



THE SECOND BIENNIAL REPORT ON SOCIAL SERVICES OF GENERAL INTEREST

Analysis paper

1. Introduction

The decision of establishing a monitoring and dialogue tool on SSGIs in the form of biennial report was taken by the European Commission in the 2006 EC Communication on SSGI's and confirmed later on by the Communication on Services of General interest in 2007¹. The purpose of a biennial report is threefold: It gives a description of the socio-economic situation of SSGI's with a focus on the main societal and economic changes that they are facing; it scrutinizes how SSGIs react to evolving constraints and needs; it investigates the way these changes impact the financing, organization and provision of SSGI in terms of relevant EU rules.

The Second Biennial Report on SSGIs was issued in October 2010 and is divided into three parts:

- The first part deals with the economic situation of Health and Social Services and more precisely with its significance in the EU economy in the framework of the economic crisis. The main challenges faced by SSGIs in that context are also investigated.
- The second part sheds light on the quality issue in the social sector. In that respect, the document presents initiatives undertaken by Member States and Stakeholders for improving quality. It also stresses the actions carried out by the Commission and the eight Progress financed projects.
- The last part gives an overview of the latest developments regarding the application of Community rules to social services at national level.

¹ See EPR analysis paper: "The importance of SSGI in modern social policies: the European Commission Biennial Report on SSGI"

2. The definition of Social Services of General Interest

The definition of Social Services of General Interest provided in the report takes direct inspiration from the 2006 EC Communication on SSGI's. Aside from the statutory and complementary security schemes, the document identifies 4 types of services provided directly to the person:

- Assistance for persons faced by personal challenges or crises.
- Activities to ensure that the persons concerned are able to completely reintegrate into society and the labour market (occupational training and reintegration).
- Activities to integrate persons with long-term health or disability problems.
- Social housing, providing housing for disadvantaged citizens or socially less advantaged groups.

Although rehabilitation services as such are not explicitly mentioned, it is agreed and understood that they fall under the scope of SSGIs and in particular related to bullet points two and three mentioned above.

3. The significance of SSGIs

The report stresses the importance taken by the health and social services sector in the global EU economy and the European social system by underlining three elements:

- The employment in the health and social services sector registered between 2000 and 2009 a 4.2 million net augmentation which is more than 25% of the net employment growth in the European economy as a whole. The health and social services sector has therefore become one of the main sources of job creation at the EU level.
- Health and social services have an important economic weight as they represent about 5% of the Gross Internal Product (GIP) in the EU-27.

- The health and social sectors fulfil a major role in the EU society by supporting social protection and social inclusion and assisting individuals in enjoying their fundamental rights.

However, the growing importance of SSG's create problems in terms of both staffing and financing which became even more explicit as a result of the economic crisis.

Staffing paradox

SSGIs are currently confronted with a growing need for staff: the demand for social services is steadily increasing following the aggravation of the economic situation and the workforce is ageing rapidly.

Whereas social service providers are facing staff shortage, the Commission notes that the working conditions in the social services sector are not favourable for attracting new employees. Social and health workers are indeed coping with more irregular work schedules, lower salaries and more part-time work in comparison with other sectors. These difficulties also encourage them to leave their job which consequently reinforces the staff shortage. In addition to that, workers in health and social services have often a medium or high level education which renders the task of finding competent persons even more difficult.

Budget paradox

As health and social services are mostly financed from public budgets, they were violently hit by the economic crisis and the budget constraints that followed.

As a consequence, service providers are obliged, on the one hand, to reduce their staff and their operational and development costs and, on the other hand, to deal with a significantly amplified demand for social aid with more complex and greater exigencies from users in terms of services quality.

According to the Commission, these two paradoxes could lead to a reduction in the quality of health and social services at the very moment when these services are most necessary. This conclusion directly leads to the second chapter of the biennial report on quality of SSGIs.

4. A European quality framework

4.1. Rationale for a European approach to quality

The fact that a separate and large chapter is dedicated to quality in the sector of health and social services reflects the importance of this issue which has become a priority on the agenda of the European Commission. We should stress that this is a relatively recent trend which constitutes the major difference with the first biennial report on SSGIs from July 2008.

We can distinguish four main elements or developments that in the view of most sectorial stakeholders call for a European approach to quality:

- First of all, the outsourcing of social services in the EU Member States is steadily increasing. It is therefore of great importance for public authorities to have at their disposal a global quality framework that provides guidance when drafting the technical specifications of the social services to be contracted to external service providers.
- Secondly, a European quality framework will offer a better protection to vulnerable users. There exists a growing consensus that a minimum level of quality of the social service is a universal (human) right that cannot just depend on where you were born or where you live.
- Thirdly, the expected augmentation of the cross-border provision of social services will require a greater level of comparability and transparency between services and service providers from different countries, as well as better guarantees for both clients and funders.
- Fourthly, a quality framework can help Member States help in prioritising investments when experiencing serious budget constraints. A consensus on social services quality at the EU level will allow for a better comparability between social service providers in terms of both quality and cost-effectiveness.

An additional rationale is that the biennial report reveals that the Member States' initiatives to guarantee quality are rather limited and very diverse.

4.2. European initiatives on quality

The European Commission launched two parallel initiatives to work on a European approach to quality. As a bottom-up approach from sectoral stakeholders themselves, the College of Commissioners financed under the PROGRESS Programme eight projects aiming at setting up mechanisms for the definition, measurement, assessment and improvement of quality in social services. Amongst these projects, the Prometheus project of EPR is mentioned as a very influential initiative. And indeed “*the Common Quality Framework for SSGIs*” is cited as “*particular source of information*” in the drafting of the voluntary European Quality Framework for social services which was developed within the Social Protection Committee (see below). Also the project ‘Best Quality’ which was led by the Josefs-Gesellschaft was referred to as successful.

At the political level, the Social Protection Committee (SPC) developed a Voluntary European Quality Framework. This top down initiative took direct inspiration from the results of the projects carried out by stakeholders and identifies a number of overarching principles as well as principles for specific dimensions of service provision.

One of the most important conclusions from these two approaches is that *defining* quality in a framework with principles and criteria is an important and necessary first step, but does not mean anything if it is not used *to making quality happen in practice*, and with direct consequences for service-users via measuring, evaluating (certifying) and improving quality. This implies that a quality framework should be complemented by systems and procedures to assess and certify compliance of social services with the framework. Among the various initiatives taken at the EU level, the Commission explicitly refers in this respect to the great role played by EPR as pioneer organisation in the field of quality for SSGI, The *Nine Principles of Excellence* and the two labels of certification, the EQUASS Excellence and the EQUASS Assurance. The implementation process of the European Voluntary Quality Framework represents indeed a huge opportunity for EQUASS, as EQUASS provides a concrete and proven solution on how to monitor and stimulate the implementation of the quality framework in practice.

Consequently, it is very likely the system will be promoted in the framework of the coming new call for proposals under the Progress Programme.

4.3. Characteristics of a European Quality Framework

On the basis of the outcomes of the eight PROGRESS financed projects as well as resulting from discussions within the Social Protection Committee and with various stakeholders, the Commission emphasizes four major elements for reflecting on quality at the EU level.

- *Pre-conditions* for quality are of tremendous importance. Some contextual aspects that are only controlled by public authorities can have a direct incidence on the quality of social services if they are not properly guaranteed. These pre-conditions include an adequate and supportive legal policy framework, sustainable funding, and involvement of stakeholders in policy planning and evaluation. An important remark in this respect is that that pre-conditions, which are a responsibility of the public authorities, and the quality principles, which are a responsibility for the service provider, are not mixed up when measuring and certifying them. Not only do they require different measurement methods, but holding service providers accountable for factors on which they have no impact would make any assessment system irrelevant.
- A European quality framework should *not be compulsory* for national, regional or local public authorities, but they could be asked to use and respect it when working on quality of social services in their own jurisdiction. Moreover, the European Commission has committed itself to actively support and stimulate the implementation of this Voluntary Framework in the Member States through new projects in the framework of the PROGRESS programme.
- *Principles* are to be chosen rather than European standards, as the latter cannot apply to the different types of social services and the varying cultures in the EU. Principles and related criteria leave much more flexibility in how exactly to comply with the quality requirements, and are less prescriptive.
- *User's rights, needs and expectations* must be at the heart of the reflection. In that respect, principles such as user's participation and empowerment, human

dignity, equal opportunities and person-centeredness must be core elements for the quality framework.

5. Application of EC rules to social services

Public authorities at the national, regional and local level must apply a number of EU rules when defining, organising and providing health and social services. Three different sets of rules are to be considered in that regard:

- With respect to *public procurement*, public authorities must make sure that contracting service providers respect transparency, equal treatment, proportionality and other technical specifications².
- Regarding the *Internal Market*, in accordance with the Services Directive there should be no barriers for social service providers that want to get established (permanently) in another country or want to provide cross-border services (temporarily).
- As for the *State Aid regulation*, the EU allows public authorities to provide state subsidies to social service providers under specific conditions such as the issue of an act of entrustment with no overcompensation foreseen and a strict control over the use of these subsidies.

The European Commission recognises that difficulties are reported by public authorities and stakeholders when applying these rules. But according to the Commission, these difficulties are mainly due to “a lack of awareness or misinterpretation of the rule rather than to the rules themselves”. Most sectoral organisations hold the different view that the EU rules themselves are problematic and not applicable to social services.

To tackle this issue of misinterpretation, the Commission intends to strengthen its “*Interactive Information Service (IIS)*” which allows citizens, public authorities and

² See Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts

service providers to pose questions on these matters³, as well as two *Frequently Asked Questions* documents (FAQs) were put in place in January 2008⁴.

6. The 3rd Forum on SSGI and the Council conclusions on SSGIs

The third Forum on SSGI which was organized on 26-27 October 2010 in Brussels is an important complementary action to the biennial report, and gathered all of the major players implicated in the matter of the European legal and political environment in terms of social services. The Forum gave rise to 15 recommendations specifically addressed to the European Commission and Member States. Some of these recommendations were taken over by the Council of Ministers at its meeting of 6 December 2010. Following recommendations and conclusions should be underlined:

- The Council conclusions confirm once more the specific features specificity of social services which distinguish them from other services of general interest, as they are person-oriented. Also their importance is again recognized.
- The Council asks the European Commission for legal and political clarification, especially with regard to the rules related to the free provision of services and the freedom of establishment within the Single Market. SSGI stakeholders would still like to go one step further and urged the European Institutions to publish an interpretative Communication to clarify the Services Directive. The Council document does not repeat this request, but leaves at least the possibility open.
- An environment promoting quality and cost efficiency of SGI should be created. More precisely, In order to support EU countries in implementing the European Voluntary Framework, the participants to the forum highlight the need to develop a dialogue space with all stakeholders.
- The European Voluntary Quality Framework for social services should be implemented with a view to a more inclusive and more cohesive European Society. In that respect, the forum notably stresses the importance of

³ See the European Commission website: http://ec.europa.eu/services_general_interest/registration/form_en.html

⁴ See the European Commission website: http://ec.europa.eu/services_general_interest/faq_en.htm

developing common coordination tools and quality indicators at the most appropriate level. The latter recommendation represents another great opportunity for EQUASS.

LINKS:

EUROPEAN COMMISSION – SECOND BIENNIAL REPORT ON SOCIAL SERVICES OF GENERAL INTEREST:

http://www.socialsecurity.fgov.be/eu/docs/agenda/26-27_10_10_second_biennial_report.pdf

3rd FORUM ON SOCIAL SERVICES OF GENERAL INTEREST (SSGI) – FIFTEEN RECOMMENDATIONS

http://www.socialsecurity.fgov.be/eu/docs/agenda/26-27_10_10_recommandations_en.pdf

European Commission Communication: Services of general interest, including social services of general interest. A new European commitment

http://ec.europa.eu/services_general_interest/interest_en.htm

Frequently asked questions concerning the application of public procurement rules to social services of general interest

http://ec.europa.eu/services_general_interest/docs/sec_2007_1514_en.pdf

Frequently asked questions concerning the application of state aid rules to social services of general interest

http://www.epr.eu/images/EPR/documents/policy_documents/ssgianalysis.pdf.pdf

Interactive Information Service

http://ec.europa.eu/services_general_interest/registration/form_en.html