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# Personal Household Service Quality project

National report Denmark

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## Summary

In this report, the Danish Personal Household Service (PHS) sector is described and analyzed with regards to the regulatory set-up, the role of the social partners and the wages and conditions of the employees. The report has a special focus on cleaning and elder care. The main findings are:

Firstly, regarding the PHS sector in general, the eligibility criteria for public funded assistance appears stricter in recent years, public and public-procured types of PHS continue to be widespread and important, reflecting the universal Danish welfare state. The private-formal type of PHS is also substantial, but it has not been possible to determine the exact size of this as well as of the private-informal type.

Secondly, Denmark has an extensive legal framework directly or indirectly relevant for PHS-workers, but the ILO convention 189 on domestic workers has so far not been ratified which is down to the main actors' fear of unnecessary intervention in legislation and collective agreements. Apart from the legal framework, the collective agreements provide an equally important framework for pay and conditions for PHS workers.

Thirdly, the social partners have also developed a series of initiatives to improve pay and conditions. These initiatives are relevant for PHS-workers in both the cleaning- and the elder care sector, but are not always limited to these. Several of these initiatives are linked to the collective agreements.

Fourthly, due to a substantial overlap between the two selected sectors, we found a number of cross-sectoral similarities. However, the private-formal and private-informal types of PHS are likely more widespread in the cleaning than in the eldercare sector, where pay and working conditions on average appear better. Self-employed and marginal part-timers were also more widespread in cleaning than in eldercare. Increased work-intensification were challenges seen in both sectors.

## 1. Introduction

The present report includes the findings from the Danish part of the EU-funded project entitled Job Quality and Industrial Relations in the Personal and Household Services Sector (PHS-Quality project), with the project number VP/2017/004/0049, coordinated by AIAS-HSI, University of Amsterdam. From a comparative and multidisciplinary perspective, the PHS- Quality project studies the existing public policies and social partners' strategies towards personal and household services in ten EU countries, namely, Belgium, Denmark, the Netherlands, Spain, Germany, France, Finland, Czech Republic, Slovakia and the UK. Personal and household services (PHS) cover a range of activities that contribute to the well-being at home of families and individuals, including childcare, care for dependent older people and persons with disabilities, housework services (such as cleaning, ironing and gardening), remedial classes, home repairs, etc.

The project's main research question is: *How can legal regulation, public policy and social partners' action improve job quality and fight informality in PHS sector?*

The aims of the project are: 1) To provide insights into the experiences of implementing legislation and public policies aimed to improve rights, reduce informality and enhance service quality. 2) To analyse the challenges social partners face in improving conditions and rights through collective bargaining /social dialogue. 3) To discuss and disseminate the project results.

The methods used are semi-structured interviews with public authorities, social partner organizations and NGOs. 13 interviews have been conducted (see Appendix A). The interview data were triangulated with desk research and analyses of collective agreements and other relevant documents from social partner organizations and NGOs, national statistics as well as research reports and academic research studies. Where nothing else is stated, the interviews are the source of information.

This introduction is followed by a section introducing the PHS-sector and its sub-sectors in Denmark, with regard to size, types, wages and working conditions, etc. The following two sections present the findings from the two purposefully selected case studies: Cleaning and eldercare provided in private households. The project group jointly allowed us to choose eldercare and/or care for disabled as one of the two case. We chose eldercare due to a previous research project (BARSOP) as well as the difficulties in including both eldercare and disabled in one case. Another argument for choosing the two areas as the empirical cases is that they together cover a large part of the Danish PHS sector and thus are relevant to explore in greater details. However, it creates some challenge that the two sectors are partly overlapping, in that

cleaning is the prime activity in one of two main services (practical assistance) within Danish eldercare. We will address this challenge by cross-references between the sections on cleaning and eldercare, respectively. The final section compares the empirical findings and includes a conclusion.

## 2. PHS in Denmark in general

### 2.1 Introducing the Danish PHS sector and its subsectors

There is no commonly used Danish translation of PHS sector. The concept of home help (hjemmehjælp) is widespread, but is too narrow in that it only covers some of the services normally referred to as PHS such as assistance provided for older people and other dependent adults in their own homes. In the report, we use in line with the overall project the term PHS. PHS are mainly found in five areas: Childcare, care for the elderly, care for persons with disabilities, household services (including cleaning) and home repair. These five areas – or PHS subsectors – will briefly be introduced below. These services are not mutually exclusive, but partly. To capture the different forms of such PHS services in Denmark, we differentiate between five types of services according to who pays for and who delivers the service: Private informal, private formal, public formal and public procured service work. Voluntary organizations do also play a role, and could have constituted a fifth type. However, since the present project focuses on PHS, where employees and self-employed are involved, unpaid PHS work from voluntary organisations, friends and relatives will only be addressed to a limited extent. Table 2.1 provides an overview of the types of service provider of PHS.

*Table 2.1: Type of PHS services regarding financial sources and formality*

Type	Private-informal	Private-formal	Public procured	Public
Tax /formality	Unregistered	Registered	Registered	Registere.
Financial source	Household	Household	Public	Public
Provider	Private com./ Individual	Private company	Private company/ Public instit.*	Public institution
Collective agreem. coverage (de facto)	Not covered	Covered/ Not covered	Covered/ Not covered	Covered
Labour law/ Health & Safety law coverage (de facto)	Not covered	Covered, if employee status	Covered, if employee status	Covered

\* = In the case that the public institution win the tendering. In some cases, it is furthermore possible to choose a relative as a provider.

The typology of PHS services is relevant for all the types of PHS services listed below. However, not all types might be equally widespread within all the listed PHS services. It has not been possible to say much about the relative size of the four different types. Nevertheless, the size of the informal services (also known as ‘undeclared’ work or the ‘black’ economy) is estimated to be around 1.6 % of GDP in Denmark in 2016 compared to 3 % in 2009. The same study also

found that 40 % of the Danish population had worked undeclared, often for families and friends, indicating a relatively low number of hours of undeclared work per individual (Hvidtfeldt 2016; Madsen 2018). The hourly wages for craftsmen (mostly relevant for the PHS service ‘home repair’) is estimated to be around 80 % to 90 % of the comparable wages in the formal sector, for household services to be around 50 % - 70 % (Bendtsen 2016; Madsen 2018). However, these kinds of estimates are often highly questionable as it is uncertain if they include all types of informal work – including informal work performed by all types of labour migrants.

Illegal immigrants are also likely to take part in private-informal PHS activities and their numbers have been increasing since 2008 according to a recent high-quality estimate. In 2018, the number of illegal immigrants was estimated to 22.000, which equalizes 0.8 % of the formal number of employees in the Danish labour market (Statistics Denmark 2019).

### *Childcare*

Denmark has a long tradition of public funded childcare, which is heavily subsidized and thus affordable for most parents. Childcare is available for all age groups of children, and covers childcare in public kindergartens, nurseries after school care and registered and public funded childminders. Most childcare in Denmark takes place outside the PHS sector with as many as 87 per cent of children under the age of 12 years attending full-time childcare i.e. 30 hours or more per week (Eurostat, 2018). Also most children between 3 years and up to compulsory school age (77 %) as well as children under the age of three (66 %) attend full-time formal daycare in Denmark (EU-SILC survey, 2019). However, a sizeable part of the formal and the informal childcare also takes place in private homes.

There are at least five models of childcare with relation to PHS, including employees/self-employed. *The first* model falls within the public procured type, where private providers in the form of childminders are mediated by public authorities and provide childcare for children under the age of three in their own private households. These childminders have the status as self-employed, but receive some social benefits. There is a Danish language requirement set by the municipalities, and a certification process, but no specific formal qualifications are required. The municipality makes regular inspections. In 2017, there were 9.800 childminders caring for 33.200 children under the age of three in Denmark (Statistics Denmark, 2019).

*The second model* also falls within the public procured type in our typology. This model is the result of the government led free user choice scheme, which was introduced in 2004. It allows parents to act as employers and to arrange their own childcare within their private household.

*The third and fourth* models are the private formal type and the sizeable private informal type. Pay and conditions varies and are most often below CA standards.

Finally, *the fifth model* is difficult to place in our typology. This is the au pairs, the well-known cultural exchange programme. It is not limited to childcare and it does not de jure include employees /self-employees, but de facto it does, as the programme allows au-pairs from non-EU countries to provide cheap childcare (and additional household services) for up to 30 hours per week in exchange for lodging with their host family and a monthly allowance. The au pairs' monthly minimum allowance for the maximum of 30 weekly working hours was 550 euro in 2019. If the value of lodging costs (i.e. free meals and accommodation) are included and the allowance is calculated as an hourly wage, this corresponds to approximately 50 % of the minimum monthly salary for a full-time CA-covered employee with similar care responsibilities (FOA 2019; www.jobpatruljen.dk).

The monthly allowance of au pairs as well as their conditions was improved in 2014. The improved conditions included among others extra holiday entitlements, better possibilities to change host family, and new obligations on the host family to cover the au pair's travelling expenses to and from Denmark (Regeringen et al. 2014). Moreover, since 2019, the host families are obliged to pay approximately 2.300 euro for the au pairs' Danish language courses, which is – a substantial increase from the approximately 700 euros that host families had to pay before the rule changes (Regeringen et al. 2014). However, a number of organisations and political parties, including the current government in office, call for abolishing the au pair scheme as they consider it cheap labour. A recent evaluation of the au pair scheme by Rambøll Management Consulting (2019) confirms that it is economic incentives rather than a cultural exchange that are the main drivers for families utilizing the au-pair scheme as well as for the au pairs to come to Denmark. In the light of the recent evaluation, the Minister of Integration has raised the issue and aims to roll-back the au pair scheme (Dagbladet Politiken, 18<sup>th</sup> December 2019). The number of approved au pairs has reduced from nearly 3.000 in 2008 to 1.300 in 2018 (Ugebrevet A4, 19. Juni 2019), implying that this type of PHS-related childcare is less widespread than the aforementioned other types.

### *Disabled*

Care for persons with disabilities is partly overlapping with both cleaning services and eldercare. Little information is available about the extent and conditions of the private forms of this type of PHS, but we have some information about the outsourced and the public forms of care for disabled persons.

Regarding *the legal basis*, the citizen-administered disability assistance scheme ('Borgerstyret Personlig Assistance', BPA) was introduced in 2009 and

is administered and financed by the municipalities. It covers the costs of employing persons as disability assistants. The disabled person has the choice to act both as a manager (organizing the work of the disability assistant) and as an employer: 40 % of the disabled choose to have both roles, whilst other 60 % have limited their role to organizing work and passed the employer responsibility on to a *private provider*. Among these, the combined NGO and BPA-provider LOBPA is the largest employer, employing around 1.300 disability assistants. LOBPA is member of the employers' organisation The Danish Chamber of Commerce, which is one of the main Danish employers' associations representing companies in the service sector.

While 2.000 persons are approved for BFA, no statistics exist regarding the number of *disability assistants*, but according to an estimate the number is approximately 10.000 (Madsen 2018). The disability assistants are a mix of employees having the job as their main activity and those where it is a secondary temporary activity. There exists no formal educational requirement to work as a disability assistants, but some organisations such as LOBPA offers an introductory course to new disability assistants according to an interviewee. In addition, some disability organisations such as LOBPA offer management courses for the disabled who are entitled to employ a disability assistant.

Regarding wage and working conditions of disability assistants, the disability assistants often have long days with shifts up to 24 hours due to an exception from law regarding the 11-hour rule for daily breaks. The CA-covered disability assistants' minimum wage stands as 16.50 euro per hour, which is among the lower collectively agreed minimum hourly wages in Denmark. However, wage supplements for unsocial hours i.e. night and weekend-shifts typically mean that the de facto hourly wage is somewhat higher. Regarding other working conditions of the disability assistants, a study from 2010 found their work environment to be highly volatile, individualized and dependent on personal relationship between the disabled and assistants (Nielsen et al. 2010; Madsen 2018).

Regarding *industrial relations*, the opportunity for the disabled to have the employer responsibility empowers the disabled, but also involves risks of unprofessional or paternalistic employment relations and include challenges, insofar their relation to the disability assistant runs into difficulties. Another potential problem is that up to 60 -70 % of the disability assistants are without CA coverage.

A third type of challenges is closely linked to the fact that municipalities both finance the disability assistants and decide if and how much help they are entitled to, as access to help is subject to needs testing. In this context, a key challenge is that most municipalities through their usage of labour clauses in public tenders request that private contractors comply with the wage and working conditions dictated in the most dominant collective agreement covering the sector. However, on the other hand, the municipalities' public tenders tend to be

underfunded and in some instances not covering the associated labour costs outlined in the collective agreements (Larsen and Mailand, 2018). Another problem reported by some interviewees is a tendency among the municipalities to approve fewer disabled for help and to lower the number of hours of help needed. Insofar this practice is what takes place, it implies most likely that unpaid work in the households and the private types of PHS are increasing with regards to care for the disabled. This tendency is also found in other PHS-related services such as elder care, and will be discussed in the final section of the report.

### *Eldercare*

In Denmark, care for the elderly is public funded, administrated by municipalities and for a large part free. It is likely the largest of the PHS-subsectors. Access is subject to needs testing by the individual municipalities who set the eligibility criteria. In organizational terms, eldercare is divided into three types: 1) The public nursing homes and the public sheltered accommodation (accommodation connected to and in geographical proximity to the nursing homes). 2) Residential care homes (accommodation tailored to dependent older people, which the municipality approves for elder care for and where the older person pay rents); and 3) Home help and personal care provided to older people living in their own homes (ældresagen.dk). Since eldercare is one of the two selected cases in the present report, it will be analysed further below (in section 4).

### *Household services*

*Household services* (cleaning, ironing, cooking, gardening, etc.) is a broad category of PHS services. It is partly overlapping with eldercare and with childcare, as these services sometimes form part of the same job descriptions. This is for example the case with home help and with regards to au pairs. Cleaning in private households is widespread with as many as one in ten Danish households relying on private cleaning services, some of which can be characterized as undeclared work. Cleaning is a highly labour intensive and a low paid job, where there are no formal educational requirements. In addition, start-up costs for new companies are relatively low and the sector is dominated by a high company- and employee turnover (Trygstad et al. 2019). In section 3, we describe in greater details the characteristics of the Danish cleaning sector and particularly the part that takes place in private households as this is it one of the two selected cases in our study.

### *Home repair*

A last PHS service to be mentioned is home repair. Only a small part of this will be of the public and public procured types of PHS – most will be of the private formal and informal types. In addition, undeclared work is also widespread

within this subsector, where the largest share of undeclared work can be found (Bendtsen et al. 2018; see also section 2.1).

## 2.2 Legal framework

The most important legislation and policy initiatives with regard to PHS in Denmark are the following laws:

### *Conventions*

*The ILO convention 189* regarding domestic work is the main PHS-related convention. Among the other Nordic countries, Finland and Sweden have ratified the ILO convention 189 while ratification is work in progress Norway. In Denmark, the ratification process has been put on hold, but it is relevant to explore why this is the case. According to an interviewee close to the decision-making process, Denmark has no tradition for the more or less automatic ratification of ILO conventions as seen in some other countries. Acknowledging the need for employment and social protection in several regions of the world, which the convention could facilitate, the former Danish Liberal-led government voted in May 2011 in favor of the convention. However, in the process leading up to the possible ratification in 2014, it appeared that both the private sector and the public sector employers opposed ratification of the convention, which was found to be unclear in its coverage. The municipalities' interest and employer organization - Local government Denmark - feared for legal interruption in the collective agreements of their household service assistants providing personal care and home help for dependent adults living in their own homes. They also feared that other collective agreements could be effected insofar the ILO convention was ratified. The main Danish trade union confederation, LO (now FH), was initially in favour of ratification. However, after considering the employers' opposition, LO found that it was not the right time for ratification.

The Social-democratic led government (September 2011- June 2015) abstained from ratifying the ILO-convention and thus followed the recommendations from the Danish government's ILO committee that also included representatives from the social partners. All parties in the government led ILO committee found that the Danish regulation largely adhered to the intentions of the convention and that a ratification would lead to unnecessary changes in Danish legislation and collective agreements. Moreover, the government and the social partners feared that labour demand would be reduced as the convention does also include domestic work with very few working hours and some households could be expected not to demand domestic work in order to avoid bureaucracy. According to an interviewee close to the process, it is interesting to note that the pressures from the trade unions for ratifying the convention 189 was reduced following the legal improvements of au pairs'

rights and working conditions following the reform in 2014, although au pairs were not covered by the convention according to the main actors.

Another convention worth mentioning is *ILO convention 94* on labour clauses, which is relevant with regards to public procured PHS that are provided by private contractors. The ILO convention 94 stipulates that ‘contracts to which this Convention applies shall include clauses ensuring to the workers concerned wages (including allowances), hours of work and other conditions of labour, which are not less favourable than those established for work of the same character in the trade or industry concerned in the district where the work is carried on’ (ILO Convention 94, article 2). Denmark ratified the ILO convention 94 in 1955, but its impact has been fairly limited up until 2014 due to limited enforcement and various unclarities regarding the rules and regulations linked to using labour clauses in public procurement (Schulten et al. 2012: 13; Rasmussen et al. 2016). In 2014, things changed as the Danish government passed a law, which legally obliged all central government authorities to use labour clauses in public procurement, whilst this was optional for regional and local governments. However, 90 % of the Danish municipalities use labour clause in public procurement and thus request that private contractors comply with the wage and working conditions dictated in the most represent-tative collective agreement covering a specific sector (Rasmussen et al. 2016; KL 2014).

#### *Legislation on PHS services*

The most important legislation regarding the PHS services applies only for the public and public procured types of PHS. These most important of these are included here:

*The Social Service Act* includes rights for citizens and regulation for public financed services and covers of several types of PHS, e.g. childcare, eldercare and care for the disabled. With regard to childcare, the rights are more or less universalistic, meaning that all children within a certain age groups have the right to subsidized childcare. With regard to elder care and care for disabled (including the aforementioned BFA-scheme), the services are subject to needs testing. An important change in the law was added in 2003 with the introduction of the users’ scheme of ‘free choice’ between at least two alternative service providers. This entitles all users of public funded domestic care to a free choice between different care providers (LBK nr. 1114). Public procurement was hereby facilitated.

Whereas the Service Law regulates the rights to and content of public services, including some PHS-services, a number of other initiatives has been introduced to stimulate the use of PHS services.

The *Housing-Job Scheme and tax exemptions* are also relevant pieces of legislation regarding the PHS sector. It has existed in different versions and under different names since 1997. The aim of the scheme was simultaneously to

lift some of the burden off the busy families' shoulders, and to reduce DIY and activities in the informal sector and hereby stimulate employment in the low-skilled private services. The scheme gave the right to a public subsidy of 60 % of the cost of activities in relation to cleaning, gardening, window cleaning, some forms of home repair, etc. The scheme was gradually rolled-back from 2000 and was abandoned in 2012. However, in 2011, a similar scheme was introduced and it continues to exist in a new form with a more narrow focus on childcare and cleaning, and home repair services with a 'green' component. The new Housing-Job Scheme gives families the right to tax reduction of 1.600 euro p.a. for physical services by craftsmen and 800 euro p.a. for other services, including cleaning in private households. Part of introducing this new scheme of tax-exemptions was also to tackle undeclared cleaning work as private households only can receive the tax exemptions insofar the private service provider send a written invoice that clearly state the service provider, the type of services provided, price including expenses used on material vis a vis wages (SKAT, 2019). However, the interviewees question similar to different recent studies the effects of these tax-exemption schemes to reduce undeclared work as well as whether the scheme have had any effects on the labour supply or employment (Bendtsen 2016; Madsen 2018).

#### *Legislation on employment conditions, working conditions and H&S*

In Denmark, most wage and working conditions are laid down in (mostly sector) collective agreements that cover up to 84 % of the labour market, but with marked cross-sectoral variations in terms of coverage rates (Larsen et al. 2010). The collective agreements relevant for the two case studies will be described and analyzed in the case-sections (section 3 and 4). However, some labour laws exist with health and safety at work (work environment) mainly being regulated by labour law. The most important legislation with regard to PHS includes:

*The Holiday Act*, which states, inter alia, that employees have the right to 5 weeks of holiday per year and a holiday allowance of 1 % of the annual wage. CAs often provide an extra week of holiday.

*Sickness Benefit legislation*: All employees have the right to sickness benefit for up to 22 weeks, if they have worked 240 hours of employment within last 6 months or have completed a vocational education within the last 18 months. Hourly paid workers have only a right to their previous wages during sick leave, if their individual employment contract or collective agreement includes such rights. Salaried employees have the right to their previous wage level during sickness (Lov nr. 563 af 9/6 2006). PHS workers are more often hourly-paid than monthly paid.

*Parental leave Act*: All parents have a right to unpaid parental leave, but the level wage compensation varies during the leave period. The statutory birth-related leave-period is be divided into four parts: 4 weeks 'pre-maternity leave'

before expected birth; 14 weeks ‘maternity leave’ after birth; 2 weeks ‘paternity leave’ after birth (or within the first 14 weeks after birth after agreement with employer) and 32 weeks of ‘parental leave’ to each parent which they can share (Borger.dk; Mailand and Larsen 2018).

Moreover, like other employees PHS workers have under certain conditions rights to social assistance (if they lose their job) or unemployment insurance (if they lose their job and are members of an unemployment benefit fund).

The *Salaried Employees Act* regulates employment and working conditions for white-collar workers and some manual workers depending on their employment status. The Act secures such workers’ rights to pensions, sick pay, maternity, paternity and parental leave as well as holiday entitlements and notice periods. However, the Act leaves wage setting to individual wage bargaining at company level and only covers employees with more than eight weekly working hours within one month. The Salaried Employees Act covers most PHS workers that work within the local government sector insofar this is stated in their collective agreement, whilst their peers in the private sector are without coverage from the Act. In the private sector, PHS workers’ wage and working conditions are thus regulated by the relevant collective agreement or in areas of the labour market without Danish labour law or collective agreement coverage, their wage and working conditions are regulated by market means (Mailand and Larsen 2018).

The *Health and Safety Act* (LBK nr 1084 af 19/09/2017) is also relevant for PHS work. It states, that health and safety issues must be solved in cooperation between the social partners and the Labor Inspectorate and that a workplace assessment (APV) is mandatory, examining whether the working environment is safe and healthy. The APV should be conducted in collaboration between employees and management. An APV is a dynamic work tool designed to ensure a systematic effort to improve the working environment and includes among others an examination of sickness absence and its causes. The Health and Safety Act contains the general provisions on the working environment. The law is binding on all companies and can result in fines if the rules and regulations are violated. The act specifies mostly the goals of the work environment effort, but not the methods and means to achieve these goals, which is the responsibility of the company to choose in close collaboration with the health and safety representative and the employees.

Whereas the various pieces of legislation are general and thus cover all PHS workers in the formal sector, there is very little legislation, which specifically addresses PHS workers. One of the very few relevant laws – if not the only one – that specifically targets PHS workers is the *House Assistant Law*, which has been formulated with the agricultural sector in mind, but de jure has a broader focus. The law regulates the employment relationship for employees who perform ‘household work or work in agriculture’ and who receives

accommodation and/or meals as part of the salary (LBK nr 712 af 20/08/2002). The law covers an unknown, but likely not very large number of PHS workers.

The Written Statement Act should also be mentioned (LBK nr 240 af 17/03/2010). The Act is the Danish implementation of the EU's written statement directive and states that an employer must provide the employee with information on all essential terms of the employment relationship. This information must be provided no later than one month after the employment relationship has commenced.

### 3. Cleaning services in private homes

#### 3.1 Introducing the sector

Cleaning services provided in private homes represent only a small segment of the Danish cleaning sector and cover both window cleaning and ordinary cleaning services. Home help services offered to dependent adults living in their own home also include various cleaning services. The latter is usually part of a care package comprising of personal care combined with various home help services such as cleaning, ironing, food shopping and meal preparation, where access is subject to needs testing (Larsen, 2008; see section 4.1 on elder care).

A wide range of suppliers in the public and private sector provides distinct types of cleaning services in private homes. In this context, the Danish cleaning sector has seen increased public procurement of public cleaning services to private contractors as well as private companies outsourcing cleaning tasks to private cleaning companies since the early 1990s (Konkurrence and forbrugerstyrelsen 2015; DI 2018). New players in terms of digital platforms have gained foothold within the sector in the last few years (Ilsøe and Madsen 2018). The digital cleaning platforms primarily target their services to private households, whilst public procurement and outsourcing of cleaning services involves both private companies and public authorities, including local government departments responsible for the aforementioned home help services (Mailand and Larsen 2018; Ilsøe and Madsen 2018). However, so far these cleaning platforms only take up a small fraction of the market, whilst public procured cleaning services are becoming more widespread, although some Danish local governments have also for various reasons decided to insource or keep such cleaning services in-house (Rasmussen et al. 2016).

Recent figures indicate that an increasing share of dependent adults that are entitled to public paid cleaning services receive such services from private contractors rather than public providers. In 2008, 35 % of dependent adult exclusively entitled to public paid cleaning services relied on private contractors compared to 45 % in 2017 (Rostgaard 2017; Statistics Denmark 2019c). In this context, it is worth noting that the share of dependent adults entitled to public paid cleaning services (in our typology the public provided and public procured types of cleaning services) has declined (Rostgaard and Mathiesen 2019; see section 4).

Besides the recent waves of public procurement and privatisation, the Danish cleaning sector has also seen other significant changes in recent years. The sector was less severely affected than other parts of the Danish labour market when the economic crisis hit Denmark in 2008. However, the economic turnover of cleaning companies declined, and the number of companies and employees decreased between 2007 and 2008. Since 2010, the sector has seen modest growth rates, but the number of companies and employees have continued to decline up until 2014, particularly in the public sector, where the

share of cleaners has nearly halved since 2008 (Felbo-Kolding, 2017; DI, 2018; 2011; Table 3.1). The decline in the number of cleaners in the public sector has not been accompanied with similar increases in the private sector (table 3.1).

*Table 3.1: The Danish cleaning sector in numbers*

	2010	2014	Change in %
Number of cleaning companies	5.530	5.471	-1
Number of employees*	24.456	24.122	-1,3
Number of self-employed without employees	3,439	3.346	-3
Economic turnover in millions dkk.	1.505.137	1.669.022	+11

Source: Statistics Denmark (2016a) \* =calculated as full-time positions excl. self-employed without employees

Overall the Danish cleaning sector employs 1.2 % of all employed on the Danish labour market, but the exact size of the subsector involving cleaning in private households is unknown. No figures are available as to the number of cleaners working in private households and the number of companies offering such services (Statistics Denmark 2019c). Nevertheless, the general statistics indicate that the cleaning sector has a slight overrepresentation of women (59 % in 2015), migrant workers (52 % in 2015) and low-skilled workers without any educational credentials (52 % in 2014)(DI 2018; 2016). Atypical work and undeclared work is also widespread within the sector, especially within the PHS sector (Larsen et al. 2019a; Bentsen et al. 2018). For example, a recent study indicates that up to 5 % of polish migrant workers work as cleaners in Danish private households and they often receive their wages as cash in hand rather than through a pay slip (Arnholtz and Hansen 2009).

The cleaning sector is also dominated by small- and micro companies with less than 10 employees (71 % of all cleaning companies in 2015), notably self-employed without employees (61% in 2015– Statistics Denmark). In this context, interviewees reported that most private companies providing cleaning services to private households are small- or micro-companies, if not self-employed without employees. This also applies to nearly all digital platforms that facilitate cleaning services since cleaners registered with cleaning platforms usually are self-employed without employees or freelancers rather than employees in the traditional sense (Ilsøe and Madsen 2018).

Cleaning in private households are relatively widespread in that recent figures indicate that 11 % of Danish households rely on private cleaning services - some of which can be characterized as undeclared work (Boligejernes videnscenter 2017; Bendtsen et al. 2018), or as private-informal in our terminology. Indeed, much of the cleaning services delivered in private households are renowned for being undeclared work or in some instances unpaid and paid work that takes place outside the framework of the Danish

collective bargaining model. Recent studies estimate that 4 % -10 % of Danes had purchased cleaning- and window services that can be characterized as undeclared work, and it is typically performed by female relatives or friends rather than private companies (Bendtsen et al. 2018; Sejberg 2011). In recent years, the Danish government has implemented various measures to whitewash the dirty informal cleaning activities by introducing various tax exemptions (see section 2).

The Danish au-pair scheme also involves light cleaning tasks, although it initially was set up to foster cultural exchange among young people by enabling them to live and take part in the daily activities of a Danish family with small children. Au-pairs living in Denmark are allowed to work up to 30 hours per week at their host family and are expected to assist with childcare, cooking, cleaning, laundry etc. for up to five hours per day in return for a monthly allowance (Styrelsen for international rekruttering og integration 2019 – see section 2.1 for further details).

### **3.2 Legal framework and policy initiatives**

The legal framework presented in section two also covers cleaning tasks provided by private and public service providers in private households, except when it comes to undeclared cleaning services. In this context, some pieces of legislation have been subject to recent reforms with some implications for cleaners working in private households.

#### *Public tendering and labour clauses in public procured work*

Public elder care, especially public cleaning services, have been subject to increased public tendering in recent years following various law changes (see section 2 and 4). This has entailed among others changes to the wage and working conditions of former public sector employees that now work under private cleaning contractors. The private cleaning contractor often operate with slightly different labour standards than those outlined in collective agreements covering the public sector, even if the private company is covered by a collective agreement. Most local governments also apply labour clauses in public tendering, which stipulate that private contractors are only obliged to adhere, but not sign collective agreements, which follow the most representative agreement covering the private and not public cleaning sector (Jährling et al. 2018). EU's directive on company transfers, that is implemented in the Danish Company Transfer Act (1979), also provides a safety net for subcontracted cleaners. The rules on company transfer stipulate that cleaners' wage and working conditions are guaranteed in case of company transfer, but at the same time, the Act also leaves considerable room for re-negotiations of these terms and conditions (LBK nr 710 af 20/08/2002).

#### *The Health and Safety Act and potential loopholes*

The Danish Health and safety Act also covers cleaners in private households, but only insofar they are working for a cleaning company or public authority. The Danish Health and Safety Act does not cover cleaners working self-employed without employees or as an independent contractor for a digital cleaning platform. Such cleaners are considered micro-companies and are requested to provide their own health and safety insurance scheme, but many fail to join such schemes according to the Danish interviewees. Therefore, cleaners working as self-employed without employees through either a digital platform or their own company are often without coverage from the Health and Safety act in case work-related accidents occur. In this context, a number of Danish cleaning platforms has started to offer private accident insurances to platform workers, and some platforms even compel their independent contractors to sign up with such schemes before being able to provide services through the platform (Ilsøe and Larsen 2020).

### **3.3. Main actors**

The social partners – employer associations and trade unions - are the key actors within the Danish industrial cleaning sector, including cleaning in private households, when it comes to regulating wage and working conditions. They negotiate and sign collective agreements at sectoral and company levels, respectively as well as represent their members interests vis-a-vis the political system at national, regional and local levels. In areas of the labour market without collective agreement coverage, which is largest part of the subsector, it is the individual arrangements and practices of the private cleaning company that determines the wage and working conditions. In case the individual household acts as the employer, which is the case when it comes to au-pairs and dependent adults utilizing their opportunities to recruit their own personal cleaning assistant, the wage and working conditions follow the relevant rules and regulations that apply in these areas. However, some households also purchase undeclared cleaning work and in such situations, the wages and working conditions are dictated by the individual arrangement negotiated between the individual household and the cleaner (Bentsen et al. 2018; Arnholtz and Hansen 2009).

#### *Public authorities*

Public authorities in the form of the municipalities also play an important role, particularly in relation to public procured cleaning services targeting not only private households, but also all other types of outsourced public cleaning to private contractors.

#### *New actors*

Other relevant actors are the emerging digital cleaning platforms. The digital platforms facilitate cleaning services between private household clients and

their network of cleaners. Most digital cleaning platforms are not considered employers in the traditional sense. However, few exceptions exist such as the Danish platform Hilfr, where registered cleaners can change status from self-employed to employees insofar they meet the eligibility criteria (Ilsøe and Larsen 2020)..

#### *Main employers' associations*

The main employers' associations representing private companies in the sector are SBA and Danske Services. Danske Services mainly organises small and medium-sized companies, but has relatively few members that are active suppliers of cleaning services to private households (Larsen and Mailand 2014: 44). The employer association SBA mainly organises large and medium-sized cleaning companies that primarily operate in the parts of the sector concerning business-to-business cleaning services. However, SBA has also few members, particularly their small and medium-sized member companies that provide cleaning services to private households. SBA has recently started to organize digital cleaning platforms and has so far one digital platform as their associated member, which means that the platform company has not joined the traditional employer membership with its collective bargaining and agreements. In the public sector, Local government Denmark (KL) represents the employers' interests.

#### *Main trade unions*

58 % of Danish cleaners were union members in 2015, where the union density was 77 % in the public sector and 50 % in private sector, but estimated by the interviewees to be considerably lower in the parts of the sector that takes place in private household. Unsurprisingly the union density is highest among cleaners working full-time (76 %) and lowest among cleaners working less than 15 hours per week (40 %) (Statistics Denmark, 2015 - Author's own calculations). The main trade unions organizing cleaners and negotiating collective agreements are 3F and FOA. Unlike 3F, FOA only represents cleaning staff in the public sector, but only public sector employees that perform cleaning tasks within private households. In the private sector, 3F is the main union representing cleaners. A number of cleaners has also joined what is often termed 'alternative unions' such as Det faglige hus, KRIFA and Bedst og Billigst. With the exception of KRIFA<sup>1</sup>, these unions have no collective agreements and they – including KRIFA – represent mainly employees covered by collective agreements that have been signed by other trade unions (Larsen and Mailand 2014).

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<sup>1</sup> KRIFA has a few collective agreements in the private sector, including the industrial cleaning sector, but it differs from the traditional unions in that it principally opposes any form of industrial action to solve industrial disputes.

### 3.4 Wages and working conditions

#### *The regulatory framework for wage and working conditions*

The Danish industrial cleaning sector, especially the part of the sector that targets private households is an outlier in the otherwise densely regulated Danish labour market (Trygstad et al. 2018). Wages and working conditions of cleaners working in private households are typically regulated by individual arrangements and practices of the cleaning company, platform or individual household as large parts of the sector - up to 80% - are without collective agreement coverage. Danish social partners estimate that less than 20 % of the subsector is covered by collective agreements, which is somewhat lower than the overall collective agreement coverage for the Danish cleaning sector, which is estimated to be around 40-50% (Larsen and Mailand 2014).

In parts of the cleaning sector without collective agreement coverage, the Danish labour law provides a safety net for cleaners in areas such as health and safety, holiday entitlements, sick pay, working time, non-discrimination, etc. Likewise, the various labour clauses used in most public procured cleaning work secure that such cleaners are de jure, but often not de facto, covered by the most representative collective agreement covering the cleaning sector. Indeed, relatively few municipalities enforce and monitor private cleaning contractors' compliance with the labour clauses (Jährling et al. 2018; Bådsgaard and Jørgensen 2018).

Although Danish labour law offers some protection for cleaners, the law guarantees no wage floor as Denmark has no statutory minimum wage or tradition for legal extension of collective agreements. Thus, wage-setting is left entirely to social partners with the exception of au-pairs, where the law stipulates that they are entitled to a monthly allowance (Trygstad et al. 2018; see section 2.). In fact, au-pairs' wage and working conditions are outlined in separate laws than those typically applying to Danish employees since au-pairs' employment relationship is considered a contract of cultural exchange rather than an employment contract. Likewise, cleaners working as freelancers or self-employed without employees are also without protection from the Danish labour law and collective agreements since such rules and regulations only cover cleaners that are considered employees. The same applies to most platform workers as they typically are registered with the cleaning platform as self-employed rather than as an employee (Ilsoe and Madsen 2018).

In the parts of the cleaning sector covered by collective agreements, cleaners enjoy a wide spectrum of social benefit rights. These include paid sick leave, further training, pensions, extra holiday entitlements, paid maternity, paternity and parental leave, etc. The collective agreements also include fixed hourly wages and outline specific rates for annual hourly pay increments, wage supplements and over-time payments etc. The collective agreement covering cleaning has a highly centralized wage setting system, which only recently has

allowed for company-based wage bargaining by allocating a small percentage of the wage sum to be settled at company level (SBA et al. 2017). However, so far only few cleaning companies and hardly any offering cleaning services to private households have utilities the new opportunities for company based wage bargaining according to the Danish social partners.

Being covered by a collective agreement is, however, no guarantee that cleaners de facto receive what is rightfully theirs. Recent court rulings, research studies and media reports indicate cleaners do not always receive over-time payments, compensation for travelling time and even the collective agreed minimum wage (Ilsøe et al. 2017; Korsby, 2011; Jährling et al. 2018). For example, a study by Andersen and Felbo-Kolding (2013) suggests that 30 % of Danish cleaning companies pay less than the minimum wage outlined in the collective agreement. In addition, some cleaners struggle to accrue rights to the various collective agreed social benefits due to the nature of their employment contract (Mailand and Larsen, 2018).

#### *Low wage sector*

The Danish cleaning sector is a highly labour intensive and low wage sector (Trygstad et al. 2018). The average hourly wage was 22 euro in 2014, which is lower than the average hourly wage for the Danish private sector (28 euro), but slightly higher than the collective agreed minimum wage (16 euro) stipulated in the dominant collective agreement covering the sector (SBA et al. 2017, 2014). However, wide wage disparities exist within the sector, where for example some digital cleaning platforms offer a minimum hourly wage of 16 euro, whilst some private cleaning companies advertise with hourly wages as low as 7 euro per hours for providing cleaning services in private households (Larsen and Mailand 2014). In addition, the hourly price for undeclared cleaning jobs vary typically between 13 euro to 17 euro for ordinary cleaning jobs, whilst undeclared window cleaning is typically around 20 euro or more per hour and thus slightly lower than the average hourly wage within the cleaning sector (Bendtsen 2016; Ilsøe et al. 2017; Arnholtz and Hansen 2009). Moreover, many unorganized cleaning companies attempt to curb costs in different ways in order to compete in a highly competitive market. One way is to offer low wages, another way is to secure a highly flexible workforce that allows companies to adjust to changing economic cycles as well as optimize work processes (Walsh 1990). In doing so many cleaning companies often opt for atypical work.

#### *Atypical work and risks of precariousness*

Atypical work such part-time work in particular and self-employment without employees is widespread within the Danish cleaning sector, whilst fixed-term contracts, temporary agency work and au-pairs are less frequently used. Digital platform work is an emerging employment form within the cleaning sector and

is expected to become more widespread as digital cleaning platforms has seen rapid growth rates in recent years.

*Self-employed* without employees (solo self-employed) is common among Danish cleaners with 17 % being self-employed without employees. Unlike their peers in regular employment, self-employed are typically without protection from the Danish labour law or collective agreements as these regulations only cover employees and not self-employed. However, different welfare schemes offer social protection such as sick pay and unemployment insurance for self-employed insofar they are registered as a company (Mailand and Larsen, 2018).

*Part-time work* is the most common employment form within the Danish cleaning sector. 74 % of cleaners work reduced hours and as many as 42% are marginal part-timers working less than 15 hours per week (Ilsøe et al. 2017). Many cleaners hold multiple jobs and this is particularly the case among marginal part-timers where 70 % worked double shifts or more (Larsen et al. 2019b). Marginal part-timers often risk lower wages than their peers in full-time and long-part-time positions, even when controlling for various factors such as age, gender, ethnicity, educational attainment, study activities etc. (Larsen et al. 2019b). In 2014, marginal part-time workers' average hourly wage was 20 euro, whilst the average hourly wage of their peers in full-time positions was 23 euro (Ilsøe et al. 2017). Part-timers, particularly those with contracts of few hours, also experience lower levels of social protection in that access to the wide range of collective agreed and statutory social benefits such as unemployment insurance and sick pay are based on the number of working hours and past employment records. Thus part-time workers, especially marginal part-timers may struggle to accrue rights to such social benefits (Mailand and Larsen 2018).

#### *High risks of job and income insecurity*

The Danish cleaning sector is also characterized by a relatively high employee and company turnover compared to other sectors (DI, 2018). Many cleaners also tend to experience high levels of job insecurity in that their employment contract often is terminated when the companies' cleaning contracts are up for renewal and thus subject to another round of public or private tendering. Such cleaners have no guarantee that they will be re-employed, even if their employer wins the tender. Some cleaners may even experience lower wage and working conditions after a public tender, even if they continue in the same job (Larsen and Mailand, 2014). In addition, different wage and working conditions often apply to cleaners that provide public procured cleaning services, although they in principle are guaranteed similar wage and working conditions as their peers covered by collective agreement. Most Danish local governments apply labour clauses in public procurement that compel private cleaning contractors to follow the standards outlined in the most representative collective agreement within the

cleaning sector, even if they are without collective agreement coverage.

However, the reality is often very different. Many unorganized companies tend to compete in a fiercely competitive market by cutting labour costs, and most local authorities rarely monitor, if the private contractors abide by the rules and regulations. Nevertheless, the situation has, according to Danish social partners, improved significantly compared to just a decade ago when a series of scandals of extreme poor wage and working conditions, especially among migrant workers, emerged within the Danish cleaning sector (Korsby 2011; Refslund 2014; Rasmussen et al. 2016).

### *Health and safety*

Health and safety is another issue that appeared in the interviews as a key challenge facing cleaners working in private households. Firstly, cleaning jobs are associated with higher health related risks than other sectors when measured as 'absent due to work accident', 'poor self-reported health', 'health at risk because of work' and 'work affects health negatively' (European Foundation 2014). It is particular the physical- and psychological workload stemming from working unusual work hours, the physically demanding work processes and rather monotonous work tasks that increase the health related risks (Jørgensen et al. 2016). Also the widespread use of performance-related pay systems, especially in the private sector has triggered increased work pressures. When looking explicit at cleaners in private households, recent research suggests that especially migrant workers are more likely to report of poor health and safety and increased risks of experiencing violence, threats of various kind (Arnholtz and Hansen, 2009; Larsen et al. 2019a). An important reason for this is that although the Danish Health and Safety Act applies, it is difficult to ensure that private households comply with the law. Moreover, it is also difficult to prevent and tackle uncomfortable situations as the cleaning tasks are provided in private homes often without presence of other cleaning staff than the cleaner being present. Examples of such situations could be that the client wants cleaning tasks done not included in the job description and comes across aggressive when the cleaner refuse such requests. In this context, up to 42 % of Danish home helpers providing cleaning and personal care for dependent adults in their private home have experienced harassment, violence or threats of violence at work. These figures are considerable higher than other occupational groups (Andersen and Christensen 2020).

Other examples include that the client wish that the cleaner to use a specific detergent or cleaning products like chlorine, although such products are considered a health hazard and thus forbidden according to the Danish Health and Safety Act. In this context, slightly different rules and regulations apply for cleaning services provided in private homes, as it is typically the private household and not the employer that is obliged to provide the needed cleaning products and tools. Therefore, many cleaners end up using cleaning products

that are considered a health hazard by the Danish Health and Safety Act, even if they are in principle covered by the Danish Health and Safety Act. Cleaners working as self-employed without employees, digital platform worker or in the shadow economy are without protection by the Danish Health and Safety Act. They thus depend on private insurance schemes to cover in case of a work-related accident, but only some have signed up for such private insurance, even if such private insurance scheme are increasingly becoming mandatory among for example digital platforms (Ilsøe 2020).

Danish unions, employers' associations and cleaning companies have developed a series of pamphlets and guidelines on how to handle the aforementioned situations, but it is often more difficult to inspect and monitor compliance in private households, especially if the employer is the private household than a cleaning company according to the interviewees.

### **3.5 Challenges and social partners actions**

Danish social partners within the private cleaning sector and public authorities have developed a series of responses to tackle some of the challenges associated with the provision of cleaning services in private households. Most of these initiatives address business-to-business cleaning services, but are also relevant for service providers in private households insofar the cleaning providers have signed a collective agreement or are private contractors that have won a public tender and are their contractual arrangement with the public authority covered by labour clauses. Below examples of recent joint social partners' responses are described.

#### *Labour clauses in public procured cleaning services*

Since 2014, most Danish municipalities have applied labour clauses in public procured cleaning services more systematically following a series of cases in the Danish cleaning sector, where a number of subcontracted cleaning workers' wage and working conditions were below the collective agreed standards (Rasmussen et al. 2016). The initiative was driven by a broad coalition of trade unions and centre-left political parties that utilised the political momentum, especially the local government elections in 2013 to push through their demands. The employers, although opposing the idea of labour clauses, engaged pragmatically in addressing the problems with subcontractors (Jaehrling et al., 2018). The labour clauses follow the ILO convention 94, and oblige private care contractors to comply with wage and working conditions outlined in the most representative collective agreements covering the private cleaning sector, which is the collective agreement negotiated and signed by the employer association DI and their counterpart 3F. Since 2014, all central government organisations are legally obliged to use labour clauses in public procurement, while they are optional for Danish regions and local authorities. However, recent figures

suggest that 65 % of Danish local governments apply labour clauses when cleaning contracts are up for public tendering (Rasmussen et al. 2016; KL, 2015; 3F, 2014).

*Two-tier wage system including company based wage bargaining*

In 2017, the ideas of introducing a two-tier wage system and company based wage bargaining formed part of the bargaining settlement by social partners in the private cleaning sector. These can be considered path-breaking initiatives, as the cleaning sector has historically been renowned for a highly centralized wage system. The collective agreements include fairly detailed wage clauses and outline specific rates for the annual hourly pay increments, wage supplements, overtime payments etc. for the entire period of the collective agreement being in force, which typically is two to four years. Therefore, social partners agreeing to that a specific lump sum of individual employee's wages could to be settled through company based bargaining is rather novel in the Danish cleaning sector (SBA et al. 2017; Danish Chamber of Commerce and 3F 2017). However, few cleaning companies have utilized the new opportunities for company based bargaining, especially in this PHS-sector, largely because it takes time to change the wage bargaining system according to Danish interviewees. Likewise, the take-up of the two-tier wage system, where newly recruited workers can be employed on one of two wage schemes, has also been low according to Danish interviewees. One wage scheme entails that unskilled cleaners can be employed with 12 days of paid further training and ordinary salary for the first 18 months, while the second wage scheme includes no rights to further training, but a higher hourly wage at the rate of the performance related pay scheme the first six months. The employers have put forward the demands for a more flexible wage system during several bargaining rounds, but they first succeeded with their demands in 2017 in return for agreeing among others to a sector specific- wage supplement (Larsen and Mailand, 2018, see below.)

*Strengthen the rights of atypical workers and a sector specific wage supplement*

Throughout the last two decades, Danish social partners in the cleaning sector have strengthened the rights of atypical workers in their collective agreements. Their initiatives includes an array of responses that range from lowering the thresholds for accruing rights to collective agreed social benefits to introducing new social rights particularly for on-call temps that now are guaranteed a permanent position after six month employment with a cleaning company (Larsen et al. 2019b). Other initiatives include new regulations for subcontractors to prevent social dumping and unfair competition as wells as a sector-specific wage supplement that formed part of the settlement in 2017. The sector-specific wage supplement allows cleaners to transfer their accrued rights to wage supplements to other cleaning companies, which is particular relevant

for public procured cleaning services provided in private households, as such cleaning contracts typically are up for public tendering every two or three years. The union initiated this idea of a sector specific wage supplement, but they only succeed with their demand during the 2017 bargaining round, although they had brought the idea to the bargaining table in 2012 and 2014, respectively (Larsen et al. 2019b; Trygstad et al. 2018).

#### *Collective agreement covering platform workers in the cleaning sector*

The Danish owned cleaning platform Hilfr and the Danish trade union 3F signed the first collective agreement covering platform workers in 2017 and the agreement was at the time of writing being renegotiated. The original collective agreement is a company based agreement and includes different minimum wages, wage supplements and rights to various social protection benefits. The agreement also includes the option where registered cleaners can change status from self-employed to employee insofar they meet the eligibility criteria (Ilsøe and Larsen, 2020). The Danish social partners, including the employer associations, have been fairly positive towards these company based agreements and some perceive such agreements as a gateway to whitewash the undeclared work taking place in private households as well as regulate this part of the cleaning sector (Ilsøe and Larsen, 2020).

### **3.6 The interplay between job quality and service quality**

An array of studies have explored the job- and service quality among public and private cleaning providers, especially in the area of cleaning services provided as part of public provided and public procured elder care package to older people living in their own private homes ( Petersen et al. 2011; Rostgaard, 2015; Nielsen og Goul Andersen, 2006). These studies often explore how employees' wage and working conditions as well as the service provision have been affected by public authorities' increased outsourcing of cleaning services to private contractors, including public tendering processes (Petersen et al. 2016; LO 2001; FOA 2014). Some studies indicate that outsourcing do not necessarily entail a deterioration of the employment conditions, and list examples of improved skill levels and innovative work organization processes following (Udbudsrådet 2012; Municipality of Copenhagen 2012; Wiegmann et al. 2001). However, most studies conclude that public tendering, including the fierce price competition, is associated with increased risks of job insecurity, heavy workloads, shorter work hours, different terms and conditions and higher levels of job dissatisfaction (Petersen et al. 2011; Mori, 2015; FOA, 2012a; Rasmussen et al. 2016). Nevertheless, keeping cleaning services in-house is no guarantee for a cleaning job without the associated risks of heavy workloads, physically tiring jobs, physical abuse from clients, poor health and work-related stress as such conditions are also found among cleaners, where local

governments are their employer (Jørgensen et al. 2016; Rasmussen et al. 2016; Andersen and Christensen 2020).

The low job quality experienced by some cleaners are only in some instances reflected in the quality of cleaning services provided by public and private providers. For example, a number of surveys indicate that most older people are pleased with the cleaning services provided as part of their care package, irrespectively of the services being provided by private or public provider. Between 51 % and 71 % of older people were satisfied or very satisfied with the cleaning services provided (Thisted Kommune 2017; Glostrup Kommune 2014; Slagelse Kommune 2018; Københavns Kommune 2010). However, a large minority of users of private, public and public procured cleaning services also complains about the quality of cleaning services. Many feel that they do not receive the level of services they are entitled as well as report that the service level declines, when the cleaner is late for their appointment, short of time, or when different cleaners come to clean in their homes (Glostrup Kommune 2014; Thisted Kommune 2017; Slagelse Kommune 2018; Københavns Kommune 2010). In addition, a number of Danish municipalities has opted for retracting outsourced cleaning services with the aim to keep them in house often due to low quality in the services provided by the private cleaning contractor (Danish Chamber of Commerce 2019). These findings indicate that although most users or clients appear satisfied with the cleaning services provided, the deteriorating job quality among cleaners may also impact the service provision in that the quality declines when cleaners' terms and conditions changes.

## 4. Eldercare in private homes

### 4.1 Introducing the sector

As described in section 2, the focus here will be on elder care provided in private homes, which is also known as home ‘home help and personal care’. The services provided covers personal care (including personal hygiene, dressing, getting out of bed, eating etc.) and practical assistance (including cleaning, laundry, shopping, preparing food, etc.). In Denmark, care for the dependent older people is public funded, administrated by municipalities and for a large part free. It is likely the largest of the PHS-subsectors. Access is subject to needs testing by the individual municipalities, who set the eligibility criteria. Like childcare, the public financed part of this PHS is extensive. In the public provided and public procured types of eldercare, there is a requirement of formal qualification when providing personal care. Employees without formal qualifications can provide home help, but to become a social and health care helper takes 2 ½ year and is the lowest qualification level accepted. The education is only offered in Danish and thus implicit entails an indirect language requirement.

In a Danish research context, there is a tendency to perceive social care mainly as formal care provision whilst largely ignoring the support given by family and friends, although the latter has regained increased attention in recent years (Larsen 2008; Kröger 2005; Lewinter 1999).

According to Danish legislation, elder care is provided based on needs testing with regard to a permanent or temporary impaired mental or physical functioning or special social problems that cause problems for the citizens. The care can take the form of personal care and practical assistance.

By far most information is accessible regarding the public and public procured types of PHS. With 118.000 receivers of eldercare (aged 67+) of the public or public procured types (Statistics Denmark, 2019, AED06), we have reasons to believe that these types of services are among the largest within our typology.

Where possible, the focus in this section will be on home help and personal care provided in the home. Where it is not possible to isolate this, the focus will be on the eldercare sector in general.

Eldercare accounts for a significant share of the municipality’s budgets and amounted to 2.5 % of the Danish GDP in 2015 (European Commission, 2016). 105.000 *employees* worked in eldercare sector in 2015, which is 2 % less than in 2010 (FOA 2016b). With regard to *users*, 122.000 persons above age 65 received practical assistance and personal care in private homes. This represents a 22 % decline since 2008. Considering that the number of elderly persons has increased in the same period, the share of dependent older people aged 65+ that are entitled to home help in private homes has declined from 19 % to 12 % (Ældre Sagen 2018). A recent research report shows similar findings, but also

add to them. This report argues, that the share of ‘weak elderly’ (elderly who declare themselves in need of help) who receives home help in the form of practical assistance has declined from 43 % in 2007 to 25 % in 2017. However, the practical assistance older people receive from other sources - relatives, friends, etc. - has not increased in the same period. Moreover, the report shows that practical assistance from the municipalities and help from relatives and friends substitute rather than supplement each other. The focus on ‘weak elderly’ implies that the reason for the decline cannot be explained by the improvement in the elderly population general health conditions, which the report confirms has taken place<sup>2</sup>. The possible explanations proposed are that older people apply less for help, or – more likely – that the criteria for need testing among Danish municipalities has changed (Rosgaard and Matthiessen 2019).

The need testing of the municipalities has actually changed in the direction of ‘rehabilitation’ (also known as ‘helping to helping yourselves’) of the dependent older people, which implies helping and training the older person with the aim that he or she as far as possible can perform the functions that home-helpers or relatives and friends previously provided. This change has taken place gradually during the 2010s, but rehabilitation became part of the Social Service Act in 2015 and thereby compulsory for all municipalities. Several of the interviewees described the change as a paradigmatic change in Danish eldercare. Whereas an interview from Local government Denmark finds that this change of paradigm – combined with the aforementioned improvements in the health conditions of older people – explains that fewer elder persons are approved for eldercare, a number of the other interviewees explain the reduction in the share of elderly approved for eldercare with increased budget pressure in the municipalities. These interviewees do not find that the new rehabilitation scheme has reduced the need for care to the extent that this can be a main explanation for the declining level of care approvals.

Regarding the *number of jobs*, the same period showed an increase from 38.000 home-helpers to 43.000. This development runs counter to the overall development in the number of employees within the eldercare, which has decreased (Statistics Denmark 2018, DB07).

With regard to *qualifications*, there are basically two types of home helpers. Both types of home helpers work in nursing homes as well as provide home help and personal care in private homes. The social and health care assistants’ formal education ranges from 3 years and 10 months to 4 years and 7 months, whereas the social and health care helpers have completed a 2 years and 2

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<sup>2</sup> The National Health Authorities own recent report on the subject (Sundhedsstyrelsen 2019) questions if the health condition of the elderly actually has improved overall. In their analysis, 14 % of the men and 17 % of the women reported physical conditions both in 2010 and in 2017.

months course, and perform fewer tasks than the social and health care assistants.

#### 4.2 Legal framework and policy initiatives

The legal framework has already been presented in section 2. All legislation mentioned here has implications for home-helpers in private housing. It is worth repeating that some of the important changes to the Danish Social Services Act were the introduction of dependent older people's rights to a choice between providers in 2008 as well as the introduction of the compulsory rehabilitation scheme in 2015. It should be added that the Social Services Act provides all elderly with the rights to have their needs tested by the municipalities.

Most Danish *labour laws* mentioned in section 2 are relevant for the PHS home help workers. However, one important exception is that only social and health care assistants and helpers working in hospitals etc. are covered by the Salaried Employees Act, which provides various social benefits, including longer notice periods. The same occupational group working as home-helpers in Danish municipalities and providing elder care services in private homes are not covered by the Salaried Employees Act as their work is considered to be 'of a domestic kind' according to the Danish labour laws (Andersen 2004; Scheuer and Hansen 2011).

The increased use of *public procurement* can be considered a policy initiative, linked to the introduction of free choice (see section 2). However, according to the interviewees, it is de facto only in relation to practical assistance (especially cleaning) - provided in private homes as well as elsewhere - that public procurement plays a significant role. Accordingly, in Denmark it is still – contrary to Sweden – politically too sensitive to outsource the personal care part of the care package on a large scale. This statement is partly confirmed by recent statistics, which indicate that only 9% of the total number of recipients of home help and personal care rely exclusively on private contractors, although their numbers have increased in recent years (Statistics Denmark 2019, AED12). DI estimates that the share of private providers in the elder care sector is somewhat higher (15 %) when measured in terms of the number of hours provided and when looking at all types of care services (DI 2016).

The number of private providers in eldercare shows some fluctuations, but their share has increased from 319 in 2009 to 387 in 2015 (KRL 2016; Mailand and Thor Larsen 2018). Moreover, the interviewees estimate that the average size of the private providers has increased in recent years. A few years ago, the eldercare sector experienced a number of bankruptcies among the private providers. In the period from 2013 to 2016, 38 private providers of home help faced bankruptcy, leading to situations where elderly persons did not receive the home help they were eligible for. To address this problem, the municipalities established as a first reaction emergency teams of home-helpers (Mailand and

Thor Larsen 2017). According to interviewees, the bankruptcies took place because municipalities were too much focused on prize-competition in public tenders and unable to identify the economically fragile providers. Recently, the social partners have developed a series of actions to tackle the problems associated with the bankruptcies of private care providers, and as a result, the period of mass bankruptcies has come to an end. For example, DI has together with LGDK formulated different guidelines, which municipalities can use to formulate demands to the private providers that take part in procurement processes and thus avoid aim to avoid or limit bankruptcies.

### 4.3 Actors

#### *Trade Unions*

FOA is by far the largest *trade union* representing employees in eldercare sector, including home help and personal services provided in private homes. FOA mostly organises public employees with shorter education within cleaning, cooking, childcare, and social and health services. FOA is the third largest trade union in Denmark with approximately 182.000 members. FOA is a member of The Danish Confederation of Trade Unions (FH). The union density was 71 % in 2010 and has slightly increased since then. In 2015, the union density was 74 %. In the public sector, the union density is 75%, in the private sector it stands at 68%. Unsurprisingly, the density is higher among full-time employees in public sector (83 %) and lower among marginal part-time workers (59 %) (Statistics Denmark, authors own calculations based on register data).

#### *Public employers' organisations*

The Danish municipalities are as *public employers* in the eldercare sector organized in the interest organization Local government Denmark (LGDK) that represents the municipalities as public authorities and as public employers. Thus, LGDK has the employer role in sector-level collective bargaining and is the main organization representing the interests of Danish municipalities vis-a-vis the political system. LGDK takes part in the various tri- and multipartite negotiations, consultation and lobbying. However, the relative autonomy of Danish municipalities – the so-called ‘municipal self-governance’ - implies that the individual municipality is a very important actor with many responsibilities. Danish municipalities are not only providing elder care. They are also responsible for the budget and allocation of resources to elder care sector, organizing the public procurement of services along with the needs testing which determines older people’s entitlements to home help and personal care.

#### *Private employers' organisations*

Due to the use of public procurement of public home help services, private *employers' associations* are also relevant to include, since they organize some

of the private care providers. The relevant organisations are The Confederation of Danish Industry (DI) and The Danish Chamber of Commerce, which are the largest and second largest private employers' associations in Denmark.

#### *Nonprofit organisations*

Furthermore, the *nonprofit organisations* are also important actors in the elder sector. With 850.000 members, DaneAge Association is the second largest non-profit - organization in Denmark. Apart from being a powerful interest-organisation vis-a-vis the political system, the DaneAge Association organizes 19.000 volunteers. These are neither employees nor self-employed, but are relevant to our project in that they provide different services to older people. For example, they have 5.000 'visiting friends' that pay visits to elder persons living alone in their home homes and they have about 300 volunteers that eat lunch with older people once a week. Moreover, the DaneAge Association has around 1.300 volunteers that each morning call around 12.000 older people living alone – the so-called 'good morning calls' (Ældresagen 2017).

The role of nonprofit organisations is addressed in an ongoing debate of the role of the voluntary sector in providing eldercare and other types of welfare. The role of the voluntary sector in providing welfare has increased in recent years, also in eldercare. The social partners accept this, insofar the voluntary sector adds to rather than replace public financed welfare. However, the trade union FOA finds that such replacement has already taken place, whereas the employers in Local government Denmark disagree (Ziegler and Adelskov 2019; Striib 2019).

#### *Digital platforms*

*Digital Platforms* such as care.com and happy helper have started to gain foothold in the private elder care sector, but remains marginal. They offer various elder care services and cleaning services that are targeted private households, including older people. Few examples also exist of digital care and cleaning platforms that have won cleaning and care contracts in public tenders and the interviewed social partner representatives expect that such digital platforms with time will become more prominent actors in the elder care sector.

#### **4.4 Wages and working conditions**

Regarding *collective agreement coverage*, the Danish public type of the eldercare sector is estimated to have nearly full coverage (Larsen et al. 2010:268), whilst no figures are available for the private sector or public procured care services. Wage- and working conditions within the public care sector are regulated through collective agreements negotiated at four different levels t: 1) The cartel bargaining-level between LGDK and the trade union cartel Forhandlingsfællesskabet on general conditions and the overall economic frame. 2) The organizational bargaining level with negotiations between FOA

and LGDK, setting occupational specific issues. 3) The municipal and 4) workplace level, where bargaining involves HR- and other directors on the employer sides, and, on the employee side, shop stewards or local branch officers of FOA, where bonuses and extras as well as municipal/workplace specific conditions are set. However, in 2016, 70 % of FOA's members reported that workplace bargaining did not take place at their workplace (FOA 2016a).

Regarding *employment types*, a growing number of employees work part-time in Danish eldercare. In 2015, only 47 % of the employees providing home help worked 30 hours or more per week, whereas 58 % work 30-35 hours per week, and 28 % worked less than 15 hour per week. In the municipalities, there has been an overall rapid increase in marginal part-time positions on 7 hours a week or less among FOA members (FOA 2017). Moreover, a study from 2009 showed that eldercare is one of the areas within the local government sector that most heavily relies on fixed-term contracts with as many as 21 % of all employees being fixed-term workers, which is also reconfirmed in a more recent study from 2018 (Larsen 2008; Holt et al. 2018).

*Work environment* in the eldercare sector has lately become a major issue. A recent in-depth study includes the possibilities to isolate the conditions of the home-helpers within the eldercare sector and to see how their conditions in terms of different work environment related issues have developed over time (from 2005 to 2015). On a positive note, 74 % of the home help employees perceived their work as interesting and meaningful, and a declining number found that they had too much to do in their job. Moreover, overall the home helpers' situation seems not any worse than employees' working in nursing homes or in residential care, but not better either. However, on the negative side, as many as 29 % continued to report of heavy workloads and only 33 % felt that they had time to discuss work related matters with their colleagues. In addition, 33 % felt frustrated because the older people did not get the necessary help and 30 % feared that reorganization would lead to negative changes in their job situation. Finally, 42 % had considered resigning from their job within the last year. When comparing the figures from 2005 and 2015, the development points to a negatively development (Rostgaard and Matthiesen 2016).

Most of these figures are worrying from an employee – and partly also from an employer - perspective. In relation to the fear that reorganization would lead to further negative changes in the home helpers' work situation, it is relevant to point to the Structural Reform from 2007, which led to larger municipalities and reorganisation of public institutions. These changes created insecurity among workers (Dahl 2010; Mailand and Thor Larsen 2017). Moreover, the recent period with a large number of bankruptcies may also have contributed to the increasing levels of uncertainties among Danish home-helpers. Work environment problems were also found in a survey among shop stewards within the eldercare sector, which showed that approximately 67 % agreed or partly

agreed that the employees were compelled to work faster than previously (Larsen et al. 2010).

Another in-depth study by Rostgaard (2017) compares the working conditions of public and private (outsourced) home-helpers. Working in outsourced home help involves often a greater work-load and a worsening of the physiological work environment, although the private home helpers on a few parameters – such as support from nearest manager and competence development, performs better than their public peers. In addition, the study concludes that the introduction of the ‘free choice’ scheme and the following increased use of private providers has led to greater diversity and specialization, but not necessarily more satisfied users (Rostgaard 2017). A recent study adds to the picture of work environment challenges in the elder care sector and other parts of the care sectors. This study shows that around 42 % of the care workers experience physical violence or treats at work (Andersen and Christensen 2020).

Trade union experiences confirms that challenges exist. In recent years, the trade union FOA has registered a substantial increase in the number of workers with work-related stress. This issue was addressed in the collective agreement of 2015, which addressed physiological work environment and led to agreements to the set-up of a task force, which could be involved when having to solve problems at the work place level. According to FOA, the 2011 early retirement reform, which made the scheme less rewarding, has also contributed to the health and safety problems. This is so, because several senior eldercare employees had planned for early retirement, but because of the reform decided to carry on in paid employment, although their work capacity de facto had been reduced, which in turn led to work environment problems (Mailand and Thor Larsen 2017).

More generally, there seems to be a tension between the new market oriented rationality in the sector and the high level of professionalism and occupational identity among the employees. With the introduction of time registration and increased documentation demands, a perception of degraded quality of the service is widespread by the home-helpers, of which the majority has experienced increasing workloads (Kamp et al. 2013). One of the interviewees added to this by stressing that the workload and the counting of minutes have led to a situation, where it is not possible to perform the task within the time allocated, and the home helpers there de facto work for free to some extent.

#### **4.5 Challenges and social partner initiatives**

Below a number of cases of social partners’ initiatives with relevance for PHS-related elder care work are described. Only one of them – the au pair network – has an exclusive focus on PHS work, whereas the other addresses care work more generally. Some of the cases have already been touched upon in previous sections.

*Attempts to prevent insolvency among private care providers*

Recently, the social partners have developed a series of actions to tackle the problems associated with the bankruptcies of private care providers. These have contributed to ending the period of mass bankruptcies in the sector. Among these initiatives are that DI together with Local government Denmark has formulated different guidelines, which municipalities can use to formulate demands to the private providers that take part in procurement processes and thus aim to avoid or limit bankruptcies.

*Wages increases for care worker – pay equality and labour shortages*

Labour shortages are already severe in the Danish care sector and it only seems to become worse due to demographic changes. Moreover, the social-democratic government, which took office in June 2019, has committed themselves to increase the staff/user ratio in the public sector, putting further pressure on labour supply. However, during the collective bargaining round in the public sector in 2018, FOA together with other public sector unions, pushed for equal pay and wage increases for low-paid groups. It has normally been very difficult internally in the trade union movement to provide special groups with extra wage increases, because other public sector group normally will have to pay for this. In 2019, such a consensus was reached because it was part of a broader ‘musketeer oat’ (binding demands together) between the public sector unions. Since the employers in LGDK have an interest in making care work more attractive in order to tackle labour shortages and furthermore hoped it would split the unions if one group was offered a substantial extra pay rise, such a pay rise became part of the agreement in the municipal sector. This extra pay rise (additional to the wage increases for all groups) for the care workers and some other smaller groups was equal to 0.3 % of the financial resources allocated for the bargaining round – equal to 70 euro per year (Hansen and Mailand 2019).

One of the interviewees added an interesting viewpoint to the labour shortage problem in elder care: Elder care work can be so psychologically demanding that it will be difficult to attract sufficient labour through the youth educations, which is currently the main path into the job as a home-helper. Instead, focus should be on attracting adults with greater life experiences. An alternative opportunity, to attract migrant labour, is currently not a politically feasible path in Denmark.

*New rights for employees with contracts of few hours*

In 2014, social partners in the regional and local government sectors agreed to new social benefit rights for employees with contracts of few hours following an infringement letter from the European Commission. In their letter, the Commission considered it a breach of the EU’s part-time directive (1997) that public sector employees were without collective agreement coverage, if

working less than eight hours per week. The social partners agreed to that all public sector employees with contracts longer than one month acquire the status as white collar workers and gain the same rights to collective agreed benefits such as paid sick leave, pensions, paid maternity, paternity and parental leave, notice periods etc. as employees on open-ended contracts (Larsen and Mailand, 2018).

#### *Au pair network*

The trade union FOA has together with the NGO Churches' Integration Ministry (KIT) and the NGO Caritas Danmark established the Au Pair Network, which is a counselling organization for au pairs. The aim of the network is to protect, support and empower au pairs in Denmark by providing information on the rules and regulations of the au pair scheme, offering legal advice, assistance as well as organizing educational and social events (such as volleyball tournaments) to help au pairs get the most out of their stay. Most of the staff has been au pairs themselves. The interviewees described the network as well functioning, although the three organizations initiating it might have partly different approaches to au pairs. Caritas Danmark, for instance, has been of the opinion that the au pair scheme should be terminated, whereas FOA find that the au pairs' activity to de facto be waged labour, which should be regulated like other types of waged labour.

#### **4.6 Relations between job quality and service quality**

Another FAOS-study (Mailand and Thor Larsen 2017) included, *inter alia*, a literature review on exactly this question. In the case of the eldercare sector, no clear indications with regard to increased or decreased quality of the services were found. The few available sources pointed to stability rather than change, also in relation to the question of service quality before and after services had been outsourced.

However, despite of this, a number of Danish local governments have retracted former outsourced elders care services due to poor service quality by the private care provider, indicating that the service quality also varies among private care providers (Danish Chamber of Commerce 2019). It is particularly the presence of different carers that seems to affect the service quality as well as when the carer is late for their appointment or short of time to provide the promised care services (e.g. Glostrup Kommune 2017; Slagelse Kommune 2018; Thisted Kommune 2017). These findings could indicate that deteriorating job quality in some instances lead to lower service quality, even if most older people are pleased with the care services they receive irrespective of private or public care providers.

Moreover, most stakeholders seemed to agree that quality problems exist. The former responsible minister for eldercare found that the municipalities looked too much at the price and too little at the quality when eldercare is

outsourced. FOA asked for mechanisms that could force the municipalities not to accept the lowest bid, if this is unrealistically low. FOA furthermore saw a connection with the unrealistically low bids and the previous high level of bankruptcy among the private eldercare providers. Also DI, representing the private service providers, warned against always choosing the cheapest offer from their member companies, because this might lead to insufficient quality and bankruptcy. Local government Denmark found that the municipalities already have an eye for the price-quality balance and referred to LGDK's guidelines for outsourcing, mentioned above (ibid.). These statements were by-and-large confirmed by the interviewees in the present study. The interviews also illuminated that part of the explanation that the increased work intensification has not clearly spilled over to lower service quality in the eyes of the users could be that the PHS workers' general high commitment to deliver high quality service – to 'do a good job – despite of tougher circumstances.

Interestingly, a NGO interviewee from the present project who had previously been responsible for eldercare user evaluations in a municipality questioned the validity of the user satisfaction evaluations. According to this interviewee, the problem is that the elderly often have no relatives to help them with answering the questionnaires. Moreover, the cognitive capacity of the elderly is in some cases reduced. As a result, the older person often answers the questionnaire together with the prime provider of the care to be evaluated (ie. the home-helper). This is a situation, which can easily lead to biased answers.

## 5. Summary and conclusions

In this report, we have attempted to answer the research question common to all the national studies as it was stated in the introduction: *How can legal regulation, public policy and the social partners' action improve job quality and fight informality in PHS sector?* It was furthermore an aim in the project to describe the PHS sector in each of the countries involved, in this case Denmark.

The analyses have consisted of a general overview of the PHS sector in Denmark and sector studies of the cleaning and the eldercare sector, respectively. The *main findings* are:

- Regarding the PHS sector in general, although the eligibility criteria for public funded assistance appears stricter in recent years, the public provided and public-procured types of PHS continue to be widespread and thus reflect the universal Danish welfare state. The private-formal type of PHS is also substantial, but it has not been possible to determine the exact size of this as well as of the private-informal type.
- Denmark has an extensive legal framework directly or indirectly relevant for PHS-workers, but the ILO convention 189 has so far not been ratified, which is down to the main actors' fear of unnecessary intervention in legislation and the collective agreements. Apart from this legal framework, the collective agreements provide an equally important framework for pay and conditions for PHS workers.
- The social partners have also developed a series of initiatives to improve pay and conditions. These initiatives are relevant for PHS-workers in both the cleaning and the elder care sectors, but are not always limited to these. Several of these initiatives are linked to the collective agreements.
- Due to a substantial overlap between the two selected sectors, we found a number cross-sectoral similarities. However, the private-formal and private-informal types of PHS are likely to be more widespread in the cleaning than in the eldercare sector, where pay and working conditions on average appear better. There were also found more self-employed and marginal part-timers in the cleaning than in the eldercare sector while increased work-intensification was a challenge seen in both sectors.

### 5.1 The general overview

In the general overview, we found four types of PHS services divided according to their financial sources and degree of formality: 1) The private-informal type, 2) the private-formal type, 3) the public procured type and 4) the public type. It has not within the limits of this project been possible to determinate the size of each of these types, although we have estimated that the private-informal part only covers one or a few percentages of the formal economy and labour market. In Denmark, a large part of PHS - especially care for the disabled and the

elderly - is financed by public sources and therefore of the third and fourth type, contributing to the size of these types. However, the private-formal type is sizable too.

The present study – both the general overview and the two sector studies – has provided most knowledge about the public and public procured types of PHS, some knowledge about the private private-formal type and limited knowledge about the private-type, as this is the most difficult one to investigate. Regarding the content, we demarcated the PHS-sector to childcare, care for disabled, eldercare, household services (including cleaning) and home repair along the decision by the project team.

With regard to the legal framework related to the whole of the PHS sector, Denmark has voted for, but not ratified, the ILO convention 189 regarding domestic work. This is partly because Denmark has no tradition for automatic ratifications of ILO conventions and because both the right-wing and the center-left governments along with Local government Denmark found that only a very small number of PHS providers would benefit from the new regulation following a ratification and that the regulation could interfere with existing collective agreements. The main trade unions confederation (LO, now FH) initially supported the ratification, but ended up supporting the other main actors' position. Another PHS-relevant convention is ILO convention 94 on labour clauses, which Denmark has ratified.

Other relevant pieces of legislation include the Social Services Act (specifying most types of social service provided by the municipalities), the Housing-Job Scheme (tax relief of PHS activities), Holiday Act, Health and Safety Act, the Salaried Employees Act, various parental leave legislation, the House Assistant Law (targeted at PHS services in the agriculture sector) and the Written Statement Act. Also the au pair regulation, which has been tightened twice in recent years and has contributed to a decline in the number of au pairs in Denmark, is part of the legislative framework. On the top of these laws are the rules and regulation laid down in the collective agreements.

## **5.2 The sector studies**

The two chosen sectors overlap to a great extent, in that cleaning is an important part of the eldercare. The two sector studies were structured on the same five themes (Legal framework and policy initiatives, Main actors, Wages and working conditions, Challenges and social partner initiatives, and finally Relations between job quality and service quality) along which the comparison below with the structured.

However, first a short presentation of the sectors' *main characteristics*. Besides the recent waves of public procurement and privatization, it can be noticed that the cleaning sector was relatively lightly hit by the economic crisis, which started in 2008. Since 2010, the sector has seen modest growth rates, but the number of companies and employees has continued to decline up until 2014. A

decline in the number of cleaners in the public sector has not been accompanied with a similar increase in the private sector. Cleaning in private households is relatively widespread in that recent figures indicate that 11% of Danish households rely on private cleaning services, covering both the private-formal and the private-informal type of PHS. Most private companies providing cleaning services to private households are small- or micro-companies, if not self-employed without employees. Recent studies estimate that 4-10 % of Danes had purchased cleaning and window services that can be characterized as undeclared work, typically performed by female relatives or friends rather than private companies.

The public provided and public procured types of elder care cover personal care (including personal hygiene, dressing, getting out of bed, eating etc.) and practical assistance (including cleaning, laundry, shopping, preparing food, etc.). Care for the elderly is public funded, administrated by municipalities and for a large part free. It is likely the largest of the PHS-subsectors. Access is subject to needs testing by the individual municipalities who set the eligibility criteria. The share of 'weak elderly' (elderly who declare themselves in need of help), who receive home help in the form of practical assistance has declined from 43 % in 2007 to 25 % in 2017. This has naturally also effected the public-formal and public procured types of cleaning PHS. Reflecting this development, employment in the eldercare sector declined by 2 % in just in five years 2010-15. We did not manage to find much information on the private-formal and private-informal types of eldercare, apart from the finding that the private forms of elder care have not substituted the declining level of public or public procured home help.

The *legal framework and policy initiatives* presented above is relevant for both sectors. For cleaning PHS, especially the labour clauses, the Housing-Job Scheme and the Health and Safety Act is important, the latter both because of its regulation of work processes on the ground and because of the loop-holes it includes regarding self-employed. For eldercare PHS the labour clauses should also be emphasized, in that public procurement is used extensively also in this sector. Apart from that, the fundamental change in the Service Act with the introduction of rehabilitation (aiming at making the elderly able to perform parts of the tasks that the home helper previously provided) has had a huge impact on the work of the home helpers as well as for the extent and type of help, the elderly receive.

The *main organisations* are on the trade union side (FOA) and on the public authority side (Local government Denmark) the same in the two sectors. Local government Denmark is also the public employer in both sectors, whereas the cleaning sector furthermore includes the private employers organizations' SBA and Danske Service. The cleaning sector has also seen a number of digital platforms entering the market, whereas the eldercare sector has Denmark's possibly largest and strongest NGO, DaneAge, among its main actors. 68 % are

union members in the cleaning sector (but fewer in cleaning PHS) and 74 % in eldercare sector.

*Wages and working conditions* varies between the two sectors. In cleaning PHS, they are mostly regulated by individual contracts or practices by the company, platform or individual and less than 20 % of the employees in the cleaning sector is covered by collective agreements, which is substantial lower than for the cleaning sector in general. Those that are covered fall under very centralized wage system and are eligible to a large number of social benefits additional to those provided by legislation. Regarding wage levels, an estimate suggest that 30 % of the companies pay below the collectively agreed minimum wages. 17 % in the sector work as self-employed, and no less than 42 % on marginal part-time.

Compared to this wages and working conditions are in general better in eldercare. Wage-levels are in general higher, reflecting a larger share of skilled employees, there are fewer self-employed and although part-time is widespread, marginal part-time stands at 'only' 28 %. Collective agreement coverage is close to 100 % for the public PHS type, whereas it is unknown for the public procured and the private-formal types. However, the home-helpers have experienced work-intensification in recent years.

In both PHS sectors - the *social partners* - *jointly or unilaterally* - have taken a number of initiatives which are either targeted PHS workers only in the two sectors or targeted at larger groups, including the two sectors' PHS workers. Several of these initiatives are linked to the collective agreements. Placed under cleaning, but with relevance for both sectors, are the labour clauses related to ILO convention 94. In the cleaning sector, a two-tier wage-system including company based wage bargaining was introduced in 2017 in order to introduce possibilities for wage increased and productivity improvements in the sector hitherto marked by a very centralized wage system. The sector also includes collective bargaining based initiative to strengthen the rights of atypical workers, among them the introduction of a sector-specific wage supplement. Finally, we included the first-ever collective agreement covering platform workers in the cleaning sector.

With regard to eldercare, the case chosen were a joint municipal- employer initiative to prevent insolvency among private care providers, wages increases targeted care worker to create pay equality and hinder labour shortages and new rights for employees with contracts of few hours, resulting from what the European Commission considered a breach of the EU's part-time directive. Finally, the trade union and NGO initiated au pair network to protect, support and empower au pairs.

Several of these initiatives have had effects as mentioned. However, they have far from overcome all the problems, e.g., a highly competitive market in the cleaning sector leading to downwards pressure on wages and conditions,

and pressure on public budgets leading to work intensification for home-helpers in eldercare.

Finally, with regard to relations between job quality and service quality, in the cleaning sector our findings indicate that low job quality among cleaners in some instances influence the quality of cleaning services provided, especially in situations where the cleaners are late for their appointment, short of time or have to send a replacement. However, different Danish surveys indicate that most users are pleased with the services they receive in their private homes, irrespectively of whether the service provider is a private company or public authority. In the eldercare sector, a literature review found no clear evidence with regard to increased or decreased quality of the services and the few available source point to stability rather than change, also in relation to the question of service quality before and after procurement. However, reports from a number of municipalities and stakeholder interviews indicates that there is a connection between job quality and service quality.

### **5.3 Future research**

As stated above, it has not been possible to determine the size of the private-formal and private-informal types of PHS. Moreover, we have only to a very limited extent managed to get information of pay and conditions in the private-informal PHS-type. As we unsurprisingly have indications that it is in the private-informal type of PHS that most pockets of potentially problematic pay and conditions are found, future research could focus on this PHS-type.

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## **Annex A - List of interviews**

Per Tostenes, DanAge, August 2019 (face-to-face)

Nina Banerjee and Maria Hjortsøe, FOA Au pair team, August 2019 (face-to-face)

Torben Arnholtz Lorentzen, Ministry of Employment, January 2019 (face-to-face)

LOBPA, January 2019 (face-to-face)\*

United Federation of Danish Workers (3F), January 2019 (face-to-face)\*

Isabel Carlander and Maria Lærke Hansen, Local Government Denmark (face-to-face)

United Federation of Danish Workers (3F), February 2019 (phone interview)\*

Confederation of Danish Industries (DI), January 2019 (face-to-face)\*

FOA, February 2019 (face-to-face)\*

Local Government Denmark, August 2019 (face-to-face)\*

Hvidovre Municipality, Leader, August 2019 (face-to-face)\*

Hvidovre Municipality, Shop Steward, 2019 (face-to-face)\*

\*= due to promises of anonymity, names and positions in these interviews are not published.