

# Social Services Europe

## Delivering Positive Change How social services contribute to smart, sustainable and inclusive growth

European Parliament, 9 October 2012

Hosted by Stephen Hughes MEP



**Social Services Europe** brings together nine Europe-wide networks of not-for-profit providers of social and health care services who each have a track record in providing value-driven services for the most vulnerable in our societies. The network aims to strengthen the profile and position of social services, and promote the role of not-for-profit social service providers in Europe. For more info: [www.socialserviceseurope.eu](http://www.socialserviceseurope.eu)



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## PROGRAMME



*Photo by Michael Contes*

<p><b>12:45</b></p>	<p><b>Opening and welcome address by the host</b>          Stephen Hughes, Member of European Parliament</p> <p><i>Moderator: Jan Spooren, Social Services Europe</i></p>
<p><b>13:00</b></p>	<p><b>Panel debate: SMART GROWTH</b>          Jean Lambert, Member of European Parliament          Henriette van Eijl, DG Enterprise and Industry          Josef Hochgerner, Centre for Social Innovation Vienna</p> <p><i>Moderator: Anke Seidler, Social Services Europe</i></p>
<p><b>14:30</b></p>	<p><b>Panel debate: SUSTAINABLE GROWTH</b>          Ana-Cristina Costea, Cabinet of EESC President Nilsson          Raymond Maes, Cabinet of Commissioner Andor          Carola Fischbach-Pyttel, European Federation of Public Services Unions</p> <p><i>Moderator: Miriana Giraldi, Social Services Europe</i></p>
<p><b>15:30</b></p>	<p><b>Panel debate: INCLUSIVE GROWTH</b>          Gabi Zimmer, Member of European Parliament          Concetta Cultrera, European Commission          Bernd Schlüter, European Economic and Social Committee</p> <p><i>Moderator: Heather Roy, Social Services Europe</i></p>
<p><b>16:30</b></p>	<p><b>Summary of sessions and Conclusions</b>          Freek Spinnewijn, Social Services Europe</p>

## **Welcome by Social Services Europe**

Jan Spooren (Director of the European Platform for Rehabilitation) formally welcomed participants on behalf of Social Services Europe (SSE), a network launched in January 2012 bringing together nine Europe-wide networks of not-for-profit providers of social and health care services who each have a track record in providing value-driven services for the most vulnerable in our societies. Social Services Europe represents 100,000 social and health services active across Europe promoting social inclusion and social cohesion. The sector, employing 10% of the EU workforce, has a long-term commitment to vulnerable people and is constantly searching for innovative and cost-effective solutions to providing services.

He highlighted the excellent cooperation between the nine members of SSE, an alliance which enables social service providers to interact with the EU institutions speaking with one voice, including through various position papers. The network aims to strengthen the profile and position of social services, and promote the role of not-for-profit social service providers in Europe. SSE work on a number of key areas including social innovation, employment in the sector, the structural funds, SSGI (mainly legal issues relating to public procurement and State aid), and poverty and social exclusion. Social services are relevant in different EU frameworks including the [European Platform against Poverty](#) to support the fight against poverty and social exclusion; in the framework of EU employment policy ("the fast growing health and social care sector" is seen as a source of job creation in the [Employment Package](#) published in April 2012); in the framework of EU internal market rules which regulate the funding regimes for services (the revised [Directive](#) on public procurement proposes a special regime for social services given their specificities); finally, social services have an important contribution to make in achieving the [Europe2020](#) goals of smart, sustainable and inclusive growth, which was the focus of this 9 October event.

## **Key points made by host Stephen Hughes MEP**

MEP Stephen Hughes opened the seminar thanking SSE for the invitation. He introduced himself as spokesman on the Employment and Social Affairs Committee. He highlighted his and S&D interest in social innovation, in the impact of the crisis on different generations, in general diseases in the health field, in residential care and in social issues in general. He agreed with the fact that social service providers have to speak with one voice and strengthen their cooperation, and focused on the need to improve the legal tools to allow social service providers to promote their services (referring to the complexity of EU legal tools on SSGI). He also stressed the underestimated impact of the economic crisis on social services, and on the need to implement the European employment strategy.

## **Three panels on SMART, SUSTAINABLE and INCLUSIVE growth**

The discussions were organised in three panels to examine the contribution of social services to smart growth (through social innovation), sustainable growth (through job creation and social investment), and inclusive growth (through strong social welfare policies). Each panel was moderated by a member of SSE, and the discussion was led by three panellists who were asked the following questions:

1. When considering sustainable growth, what are the challenges facing its achievement?
2. What can / should the EU level do more to ensure sustainable growth?
3. How can SSGI in general contribute better to achieving sustainable growth?
4. What should / could SSE do to contribute to sustainable growth?

All 45 key experts participating in the seminar were also invited to react from their different perspectives. This included delegates from Social Services Europe, from the European Parliament (Stephen Hughes, Jean Lambert, Gabi Zimmer), from the various departments of the European Commission (Employment/social affairs and Enterprise), from the European Economic and Social Committee, from national governments, from other European bodies and networks (CEN, EPSU, Social Platform, European Social Network, CECODHAS, APEMH, International Organisation for Migration, Cooperatives Europe), and from various national platforms of social service providers.

This meeting report summarises the key points made in each panel discussion.

## I. SMART GROWTH

The focus of this session, moderated by Anke Seidler (Director of Workability Europe), was on the contribution of social services to smart growth through social innovation. The organisations represented by Social Services Europe have a strong tradition of innovation and are constantly searching for ways to provide better quality, more effective and sustainable services. This way of working stems from the need to develop new strategies, concepts, principles and partnerships in order to meet existing social needs and respond effectively to new ones. Social services therefore need to be involved in the entire process of social innovation, as they can also help gather evidence on innovative approaches.

The discussants in this panel were:

- Jean Lambert, Member of European Parliament
- Henriette van Eijl, DG Enterprise and Industry, European Commission
- Josef Hochgerner, Centre for Social Innovation, Vienna

### Challenges

Achieving smart growth through social innovation was considered challenging in different respects.

- ⤴ There is a need to clarify what is meant by smart growth and the need to change the rationale to accommodate values of social innovation. Smart growth is generally about economic progress, but should it not also better incorporate social values so that investments do not aim only to make the EU economy more competitive, but also to improve education, equity and employment?
- ⤴ Social innovation in the social sector currently focuses on direct responses to social needs, and less on systemic change. Social innovation tends to start on a small scale and is happening anyway, but should we not take social innovation to a higher level? Social services grew out of the welfare state, so should we not be considering systemic changes to relaunch a new social welfare state? This is about changing the traditional perspective of looking at scarcity and austerity, to management of abundance and switching to positive approaches, hence looking at potential of people and the system, rather than the obstacles.
- ⤴ Appropriate indicators to measure the impact of social innovation are currently lacking. The OECD and CEN are working on indicators, and the European Commission has initiated a pilot for a public sector innovation scoreboard. But there are no clear-cut indicators for innovation in the social sector since innovation is mainly led by the corporate sector.
- ⤴ It is important to better link different policy objectives e.g. better linking innovation in new business models and new markets to social outcomes. In the corporate sector, many programmes focus on technology (but not necessarily the social outcomes) or productivity (but not the human factors).
- ⤴ Implementation is a challenge. Socially innovative practices exist, but it can be difficult to connect them with partners (academia, social innovation hubs, politicians, etc) for scaling up.
- ⤴ Not all innovative ideas are sustainable, but they deserve a chance to be explored. So there should still be a place for innovation.

### Role of Europe

Social innovation has always existed, but the context has not always been favourable for the scaling up of practices. The European Union can help in this respect by providing a solid framework for social innovation. A number of statements were made in relation to the role of Europe.

- ⤴ Smart growth in the Europe2020 strategy should be about investing in social services, and not reducing funding for social services. The National Reform Programmes of the Europe2020 process were mentioned as an important place to launch debates on defining priorities for social innovation. The current economic and financial crisis should enable Europe to enter into a dialogue of change.
- ⤴ DG Enterprise focuses on promoting new business models and new markets, and there are currently attempts to better link this to social outcomes.
- ⤴ Social innovation should be mainstreamed at all levels of EU policy, but should not be used

as a mask to cover austerity. Rather social innovation should be part of a well-functioning welfare system and EU social agenda.

- ⤴ Debates on social innovation need to be set in the context of Europe2020 policies and the difficult economic reality (budgetary cuts to social services), taking into account the interplay between different Europe2020 strategies. Social innovation is nothing new, but there is increasing pressure to use the full potential and value of innovative practices, given the emerging financial pressures.
- ⤴ Social Innovation Europe already provides a hub to bring practices and partners together – this should be used to its full potential. Hubs already exist for social enterprises (providing support to upscale innovations), but this could be further promoted.
- ⤴ It is important to fund all stages of social innovation from research, micro-credit, incubation to up-scaling. But currently there is not one central European fund on social innovation. The EU institutions are quite far from grassroots organisations, so they could support local initiatives and give visibility to things that have been done on the ground to accumulate measures and knowledge.
- ⤴ Promoting awareness and creativity is currently done through various EU initiatives: Social Innovation Europe, the Social Business Initiative, the RegioStars Awards, the European Social Innovation Prize
- ⤴ The Lisbon strategy model used last decade, namely the mainstreaming of Lisbon objectives through the structural funds operational programmes, may be a useful model to follow for the mainstreaming of social innovation aspects into regional and local policy.
- ⤴ The EU could start a public debate on what are the priority areas for social innovation in order to drive a real systemic change (poverty, education, energy, employment, etc). But also to launch discussions on exactly what type of social innovation should be promoted, given that social innovation is perceived differently across sectors. The current momentum on social innovation should be managed carefully, raising awareness on the way social innovation contributes to changing and creating new combinations of social practices.

### **Role of social services**

These are potentially interesting times for social service providers as markets and social changes are creating not only challenges but also new opportunities.

- ⤴ Social innovation is happening in the social sector, and is contributing to the Europe2020 objectives, but the contribution of social services does not always get visibility.
- ⤴ Social Services Europe can be an important link between locally developed social innovations and the EU framework.
- ⤴ It would be useful to use the umbrellas of Social Services Europe to undertake a mapping of social innovation throughout Europe, not only identifying innovations but also making social innovation a knowledge production tool. Key criteria for defining innovative practices would include: novelty, effectiveness, sustainability and replicability.
- ⤴ Social services can help draw attention to bottom-up social innovation in local environments using stage-gating techniques. They play an important role in initiating better knowledge.
- ⤴ Social services should be involved in all stages of the EU social innovation agenda. Social services are arguably the link between social innovation and systemic changes (referred to above), but they are not included enough in EU discussions on social innovation.
- ⤴ Social Services Europe can help make links between different levels of governance (local, national, European), but links should also be developed horizontally. This can be both within the sector, but also with partners outside the sector to help drive creativity within the sector.

## II. SUSTAINABLE GROWTH

The focus of this session, moderated by Miriana Giraldi (Policy Officer of EASPD), was on the social dimension of sustainable growth, namely the management of all resources, including human capital - the link was made here with job creation in the social sector and addressing skill gaps. It is also about reduced public resources for social policy and social service provision in these difficult economic times, and the need for funding of social services not to be seen as a cost but as an investment (see theories on Social Return on Investment – SROI).

The discussants in this panel were:

- Ana-Cristina Costea, Cabinet of European Economic and Social Committee President Staffan Nilsson
- Raymond Maes, Cabinet of Commissioner Lázló Andor
- Carola Fischbach-Pyttel, European Federation of Public Services Unions

### Challenges

Various challenges for promoting the social dimension of sustainable growth were highlighted.

- ⤴ Budgetary cuts in social services and high unemployment are leading to disintegration of the social fabric of European societies which will create problems now and in the long term for the survival of the EU.
- ⤴ The social services sector has been an important source of job creation over the last 10-15 years, however it remains a female-dominated sector of employment, with stigma associated, high migration trends, and today with limited resources. The sector will only continue being a source of job creation if working conditions are sustainable and attract a qualified workforce.
- ⤴ Sustainable growth is generally about a green model that can relaunch the economy, and social services are dealt with separately. We need to link both dimensions better. Growth can only be sustained with full participation of all, and social services are key to supporting the active inclusion of people furthest away from society.
- ⤴ The challenge is to continue having good social policies with limited resources, and change the perception of social policy as a big black hole which eats up resources. We need to consider more the return on investment in social policies, namely highlighting future savings for public finances if people are provided with support to be more empowered and active citizens.
- ⤴ There are clear migration trends in social and healthcare workers which sometimes have negative consequences such as increasing geographical disparities in the offer of social and healthcare workers, leaving whole regions lacking qualified staff.

### Role of the EU

The EU has a number of tools at its disposal to ensure social services can use their full potential to contribute to sustainable growth.

- ⤴ Create alliances between different EU institutions – the European Economic and Social Committee has been stressing the social dimension of sustainable development for some time now.
- ⤴ President Barroso has officially informed the President of the European Parliament that the European Commission will publish a Social Investment Package early 2013. There has been some shift in political discourse from jobs and growth to investment, considering expenditure as an investment. This includes investment in human capital, in social fabric, in social cohesion.
- ⤴ The Annual Growth Survey 2012 recommended that the EU and Member States focus on tackling the social consequences of the crisis as a priority. In the 2013 Annual Growth Survey, the focus will be on short-term needs linked to the crisis, but also on taking a more long-term perspective, investing in young people in order to avoid having a lost generation in Europe.
- ⤴ The migration trends in social services and the emerging healthcare market where patients will seek cheaper services in other EU countries, will have an impact on the quality of care

and employment. The EU voluntary quality framework adopted in 2011 by the EU Social Protection Committee is a good combination of quality, investment and results, providing a framework striving for effectiveness and efficiency. This quality framework should be part of the Social Investment Package.

- ⤴ The idea of a Social Investment Package received mixed reactions. It can indeed be a positive development, but should provide a framework for an EU social agenda which brings together all policy strands. Furthermore, links should be made between the Social Investment Package and the priorities of the Employment package of April 2012 which highlights the role of social services in job creation.
- ⤴ As EU countries are starting to programme their financial perspectives for 2014-2020, it is important to integrate arguments of social investment and quality social services. In November 2012 important decisions will be taken, and there is definitely room for improvement for political commitment of Member States in relation to poverty reduction and employment.
- ⤴ The EU should continue promoting Social Dialogue at EU and national level to ensure quality of employment is maintained. Social Services Europe should have a voice in this process, as employers.

### **Role of social services**

Sustainable growth has different dimensions, including a social dimension. The links are not always clear, but social services can definitely help make the link in different ways.

- ⤴ The role of social services - in this difficult economic context with increasing social needs and demographic changes - should be underlined in order to promote active inclusion of all in society. Social Services Europe could therefore support the active inclusion approach which is about access to services, minimum income and active labour market policies.
- ⤴ Social return on investment is an important area which has been studied by different members of Social Services Europe, and which could be further linked to EU policy.
- ⤴ We need to find ways of better making links between social protection systems and the competitiveness of countries, hence developing more economic arguments to justify expenditure for social policy and services.
- ⤴ Social Services Europe can be a representative of organisations which represent workers in social services (some organisations expressed their interest in entering in dialogue with Social Services Europe). Their role is to promote not only job creation, but sustainable and quality employment.

### **III. INCLUSIVE GROWTH**

The focus of this session, moderated by Heather Roy (Secretary General of Eurodiaconia), was on the role of social services in ensuring the well-being of Europe's residents. The quality, accessibility and affordability of social services of general interest are essential in counteracting social exclusion and helping people find ways to improve their lives. Furthermore, social services are key to addressing the social consequences of the present economic and financial crisis. When referring to inclusive growth, the European Commission refers to raising employment rates, managing change, modernising labour markets, in ways which can create growth for all parts of the EU. For Social Services Europe, these objectives are acceptable as long as growth reaches all members of the EU population.

The discussants in this panel were:

- Gabi Zimmer, Member of European Parliament
- Concetta Cultrera, European Commission
- Bernd Schlüter, European Economic and Social Committee

## Challenges

The capacity of the EU to achieve inclusive growth is challenged in many ways.

- ⤴ The September 2012 European Commission Quarterly Review shows worrying trends: unemployment is at a historically high level, with 26 million more people out of work; disparities are increasing; youth and long-term unemployment are reaching very high levels.
- ⤴ Global poverty is a challenge, and the UN recently issued a proposal for a global fund for social protection which will certainly help raise public debates on social protection. As countries increasingly reduce social expenditure, we need to defend good public (and social) services for all
- ⤴ While inclusive growth is a goal of the Europe2020 strategy, the cuts in social services across EU countries tell a different story. When analysing austerity measures, it is clear that services for the general public are the most affected by the economic crisis, prompting a real paradox where the need for social services is ever growing while the budgets for social services are decreasing.
- ⤴ Social services are sometimes perceived as being an obstacle to the well-being of society, whereas the opposite is true.
- ⤴ The Europe 2020 goals of smart and sustainable growth do not always complement the inclusive growth goals. Some would argue the EU measures taken under each of the three pillars can even be contradictory. An inclusive economy should have a strong and available social service system, and a fair market for small companies, but the conditions for this inclusive growth are not in place. There are weak bridges between the economic and social systems.

## Role of the EU

The EU worked extensively on promoting the fight against poverty and social inclusion from 2000 to 2010 through strategic coordination of national social inclusion policies, and the European Commission should continue to promote cooperation between countries on social policy matters under the Europe2020 strategy.

- ⤴ The EU has an Active inclusion strategy based on a European Commission [Communication](#) published in 2007, and this is a good starting point for promoting inclusive growth through the European Platform against Poverty and Social Exclusion.
- ⤴ The EU is also trying to improve the legal context for social services, with the adoption of a new State Aid package, the Employment package, and the new proposal for a special public procurement regime for outsourcing the provision of social services.
- ⤴ Article 9 of the [Treaty on the Functioning of the European Union](#) states that: "In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health." This social clause should help the challenge of inclusive growth by using social impact assessments in all EU policy fields, but this tool is currently underused.
- ⤴ The European Commission Country Specific Recommendations issued to national governments in 2012 include recommendations on social services including child care, long-term care, public employment services, training and life long learning, healthcare, and services which tackle poverty and social exclusion. These recommendations, which mention access to quality and accessible services, is one way of placing pressure on national governments to take measures to achieve the Europe2020 target of reducing the population at risk of poverty by 20 million.
- ⤴ The Social Protection Committee adopted an EU voluntary quality framework in 2011, and this quality framework is referred to in the new public procurement directive. The next step should be to examine ways to implement the framework in cooperation with all relevant stakeholders.
- ⤴ Some delegates mentioned the need for minimum EU standards to genuinely ensure quality social services and favourable conditions for inclusive growth



## Role of social services

Social services have an important role in improving the conditions for inclusive growth, but they should be supported to take relevant action.

- ⤴ SSE can be a very strong organisation especially if it shows successful best practice examples of how social services help people back into work and family life, and how social services are part of human society caring for all.
- ⤴ Given the limited competences of the EU in the social field, Social Services Europe can help promote transnational exchanges between social services and between governments on innovative practices which are effective in promoting active inclusion
- ⤴ Social services had no role in the economic and financial crisis, yet they are feeling the impact through cuts in social protection systems making it very difficult for social services to play an important role in promoting inclusive growth.
- ⤴ Social Services Europe should continue highlighting the specificities of social services, showing the different traditions and contexts in which these services function.
- ⤴ Social services can help create bridges with the corporate sector.

## IV. CONCLUSIONS AND NEXT STEPS

Freek Spinnewijn, director of FEANTSA and current chairman of Social Services Europe, summarised some of the key issues raised in the three panel debates. It is clear that the current political, financial and economic context is difficult for social services where EU discussions are dominated by financial issues, which is leading to euroscepticism and social disintegration in some countries. Despite this, SSE would like to be a partner of the EU institutions in relation to smart, sustainable and inclusive growth.

In relation to **smart growth**, « smart » means there is also a need for systemic change, whereby social innovation is not only a product but a real process. Whereas some SSE members show some scepticism towards the concept of social innovation as used in EU policy, there is potential and new opportunities should be taken up, especially if SSE becomes a true partner in developing the EU social innovation agenda.

In relation to **sustainable growth**, the debates focused mostly on social investment. The concept of social return on investment was considered useful as it goes beyond simply employment creation and the idea of expenditure in social services as a cost, but rather takes into account the return on this investment – both social and economic. SSE could build a stronger economic case for its services, coming with figures and data to show the importance of investing in social services. SSE should be considered real partners in the upcoming EU Social Investment framework through social dialogue, with a focus on creating employment but also defending good working conditions.

In relation to **inclusive growth**, the current conditions for achieving this are challenging, but there are some opportunities for progress, and some has been made by providing some legal certainty for social services. The European Commission is invited to re-activate the tools at its disposal such as the European Platform against Poverty and the EU voluntary quality framework, and to better make the links between departments which focus on aspects of inclusive growth (such as the Social Business Initiative to create links between social economy and social services). SSE is ready to be a true partner in the implementation of inclusive EU policies, namely by mobilising national governments to take the Europe2020 goals more seriously.