Domestic Services and the Division of Labour
The Example of the Danish Home Service Scheme

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Introduction

The Danish "Home Service scheme" (hjemmeserviceordningen) started as an experiment in 1994 and was made permanent in 1997. By subsiding domestic services such as cleaning, window cleaning and gardening, the ambition of the Danish politicians was to reduce unemployment figures. They also wanted to improve the daily welfare of households, as well as transforming illegal employment into legal ones and reducing the "do-it-yourself work". The scheme has often been portrayed as a success that everyone is satisfied with, and it is obvious that the reform has had a certain amount of positive effects. New jobs and companies have been created through the scheme and the size of the black market has been reduced. People occupied in this line of work and households buying these services have expressed their satisfaction with the scheme and the way in which it works.[1]

Even though the subsidies from the Home Service scheme have had households with high incomes as largest receivers, there can still be some advantages with the system. These could be expressed with the words of the Danish Social Democrat Sonja Mikkelsen: "When the rich buy domestic services it means that some people with low education get employment. [...] And by using the Home Service scheme people economically well off can contribute to a possibility for low educated people to remain on the labour market instead of being early retired or long-time unemployed."[2] The aspect of integration is no doubt a strong argument in favour of a domestic service system, as exclusion from the labour market could lead to marginalisation of the affected groups. As financially well off people will have their houses cleaned anyway the work might as well be performed legally instead of illegally. A domestic service system could therefore contribute to the inclusion of weak groups in the labour market and also ensure that they work under regulated forms.

According to Jon Sundbo, the domestic service sector was especially pointed out as the sole sector where low educated people could be employed in the future.[3] and in 1998 it was established that the domestic service sector was one of the fastest growing areas of trade in Denmark.[4] This industry's turnover was 900 million DKr during the same year, which meant an increase of 24 percent compared to the previous year.[5] The Home Service does not, however, constitute any considerable part of the Danish labour market or even the service sector. The economic turnover is small compared to many other areas of trade and the amount of people employed and number of companies are not very large. Even if the Home Service scheme does not have any significant role in the Danish economy, it is still an interesting phenomenon in several of respects.

The aim of this paper is to analyse the Home Service scheme from a critical point of view. A description of the scheme is followed by some of the effects the scheme has had on the Danish labour market. I discuss whether the scheme has contributed to the creation of a secondary labour market. Domestic services in general, and the Home Service scheme in particular, are analysed in relation to changes in the division of labour in society and especially its effects on the gender and class division of labour. Finally, I conclude by a discussion of whether domestic service systems can be viewed as symbols of the economic changes in Scandinavia, in the so-called welfare states.
The Danish Home Service scheme and its relation to the division of labour

When the Danish Home Service scheme was introduced it was looked upon as an unusual method to decrease unemployment. From an international perspective the scheme is interesting because similar systems are being formed in other countries. The French government also subsidises domestic services, but not through a similar system to the Danish one, however. In Germany a domestic service system similar to the French one is being constructed, and some attempts have been made in Finland but as the result did not fall out as expected the project has been abolished. In Sweden there were proposals for the introduction of a domestic service system, but the ideological resistance was so great that the politicians (first and foremost the Social Democrats) did not dare to make any decisions on the matter.[6]

The Danish Home Service scheme subsidises work which the customer could have performed by him/herself in, or in close connection to, the home. Since 1994, some changes have been made concerning which services are included in the system and also changes of the degree of subsidising. At present - from 1 January 2000 - the state subsidy is 50 percent of the salary for shopping for daily goods, cleaning, cooking and washing up, doing the laundry and other kinds of common domestic work. If the household buys other services from the same firm, bringing home children from daily institutions is also subsidised with 50 percent. The state subsidy for gardening and other outdoor maintenance has been reduced from 50 to 35 percent. Among the services not subsidised are window cleaning (which used to receive a subsidy of 50 percent), walking the dog, construction, repairing, and maintenance work.[7]

During 1998 more than 12 percent of all Danish households took advantage of the possibility to receive help with their domestic work, and the government paid nearly 900,000 DKr for that purpose.[8] There is an obvious connection between high income and the subsidy being received: In the region of Frederiksborg the average income was the highest in the country in 1998 (nearly 200,000 DKr) and the highest state subsidy per capita was paid to this region, about 130 DKr. In the Copenhagen region the average income was nearly 193,000 DKr in the same year, the second highest in Denmark, and the state subsidy to this region was also quite high, 113 DKr per capita.[9]

The prerequisite for the state subsidy is that a company performs the services. It is thus not possible for private persons to perform subsidised services for one another. One explanation for this rule was that the politicians were not only directed towards creating new employment but also stimulating small enterprise. This has been achieved in that 90 percent of the people performing domestic services are self-employed.[10] During 1998 more than 3,500 companies received subsidises according to the Home Service scheme. Out of these only 1,500, though, were specialised in domestic services; the rest - about 2,200 companies - performed domestic services as part of other activities.[11] Despite the fact that domestic services are characterised by many small and few large companies, still a concentration has been taking place; approximately 10 percent of the total amount of companies represent more than 50 percent of the total turnover.[12]

One important foundation for establishing the Home Service scheme in 1997 was an inquiry made and presented by PLS Consult in 1995. In this inquiry it was claimed that 50 percent of the services expected within the scheme would represent a permanent reduction of unemployment. It was also assumed that more than 20 percent of cleaning service performed within the Home Service scheme would be transformed illegal work. It was further assumed that 20 percent of the time that the households would save by purchasing domestic services could instead be invested in their regular jobs (which also meant that the do-it-yourself work would be transformed into productive work in the formal sector). Based on these assumptions PLS Consult (and the legislators) drew the conclusion that the Home Service scheme would in fact generate a permanent net return for the state.
According to Peter Birch Sørensen, however, this conclusion was very limited because it was mostly based on assumptions. If less optimistic assumptions had been made concerning the effect of the scheme on the structural unemployment, it would have been clear that the burden on public finances was going to be heavier than assumed. [13] The exact amount of occupied (both employed and self-employed) included in the Home Service scheme is difficult to state. In one report[14] it is stated that more than 25,000 persons are occupied in companies performing domestic services. As mentioned above, many companies perform domestic services only as a part of their total activities and only 2,400 are occupied in the category of specialised domestic service companies while the rest are working in non-specialised companies. An estimation of the real number occupied within domestic services is therefore between 4,000 and 10,000 persons. [15] For obvious reasons the size of the illegal sector is difficult to measure, but an estimation is that this sector has reduced its size by approximately 10 percent since the introduction of the Home Service scheme.[16] The net return for the state therefore did not correspond to the assumptions, but the net cost has not been dramatically high. [17] This means that strictly economic arguments are not crucial either in favour or against the scheme.

Among the unemployed certain groups are not welcome as employed within the domestic services. If the unemployed are divided into different categories the following groups can be distinguished: [18]

- low educated, low qualified,
- lowered working capacity caused by illness or hard work,
- ethnic background other than the Danish,
- high age,
- unmotivated for work or unrealistic expectations of wages and working conditions,
- drug addicts, criminals, people with social adjusting problems.

Performing domestic services means intensive and heavy work, and because of that people with low working capacity could hardly be active in this area. Elderly people would also be excluded on the same grounds, as they probably lack the physical strength required. People with other ethnic background than Danish will have difficulties getting employment within the domestic services, as neither companies nor households will let them in. This is especially true concerning non-Europeans, who are heavily hit by unemployment. [19] The category without motivation or/and with unrealistic expectations, will have great difficulties getting employment within domestic services because motivation is in fact particularly important in this area: because the work is performed in private households the employer is not able to supervise the employee. The customer is in control of the performance and the expectations are high because the work is being done in their own homes.[20] It is also unlikely that families would welcome drug addicts or criminals into their homes, people registered for criminal activities can not get domestic service jobs. The only category that not yet has been mentioned is the one with low education and low qualifications and it is exactly this category who work with domestic services. As pointed out earlier, the effects of the Home Service scheme on unemployment are very difficult to estimate, but there clearly seem to be some indications that the net effect is not very high. Many who work with domestic services do not belong to the most marginalised groups, but rather to the categories which quite easily could find a job before the changed division of labour in society - from public to private production of services. Many people occupied with domestic services were previously employed in the public sector and in parts of the private sector which have been hard hit by rationalisations. [21] This is confirmed by the fact that employers and employees covered by the Home Service scheme, in particular those in the specialised companies, have experience of especially short-time unemployment.[22] This confirms the assumption that it is above all persons that already are regarded as "employable" who get employed in this sector. Structural unemployment is therefore not a problem solved by the Home Service scheme.

The most common service within the Home Service scheme is cleaning and has been ever since the scheme came into force. In a study performed by the Danish Commerce and
Companies Agency (Erhvervs- og Selskabsstyrelsen) a selection of 400 domestic service companies was made and it was stated that more than 67 percent of the services performed by these companies were cleaning. In another study, performed by PLS, 375 customers were asked about what kind of domestic services they were buying, and 85 percent answered that they had bought cleaning services. It is primarily the specialised companies that perform cleaning services - two thirds of the services performed by these companies are in fact cleaning. The amount of cleaning services performed by the non-specialised companies only reaches just below one third of their total amount of services. The share of women holders of the specialised companies reaches almost 50 percent and this can be compared with the non-specialised companies, which have only 20 percent female holders. If we look at the employed, the female share reaches 70 percent in the specialised companies, in the non-specialised and in the private sector as a whole the female workforce consists of less than 50 and a little more than 30 percent respectively.

It seems as if the Home Service scheme has had greatest importance for those who demand cleaning services and, as a consequence, for women on the labour market.

A secondary labour market?

The Ministry of Trade and Industry (Erhvervsministeriet) has claimed that the Home Service scheme is very successful for all parties involved. The unions, however, have not totally shared this opinion. In order to contribute to a somewhat more nuanced picture the Union of Women General Workers (Kvindeligt Arbejderforbund i Danmark, KAD) ordered an inquiry. This showed, among other things, that the companies within the Home Service scheme have had difficulties in offering the employees good incomes, proper working conditions and permanent full-time employment. In particular the specialised Home Service companies have difficulties in reaching reasonable employment standards. The working conditions in the domestic service business are often beneath contempt, especially for those employed in companies without collective agreements. According to agreements made between the Ministry of Trade and Industry and the unions, "best practice" should be valid, which means that companies involved in the Home Service scheme are obliged to follow the general rules on the labour market, which also includes signing collective agreements with unions. The municipalities have a control function of the "best practice" obligation, but an inquiry show that not even 10 percent of the municipalities are performing their duty and investigating the real working conditions. Consequently, only 50 percent of the companies have signed collective agreements, although this could partly be explained by the fact that many companies are quite small - they consist of only 1-2 employees. The degree of employed in domestic service companies organised in a union is unknown but estimated as being considerably lower than average on the labour market. Some of the specialised companies within the Home Service scheme have exclusively hired young people, often students. Among other things, this has led to a very low degree of union membership and also these companies have not been very scrupulous about with wage and hiring conditions. The degree of organising among the holders of the companies is also difficult to estimate, but that figure is probably below the average.

The bad working conditions in this area of trade have led to difficulties in recruiting personnel. People who can get a domestic service job are often not interested, or as Jon Sundbo states: "is it not better to have a Home Service job than to be unemployed? The empirical answer to that question is, generally, no." Apart from bad working conditions as a reason for not wanting to work with domestic services, another reason, as mentioned above, is the fact that full-time work is seldom offered, which makes it difficult to make a proper living. This is also an explanation why the amount of young people is so high compared to other areas of trade and sectors - students work with domestic services "on the side". According to the Danish Labour Agency (arbejdformidlingen) it is often difficult to get unemployed people to apply for work in the cleaning business in general and within domestic services in particular.
The class and gender division of labour

As mentioned above, through the Home Service scheme the Danish politicians expressed a wish to reduce the "do-it-yourself work", the work people do themselves in their own homes. The reason was that this informal work is not regarded as profitable in a strictly economic sense - people with long and expensive education ought to spend most of their time at their ordinary workplaces instead of do non-productive unpaid domestic work, according to this view. People with low education[40] should, in a similar way of thinking, fulfil a function in society by taking care of the unqualified and monotonous domestic work in other people's homes. Why should, for instance, a woman with high education be burdened with domestic work and childcare when someone else (a woman) could perform these tasks?[41] This functionalistic thinking is built upon an assumption that the division of labour in society is "natural", based on the individual's own "interests" and "qualities". This perspective has a biologistic touch - some people are regarded as being so gifted and intelligent that they should spend their time on other things than boring domestic work. This opinion implies, however, that other people not that intelligent and wanted on the labour market, are "obliged" to perform those services. Apart from the fact that such a perspective makes the power relations invisible between these two categories, it also legitimizes a strengthening of the existing class hierarchy by increasing the social division between those financially well off and the disadvantaged.

It is quite a paradox that the so-called "two-career families" are the ones that use the possibilities of purchasing cheap services to the greatest extent[42] - despite the fact that this household category could afford to buy this services even without a state subsidy. But many do not want to pay a full price for domestic services. Women traditionally perform domestic work for free, and most people are therefore not prepared to pay for it. A state subsidy therefore seemed required (if illegal labour was not to be used). In line with this way of thinking was, as stated earlier, the reduced Home Service scheme, which came into force on 1 January 2000. Window cleaning, which is a male task when professionally performed, was removed from the menu card. The subsidy for other typical male tasks, such as gardening and other outdoor activities, was cut from 50 to 35 percent. The official purpose of this reduction was, as stated earlier, to lower the costs of the scheme, which it actually did. The 50 percent subsidy for services such as cleaning and other traditionally "female" activities remained unchanged. Furthermore, another service was added in 2000: bringing home children from daily institutions.[43] The Home Service scheme thereby has been even more directed towards social reproductive work, the work which women traditionally are responsible for.

Danish women participate more and more on the labour market. In 1964 they worked little more than 12 hours a week, whereas the average paid work for women in 1994 was 21 hours a week. If we look at the unpaid work in the households in 1994, it is estimated that men spent 13 hours a week on this, while women spent 18 hours.[44] This last figure should be regarded with some precaution, though, as no detailed "time-budget inquiry" has been made in Denmark. This means that a lot of the unpaid work performed by women is not visible in the statistics - taking care of one's own children, for example, is not included in the figures.

There is a clear connection between women increasing their paid work and an increased demand for domestic services. In the families where the husband works full-time and the wife part-time, only roughly 7 percent buy domestic services. The corresponding figure for families in which both husband and wife work full-time is more than 10 percent.[45] This indicates that when the wife's available time for domestic work is reduced, a change of the division of labour within the household between her and the husband will not take place. Instead the change seems to lead to a demand for help from the outside. This is in spite of the fact that men's average working hours have been reduced from roughly 39 hours a week in 1964 to 31 hours a week in 1994.[46]
If we look at the privatisation of elderly care - from public to privately performed care - the importance of the Home Service scheme can be noticed. In many municipalities contracts have been signed with domestic service companies for the purpose of performing elderly care. Lars Fuglsang indicates two ways in which the Home Service scheme is important for elderly care. Already in 1974 the municipalities were allowed to let private entrepreneurs perform public activities but it was not until 1996 that this possibility actually came into use. Some of the entrepreneurs started up as Home Service companies, but after having signed contracts with a municipality, they can exclusively perform elderly care. The domestic service companies can also function as alternatives for the old people; instead of turning to the municipality for service they can buy the services themselves on the private market. In both cases, however, the cost is being subsidised by public funds. In the latter case the consequence, though, could be that the demand for public elderly care diminishes, although the demand in general has not been reduced. The changes have effects on the situation of the employed: previously they were employed in the public sector and now they either find themselves without a job or working with private domestic services. Considering what has been stated above about the characteristics of Home Service companies, some of the employed might experience a deterioration in their working conditions. Furthermore, this privatisation could lead to a strengthening of the gender division of labour in society. It is easier for the elderly to demand who should perform the service in their homes when the provider is a private company instead of a public institution. Instead of letting a man or an immigrant perform the service, as was sometimes the case under public management, the elderly can, according to tradition, demand assistance from a Danish woman. Sundbo states that elderly customers often demand a woman aged 40-60. But not only elderly people stick to "traditional patterns", also young customers often want a woman to come, and some question whether men really are fit for cleaning work. Even if it appears that men really are capable of doing cleaning work, the companies still almost exclusively hire women. Concerning "traditions" it is also apparent that it is regarded important that the person who performs cleaning work in a Danish private household also should be Danish, at least be able to speak Danish and also preferably look Danish. It is not unusual that customers explicitly say that they do not want people with foreign ethnicity performing the required services.

Conclusions

Women's unpaid work, such as caring, became partly a responsibility for the public sector during the second half of the twentieth century - both financially and as an employer of the workers in this sector. From an analytical perspective the question of how society organises the social reproductive work is central when dealing with the issue of the Home Service scheme. During the 1990s the financial responsibility has more and more been placed on the families (but with public subsidy) and the performing of the work has to an increased extent been a matter for actors on the private market. One example of this change is the Danish domestic service companies’ increased role in performing elderly care. The subsidy for bringing home children from daily institutions, according to the Danish Home Service scheme, is another example. There is nothing to indicate that things will stop where they are now - this is perhaps the first step in an extended commercialisation of social reproductive work.

Cleaning work in the households has, though, above all been a do-it-yourself work. During the last two decades, however, more and more women have educated themselves and entered professional careers. At the same time as women have less time for domestic work, men have reduced their working hours. The gender division of labour in the households has despite this not changed in the same proportion. This has in turn created an increased demand for domestic services. As an effect, women from the working class - often unemployed as a result of the changed division of labour in society - replace middle-class women in performing the unqualified and monotonous work in the households. These women find themselves in a secondary part of the labour market, without reasonable employment standards and without any real prospects of getting a better job.
services are therefore an important example of class and gender hierarchies crossing each other. The gap between the middle class and the working class is increasing and the women working with domestic services get stuck in a "double" subordination. Cleaning both as unpaid and paid work is traditionally performed by women and this tradition will apparently not be changed, but rather strengthened, through the Home Service scheme. It is important to state, however, that the scheme itself did not create a big difference. Rather it is very likely that it was more a question of a need to create something new, something above the ordinary and something that could awake expectations and symbolise new ideas. Some central characters in the introduction of the Danish Home Service scheme, a minister from a small political party and a newly appointed head of ministry, felt the need to make themselves noticed. The publicity surrounding the scheme was enormous, so it is possible to say that it was a strategic move.

In the Scandinavian countries the existence of an "equality norm" makes it "forbidden" to have someone employed within the household.[51] High taxes and comparatively high incomes have contributed to the maintenance of this norm. A lot of things indicate, however, that the Home Service scheme, and domestic service systems in general, are signals that this order of things and attitudes are changing. The scheme can probably also work as method to speed up changes of attitudes, because of the legitimacy a formal order can give to an ideological change.

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[4] In fact it is not correct to speak of one domestic service area of trade, as this in reality consists of several different areas of trade. The tasks being performed differ a lot - "everything" from cleaning to gardening.
[6] Domestic services have long been established in many countries, although not in so-called welfare states but rather in countries with low taxes and a large low income sector.
[8] This sum exceeded the budget and it was therefore necessary to make some cut backs, in accordance with the reductions stated above. The cost of the present regulation was 476 million DKr during 2000, which was a decrease compared to the 607 million DKr during 1999 - a reduction of 22 percent. (Rapport 338.46, 1999, p 11)
[11] In order to be classified as a "specialised" domestic service company it is required that more than two thirds of the turnover can be referred to the Home Service scheme. For the "non-specialised" companies less than two thirds of the turnover is connected to the scheme (HjemmeService - en analyse af de beskæftigte, 1999, p 1)
[15] In 1998, the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen) estimated that there were 4,000 full time occupied within the domestic service area of trade. (Rapport 338.46, 1999, p 12) Jens Lind estimates an amount of 8-10,000 persons on a yearly basis. (Lind, 2001, p 218) Carsten Ingerslev mentions the figure of 5-6,000 occupied. (Ingerslev 27-03-2001)
[16] Sundbo (2001)
[18] Ibsen (2001)
[19] This fact is confirmed by the employers' association AHTS, which states that these refugees "do not fit culturally" into Danish society (Pedersen, 2001). The amount of people with other ethnicity than Danish is roughly as low among the holders of the Home Service companies as in the private sector as a whole.
[22] (Hjemmeservice - en analyse af de beskæftigte 1998, 1999, p 7 f)
[28] The turnover of people occupied within the Home Service companies is large. If we look at the period 1996 to 1998 only 29 percent of the holders of the Home Service companies remained in business, and the figure for the employed is even lower - 15
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percent (Hjemmeservice - en analyse af de beskæftige 1998, 1999, p 13).

[29] It is difficult to get full-time employment in Home Service companies. The working hours are strikingly short, especially in the specialised companies where approximately 40 percent of the work is part-time. This can be compared with the fact that less than 15 percent work part-time in the private sector as a whole (Hjemme Service - en analyse af de beskæftige 1998, 1999, p 12). The wages for employees performing cleaning services are also approximately 10 percent lower than for those working with gardening (Løn- og prisudvikling i HjemmeServiceerhvervet, 2000, p 3).

[30] The Union of Women General Workers has for several years been in conflict with some companies that refuse to sign collective agreements (Høeg 2001).

[31] Undersøgelse av kommunernes faktiske medvirken i administrationen og kontrollen av hjemmeserviceordningen (1999) p 18

Lind (2001) p 218

Lind (2001) p 217

[34] The age structure of the employees in Home Service companies in 1998 was lower than in the private sector as a whole. Among the holders of the Home Service companies the largest category is aged 30-39. This should be compared with the private sector where half of the holders are 50 years and over. Among those employed in the Home Service companies approximately 40 percent are under 30, while almost 30 percent are between 30 and 39 years old. In the specialised Home Service companies the amount aged under 30 is almost 50 percent. (Hjemmeservice - en analyse af de beskæftige 1998, 1999, p 6)


[36] Pedersen (2001)

[37] Sundbo (1997a) p 597

[38] Høeg (2001)


[40] The share of low educated persons, among both employers and employees, in the Home Service companies is considerably higher than in the private sector as a whole (Hjemmeservice - en analyse af de beskæftige 1998, 1999, p 6).

[41] There is a close connection between the degree of education and the purchasing of domestic services. More than one family out of eight in which the husband and wife have a higher education buys domestic services. The equivalent share for families with low education is only half as high, that is, one family out of sixteen (Bonke, 1997, p 56 f).

[42] In 1998 the Danish Commerce and Companies Agency made a random sample in order to get a picture of the age structure among the people using the Home Service scheme. Approximately 50 percent of the customers were between 31 and 55 years old. The other big group of customers (35 percent) were 60 or over. The variations are great, though, in relation to the kind of service that is purchased. Almost 60 percent of those buying cleaning services are between 31 and 55 years old, while customers buying gardening services are over 60 (Rapport 338.46, 1999).


[50] Gonäs (1998) p 51 f, writes about shifts in the responsibility for social reproductive work in Sweden. Her discussion can, however, be applied to Denmark as well, as this is a problem common for all welfare states, even if the expressions differ according to the national context.

[51] Sundbo (1997) p 583