (EUR 11.80/hour); the lowest willingness to pay was reported for low-income households (up to EUR 8.40/hour) and people older than 60 years (up to EUR 8.20/hour).

Finally, the State has promoted the expansion of the sector (see below, section 3).

#### *Market structure*

Households can either get the service delivery as employers or as customers. According to Prognos (2012: 26, 28), 40 % of households drawing on the legal labour supply employed persons with a mini-job (earning up to 400 Euros per month at that time), 32 % employed self-employed persons (*Solo-Selbstständige*), and 28 % of households made use of personal and household services providers.

In addition the non-market sector is important. As already mentioned, PHS are often supplied by household members. For a small fee, PHS are also supplied regionally or locally by volunteers within the framework of religious institutions or neighbourhood help organisations. By now, the service range of these voluntary work organisations is as wide as the range of services provided by commercial PHS companies due to the high demand (Bröcheler 2014: 3). However, due to the demographic change and rising labour participation rates, the number of persons who may potentially be able to provide volunteer work is decreasing (Görner 2006: 13). According to the volunteer work survey 2009, 2.2 % of the German population aged 14 and older were involved in volunteer work in the

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<sup>5</sup> [http://www.bagso.de/fileadmin/Aktuell/News/2015/PflegeDeutschlandergebnisse\\_2013.pdf](http://www.bagso.de/fileadmin/Aktuell/News/2015/PflegeDeutschlandergebnisse_2013.pdf)

health sector (Federal Ministry for Families, Senior Citizens, Women and Youths 2010: 7<sup>6</sup>). Volunteer work can be seen as a preventive measure to postpone care-dependency and to prevent social exclusion of older people. Therefore, this local supply of PHS as well as closer links between volunteer work and professional PHS services should be promoted (Von der Malsburg/Isfort 2014: 4).

### **Employment models**

Households employ PHS workers either directly (direct employer model) or via a personal service providers (provider model).

#### *Direct employment model*

Generally, private households as well as personal and household service providers can choose between offering full-time or part-time jobs subject to social security contributions, Midi-Jobs<sup>7</sup>, or mini-jobs (see section 3 for details).

Within the direct employment model, informal and illegal employment dominates regular employment. According to Prognos (2012: 26, 28), 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. Overall, Enste et al. (2009: 12) assume that only one person in twenty is employed legally in the personal and household services sector.

One of the reasons named for informal employment is the fact that households may face difficulties to gather information about local PHS suppliers, they might also be bureaucratically overburdened in their role as employer (Von der Malsburg/Isfort 2014: 2). Most importantly, the price for informal services is lower than for declared services (subject to taxes and social security contributions).

#### *Provider Model: PHS companies*

According to Prognos (2012: 25), there are 2,500 PHS companies in Germany. Becker/Einhorn/Gebe (2012: 12) initially identified 4,158 PHS companies, and 583 of those took part in their survey. However, only 373 companies indicated to provide household-related services (Becker/Einhorn/Gebe 2012: 31). 60 % of these 373 companies employed up to 10 people, only 13 % of them had more than 50 employees (Becker/Einhorn/Gebe 2012: 31). 68 companies provided building cleaning services, 135 household services, 44 gardening services, 92 janitorial services, and 32 other services. As already mentioned, the survey by Becker/Einhorn/Gebe does not consider care service companies.

Most non-care PHS companies were created in the context of regional funding schemes and tax encouragement for personal and household services were introduced in the middle of the 1990s (Becker/Einhorn/Gebe 2012: 28, Weinkopf 2014: 4). These policies were carried out to create employment opportunities subject to social security contribution for low-skilled unemployed persons (Weinkopf 2014: 4). Weinkopf (2014: 5) assumes that the number of companies providing personal and household services decreased as those funds expired. A survey by Becker/Einhorn/Gebe (2012:28) among 583 personal and household service companies indicates that their entrepreneurial activity was increasing since the mid-1990s; also, 40 % of the surveyed companies were founded before 2001.

Regarding to the non-representative survey of Becker/Einhorn/Gebe (2012:40-40) among non-care PHS companies, 34.0 % of employees were employed full-time (subject to social

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<sup>6</sup> [http://www.dza.de/fileadmin/dza/pdf/fws/BMFSFJ\\_2010\\_FWS\\_2009\\_Hauptbericht.pdf](http://www.dza.de/fileadmin/dza/pdf/fws/BMFSFJ_2010_FWS_2009_Hauptbericht.pdf)

<sup>7</sup> Midi-Jobs are registered jobs with monthly wages between EUR 451 and 850 and reduced social insurance contributions.



security contributions), 30.2 % were employed part-time (subject to social security contributions) and 35.8 % were minor employed.

Care services at the home of the patient are usually carried out by officially recognised outpatient care service companies (*ambulante Pflegedienste*). According to official care statistics, on 15 December 2013 there were 12,700 outpatient care service companies (Federal Statistical Office 2015: 5). Of these, 64 % were privately owned, 35 % were owned by charitable organisations (*freigemeinnützige Träger*) like DIAKONIE and CARITAS, and 1 % were owned by the state (Federal Statistical Office 2015: 5). Charitable organisations often employ additionally volunteer workers. Services subject to the care insurance code can only be provided by these personal and household services providers (Deutscher Bundestag 2014: 14). Care services are provided according to the formal level of care as determined in the ninth book of the German Social Code (Deutscher Bundestag 2014: 14). Persons in need of care are classified into four levels of care: from formal care level 0 (comparatively low care dependency) to formal care level III (highest care dependency) (Federal Ministry of Health 2015). Depending on the formal level of care, recipients obtain monetary care benefits (*Pflegegeld*, which can also be used for caring family members, see above) up to EUR 728 per Month and care benefits in kind (*Pflegesachleistungen*) up to EUR 1,995 EUR per month (Federal Ministry of Health 2015).

Self-employed persons (*Solo-Selbstständige*) working full-time are not strongly represented within the provider model (Reinecke et al. 2011: 46): They have to pay full social security contributions and are therefore not able to compete with the low hourly wages of "minor employed" persons and illegal workers; moreover, business start-up funding for self-employed persons who were receiving unemployment benefits (*Existenzgründerzuschuss*) was cut heavily in 2006 (see part 3). Their number is estimated to be around 64,000 (Enste et al. 2009, see part 2).

Within the framework of a model project, cooperative family PHS providers (*Familiengenossenschaften*) were established on the German island of Rügen and in Jena around 2004 (Steiner/Böhmer 2008: 17-18). In the framework of these cooperative supply models, PHS provider companies, small and medium-sized companies, and child minders (*Tagesmütter*) join together to promote the supply of PHS services collectively. The aim of the corporative family cooperative association in Jena is to promote self-employment of unemployed persons aged 50 and above in the PHS sector. A central agency was set up to match supply and demand. In Rügen, a cooperative of mostly self-employed and small PHS provider companies organised an online platform where PHS services are offered collectively. Based on these models, similar projects were established in other German regions (Prognos 2012: 20).

## **2 Key features and trends of jobs in the sector**

No official data is available about the total number of persons employed in the personal and household service sector. Official data on declared jobs is only available for sub-segments of the personal and household services sector (Weinkopf 2014: 7).

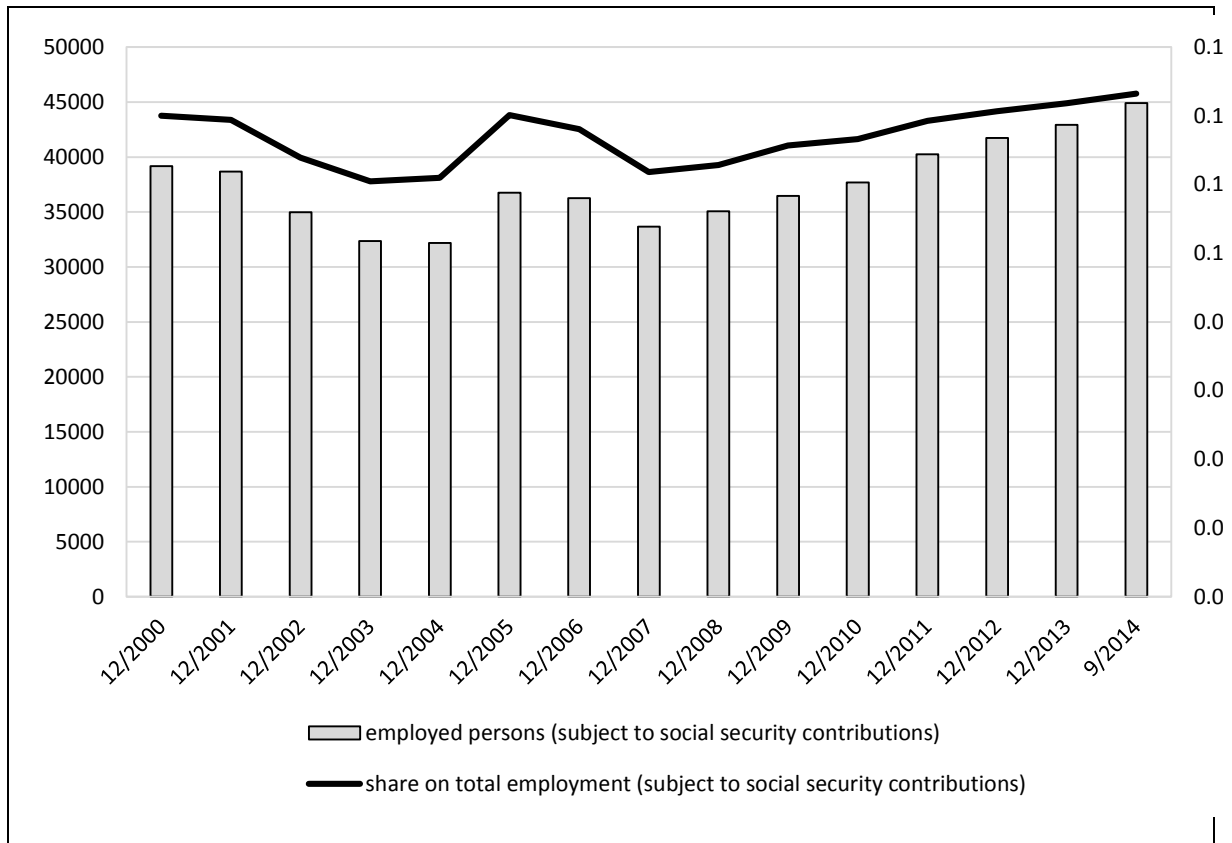
### *Direct employment model*

Private households as employers are shown as a separate sector (code 97) in the German Classification of Economic Sectors (Federal Statistical Office 2008: 554). This sector covers persons directly employed by private households, e.g. housekeepers, waiters, cooks, gardeners, nurses, or child minders. It does not cover persons employed by households via the service provider organisation model (Deutscher Bundestag 2014: 15). In the direct employment model, there is almost no demand for full-time employed persons by individual households as very few private households demand personal and household services for more than a couple of hours per week (Enste et al. 2009: 44). It is therefore

not surprising that the number of employed persons insured with the statutory social security system is rather low (see figure 1). Nevertheless, their numbers are constantly rising since December 2007 (33,656) to September 2014 (44,921). It should be noted that there were methodological changes in the classification of sectors in 2003 and in 2008.

Figure 1 Employment in the private household (*Private Haushalte mit Hauspersonal*) sector

Number of employed persons subject to social security contribution (left-hand scale), Share in total employment subject to social security contribution in % (right-hand scale)



Source: Federal Employment Agency (2014, 2012, 2010, 2008, 2004)<sup>8</sup>

2000-2002: German Classification of Sectors WZ93 (Sector PA95 Private Households)

2003-2007: German Classification of Sectors WZ03 (Sector 95 Private Households and Domestic Servants)

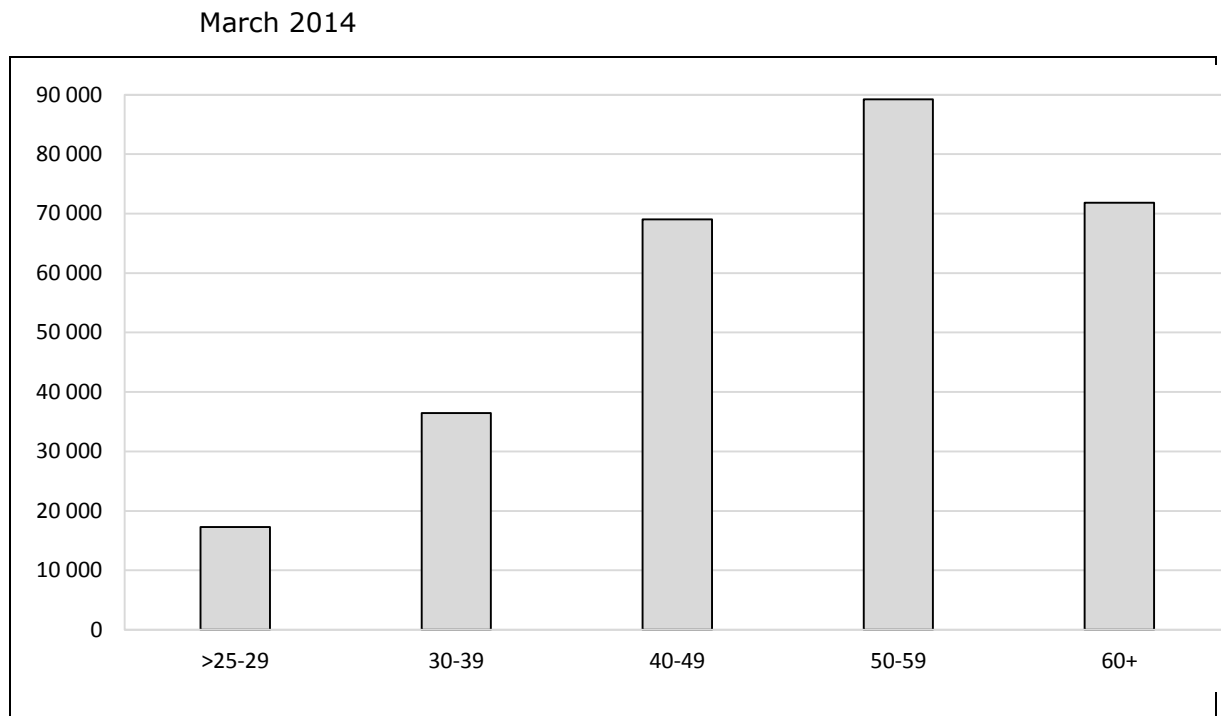
2008-2014: German Classification of Sectors WZ08 (Sector 97 Private Households and Domestic Servants)

The number of households employing PHS workers on the basis of a mini-job or midi-job ("minor employed") is larger than those employing PHS worker on a regular employment basis (Figure 1 and 2). It is striking that households located in the new *Länder* (the area of the former GDR) employ persons on a mini-job base to a far lesser extent than households located in the old *Länder* (the area of the former Western Germany). In March 2015, the share of mini-jobbers employed by private households on the regional population was 2.13 % in Berlin, ranged from 1.26 % to 1.67 % in the six new *Länder*, and ranged from 3.09 % to 4.73 % in the 9 old *Länder*; with an average share of 3.51 % over all 16 *Länder* (Minijob-Zentrale 2015b: 39-40).

<sup>8</sup> [https://statistik.arbeitsagentur.de/nn\\_217696/Statischer-Content/Rubriken/Beschaefigung/Sozialversicherungspflichtig-Beschaefigte/Beschaefigte-nach-Wirtschaftsabteilungen-Wirtschaftsgruppen.html](https://statistik.arbeitsagentur.de/nn_217696/Statischer-Content/Rubriken/Beschaefigung/Sozialversicherungspflichtig-Beschaefigte/Beschaefigte-nach-Wirtschaftsabteilungen-Wirtschaftsgruppen.html)

The vast majority of mini-jobbers employed by private households are women (91 % in March 2015). About 19.5 % were foreigners (non-German nationality) (Minijob-Zentrale 2015b: 35). Furthermore, they are relatively old: In December 2014, around 57 % of workers were older than 50 while only around 20 % were younger than 40 years of age (see Figure 2).

Figure 2 Minor employed persons (EUR 450) working in private households by age group



Source: Minijobzentrale Quarterly Report I/2015

A survey among private households who employed a registered mini-jobber indicates that most mini-jobbers in private households are employed to perform domestic work tasks like house cleaning, vacuum cleaning, ironing, or textile cleaning (Pfeiffer/Metzger 2009: 305<sup>9</sup>).

To promote registered minor employment (mini-jobs) and prevent illegal employment, the household cheque procedure (*Haushaltscheckverfahren*) was established together with the EUR 400 income ceiling for mini-Jobs from April 2003 within the framework of the Hartz II laws.<sup>10</sup> This procedure is a simplification of registration and social security contribution procedures for private households (Minijob-Zentrale 2015b: 9). Unlike private companies, private households do not have to issue social insurance contribution statements; instead, social insurance contributions are calculated for as well as collected from private households directly by the Federal Mini-Job authority (*Minijob-Zentrale*).<sup>11</sup> For the same reason, private households pay less social insurance contributions for these "minor employed" persons than commercial employers since April 2003: statutory pension insurance contributions are set to 5 % of the wage (compared to 15 % for commercial employers), statutory health insurance contributions to 5 % (compared to 13 % for

<sup>9</sup> [http://www.minijob-zentrale.de/DE/Service/03\\_service\\_rechte\\_navigation/DownloadCenter/6\\_Berichte\\_und\\_Statistiken/sonstige\\_/PDF-4\\_Minijobs\\_im\\_Haushalt.pdf?\\_\\_blob=publicationFile&v=1](http://www.minijob-zentrale.de/DE/Service/03_service_rechte_navigation/DownloadCenter/6_Berichte_und_Statistiken/sonstige_/PDF-4_Minijobs_im_Haushalt.pdf?__blob=publicationFile&v=1)

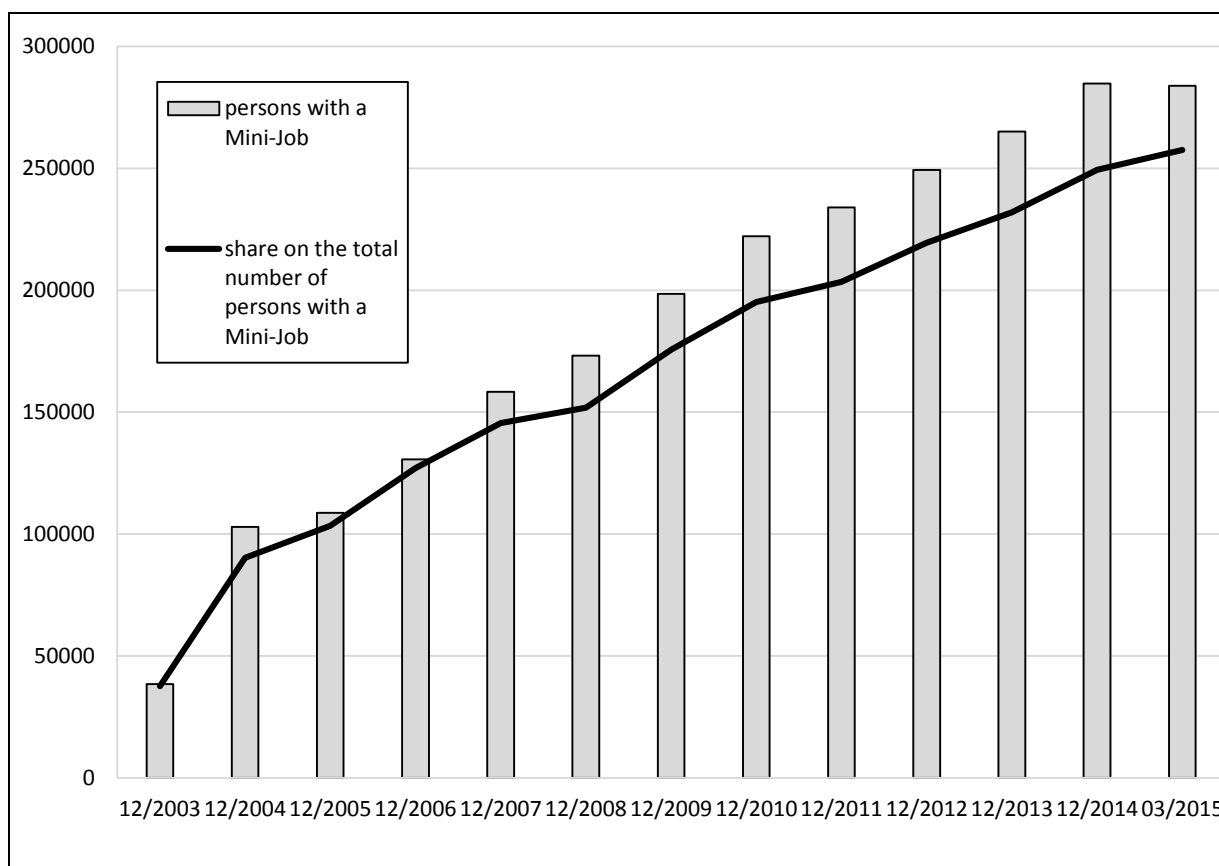
<sup>10</sup> <http://dip21.bundestag.de/dip21/btd/15/000/1500026.pdf>

<sup>11</sup> <http://www.minijob-zentrale.de/DE/haushaltsscheck/Node.html>

commercial employers).<sup>12</sup> Since January 2013 minor employed persons (persons with a *mini-job*) are allowed to earn up to 450 EUR per month (EUR 850 with a *Midi-job*) instead of EUR 400 per month (EUR 800 with a *Midi-job*).<sup>13</sup> With this, the employment of minor employed persons became more attractive for private households as well as for personal and household service agencies.

The number of persons with a mini-job who were employed by private households in accordance with the household cheque procedure (*Haushaltsscheckverfahren*) is constantly increasing since 2003 (see Figure 3). Compared to employment subject to social security contribution, more than six times as many persons were employed by private households on a mini-job basis at the end of 2014. In December 2014, 284,662 mini-jobbers were employed by private households representing 4.2 % of all mini-jobbers (Minijob-Zentrale 2015a: 10).

Figure 3 Persons with a mini-job (EUR 450) working in private households  
Number of Mini-jobbers (left-hand scale)  
Share on total number of mini-Jobbers in % (right-hand scale)



Source: Minijobzentrale Quarterly Reports (I/2015, IV/2014, IV/2012, IV/2010, IV/2008, IV/2004)<sup>14</sup>

From December 2014 to March 2015, the total number of mini-jobs fell by -3.6 % (Minijob-Zentrale 2015b: 9). This decrease might result from the introduction of the minimum wage

<sup>12</sup> [http://www.minijob-zentrale.de/DE/0\\_Home/01\\_mj\\_im\\_gewerblichen\\_bereich/04\\_450\\_euro\\_minijob/04\\_pauschalabgaben/node.html](http://www.minijob-zentrale.de/DE/0_Home/01_mj_im_gewerblichen_bereich/04_450_euro_minijob/04_pauschalabgaben/node.html)

<sup>13</sup> <http://www.bmas.de/DE/Themen/Soziale-Sicherung/450-Euro-Mini-Jobs/450-euro-mini-jobs-geringfuegige-beschaeftigung.html>

<sup>14</sup> [http://www.minijob-zentrale.de/DE/Service/03\\_service\\_rechte\\_navigation/DownloadCenter/node.html](http://www.minijob-zentrale.de/DE/Service/03_service_rechte_navigation/DownloadCenter/node.html)

of EUR 8.50 per hour in January 2015. In the same period, the number of minor employed persons working in private households decreased only slightly by -0.3 % (Minijob-Zentrale 2015b: 6). Consequently, the share of mini-jobbers employed by private households on the total number of mini-jobbers increased from December 2014 to March 2015 from 4.2 % to 4.3 %. It seems that the introduction of the minimum wage affected minor employment in private households to a lesser extent than minor employment in the commercial sector.

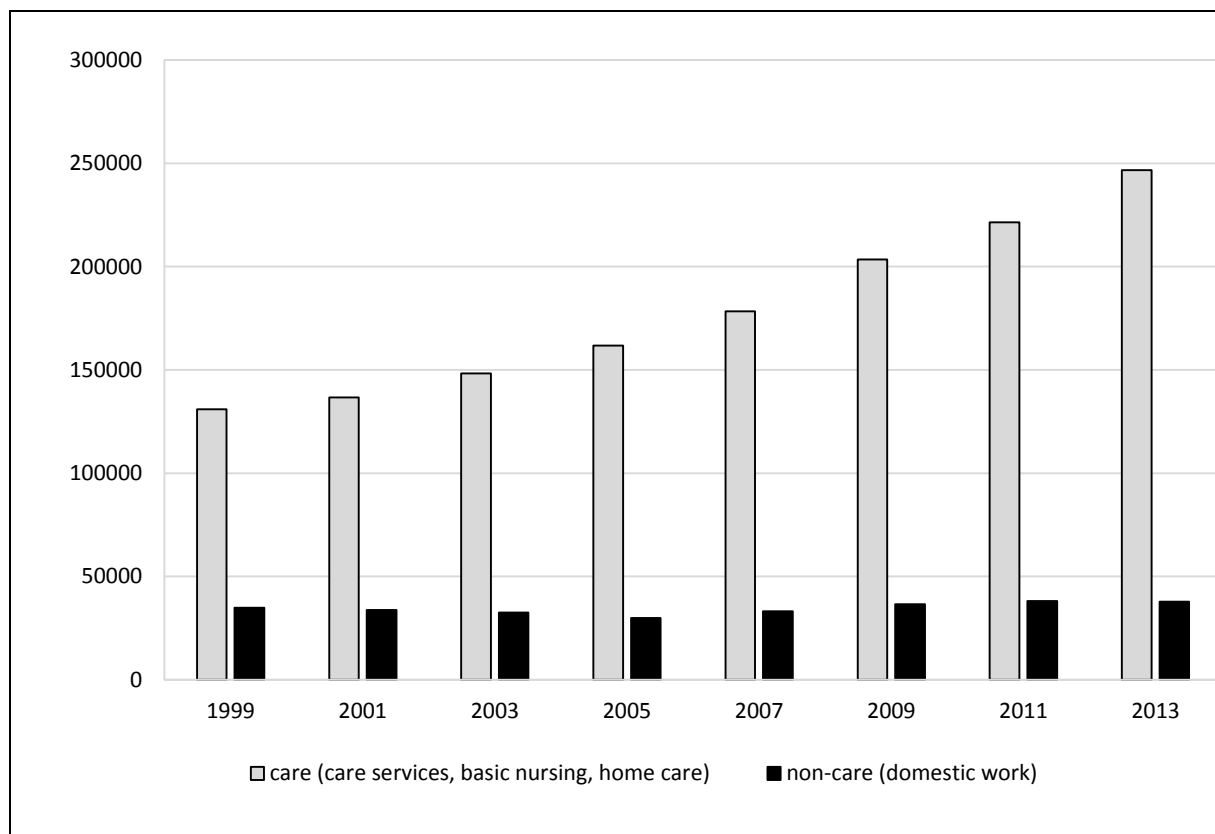
*Provider model: PHS companies and self-employed PHS providers*

Statistical data on PHS employment by PHS companies is not declared separately in the German Classification of Economic Sectors. However, official data is available for a subgroup of personal and household service companies, namely for outpatient nursing service companies (*ambulante Pflegedienste* – see figure 4). These companies are legally permitted to provide care services subject to the statutory care insurance (see section 1).

A long-term trend of increasing employment can be observed for care services: the number of persons employed almost doubled from around 131,000 persons in 1999 to around 247,000 persons in 2013. However, especially in the case of care activities it is difficult to assess to which extent professionals employed by outpatient nursing services fulfil tasks that could also be carried out by household members and are therefore PHS services. In contrast to this, the persons employed in non-care services did not increase by far during the last years: it fell from around 35,000 in 1999 to around 30,000 in 2005 and increased to around 38,000 in 2011 and 2013. This might be due to tax exemption regulations associated with the charitable status of many outpatient nursing services: at least 40 % of outpatient nursing service companies' overall services must be covered by the statutory social insurance scheme, otherwise they lose their non-profit status (for details, see part 3: *reduction of the VAT*).

According to the Federal Statistical Office (2015: 10), the number of persons employed by outpatient care service companies on 15 December 2013 amounted to 320,000. This number also includes office clerks. In 2013, 70 % of employees were part-time employed, 27 % were full time employed, and 3 % were in training. Of part-time employed persons, 113,604 were working at least 20 hours per week, 44,307 were working less than 20 hours but more hours than a mini-jobber, and 65,432 persons were mini-jobbers (Federal Statistical Office 2015: 13). 87 % of employees were female (Federal Statistical Office 2015: 10). 16 % of persons employed by outpatient nursing services were under 30 years old, 48 % between 30 and 49 years, and 36 % 50 years or older (Federal Statistical Office 2015: 11).

Figure 2 Employment in outpatient nursing services by activity

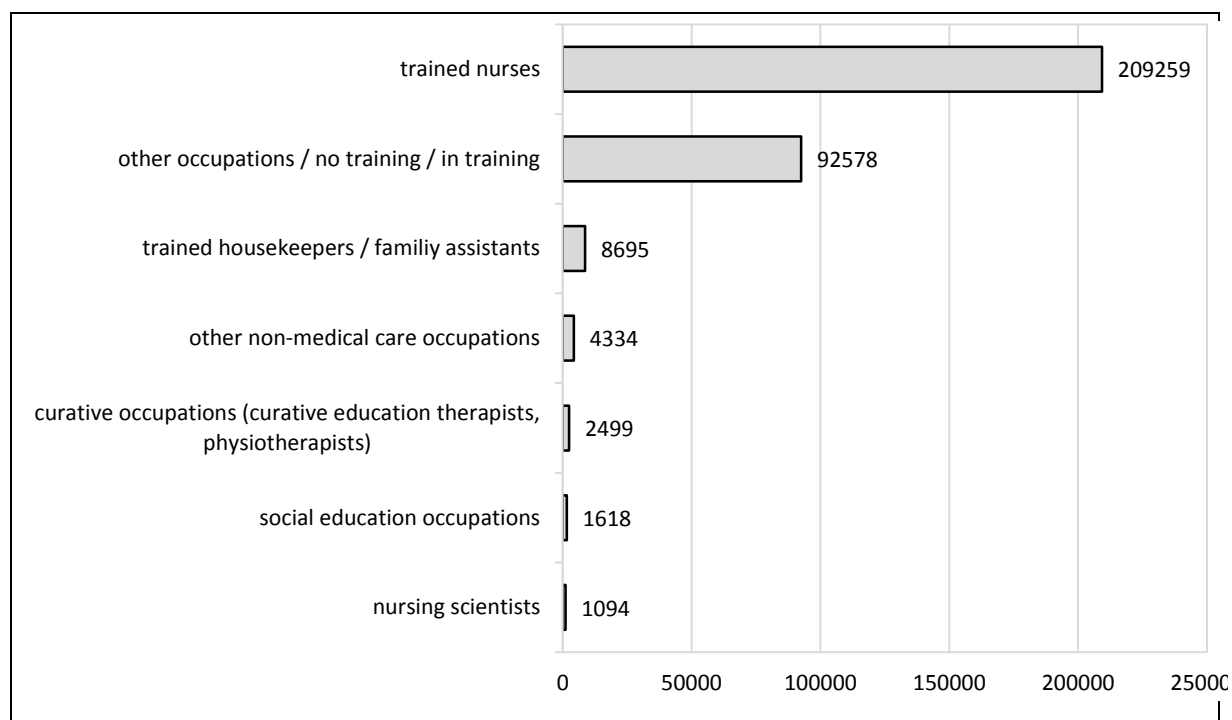


Source: German Federal Health Monitoring<sup>15</sup>

Regarding professional qualifications, for the most part outpatient nursing service companies employed trained nurses or nurse assistants in 2013 (see figure 5). Only a small number (8,700 persons) was trained as housekeeper (*Hauswirtschaftler*). There is some evidence that outpatient nursing services companies employed a high number of career-changers with occupations not connected to the PHS sector.

<sup>15</sup> <https://www.gbe-bund.de/>

Figure 3 Professional qualifications of persons employed in outpatient nursing services companies in 2013



Source: Own representation based on German Federal Health Monitoring data<sup>16</sup>

There is no official data available concerning the number of self-employed persons in the PHS sector.

*Unofficial sources: total employment in the PHS sector*

Due to the lack of official employment data, it is necessary to draw on survey results to assess the total number of declared jobs or employment in sub-sectors of the personal and household services sector (see table 1). It is of great importance to keep in mind that the authors' conclusions are based on different definitions of the term personal and household services (see column three in table 1).

Table 1 Total employment in the personal and household services sector

Source	Data base	Definition of personal and household services / valid for	Number of persons employed in personal and household services
Enste et al. (2009)	SOEP (socio-economic panel)	Family-supporting services	2007: around 1.27 Million (including illegal employment) of these 930,000 as a main job and 340,000 as a side job Of these: around 64,000 Persons in

<sup>16</sup> <https://www.gbe-bund.de/>

			registered self-employment
Prognos (2012)	Survey by Allensbach from 2010	Broad definition including child care, elder and sick care, simple handicraft activities	25,000 persons employed by personal and household service providers (or 12,500 full-time equivalent)
Deutscher Frauenrat (2013: 12) & Von der Malsburg / Isfort (2014: 2)	'Estimates'	Domestic helpers	Around 150,000-155,000 eastern-european domestic helpers in Germany (of which are 5,000 legally employed)
Weinkopf (2014) on the basis of Prognos (2012)	Own calculations by Weinkopf (2014: 2) based on the number of customers stated in the survey by Allensbach (2010) and Prognos (2012)	Broad definition including child care, elder and sick care, simple handicraft activities	Self-employed persons (freelancers): 71,000 (full-time equivalent of 33 hours / week) Persons employed by personal and household service providers: 61,000 (full-time equivalent of 33 hours / week)

As the definition of the PHS sector varies from author to author, this data is difficult to compare. Official data for 2013 indicates around 250,000 employees in care and non-care outpatient nursing services, around 260,000 mini-jobbers employed by households, and around 40,000 persons directly employed by private households (see above). In light of the high number of illegal employment, the estimation of Enste et al. (2009) seems to be plausible.

### Salaries and wages

In January 2015, the general minimum wage of EUR 8.50 came into force. PHS are also affected by sector-specific minimum-wages (see part 2). Compliance with the minimum wage is monitored by customs administration. 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 (Deutscher Bundestag 2014: 18). This makes it difficult for authorities to ensure that working hours of directly employed workers correspond to their paid wage. From the Federal government's point of view, no special measures need to be taken to secure that the minimum wage is honoured by household employers (Deutscher Bundestag 2014:18).

At the moment, wages below the minimum wage are legally allowed for sectors where contractual minimum wages below EUR 8.50 are determined by sectoral collective bargaining agreements. From 2017, the statutory minimum wage is binding for all sectors.<sup>17</sup> Sectoral collectively agreed minimum wages are valid for the non-care activities gardening and building cleaning (see Table 2). While the collectively agreed minimum wage

<sup>17</sup> <http://www.bundesregierung.de/Content/DE/Artikel/2014/12/2014-12-17-mindestloehne-gebaeudrein-gala-forst.html>



for building cleaning in the old *Länder* including Berlin is higher than the general minimum wage, guaranteed payment for gardening services stays below this level in East Germany in 2015 as well as in 2016.

Table 2 Collectively agreed minimum wages in the non-care sectors gardening and building cleaning

In EUR per hour

	gardening		building cleaning	
	Old <i>Länder</i>	New <i>Länder</i> (including Berlin)	Old <i>Länder</i> (including Berlin)	New <i>Länder</i>
From January 2015	7.40	7.20	9.55	8.50
From January 2016	8.00	7.90		
From January 2017	8.60	8.60		
From November 2017	9.10	9.10		

Source: German Federal Government<sup>18</sup>

In the care-sector, a minimum wage is being enforced since 2010 (see Table 3). This minimum wage is valid for outpatient nursing service companies; explicitly excluded from these statutory minimum wage regulations are occupations in the non-care services sector: cooking occupations, house cleaning occupations, domestic economy occupations, or gardening occupations.<sup>19</sup> In 2015, the care sector minimum wage exceeds the general minimum wage of EUR 8.50 by EUR 0.90 in the old *Länder* and by EUR 0.15 in the new *Länder*.

Table 3 Minimum wages in the care sector

In EUR per hour

	Old <i>Länder</i>	New <i>Länder</i>
From August 2010	8.50	7.50
From January 2012	8.75	7.75
From July 2013	9.00	8.00
From January 2015	9.40	8.65
From January 2016	9.75	9.00
From January 2017	10.20	9.50

Source: Bundesanzeiger 27.7.2010<sup>20</sup>; Bundesanzeiger 28.11.2014<sup>21</sup>

Official data about the monthly median income of insurable employed persons is shown in the Annex (table 7). It is notable that younger women employed in the 'Private Households and Domestic Servants'-sector aged 50-64 earn less than women aged 25-49, an observation that is in contrast to employment in all sectors (regardless of gender) and to male employment in the 'Private Households and Domestic Servants' sector. Furthermore,

<sup>18</sup> [http://www.bundesregierung.de/Content/DE/\\_Anlagen/2014/12/2014-12-17-uebersicht-mmindexloehne.pdf;jsessionid=3323803F7AEAF2954814C0AB3735946E.s2t2?\\_\\_blob=publicationFile&v=1](http://www.bundesregierung.de/Content/DE/_Anlagen/2014/12/2014-12-17-uebersicht-mmindexloehne.pdf;jsessionid=3323803F7AEAF2954814C0AB3735946E.s2t2?__blob=publicationFile&v=1)

<sup>19</sup> [http://www.tarifregister.nrw.de/pdf/mindestlohn\\_verordnungen/Pflege.pdf](http://www.tarifregister.nrw.de/pdf/mindestlohn_verordnungen/Pflege.pdf)

<sup>20</sup> <http://www.diag-mav-pb.de/diag-mav/medium/pflegearbbv.pdf?m=55469>

<sup>21</sup> [http://www.tarifregister.nrw.de/pdf/mindestlohn\\_verordnungen/Pflege.pdf](http://www.tarifregister.nrw.de/pdf/mindestlohn_verordnungen/Pflege.pdf)

a wage gap between female and male household employees can be observed. Full-time employed persons in the 'Private Households and Domestic Servants' –sector earned roughly about half as much compared to the monthly gross income of an average full-time employee.

An overview of survey results regarding paid wages per hour is given in Table 4. It should be noted that PHS were defined differently in the individual studies. In some studies, only sub-sectors were analysed.

Table 4 Wages in PHS

Source	Data base	Definition of personal and household services / valid for	Wages per hour
Enste et al. (2009)	SOEP (socio-economic panel)	Family-supporting services	EUR 8.56 (full-time) compared to EUR 13.03 (other sectors) EUR 7.50 (as a second job)
Becker / Einhorn / Gebe 2012	Survey among PHS companies	PHS provided by companies	EUR 10.56 (full-time) EUR 8.81 (part-time) EUR 8.47 (minor employed)
Prognos (2012)	Survey by Allensbach (2010)	Broad definition including child care, elder and sick care, simple handicraft activities	Wage assumptions: Undeclared workers: EUR 8.50 Mini-jobbers: EUR 8.75 Self-employed persons: EUR 10.00 PHS company employees subject to social security contributions: EUR 9.40

From the observation of official and unofficial data, it can be concluded that most workers in PHS services earn less than EUR 10 per hour.

#### **Advantages and Disadvantages: Direct employment model vs. provider model**

Compared to workers employed directly by private households, workers employed by PHS companies profit from a more stable, possibly long-term employment relationship, holiday entitlement and sickness allowance, training possibilities, a regular exchange with colleagues, and more diversified tasks (Enste et al. 2009: 44; Görner 2006:18).

In principle, mini-jobbers persons have the opportunity to care for their retirement within the statutory pension system. Due to the higher contribution burden and the possibility to be exempted from these contributions, mini-jobbers are often not contributing (previously they could "opt in" now they can "opt out", see section 3).

The high share of illegal employment in overall employment is a major disadvantage of the direct employer model. Illegal employed workers have no welfare, sickness or accident insurance, cannot demand the payment of the statutory minimum wage, and have no entitlement to holidays, sick days, unemployment allowance, or pension allowance.

There are several advantages for the consumer to demand personal and household services via a PHS company. Not employing a worker directly means that there is less bureaucracy, furthermore workers can be replaced in case that they are unsatisfying in performance, there is no performance failure due to illness of a worker, possible damages are covered by the liability insurance of the service provider, working time and demand of services can be arranged more flexibly, and employment can be terminated on relatively short notice (Deutscher Frauenrat 2013:11; Görner 2006: 18). However, employing a worker through a PHS company comes with a high rate of pay that cannot be covered by many low-wage households (Deutscher Frauenrat 2013:11). This is due to the fact that PHS companies have to pay VAT and higher taxes on wages as they offer employment subject to social security contributions (Reinecke et al. 2011: 11). Thus, private households tend to employ cheap PHS workers who are working illegally or on a mini-job base.

PHS companies are able to create full-time employment as they can bundle demand (Reinecke et al. 2011: 11). As they usually can draw workforce from a pool of employees, they are able to accept short-term and irregular service orders (Deutscher Frauenrat 2013:11; Görner 2006: 18). However, they face recruitment problems because many workers are not willing to take up employment subject to social security contributions due to the high wage deductions that come with this form of employment (Reinecke et al. 2011: 11). Furthermore, there are often regional imbalances in the supply of suitable skilled PHS workers and the demand for PHS (Weinkopf 2014: 21). Because of this, it is not always possible for PHS companies to meet the demand for PHS.

Within the provider model, (especially low-skilled) self-employed persons face several disadvantages (Görner 2006: 18): they have a lower degree of flexibility in dealing with the client's wishes compared to PHS companies, their services are only feasible for regular and stable employment opportunities, employment is usually characterised by low prestige and low payment, they cannot supply their service if they are absent due to sickness, and their employers have to face a comparatively high level of bureaucracy (Görner 2006:18).

### **3 PHS approaches and their impact on job creation and employment levels**

#### **Main public initiatives**

Initially, the main objective of public initiatives in the PHS sector was to create employment opportunities for low-skilled workers via active labour market policies in the 1990s (Weinkopf 2014: 3-4; 15). This goal was pursued by enhancing self-employment of unemployed persons in the PHS sector or by subsidising the formation of PHS companies.

Specifically for care PHS, public initiatives were driven by the aim to overcome labour shortages: due to demographic change, the number of persons in need of care will rise in the future. Many of these persons will be treated at home. At the same time, the German labour market is affected by skilled workers shortage in this field. Measures were therefore concentrated on the enhancement of care PHS supply, e.g. by promoting a better reconciliation of work and care.

As illegal employment is of major concern in the PHS sector, measures also concentrated on the formalisation of illegal employment. Connected to this are different type of measures that were directed towards expanding demand of private households by subsidising the market price for PHS.

*Tax credit*

Since 2003, households can deduct expenses for personal and household services from the collective income tax according to § 35a of the German income tax code (Becker/Einhorn/Gebe 2012: 35). An overview about the tax-deductibility of PHS is given in table 5.

As expenses for PHS are deductible from the tax debt, 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). Before 2003, the extent of tax deductibility was dependent on the taxable income (Weinkopf 2014: 5-6). Therefore, the new regulation is in favour of persons who pay comparatively low income taxes as a tax debt deduction is relatively more significant for them compared to persons who pay comparatively high income taxes. For the most part, (non-care) PHS companies were in favour of an expansion of income tax deductibility for PHS services (Becker/Einhorn/Gebe 2012: 85). However, they clarified that the current regulation was not beneficial for low income households. According to the Federal Government, the loss of tax revenues due to § 35a of the German income tax amounted to EUR 360 million in 2010 (Deutscher Bundestag 2014: 18). It was estimated that the tax deduction volume is EUR 410 in 2014 (Bundesregierung 2013: 75<sup>22</sup>). Around 2.3 million taxpayers profited from this regulation (Deutscher Bundestag 2014: 12)

**Table 5 Tax-deductibility of PHS according to the income tax code**

	tax credit	annual assessment ceiling	maximum tax deduction per year
Mini-jobs in private households		EUR 2,550	EUR 510
domestic helper (subject to social insurance contributions)			
non-care services	20%	EUR 20,000	EUR 4,000
care services			
craft services		EUR 6,000	EUR 1,200

Source: Weinkopf 2014: 5-6

*Direct support to users*

Benefits according to the state care insurance scheme do not cover a demand-oriented supply of personal and household services, as they were always ment to supplement family care (Hasseler 2007: 2-3). This is especially true for domestic services like cleaning, cooking or shopping (hence 'non-care' services) that were not covered by the care insurance scheme until recently (Deutscher Frauenrat 2013: 16). Since January 2015 – in consequence of the Strenghtening of Care Act II (*Pflegestärkungsgesetz I*) – it is possible to apply for benefits up to EUR 104 per month in order to obtain care and non-care 'low-threshold relief services' (*niedrigschwellige Entlastungsangebote*) within the framework of the care insurance scheme (Bröcheler 2014: 2). Expenses for home nursing services by

<sup>22</sup>

[http://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren\\_Bestellservice/2013-09-10--24\\_Subventionsbericht\\_Langfassung.pdf?\\_\\_blob=publicationFile&v=5](http://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren_Bestellservice/2013-09-10--24_Subventionsbericht_Langfassung.pdf?__blob=publicationFile&v=5)

health insurance companies increased constantly from EUR 2.62 billion in 2008 to EUR 4.33 billion in 2013 (+65%).<sup>23</sup>

#### *Reconciliation of work and care*

Since January 2015, workers who provide nursing care for family members can reduce their working time down to 15 hours per week for up to 24 months due to a revision of the family care time law (*Familienpflegezeitgesetz*). Financial support is given via an interest-free loan, also pension and care insurance contributions are paid if the care workload is at least 14 hours per week.<sup>24</sup> This measure promotes the non-market provision of PHS by family members.

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.<sup>25</sup> The aim of the programme is to enable persons 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.<sup>26</sup> This is done by informing persons re-entering the labour market about possible ways how PHS can be obtained.<sup>27</sup>

#### *Exemptions from social contributions*

The possibility of exemptions from social contributions were extended for minor employment with the introduction of mini-Jobs (income ceiling of EUR 400) and Midi-Jobs (income ceiling of EUR 800) resulting from the enforcement of the Harz II law.<sup>28</sup> Originally, mini-Jobs were established to encourage wives who were covered by the health insurance of their spouses to take up work. However, old age insurance is precarious for mini-Jobbers as a large part of them is not able or willing to pay additional pension contributions during the employment.

The general contribution rate for statutory pension insurance is set at 18.7 % of gross wages. To promote higher retirement pensions, mini-Jobbers have to pay the difference of the pension contributions paid by employers and the general contribution rate if the contract of employment started on the 1st of January 2013 or later. Therefore, mini-Jobbers employed by private households have to pay pension insurance contributions of 13.7 % of gross wage, and mini-Jobbers employed by commercial employers have to pay 3.7 %.<sup>29</sup> However, mini-Jobbers can also submit an application for exemption from compulsory pension insurance to their employer.<sup>30</sup> In March 2014, 17.3 % of mini-Jobbers (or 1,146,994 persons) employed by commercial employers paid pension insurance

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<sup>23</sup> [http://www.gkv-spitzenverband.de/media/grafiken/gkv\\_kennzahlen/kennzahlen\\_gkv\\_2014\\_q1/300dpi\\_1/GKV-Kennzahlen\\_Krankenpflege\\_B\\_2013\\_300.jpg](http://www.gkv-spitzenverband.de/media/grafiken/gkv_kennzahlen/kennzahlen_gkv_2014_q1/300dpi_1/GKV-Kennzahlen_Krankenpflege_B_2013_300.jpg)

<sup>24</sup> <http://www.bmg.bund.de/themen/pflege/hilfen-fuer-angehoerige/reduzierung-der-arbeitszeit-bzw-freistellung.html>

<sup>25</sup> [http://www.perspektive-wiedereinstieg.de/Navigation/DE/startseite\\_node.html;jsessionid=543F001E5B5935B5E44C079DBB6A7160](http://www.perspektive-wiedereinstieg.de/Navigation/DE/startseite_node.html;jsessionid=543F001E5B5935B5E44C079DBB6A7160)

<sup>26</sup> <http://www.bmfsfj.de/BMFSFJ/gleichstellung,did=108550.html>

<sup>27</sup> Information transferred e.g. via leaflets:  
<http://www.bmfsfj.de/RedaktionBMFSFJ/Broschuerenstelle/Pdf-Anlagen/Zeit-fuer-den-Wiedereinstieg-Haushaltsnahe-Dienstleistungen-Flyer,property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf>

<sup>28</sup> <http://dip21.bundestag.de/dip21/btd/15/000/1500026.pdf>

<sup>29</sup> [http://www.minijob-zentrale.de/DE/0\\_Home/01\\_mj\\_im\\_gewerblichen\\_bereich/09\\_versicherungspflicht\\_rv/node.html](http://www.minijob-zentrale.de/DE/0_Home/01_mj_im_gewerblichen_bereich/09_versicherungspflicht_rv/node.html)

<sup>30</sup> [http://www.minijob-zentrale.de/DE/0\\_Home/01\\_mj\\_im\\_gewerblichen\\_bereich/09\\_versicherungspflicht\\_rv/node.html](http://www.minijob-zentrale.de/DE/0_Home/01_mj_im_gewerblichen_bereich/09_versicherungspflicht_rv/node.html)

contributions, compared to 14.4 % (or 40,843 persons) of mini-Jobbers employed by private households.

According to Görner (2006: 35), exemptions from social security contributions burden the social security system, are difficult to adjust afterwards, cannot be adjusted to the social situation of the employee, and can therefore lead to social insecurity for employees. Görner concludes that exemptions from social contributions are not a suitable way to lower labour costs.

#### *Reduction of the VAT*

A reduction of the VAT for non-care services had already been discussed in Germany in the 1990s. A reduction of VAT could help to lower labour costs and therefore reduce costs for consumers of PHS (Weinkopf 2014: 21). Moreover, this lowering of costs is not executed on the disadvantage of employees. However, against the background of the fact that non-care services like house cleaning are primarily demanded by high-income households, a fiscal promotion of these services is politically difficult to implement (Weinkopf 2014: 21).

According to §4 (16) VAT code, PHS organisations recognised as having a charitable status can be exempted from VAT for these services that are covered by the statutory social insurance scheme as long as at least 40 % of their overall services are covered by the statutory social insurance scheme.<sup>31</sup> This is usually the case for providers of care services, 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.

#### *Vouchers*

There is no voucher system in place in Germany.

#### *Job creation for low-skilled workers / public support of production: Model projects to establish PHS agencies*

Since the beginning of the 2000s, regional and local subsidy programmes for PHS companies were established (Weinkopf 2014: 6). These programmes had the objective to enable PHS companies to offer competitive prices as well as to create employment opportunities for low-skilled workers in the PHS sector. The programme 'agencies for work close to the household' (*AhA! Agenturen für haushaltsnahe Arbeit*)<sup>32</sup> in the *Bundesland Saarland* is a prime example for these projects.

Within the framework of a model project, eight personal and service companies were founded to create job opportunities for low-skilled workers in the *Land Saarland* in July 2004 (Görner 2006:38). One main problem for personal and household service providers is the fact that they are competing with cheap undeclared work (Görner 2006:19). Therefore, within the model project the services of PHS companies were subsidised: Starting from a financial grant of EUR 6.20 per hour in 2006, the state provision for PHS companies per household is EUR 3.50 per hour for up to 10 hours a month since 2012 (Weinkopf 2014: 6-7). According to Görner (2006: 41), PHS companies could do with less public subsidy because they could reduce labour costs and provide better quality services that commanded a higher price on the market. Funded PHS companies also invested in

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<sup>31</sup> <http://www.kassel-steuer.de/Steuerliche-Moeglichkeiten-ambulanter-Pflegedienste.105.0.html>

<sup>32</sup> [http://www.saarland.de/agentur\\_haushaltsnahe\\_arbeit.htm](http://www.saarland.de/agentur_haushaltsnahe_arbeit.htm)

further training of their staff (2006: 37). Similar projects were carried out in other regions in Germany (Enste et al 2009: 14; Weinkopf 2014: 6-7).

There are some drawbacks to these projects (Becker/Einhorn/Gebe 2012: 80-81): First of all, they introduce distortions into the market place, as some PHS companies profit from funding and others do not. Furthermore, their upkeep is expensive. It is also often argued that direct subventions do not increase the willingness to pay for high quality PHS, but rather lead consumers to believe that subsidised prices below the usual market price are appropriate (Becker/Einhorn/Gebe 2012: 85). Also, the social status of the PHS sector will not improve if the sector is characterised by a race to the bottom concerning consumer prices; furthermore, also high-income households who are not in need of cheaply-provided PHS profit from subventions (Weinkopf 2014: 21-22). On the other hand, by subsidising retail prices, undeclared work might be reduced while, at the same time, low-income households will be able to afford PHS (Görner 2006:35; Deutscher Frauenrat 2013: 7).

#### *Measures to legalise work*

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 (Deutscher Bundestag 2014: 18). This makes it difficult for authorities to ensure that working hours of directly employed workers correspond to their paid wage. From the Federal government's point of view, no special measures need to be taken to secure that the minimum wage is paid by household employers (Deutscher Bundestag 2014:18). As it is difficult to detect informal employment in private households, other measures need to be applied.

One measure to formalise informal employment has already been addressed: lowering social security contributions for "minor employed" (see above). In particular, the establishment of the household cheque procedure (*Haushaltsscheckverfahren*) and lower social contribution rates for private households employing a mini-Jobber directly in 2003 can be seen as a measure to lower their bureaucratic and financial burdens. Therefore, it helps reducing the amount of undeclared work, as households might not shy away from registering a mini-jobber if the registering process is designed un-bureaucratically.

A second option consists in improving the transparency and information in the sector. As the PHS market is characterised by many small and recently founded companies, and as many customers are often not aware of legal ways to obtain PHS, in principle databases on PHS could help to bring together demand and supply of PHS (Becker/Einhorn/Gebe 2012: 76-77; Weinkopf 2014: 23). Also, many private households employ illegal workers because PHS are often demanded on short notice (Von der Malsburg/Isfort 2014: 2). Service platforms can help those households to find a PHS worker quickly. In North-Rhine Westphalia, an online PHS service platform (*Datenbank Haushaltssnahe Dienstleistungen*) for older people was established by the regional consumer advice centre (*Verbraucherzentrale*).<sup>33</sup> These databases provide an overview about the legal supply of non-care services. They further provide information, e.g. about tax deductibility of PHS.<sup>34</sup> Thus, the consumers' access to the legal market is facilitated. According to the Federal Government, a Germany-wide database for PHS is planned (Deutscher Bundestag: 5). However, this database will only provide general information about PHS, it will not give information about specific regional PHS providers.

#### *Support to self-employed workers*

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<sup>33</sup> <http://www.vz-nrw.de/az/link275512A.html>

<sup>34</sup> <http://www.vz-nrw.de/az/Informationen-Checklisten>

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 unemployment benefits I (*Arbeitslosengeld I*<sup>35</sup>) 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). 71 % of recipients were short-term unemployed (for 0-3 months), few recipients were low-qualified (Caliendo et al. 2012: 3). However, 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 unemployment benefits II (*Arbeitslosengeld II*<sup>37</sup>) are not covered by the start-up grant programme. They are targeted by the introductory benefits programme (*Einstiegsgeld*).<sup>38</sup> Funding of a business concept is decided on a case-by-case base, depending on the assessment of the Federal Employment Agency. The maximum finding period is 24 months.

According to Becker/Einhorn/Gebe (2012: 30), most PHS companies profited from the start up-grant (46 out of 115 subsidised PHS companies). 26 PHS companies profited from the entrepreneur grant for long-term unemployed (*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. 5 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).

## **4 Workers in PHS – current and future employability in the sector**

### **Industrial relations**

Traditionally, collective agreements in the non-care sector are made between the employee representative ‚Gewerkschaft Nahrung Genuss Gaststätten‘ (*Trade Union Food Pleasure Restaurants*) and the Employers’ representative DHB – Netzwerk Haushalt (*DHB – Network Household*). Collective agreements would be generally binding if 50 % of employers would be members of the DHB – Netzwerk Haushalt, which is by far not the case (Deutscher Frauenrat 2013: 15). The extension of collective agreements to a sector was made possible in the context of the Posted Workers Act (*Mindestlöhne nach Arbeitnehmer-Entsendegesetz AEntG*).

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<sup>35</sup> Arbeitslosengeld I: Regular unemployment benefits for singles provide 60 % of the last net income for 12 months. For parents the rate is 67 %. The regulation is included in Social Code Book III (SGB III).

<sup>36</sup> <http://doku.iab.de/kurzber/2012/kb0212.pdf>

<sup>37</sup> Arbeitslosengeld II: Means-tested basic income for job seekers, paid after expiration of regular unemployment benefit. The basic rate is 374 EURO per month. The regulation is included in Social Code Book II (SGB II). This is also known as basic income benefit.

<sup>38</sup>

<http://www.arbeitsagentur.de/web/content/DE/BuergerinnenUndBuerger/Arbeitslosigkeit/GrundsicHerung/IhreChance/Einstiegsgeld/index.htm>



As already explained in section 3, there exist collective agreements in some sub-sectors of PHS, which have been extended to the whole sub-sector. This includes collectively agreed minimum wages for the non-care activities gardening and building cleaning, as well as for the (old-age) care-sector. However, most workers in the non-care sector are not covered by a collective agreement. However, all workers are covered by the statutory minimum wage of EUR 8.50 per hour since January 2015 (with a transitional period up to 2017 or sector with lower collectively agreed wage levels) (see section 2).

### **Working conditions**

In general terms, working conditions in the PHS sector are poor and control for the implementation of labour law is weak for a number of reasons, including informality. Only recently, working conditions in the sector have received some public attention. In the context of demographic change, labour shortages and immigration working conditions in the sector are under debate. In 2013, Germany ratified ILO Convention 189 for Domestic Workers. Trade unions and NGOs have stressed that working and living conditions for commuting migrant workers are of particular concern.

#### *Working conditions in the non-care sector*

Market surveys showed that working conditions for cleaning jobs are not attractive. This could prevent (low-qualified) workers from taking up jobs in the personal and household service sector (Görner 2006:22-23). The low attractiveness of non-care services might be a reason for recruitment difficulties of PHS companies.

#### *Working conditions in the care sector*

The care sector is characterised by skilled workers shortage and a comparatively old workforce (Von der Malsburg/Isfort 2014: 1). Working conditions in the care sector are characterised by high physical and mental strain (Federal Institute for Occupational Safety and Health 2012<sup>39</sup>). In the care sector, working conditions are opaque especially for persons from abroad. It is estimated that around 100,000 illegal workers from abroad work in the German PHS sector (see above in section 2). These persons often carry out tasks that they are not qualified for and work more hours than they are allowed (Von der Malsburg/Isfort 2014: 2). As they are not registered, they work without social protection (Von der Malsburg/Isfort 2014: 2). Furthermore, in the context of 24 hours care arrangements carried out by commuting migrant workers living in the household of the elderly persons who need care, the probability to work more hours than allowed is high.

The high share of mini-jobbers in both the care and the non-care sector (see section 3) indicates that a large part of employees will lack sufficient pension entitlements in the future. However, mini-jobbers have entitlement to paid leave and sick days as well as maternity leave.

### **Overview of skills and qualification of workers**

According to the study carried out by Becker/Einhorn/Gebe (2012: 42), 7 % of non-care workers employed by PHS companies had a university or university of applied science degree, 11.8 % had master craftsmen training or a comparable education, 62 % had completed vocational training, and 21.3 % did not get certified formal training. The high percentage of persons who completed training is misleading as the number of career-changers in the PHS sector is high (Becker/Einhorn/Gebe 2012: 46): it does not necessarily

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<sup>39</sup> [http://www.baua.de/de/Informationen-fuer-die-Praxis/Statistiken/Arbeitsbedingungen/pdf/Factsheet-10.pdf?\\_\\_blob=publicationFile&v=5](http://www.baua.de/de/Informationen-fuer-die-Praxis/Statistiken/Arbeitsbedingungen/pdf/Factsheet-10.pdf?__blob=publicationFile&v=5)

indicate that the training was completed in a PHS occupation like 'trained housekeeper' (*Hauswirtschaftler*).

As already mentioned in section 2, outpatient nursing service companies employed mainly trained nurses or nurse assistants in 2013 and only a small number of trained housekeepers (*Hauswirtschaftler*). Like non-care PHS companies, outpatient nursing services companies employed a high number of career-changers with occupations not connected to the PHS sector.

Around half of employees of building cleaning PHS companies were low qualified (Becker/Einhorn/Gebe 2012: 46).

### **Skills development and professionalisation in the sector**

*Qualification: levels of qualification, requirements in terms of qualification (quality regulations), minimal levels*

Especially for non-care services, the required skills to provide PHS on a high level are often underestimated. Soft skills required are language skills and language competence (especially when working with children or older people), good manners, thoroughness, and the ability to work independently (Deutscher Frauenrat 2013: 19). Personal and household service workers are often exposed to increased physical burdens and have to meet high demands on flexibility to meet customer needs (Enste et al. 2009: 7). It is therefore a misconception to believe that hard to place long-term unemployed persons can assimilate into a PHS work environment without difficulty (Becker/Einhorn/Gebe 2012: 79-80). The survey by Becker/Einhorn/Gebe (2012: 57, 71) indicates that two thirds of PHS companies face difficulties in finding adequate employees.

*Vocational Training: VET coverage; is training developed by employers?; main barriers, success factors*

Regarding non-care services, the corresponding three-year dual training occupation is 'trained housekeeper' (*Hauswirtschaftler*). (Deutscher Bundestag 2014: 13). From the point of view of non-care PHS companies, this occupation does not match up to the requirements of services conducted at the home of the consumer, because the training of required soft skills (e.g. dealing with customers) is neglected; furthermore, training of apprentices at the home of the customer is often not desired by customers (Becker/Einhorn/Gebe 2012: 59-60). In sub-segments of none-care PHS like gardening, PHS companies do not face these problems because formal occupation schemes exist (Becker/Einhorn/Gebe 2012: 59).

Becker/Einhorn/Gebe (2012: 60) also note that only 16.4 % of responding (non-care) PHS companies were entitled to offer training, compared to an average of 24 % over all German companies. 68.9 % of all responding PHS companies were entitled to offer training but chose not to. Those companies who offered training were mostly found in the gardening and building cleaning sector, the least active sub-sector concerning training is the domestic economy sector (Becker/Einhorn/Gebe 2012: 71).

On-the-job training is the most common form of further training provided by PHS companies. An overview of further training activities is given in Table 6.

**Table 6 Further training provided by PHS companies**

	regularly	sometimes	never
on-the-job training	46%	30%	23%
internal workshops	14%	31%	55%
external workshops	10%	33%	57%

Source: Becker/Einhorn/Gebe 2012: 61

In the non-care sector, for the consumer an assessment of the quality of service of regular and irregular supply of PGS is aggravated by the fact that official quality or certification standards were never introduced (Reinecke et al. 2011: 4). Formal as well as informal qualifications could be approved formally (Deutscher Frauenrat 2013: 27). Furthermore, the formal occupation 'trained housekeeper' (*Hauswirtschaftler*) could be promoted and made more known to improve service quality (Deutscher Frauenrat 2013: 21). In 2014, only 2,432 persons concluded a training contract for this occupation, compared to a total number of training contracts of 522,232 (Federal Ministry for Training and Research 2015: 22).

In outpatient nursing services, 9,763 out of 320,077 employees (3 %) were in training on 15 December 2013 (Federal Statistical Office 2015: 13). A wide variety of formal childcare and eldercare occupations are considered in the German dual training system.

#### *Recognition of skills and qualification in the PHS sector in order to promote its qualitative development*

In 2013, the Federal Ministry for Families, Senior Citizens, Women and Youths promoted the development of a skill classification 'curriculum' for non-care PHS services.<sup>40</sup> According to the Federal Government, this curriculum could be used to assess the skills and qualification of career-changers who want to become a trained housekeeper (*Hauswirtschaftler*) (Deutscher Bundestag 2014:13).

#### **Obstacles to professionalisation**

##### *Non-care PHS*

According to a strategy paper published by the Competence Centre professionalisation and Quality assurance in non-care PHS (*Kompetenzzentrum Professionalisierung und Qualitätssicherung haushaltsnaher Dienstleistungen*) in 2014, the main obstacle to professionalisation is the low reputation of non-care PHS (*haushaltsnahe Dienstleistungen*). They are seen as services that can be provided by everyone, therefore, many consumers are not willing to pay an appropriate market price. This leads to low wages in the sector, which further decreased the reputation of household-related services.

In Germany, the state-approved trained housekeeper profession (*Hauswirtschaftler*) is provided within the dual training system.<sup>41</sup> Depending on the *Bundesland*, however, there is also the possibility to visit a technical school (*Berufsfachschule*) or a technical college (*Berufskolleg*) to obtain this qualification – for example in Bavaria<sup>42</sup>. For this kind of training, apprentices have to cover school fees by themselves. The regular training period is three years. There is also a state approved profession called service helper

<sup>40</sup> [http://dghev.de/files/dgh\\_Curriculum\\_haushaltsnahe\\_Dienstleistungen.pdf](http://dghev.de/files/dgh_Curriculum_haushaltsnahe_Dienstleistungen.pdf)

<sup>41</sup> <http://berufenet.arbeitsagentur.de/berufe/start?dest=profession&prof-id=13815>

<sup>42</sup> [http://www.stmelf.bayern.de/berufsbildung/berufe\\_hauswirtschaft/001108/index.php](http://www.stmelf.bayern.de/berufsbildung/berufe_hauswirtschaft/001108/index.php)

(*Dienstleistungshelfer*) for persons with very low qualifications<sup>43</sup>, and some higher qualifications can also be obtained in this field.<sup>44</sup>

Only 1272 persons started training as a trained housekeeper in 2014; there were 1320 training places compared to 1338 applicants.<sup>45</sup> According to experts, mandatory training schedules for trained housekeepers<sup>46</sup> are out-dated and do not correspond sufficiently with the skills needed in the PHS sector.<sup>47</sup> This might be the reason why the profession is not very well-known among PHS provider companies. The lack in training activity of companies might therefore not primarily be caused by high costs of training. It might predominantly be caused by the lack of a suitable state-approved profession for non-care PHS or the companies' lack of information regarding the existence of a state-approved profession for PHS.

Costs for trained PHS workers might also not be an issue for bigger non-care PHS companies as wages for apprentices are generally quite low: the gross income for non-care PHS apprentices ranges between EUR 640-853 (first year of training) and EUR 760-949 (third year of training).<sup>48</sup> It should however be noted that training companies have to pay vocational school fees. On the other hand, non-care PHS companies are usually small and might therefore not be able to train many apprentices for organisational and financial reasons (Becker/Einhorn/Gebe 2012: 87). As most companies in non-care PHS services are small, they may not always be able to employ trained housekeepers full-time as they cannot supply them with enough work. In addition to the low reputation of non-care PHS services, the unemployment rate for trained housekeepers is higher than the average unemployment rate<sup>49</sup>. The limited attractiveness of this occupation for potential apprentices might therefore also be an issue.

To conclude, regarding the professionalisation of the non-care PHS sector, there are issues in the supply as well as in the demand for training places. On the supply side of the training market, this is caused by the structure of the non-care PHS sector (high organisational and financial effort for the mostly small companies), the lack of information concerning state-approved PHS occupations, and the mandatory training schedules for trained housekeepers that do not correspond sufficiently with the skills needed. On the demand side for training, low wages and low prestige of non-care PHS work, and the comparatively high unemployment rate might cause the low number of apprentices. Also, wages for trained household service workers will tend to be higher than for unskilled staff; this could reduce the employment prospects for household service workers.

#### *Care-PHS*

Regarding outpatient nursing services, there seems to be no big risk that increasing training will lead to "escape" from staff to related sectors, e.g. to the residential care sector. Inpatient care companies are allowed to refinance their expenses for training by adapting

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<sup>43</sup> [http://www.stmelf.bayern.de/berufsbildung/berufe\\_hauswirtschaft/011745/index.php](http://www.stmelf.bayern.de/berufsbildung/berufe_hauswirtschaft/011745/index.php)

<sup>44</sup> <http://berufsverband-hauswirtschaft.de/ausbildung-und-berufsbild.html#Fachpraktiker>

<sup>45</sup> [http://www.bibb.de/dokumente/pdf/naa309\\_2014\\_tab59\\_0bund.pdf](http://www.bibb.de/dokumente/pdf/naa309_2014_tab59_0bund.pdf)

<sup>46</sup> See [http://www.gesetze-im-internet.de/hwirtausbv\\_1999/](http://www.gesetze-im-internet.de/hwirtausbv_1999/)

<sup>47</sup> [http://www.uni-giessen.de/cms/fbz/fb09/institute/wdh/wpf/Infos/Downloads/strategiepapier\\_download2015](http://www.uni-giessen.de/cms/fbz/fb09/institute/wdh/wpf/Infos/Downloads/strategiepapier_download2015)

<sup>48</sup> <http://www.landwirtschaftskammer.de/bildung/hauswirtschaft/formulare/verguetung/index.htm>

<sup>49</sup> [http://141.48.2.28/Download/zshDownload\\_HWbrosch\\_FB14\\_3.pdf](http://141.48.2.28/Download/zshDownload_HWbrosch_FB14_3.pdf)

service charges, which is (with some exceptions<sup>50</sup>) not possible for outpatient nursing service providers.<sup>51</sup> Due to high training costs, outpatient nursing services shy away from training, therefore skilled workers are trained by inpatient care companies for the most part. This becomes apparent when looking at care statistics for the year 2013<sup>52</sup>: The number of persons employed by outpatient nursing services rose from 2011 to 2013 by 10.1 % to 320,077. Over the same period, the number of persons employed in residential care rose by 3.7 % to 685,447. With respect to outpatient nursing services, only 9,763 persons (3.1 % of persons employed) were in training in 2013, compared to 48,320 in residential care (7.0 % of persons employed). It could therefore rather be assumed that people switch from the residential care sector to the faster growing outpatient nursing services sector. However, this might also be the case for the high share of persons without PHS training in the outpatient nursing services sector (see figure 5). This might restrain the qualitative development of outpatient nursing services. It needs to be added that short-term training of care-PHS for elderly might be provided in the country of origin in case of migrant workers. It may also be the case that migrant workers have been trained as nurses but are not paid accordingly.

### **Feasibility for EU action in PHS**

As not all low-qualified persons are employable in the PHS without further training, one field of action should concentrate on promoting training opportunities for the PHS sector. This could be implemented within the skills alliance framework<sup>53</sup> or the PROGRESS axis of the EU Programme for employment and social innovation (EaSI)<sup>54</sup>. Furthermore, better trained PHS workers can offer high quality services which might increase the appreciation for PHS. The promotion of training and further training could support the qualitative development of the sector and, in the long run, increase the willingness to pay for PHS. In the ESF-funded project *Mehrgenerationenhäuser*<sup>55</sup> (multigenerational houses), PHS are offered as services that "can be carried out without in-depth knowledge".<sup>56</sup> Instead, this programme could focus on further training and training of PHS workers.

Generally, the service provider model offers many advantages concerning working conditions compared to the direct employment model. One line of action could therefore be the promotion of PHS companies similar to the AhA-project in Saarland<sup>57</sup>. Similar ESF-funded model projects often combine information promotion measures with promoting training opportunities for PHS workers.

General information concerning PHS services is already provided via the ESF-funded action programme 'perspective re-entry' (*Perspektive Wiedereinstieg*), however only for persons

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<sup>50</sup> For example in North-Rhine Westphalia, outpatient nursing services can charge a training fee since July 2012 ([http://www.mgepa.nrw.de/pflege/pflegeberufe/ausbildung/ausbildungsumlage/Fragen\\_und\\_Antworten\\_zur\\_Ausbildungsumlage\\_fuer\\_Kundinnen\\_und\\_Kunden/index.php](http://www.mgepa.nrw.de/pflege/pflegeberufe/ausbildung/ausbildungsumlage/Fragen_und_Antworten_zur_Ausbildungsumlage_fuer_Kundinnen_und_Kunden/index.php))

<sup>51</sup> <http://www.dgb.de/themen/++co++af783440-1cab-11e0-50c0-00188b4dc422>

<sup>52</sup> [http://www.bagso.de/fileadmin/Aktuell/News/2015/PflegeDeutschlandergebnisse\\_2013.pdf](http://www.bagso.de/fileadmin/Aktuell/News/2015/PflegeDeutschlandergebnisse_2013.pdf)

<sup>53</sup> [https://eacea.ec.europa.eu/erasmus-plus/actions/key-action-2-cooperation-for-innovation-and-exchange-good-practices/sector-skills-alliances\\_en](https://eacea.ec.europa.eu/erasmus-plus/actions/key-action-2-cooperation-for-innovation-and-exchange-good-practices/sector-skills-alliances_en)

<sup>54</sup> <http://ec.europa.eu/social/main.jsp?catId=1082&langId=en>

<sup>55</sup> <http://www.mehrgenerationenhaeuser.de/>

<sup>56</sup> <http://www.mehrgenerationenhaeuser.de/1687>

<sup>57</sup> [http://www.saarland.de/agentur\\_haushaltsnahe\\_arbeit.htm](http://www.saarland.de/agentur_haushaltsnahe_arbeit.htm)

re-entering the labour market. In Hamburg, for example, a brochure informing about local PHS providers was developed and a service platform was planned. To promote professionalisation in the sector, potential PHS workers can take part in (further) training measures to become state-approved trained housekeepers. These measures are provided in cooperation with the Association of German Housewives (Deutscher Hausfrauenbund).<sup>58</sup> Another similar ESF-funded project that promotes information and helps to bring together demand and supply in the PHS sector is the programme *Lokale Bündnisse für Familie* (local alliances for families).<sup>59</sup> On the local level, similar ESF-funded model projects that also included (further) training measures for potential PHS workers were carried out in Frankfurt (Hesse) in 2012<sup>60</sup>, in Schwäbisch Hall (Baden-Württemberg) in 2010<sup>61</sup>, or in Worms (Rhineland-Palatinate) with a focus on training of long-term unemployed persons in 2009<sup>62</sup>. These local model projects have very much in common with the AhA-project in Saarland.

On a wider level, the lack of information concerning PHS service providers could be mitigated by establishing an EU-wide online PHS platform, which could also help improving the situation of Eastern-European and South-European PHS workers by indicating ways to take up registered employment abroad. This program could be carried out within the EURES axis of EaSI<sup>63</sup>, as it would improve transparency of job vacancies and promote the freedom of movement for workers.

PHS stakeholders also made some suggestions to promote professionalisation in the PHS sector (Becker/Einhorn/Gebe 2012: 87-88): As most companies in non-care PHS services are small, a possibility to jointly train PHS workers could increase these companies to provide more training opportunities. An innovative proposal was to train PHS apprentices in households of trained housekeepers, who could give professional feedback on the quality of the services provided by apprenticeships. Programmes should promote training or further training of career changers on a broad base (e.g. via a modular training scheme), considering that PHS workers often have to carry out overlapping activities like child caring, elder caring, but also house cleaning or cooking.<sup>64</sup> According to Becker/Einhorn/Gebe, these ideas could be considered in programmes like the ESF-funded programme JOBSTARTER- Training for the future.<sup>65</sup> This might also be in the interest of many PHS companies: 33 % of 314 PHS companies stated that a promotion of training opportunities for PHS workers would be very feasible, 30 % stated that this would be rather feasible, 26 % stated that it would be rather not feasible, and 11 % stated that it would not be feasible (Becker/Einhorn/Grebe 2012: 83).

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<sup>58</sup> [http://www.perspektive-wiedereinstieg.de/Inhalte/DE/Wiedereinstieg/Wiedereinstieg\\_konkret/Beratung\\_vor\\_Ort/perspektive\\_wiedereinstieg-modellstandort\\_hamburg\\_teilnehmerinnen\\_und\\_teilnehmer\\_erarbeiten\\_eigene\\_profile\\_fuer\\_professionelles\\_bewerbungsmanagement.html?nn=158512](http://www.perspektive-wiedereinstieg.de/Inhalte/DE/Wiedereinstieg/Wiedereinstieg_konkret/Beratung_vor_Ort/perspektive_wiedereinstieg-modellstandort_hamburg_teilnehmerinnen_und_teilnehmer_erarbeiten_eigene_profile_fuer_professionelles_bewerbungsmanagement.html?nn=158512)

<sup>59</sup> <http://www.lokale-buendnisse-fuer-familie.de/>

<sup>60</sup> [https://www.esf-hessen.de/main\\_service\\_\\_\\_GFFB\\_Seniorenagentur.esf](https://www.esf-hessen.de/main_service___GFFB_Seniorenagentur.esf)

<sup>61</sup> [http://www.esf-bw.de/esf/index.php?id=228&display=project\\_detail&project\\_id=292&&category=13](http://www.esf-bw.de/esf/index.php?id=228&display=project_detail&project_id=292&&category=13)

<sup>62</sup> [http://www.biwaq.de/BIWAQ/DE/Projekte/Projekte\\_BIWAQ1/382\\_DienstleistungsAgentur.html](http://www.biwaq.de/BIWAQ/DE/Projekte/Projekte_BIWAQ1/382_DienstleistungsAgentur.html)

<sup>63</sup> <http://ec.europa.eu/social/main.jsp?catId=1083&langId=en>

<sup>64</sup> [http://www.uni-giessen.de/cms/fbz/fb09/institute/wdh/wpf/Infos/Downloads/strategiepapier\\_download2015](http://www.uni-giessen.de/cms/fbz/fb09/institute/wdh/wpf/Infos/Downloads/strategiepapier_download2015)

<sup>65</sup> <http://www.bmbf.de/en/2313.php>

Furthermore, awareness raising about the consequences of informal employment should be increased. Combating informal employment should be a high priority. Awareness raising should also include the elaboration of guidelines for private households on working conditions. Finally, control mechanisms with regard to working conditions should be promoted.

It seems that EU funds (especially ESF) are mostly used to establish measures that promote training, further training, and help to disseminate information regarding the possibilities to obtain PHS services. Against the background of the high share of illegal employment in the PHS sector, it is also feasible to accompany these measures by providing wage or social security contribution subsidies for PHS service providers to help them compete with competitors of the black market. Similar measures were already implemented within the framework of some of the above mentioned local ESF-funded model projects.

The promotion of a voucher system, taking over a share of the service costs) would be a preferred model of German households according to a survey carried out by the Ministry of Family (Wippermann 2012). It would be important to give low-income families an easier access to vouchers (Weinkopf 2014, Weinkopf 2006). This instrument is perceived as having the potential to lower informal employment.

Regarding care PHS, the low willingness of outpatient nursing service companies to provide training opportunities is most likely caused by the costs for training. It could therefore be feasible to promote training for relevant occupational groups like geriatric nurses. In the light of the high share of persons without care training in this sector (see Figure 5), it might also be feasible to promote further training. There is a range of programmes for the promotion of elder care training and further training that is funded by the European Union.<sup>66</sup>

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<sup>66</sup> <http://www.altenpflegeausbildung.net/startseite/studien-kampagnen-und-projekte/projekte/nachqualifizierung-von-hilfskraeften.html>

**Annex**

Table 7 Monthly median gross income of persons employed working full-time by sector

Employment subject to social insurance contributions

in EUR

31.12.2013

sex	Age	All sectors	Sector 97 Private Households and Domestic Servants	sector 97 / total in %
total	Total	2960	1614	54,5
	15-24	2090	X	X
	25-49	2970	1661	55,9
	50-64	3198	1570	49,1
	65+	2337	X	X
men	Total	3146	2051	65,2
	15-24	2192	X	X
	25-49	3141	2044	65,1
	50-64	3394	2089	61,5
	65+	2446	X	X
women	Total	2631	1550	58,9
	15-24	1955	X	X
	25-49	2672	1571	58,8
	50-64	2837	1524	53,7
	65+	2084	X	X

Source: Deutscher Bundestag 2014: 16



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