

Dom&Care Value: a strategic simulator to formalize and strengthen the indirect care sector

Belgium

GENERAL INFORMATION	
Name of the organisation	European Federation for Family Employment and Home Care (EFFE)
Type of organisation	Social Partner
Address	98 Rue du Trône, 1050 Brussels
Web page	https://www.effe-homecare.eu/en/dom-and-care-value/
Contact person	Name and surname: Thomas Hector Job position: Policy Officer E-mail: thomas.hector@effe-homecare.eu
Topic of the good practice	Undeclared work Labour and skills shortages in the health and care sector
Geographical focus	Cross-country
Duration	3/1/2025 - ongoing
Summary of the good practice	<p>Dom&Care Value is an innovative economic simulation tool developed to address the pressing challenges of undeclared work, labour shortages, and the undervaluation of indirect care in Europe's domestic & home care sector. It provides policymakers with concrete, data-driven insights into the socio-economic return on investment of solvency mechanisms—specifically, subsidies that incentivize the formal employment of domestic workers.</p> <p>In a context of rapid demographic aging and rising demand for long-term care, the tool enables governments to build sustainable, inclusive policies by estimating the full economic impact of supporting declared work in domestic and home care services. These services—such as cleaning, cooking, and shopping—are often wrongly considered non-essential. They are fundamental to the</p>

	<p>autonomy and well-being of older adults, people with disabilities, and families.</p> <p>The simulator tackles multiple challenges:</p> <ul style="list-style-type: none"> • High levels of undeclared work in the indirect care sector, leading to loss of social protection for workers and significant tax shortfalls. • Persistent gender inequalities, as women disproportionately perform unpaid or informal care. • Severe labour and skills shortages, especially in the care sector, compounded by informal job structures and limited professional recognition. <p>The Dom&Care Value simulator is an interactive, web-based tool that integrates reference data collected by the EFFE LAB to estimate the real costs and socio-economic returns of formal employment in the domestic care sector. It remains flexible: users can refine simulations with their own local data or explore the impact of changing variables—such as average wages, subsidy levels or rates of undeclared work—and immediately visualize the fiscal and social outcomes through automated calculations and infographics.</p> <p>Dom&Care Value helps policy stakeholders:</p> <ol style="list-style-type: none"> 1. Estimate demand for indirect care services based on national and local data (https://www.effe-homecare.eu/en/effe-lab/interactive-mapping/). 2. Simulate various policy scenarios, adjusting key variables such as subsidy levels, tax rates, and windfall effects. 3. Calculate the socio-fiscal balance, identifying whether subsidies generate a net benefit for public finances (a ratio >1 indicates that each euro invested brings more than one euro back in tax and social returns). 4. Visualize outcomes clearly through infographics, enabling cross-country comparisons and transparent policy communication. <p>In France, for example, the simulator shows that for every €1 of public investment, €1.11 is returned to public finances, proving that funding indirect care is not a cost but a positive, sustainable investment.</p> <p>Benefits of the tool include:</p>
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	<ul style="list-style-type: none"> • Promoting formal employment and improving working conditions for domestic care workers. • Reducing undeclared work, thus enhancing tax collection and social security contributions. • Creating sustainable jobs, especially for vulnerable populations like women and migrants. • Enabling professionalization, offering access to training and long-term career development. • Alleviating institutional care pressure by supporting aging at home. • Enhancing gender equality and work-life balance, particularly for informal caregivers. <p>The simulator is more than a financial calculator—it is a strategic instrument that helps governments justify investment in social infrastructure, fight informality, and improve lives. Dom&Care Value supports a triple impact: economic viability, social fairness, and human dignity. By formalizing indirect care, countries can better prepare for future demographic shifts while reinforcing the resilience of their welfare systems. This good practice directly supports ELA's 2025 priorities, particularly:</p> <ul style="list-style-type: none"> • Combating undeclared work by making formal employment more attractive. • Addressing labour and skills shortages in the care sector by building a professional, sustainable workforce. • Improving coordination of social contributions through increased formalization and traceability. <p>In short, Dom&Care Value provides a scalable, evidence-based model that empowers Member States to transform undeclared care into a professionalized, recognized, and economically productive sector.</p>
<h3>OBJECTIVES AND ACTIVITIES</h3>	
<p>Background/context</p> <p>What challenge, need or gap were you trying to solve or respond to?</p> <p>Why was this issue relevant or urgent in your context (sector, region, country)?</p>	<p>► The Dom&Care Value initiative was launched in March 2025 by EFFE LAB in response to the persistent lack of reliable data and analytical tools to measure the socio-economic impact of indirect care investments across the European Union. While the care sector represents a critical pillar of the European social and employment model, indirect care work—such as home help, domestic assistance and support for dependent</p>

	<p>persons—remains undervalued, under-formalised, and insufficiently recognised in fiscal and labour policy analysis.</p> <ul style="list-style-type: none"> ▶ Existing policy tools often focus on direct care or healthcare expenditure, neglecting the multiplier effects and fiscal returns of household-related employment. This gap has contributed to fragmented regulation, undeclared work, and the absence of coherent cross-country comparisons to guide policymaking. ▶ In a context of demographic ageing, growing care needs, and gender inequalities linked to unpaid care, the absence of measurable data on the economic and fiscal returns of formal care systems represented a major policy blind spot. Dom&Care Value was therefore conceived as an evidence-based simulator enabling governments, researchers and social partners to quantify the fiscal, economic and social effects of investments in indirect care. The initiative aligns with EU priorities on fair working conditions, the European Care Strategy, and efforts to formalise and professionalise the care economy across Member States.
<p>Objectives</p> <p>What were the main goals of this practice (e.g. better compliance, faster processing, improved worker protection)? (Please limit to three)</p> <p>Who or what were these goals intended to help or change? (Please limit to three)</p>	<ul style="list-style-type: none"> ▶ The main objective of Dom&Care Value is to provide a transparent, data-driven tool that quantifies the socio-fiscal return of investments in indirect care and household-related services. Specifically, the project pursues three interrelated goals: <ol style="list-style-type: none"> 1. To strengthen the evidence base for policymaking by demonstrating the fiscal, social and employment effects of incentives supporting declared domestic and care work. 2. To promote formalisation and decent work by making declared domestic employment more competitive than undeclared work through better policy design. 3. To strengthen evidence-based policymaking, supporting EU and national authorities in

	<p>developing sustainable, inclusive, and gender-responsive care strategies. These objectives aimed to benefit policymakers seeking efficient public investment, workers in the domestic sector requiring protection and recognition, and households needing affordable, high-quality services.</p>
<p>Main activities</p> <p>What were the main steps or actions you carried out to put the practice into effect?</p> <p>Were any tools, materials, partnerships, or processes created?</p>	<p>The main activities included the conceptualisation, design and implementation of an economic simulator capable of quantifying the fiscal and social returns of indirect care policies. The development process began in early 2024 with the creation of a harmonised analytical model based on national and Eurostat data. Key actions included:</p> <ul style="list-style-type: none"> Defining a unified socio-fiscal methodology applicable to all EU Member States. Developing a user-friendly digital interface to input and adjust national variables (labour costs, taxation, social security rates, etc.). Presenting findings in EU-level policy events and national workshops, fostering dialogue between stakeholders and institutions. Conducting a pilot application using the French case, in collaboration with the national Observatory for domestic & home care employment, which assessed the impact of tax incentives on the domestic employment sector. In France, the simulator demonstrated that every euro invested in fiscal incentives for declared domestic employment generates approximately €0.88 in socio-fiscal returns, confirming both the efficiency and sustainability of this policy approach. The exercise also validated the model's flexibility and capacity to replicate scenarios across Member States.
<p>Funding/organisational resources</p>	<p>The project was carried out within the organisational framework of the EFFE LAB, the research and innovation branch of the European Federation for Family Employment and Home Care. It mobilised internal</p>

	<p>research resources, expertise from partner institutions, and in-kind contributions from academics and data specialists. Funding derived primarily from EFFE's institutional resources, with additional support from members organisations engaged in the professionalisation of the care sector. The digital simulator was developed using existing data infrastructures to ensure cost efficiency and long-term accessibility.</p>
<h2>PARTICIPATION</h2>	
<p>Stakeholders involved</p> <p>Organisations or entities actively contributing to the design, implementation, monitoring, or support of the good practice (e.g. labour inspectorates, social security institutions, trade unions, employers' associations, or other).</p>	<ul style="list-style-type: none"> ▶ The initiative was designed and implemented by EFFE LAB, an independent research and policy laboratory specialising in the socio-economic analysis of domestic & home care and personal and household-related services. While no national administration was formally involved in the testing phase, several national, regional and EU authorities have expressed strong interest in using the simulator to inform consultations and policy studies. The initiative also benefitted from exchanges with experts in labour economics, fiscal policy and gender equality, ensuring its methodological reliability and policy relevance.
<p>Target groups</p> <p>Main groups or categories that the practice is directly aimed at, who should receive its services or who engage with it (e.g. employers, mobile or posted workers, labour inspectors and social security officers, or other).</p>	<ul style="list-style-type: none"> ▶ The direct target groups of Dom&Care Value are policymakers, social partners, and researchers involved in employment, fiscal and care-related policymaking. This includes ministries of labour, finance and social affairs, labour inspectorates, employer organisations, and trade unions active in the care economy. The tool is also aimed at research institutions, think tanks and consultancies conducting socio-economic evaluations of social policy interventions.
<p>Final beneficiaries</p> <p>Individuals or groups that ultimately benefit from the outcomes of the practice, even if they are not the direct target or user (e.g. mobile or posted workers, vulnerable workers at risk of exploitation, employers benefiting from clearer rules or reduced admin burdens, or other).</p>	<ul style="list-style-type: none"> ▶ Ultimately, the final beneficiaries are care and domestic workers, particularly those in undeclared or precarious employment, as well as families and dependent persons who rely on accessible, quality home-based support. By facilitating the formalisation of employment and demonstrating the positive returns of public investment, Dom&Care Value contributes to better working conditions, enhanced social protection and gender

	<p>equality. Public authorities also benefit through increased fiscal revenues, reduced undeclared work, and more efficient allocation of resources in the care economy.</p>
<p>GOOD PRACTICE CRITERIA</p>	
<p>Achievements and outcomes</p> <p>What specific results did the practice achieve? (e.g. How many workers or employers were reached, number of publications created? What processes became faster?)</p> <p>What kind of broader benefits did it bring? (e.g. Did it improve understanding of rights and obligations, enhance cooperation between authorities, or reduce legal uncertainty and inconsistent application of rules?)</p>	<ul style="list-style-type: none"> ▶ Dom&Care Value produced the first interactive simulator capable of quantifying the socio-economic return on subsidies in indirect care. It offers policymakers a transparent and data-driven approach to assessing how investments in household-related services translate into tax revenues, employment creation, and reduced undeclared work. The project generated new analytical evidence supporting the argument that every euro invested in indirect care can yield a positive socio-fiscal balance. ▶ Beyond the tool itself, the project enhanced cross-sectoral dialogue, fostered recognition of the PHS workforce, and influenced ongoing debates around the European Care Strategy. It positioned indirect care as a strategic pillar of long-term social sustainability and gender equality policies. ▶ Since its launch, <i>Dom&Care Value</i> has been presented in several EU and national policy events, attracting the attention of decision-makers and experts across Europe. Its first national application, focusing on France, showed that: <ul style="list-style-type: none"> • Fiscal incentives for domestic employment generate a positive socio-fiscal return of €0.88 per euro invested. • The system produces €10.3 in direct fiscal returns and €2.74 in indirect returns, with an induced employment effect equivalent to one additional hour of employment created in other sectors for every five hours supported in indirect care.

	<ul style="list-style-type: none"> ▶ The model confirms that fiscal incentives reduce undeclared work, improve worker protection, and enhance labour market participation—particularly for women. <p>These results have validated the simulator's relevance and encouraged interest from multiple national and EU-level bodies. Beyond quantitative outcomes, <i>Dom&Care Value</i> has advanced policy dialogue by offering a replicable, evidence-based framework that helps quantify the real value of investing in care.</p>
<p>Cost effectiveness</p> <p>How did you keep costs low while still achieving results? (e.g. Did you reuse existing tools, automate processes, or share resources across teams?)</p> <p>Can you show that the outcomes were worth the investment? (e.g. Did small changes lead to big improvements, or were expensive tools avoided?)</p>	<ul style="list-style-type: none"> ▶ The practice achieved strong results with limited financial input. By reusing existing statistical sources (Eurostat and national data) and relying on in-house technical development, EFFE LAB minimised external costs. The use of open-source digital architecture and internal modelling expertise ensured efficiency without compromising analytical quality. The outcomes—measurable fiscal and employment impacts—far exceeded the modest level of investment, demonstrating that high-impact analytical tools can be developed with limited budgets when supported by expertise and collaboration.
<p>Transferability</p> <p>What are the key features that make this practice work well? (e.g. a digital platform, clear guidelines, a joint inspection process, or strong coordination)</p> <p>What would another country or organisation need to make this work for them? (e.g. certain laws, IT systems, or staff training)</p>	<ul style="list-style-type: none"> ▶ The key features that make <i>Dom&Care Value</i> transferable are its modular structure, transparent methodology and use of harmonised EU data. Because the model allows users to insert national parameters (labour costs, tax rates, social contributions, etc.), it can be easily adapted to different national contexts. For replication elsewhere, the essential prerequisites are access to reliable statistical data, basic economic modelling skills, and engagement from public institutions. Several national, regional and EU authorities have already shown interest in adapting the simulator for their own analyses, demonstrating its transfer potential across Member States. The practice's success lies in its combination of rigorous methodology, transparent modelling, and stakeholder validation. Because it is based on standardised indicators (e.g. NACE classifications, tax rates,

	<p>employment data), Dom&Care Value can be replicated in any EU Member State with minimal adaptation. To transfer the model, another country would need access to basic labour market data, an understanding of undeclared work patterns, and cooperation between ministries of labour, finance, and social affairs. The EFFE LAB provides methodological guidance to support replication, making the tool highly adaptable across contexts.</p>
<p>Sustainability</p> <p>How is the practice sustainable from a social, financial or environmental perspective?</p> <p>What makes this practice able to continue over time? (e.g. It is now part of regular work or has been built into law or procedures?) and how are you making sure it lasts beyond the pilot or project phase?</p>	<ul style="list-style-type: none"> ▶ Dom&Care Value is designed to be sustainable both organisationally and financially. EFFE LAB has integrated the simulator into its regular research and advocacy work, ensuring continued use beyond the initial launch. The tool is planned to be updated every two years to incorporate new Eurostat and national statistical data, maintaining its relevance and accuracy. Its low maintenance cost and adaptability to evolving policy needs make it viable over the long term. Furthermore, growing institutional interest at national and EU levels reinforces its sustainability by expanding its user base and policy impact.
<p>Innovativeness</p> <p>What makes this practice new or different in your field or country? (e.g. Is it the first of its kind, or does it combine actors who don't usually work together, or activities not performed before?)</p> <p>How does it improve older or less effective approaches? (e.g. By reaching more people, using data better, or simplifying complex procedures)</p>	<ul style="list-style-type: none"> ▶ The Dom&Care Value simulator is the first analytical tool of its kind in Europe dedicated to assessing the fiscal and social impact of indirect care policies. It innovates by combining fiscal, economic and social indicators into a single, easy-to-use platform, bridging the gap between academic research and policymaking. Unlike previous fragmented approaches, it allows comparative scenario analysis across Member States and provides an integrated perspective on the cost-effectiveness of care-related incentives. This approach not only improves transparency but also strengthens policy dialogue by providing a shared empirical basis for decision-making.
<p>Digitalisation</p> <p>What kind of digital tools or platforms were used in this practice? (e.g. online portals, automated case tracking, data sharing, digital databases or other)</p>	<ul style="list-style-type: none"> ▶ Dom&Care Value is a fully digital tool accessible via the EFFE LAB website. ▶ Digitalisation was central to the project. The Dom&Care Value simulator is an interactive, web-based tool that

How did these tools help in reaching your goals? (e.g. Did they save time, facilitate access to data in real time, reduce errors, help detect fraud, or improve coordination between authorities?)

allows policymakers to model different subsidy scenarios in real time. Users can input national or regional data—such as average wages, undeclared work rates, or tax deductions—and immediately visualise the fiscal and social impacts through automated calculations and infographics. The digital platform enhances transparency, accessibility, and reproducibility of results. It facilitates data sharing among institutions, reduces analytical errors, and supports continuous policy monitoring. Through digital innovation, the tool turns complex socio-economic relationships into clear, actionable insights for better governance and social progress.