



UNIVERSITY OF TARTU

School of Economics
and Business Administration

Personal and household services in Estonia

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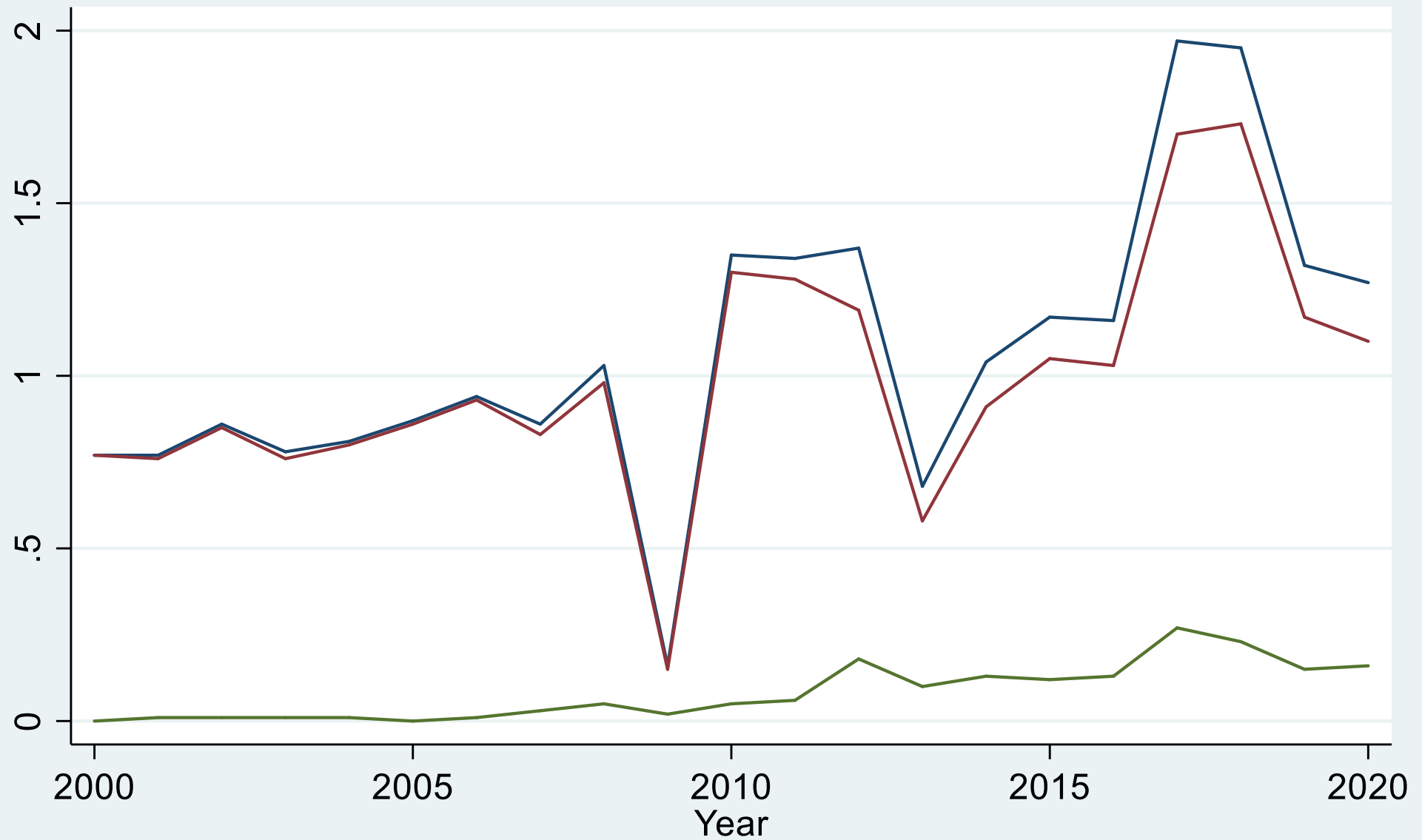
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Size of the PHS sector: NACE (1)

- **Eurostat** – EE 2.6%, Eurostat 5.2% (LFS)
- **Narrow PHS / care activities**
 - Q88 – Social work activities without accommodation and household employment defined
 - T97 – Activities of households as employers of domestic personnel.
- **Broad PHS / non-care activities**
 - S95 – Repair of computers and personal and household goods and
 - S96 – Other personal service activities.
- **Source of data:** Estonian business registry (*Äriregister*), population of companies, 5-digit NACE codes
- **Employment in 2020** – 1.27% in total PHS (7,231 employees), including 1.1% in non-care and 0.16% in care activities
- **No of companies in 2020** – 3,452 in PHS, incl. 3,243 in non-care and 209 in care
- **Underestimates the PHS share** - many providers are self-employed

Employment share of the PHS sector: NACE (2)



Adds from private service providers

www.pere24.ee (Family24)

Adds for 4 areas: 1) child care; 2) home
3) pet care 4) housekeeping

Adds for all kinds of small tasks:

www.pocketpro.ee

includes: babysitting, hairdresser, private Spanish teacher etc

Adds for all kinds of small tasks:

<https://naabrid.ee/> (Neighbours)

includes home-care

Old-age care

<https://tartukoduabiteenused.ee/>

Private firm for home care for elderly:

www.estkeer.ee

Platform for old-age care: <https://caremate.ee/>



PocketPro



TARTU
KODUABITEENUSED

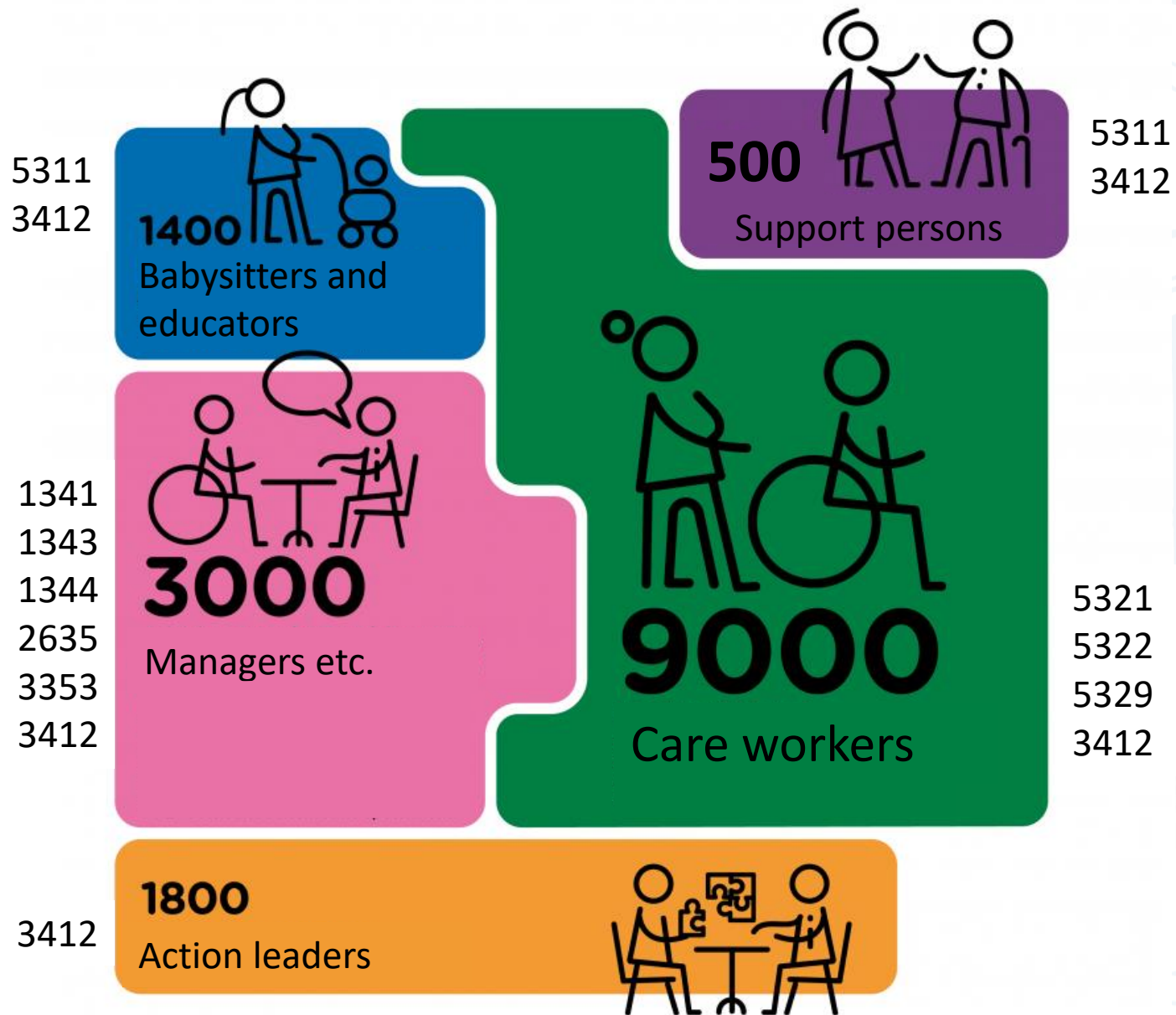
Estkeer
Oma ja lähedane



Size of the PHS sector: occupation (ISCO 4-digit) (1)

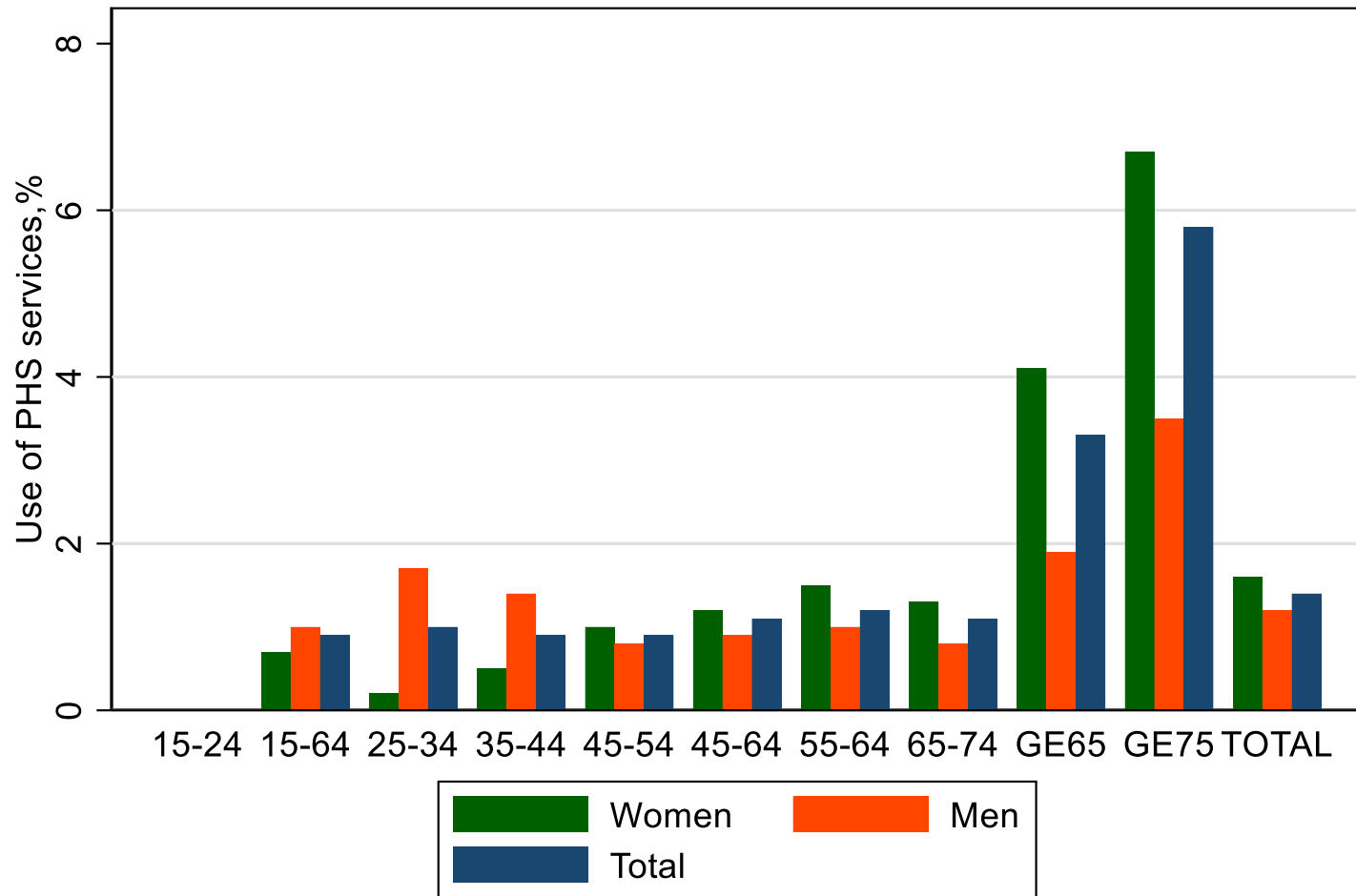
- **53. Personal care workers**
 - Group 5311 of “child care workers”
 - Group 5322 of “home-based personal care workers”
- **91. Cleaners and helpers**
 - Group 9111 of “domestic cleaners and helpers”.
- **Source of data:** Employment Registry (*Töötamise register*) – since 2015, occupation available since 2019
- **2020 1st quarter:** 7,840 (1.1% of total employment), including 7751 personal care workers (1.1%), 289 cleaners and helpers (0.1%)
 - We can study contracts
- **OSKA 2021 report:** the total of Social Sector = **15 700** employees (informal family carers are excluded).
- Expected to increase by 3000 employees in next 10 years due to
 - a) deinstitutionalisation
 - b) population aging

Size of the PHS sector: occupation (ISCO 4-digit) (2)



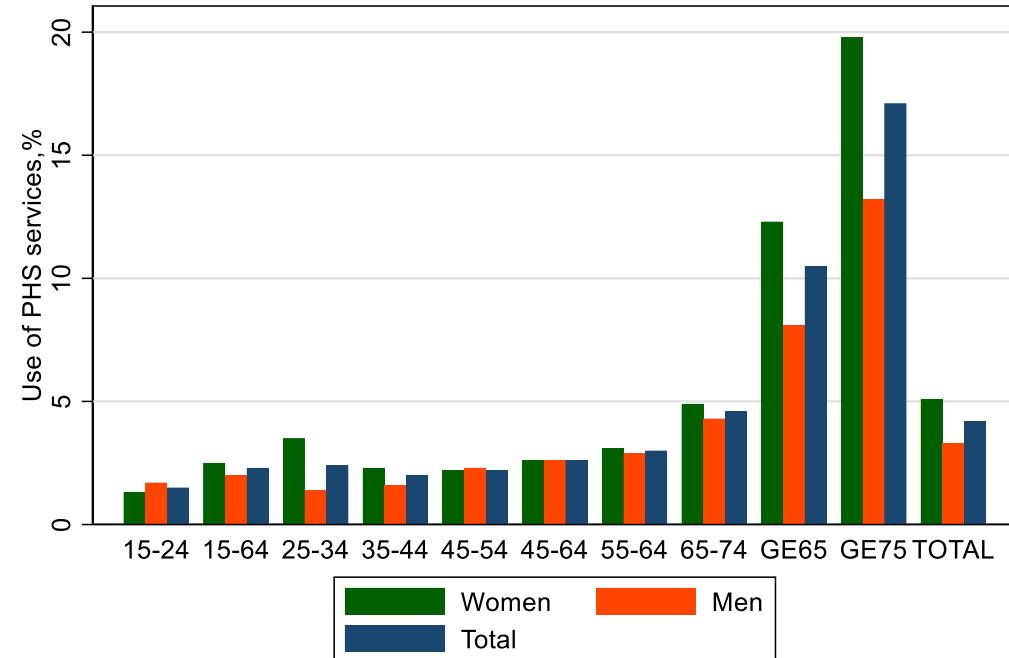
Use of PHS (home-care) services by age

Estonia (2019)



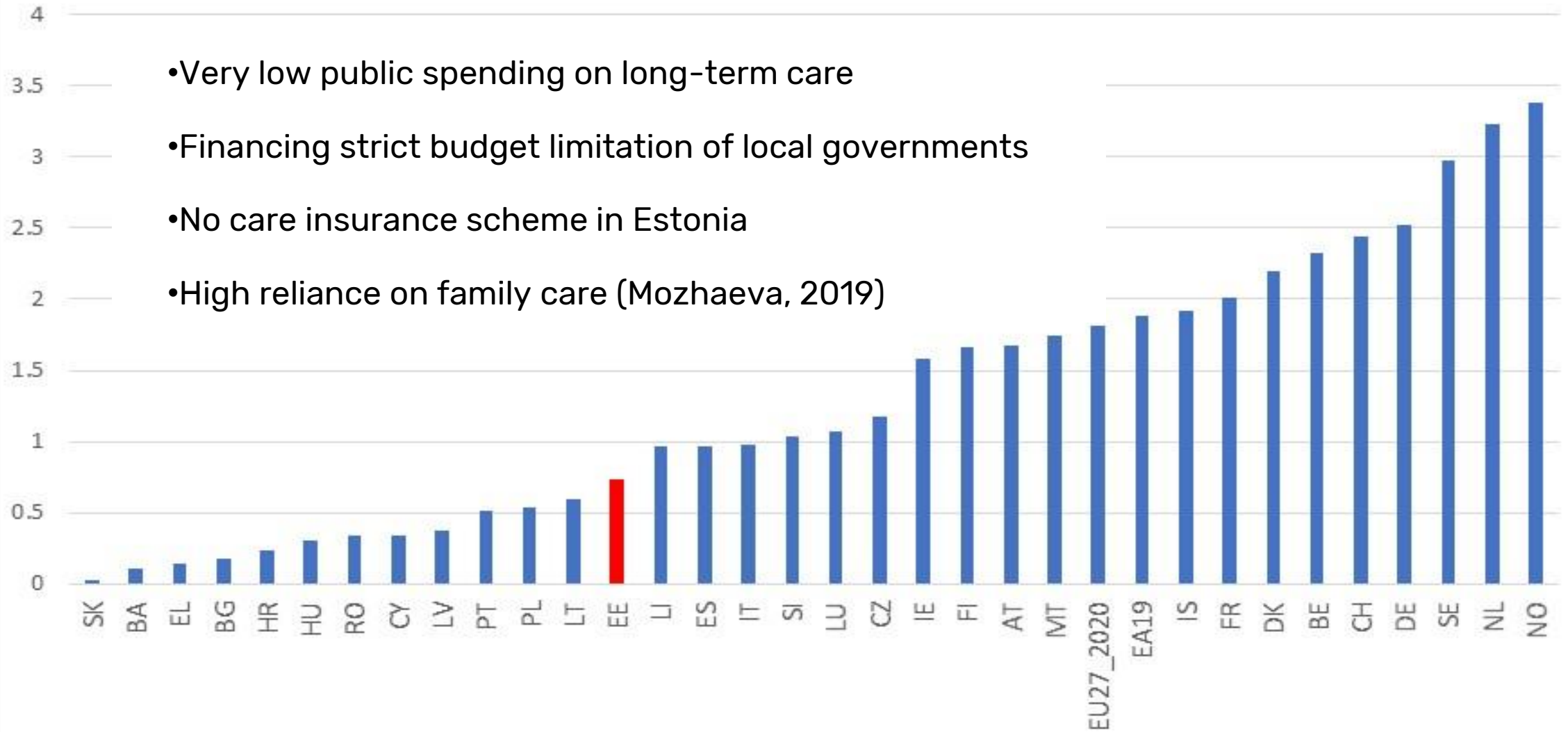
- Similarly to EU heavily concentrated among the elderly
- More than 2 times lower use of PHS services in EE compared to EU-27: less than 2%
- 2 times more frequently used by female among the elderly

EU-27 (2020)



Long-term care expenditures

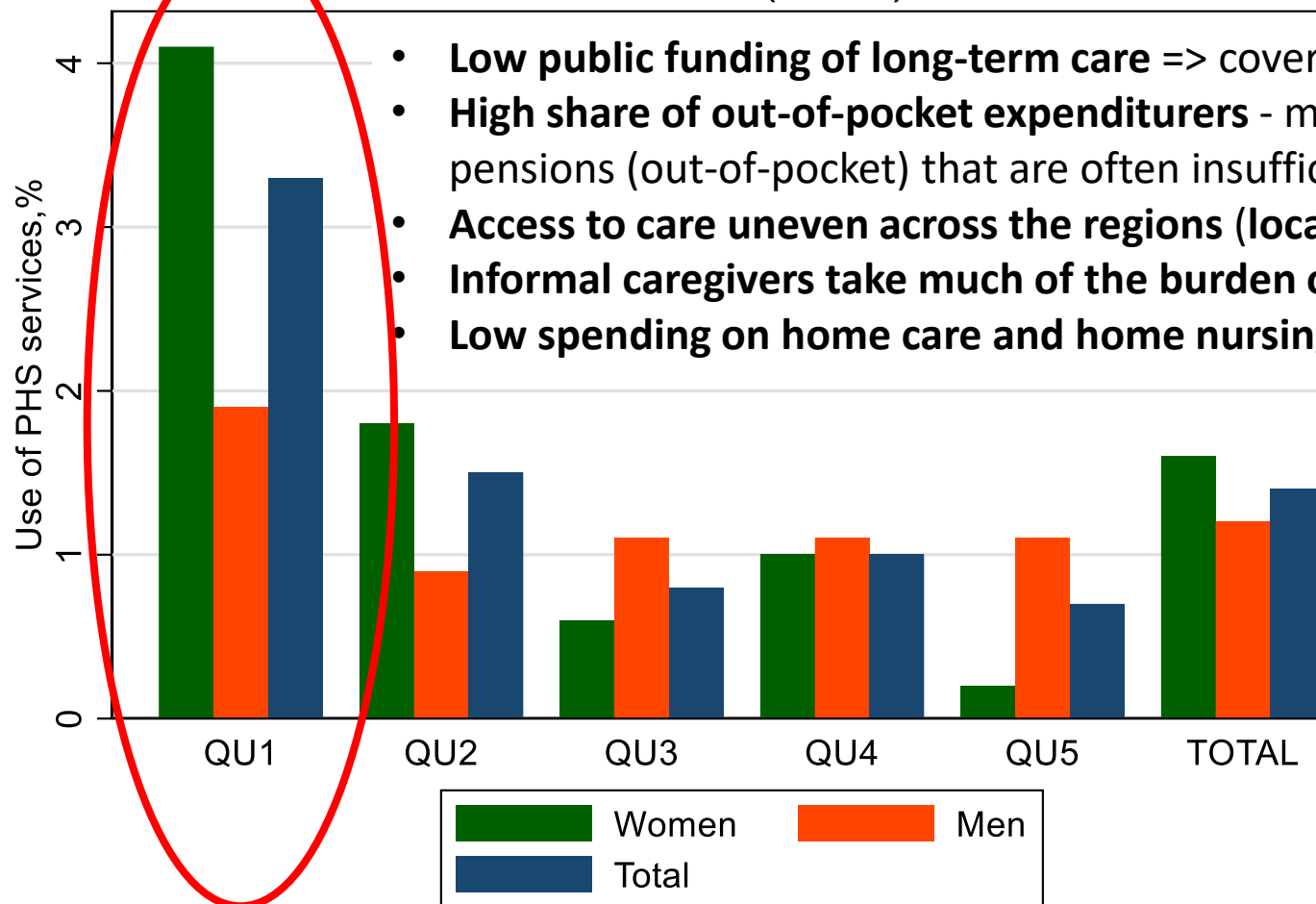
Long-term care (health) expenditure



- Very low public spending on long-term care
- Financing strict budget limitation of local governments
- No care insurance scheme in Estonia
- High reliance on family care (Mozhaeva, 2019)

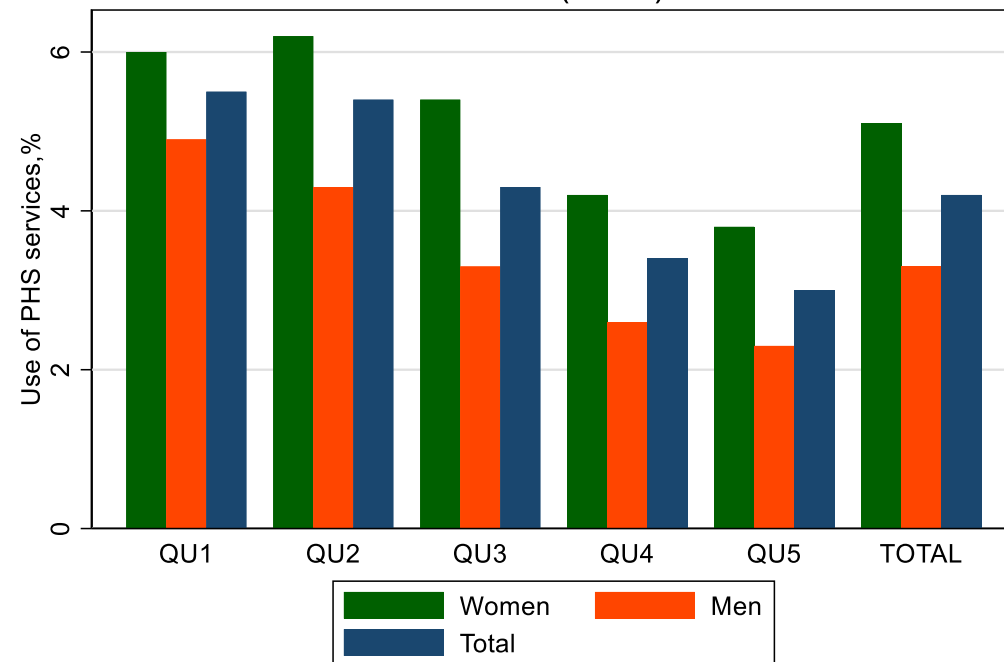
Use of PHS services by income group

Estonia (2019)



- **Low public funding of long-term care** => coverage inadequate and inequitable
- **High share of out-of-pocket expenditure** - most elderly people finance social services from pensions (out-of-pocket) that are often insufficient
- **Access to care uneven across the regions (local governments)** – autonomy, unequal capacities
- **Informal caregivers take much of the burden of care**
- **Low spending on home care and home nursing care (5%), low use of home care**

EU-27 (2020)



Main regulations

Employment Contracts Act (01.07.2019)

- General regulation of employment relations in Estonia

Simplified Business Income Taxation Act (19.06.2017)

- Entrepreneur account - simplifies the fulfilment of tax liability

Constitution of the Republic of Estonia (28.06.1992)

- “[t]he family is required to provide for its members who are in need.”

Family Law Act (18.11.2009)

- „adult ascendants and descendants related in the first and second degree are required to provide maintenance.”

Social welfare act (1.01.2016)

- Paid parental leave for a working caregiver of an adult person with disabilities.

Working conditions (OSKA 2016, 2021)

- **Wages** are lower than the national average.
- **Female** dominated sector, e.g. 81% in long-term care – high gender-pay gap in EE (up to 30% in 2010)
- **Flexible work arrangements insufficient** – only highly skilled persons in higher occupational levels have access to flexible working arrangements in Estonia.
- **Low degree of professionalisation** (education) – shortage of skilled labour
- **Informal care** plays an important role in Estonia.
- **Formal care provided by local governments**

Social dialogue

- **Very fragmented landscape** in Estonian PHS sector
- **Trade union density** very low 8-10% nationally, not much more in PHS
- **Union presence in companies** - only ca 6% of organizations employing at least 5 employees
- **Partners:** Ministry of Social affairs, the Social Insurance Board, the National Institute for Health Development. Additionally, local governments, organisations representing elderly and persons with disabilities
- **Unions are not common in Estonia** particularly regarding to the PHS sector as a whole.
 - **Estonian Nurses Union (Eesti Õdede Liit)**
includes seven professional associations: one of them is **Careworker association** (EÕL Hooldustöötajate seltsing) – care workers both from health and social protection; not necessarily representing care workers working at home



HOOLDUSTÖÖTAJATE

Eesti Õdede Liit SELTSING

Social dialogue: platform employees (Holst, 2022)

Some potential for organization of platform employees

- A common community feeling but limited common identity and the lack of virtual community hinders the organization

Impediments to unionization based on interviews

- Trade unions are weak, they have little power
- Do not know what is trade union
- Trade union does not accept platform workers as members
- Does not see the benefits of unionization due to working part-time
- Does not see him/herself as an employee but as an entrepreneur
- Does not have time and energy to deal with it
- Can manage on its own

Thank you!



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