



European Economic and Social Committee



BACKGROUND INFORMATION

Social Services Europe breakfast session **Job Creation and Economic Growth in the Health and Social Sector** **The Contribution of Non-profit Service Providers**

Hosted by: **Ariane Rodert**, Member of the European Economic and Social Committee.
Chaired by: **Heinz Becker**, **Jutta Steinruck**, and **Jean Lambert**, Members of the European Parliament.

Thursday 26 March 2015 – 8:00-9.00 CET
European Economic and Social Committee
Salon VIP vitre of the Jacques Delors Building, 1st floor
99 rue Belliard – 1040 Brussels

NOT-FOR-PROFIT SERVICE PROVIDERS IN THE HEALTH AND SOCIAL SECTOR

Social Services Europe represents 100 000 not-for-profit social and health care 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. We seek to ensure that the specificity of not-for-profit social and healthcare service providers, which rests on values of democratic solidarity, and principles of reciprocity, be recognized and that economic, social and legal conditions exist for high quality, sustainable, accessible and affordable social and health care services.

In European policy context, our members make a strong contribution to achieving the Europe 2020 targets, are heavily engaged in implementing EU structural and investment funds such as ESF and FEAD. They are actively involved in initiatives around social economy, social enterprises, social innovation and social investment. Our members also have a key role in promoting cohesion and active citizenship. Not-for-profit service providers in the health and social sector are important partners for ensuring a social dimension in EU policy making. But this social dimension is clearly missing in the most recent EU initiatives such as the Juncker Investment Plan or the European Commission Work Programme for 2015.

CRUCIAL ROLE FOR JOB CREATION IN EUROPE

Between 2000 and 2011 more than 5 million new jobs were created in health and social services, a third of all jobs created in the EU during this time. In 2011 there were 22 million workers employed in these sectors which accounts for 10% of workers across all sectors in the EU. Health and social services have a crucial role for jobs in Europe.

We are concerned about current developments and their expected effects on the future of service provision in the social service sector. For example: in care services we observe a widening gap between the demand and supply of services, and thus rising waiting lists in particular for quality long-term care. We also see service providers struggle with recruitment and retention of staff, due to lack of attractiveness of the sector offering poor wages and working conditions. We note a rising trend of personal and household service home care assistants – which can be beneficial for the provision of community-based services and support people in independent living. But it can also bring along challenges in connection with undeclared work, poor quality service provision and working conditions.

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In European policy making, we see attention being paid to recruitment and retention in the health sector but less in the social sector. Whereas the practical service provision has numerous common challenges and potential common solutions in both health and social services. We believe social services are not receiving the level of attention in European policy making to reflect the sector's true potential for economic growth and job creation. Health and social services require sufficient and sustainable financing, enabled by a social investment approach, both in national policy and the European Semester. A sufficient workforce in the health and social sector needs to be ensured with a long-term perspective.

There is need for a pro-active, integrated EU level policy initiative to improve the attractiveness of the sector, including how to improve pay and working conditions, more training and additional support for professionalization. Social dialogue could be an effective tool for the sector for finding solutions together with social partners, at both national and European level. Finally, there is an increasing need to collect information and data on cost-effective policies for the provision of quality home and institutional services and care.

Recommendations

- *Action Plan to unlock job creation in the social sector, including addressing recruitment and retention;*
- *Coordinated actions on the social and health workforces involving both health and social policy makers;*
- *Support national campaigns and strategies to improve the recognition and attractiveness of the social and health services sector;*
- *Continue to support the development of Social Dialogue in the social services sector, at both national and European level.*

PUBLIC PROCUREMENT

Social Services Europe welcomed the revised public procurement directive of 2014. We welcome the recognition of the specificities of Social Services of General Interest, as seen in the new "light regime" of Chapter 1 on social and other specific services, the provision of a higher threshold for these services, the explicit reference to the European Voluntary Quality Framework for Social Services in recital 11 and the inclusion of key quality criteria in article 76. We welcome the extension of reserved markets to sheltered employment of disadvantaged persons, and the specific mention of staff qualifications and training as possible award and contract performance criteria.

However, EU public procurement rules allow funding authorities to award tenders for social services, as with all services, on the basis of the "lowest price". Our members also report that many contracting authorities award contracts based solely on price and without proper consideration of quality criteria, and that this is in part due to a lack of understanding of how to tender for quality services. Yet, for social services, quality is essential in order for the service to achieve its goal of meeting a need. Many providers who take on services at these lower costs then find it difficult to provide high quality care and support as they are working with minimum resources, and in some circumstances do not bid for a contract because they feel they could not provide a high-quality service with the anticipated budget.

Some parts of the text are not self-explanatory and our members report there has been much misunderstanding about the content of EU public procurement legislation and what it does or does not allow. In addition, it is not very clear when a public authority does not need to carry out a competitive tender; information has been provided by the European Commission in this regard but it is not in binding documents.

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Our members have reported national governments are wary of procedures that are not straightforward calls for tender, yet procedures in the 2014 directive such as innovation partnerships, the competitive procedure with negotiation or a competitive dialogue procurement procedure could be better adapted to the procurement of quality social services, especially where needs and solutions are difficult to define.

The European Parliament can monitor the implementation of the directive from a social perspective and engage with the European Commission and public authorities to promote an exchange of experiences and good practice.

Recommendations

We ask the European Parliament to monitor the implementation of the directive from a social perspective and engage with the European Commission and public authorities to promote an exchange of experiences and good practice, including in the context of the relevant intergroups.

We ask the European Parliament to call on the Commission to:

- *Provide guidance to member states in the transposition process regarding the social considerations of the directive and the possibilities under the special regime, and to continue to support public authorities in the implementation and operation of the rules in the Member States.*
- *Ensure the ‘Guide to the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest’ is updated quickly and is available in all official languages.*
- *Revise the “Buying Social” guide to include the special regime.*
- *Support training of public authorities in the Member States, with the involvement of expert stakeholders, such as Social Services Europe.*
- *Ensure the European Voluntary Quality Framework for Social Services is used as a reference point in the guidance.*

STRUCTURAL AND INVESTMENT FUNDS; INVESTING IN THE HEALTH AND SOCIAL SECTOR

We observe the uptake of structural funds such as ESF and ERDF being uneven across the EU, with some Member States showing very limited implementation rates in spite of considerable needs. Limited uptake may be due to several factors, including capacity constraints both in terms of programming and design as well as capacity to implement – for both (local) authorities and civil society organisations.

There is positive potential for developing more synergy between investing in service infrastructure (“hardware”) and investing in people (“software”). The partnership principle is crucial to ensuring better outcomes, and the code of conduct is welcomed, but its practical application varies strongly at national level and at EU-level.

Social investment is still seen too often as a cost, rather than as a pro-active, preventive way to meet Europe2020 targets on poverty reduction and social inclusion as well as reducing future costs, (“return on investment”), as highlighted in the Social Investment Package.

The Juncker Investment Plan can become a catalyst for growth and jobs, but lacks a social dimension. As a result, proposed projects focus heavily on strategic infrastructure in areas such as transport and IT, research and development, and the environment. Investment in the social sector would arguably produce more jobs.

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Recommendations

We ask the European Parliament to call on the Commission to promote better uptake of structural funds across Member States. This could include a well-targeted training programme, to involve stakeholders such as Social Services Europe, for the use of such funds at national and local level, guidance on how to use technical assistance for NGOs as well as building capacity to implement programmes at scale.

- *Monitor the effective application of the partnership principle and its code of conduct, and promote good practice at all levels.*
- *Social investment should be promoted more systematically as a means of achieving agreed outcomes rather than a mere cost. In this respect it should be given special consideration in the deficit targets under the Stability and Growth Pact, as investments made via the EFSI will be.*
- *Support more research to build the evidence base, such as cost/benefit analysis of social investment including its long-term effects.*
- *Strengthen the social dimension of the Juncker Investment Plan – ensuring social experts are involved, investment in social infrastructure and social services is included and that the social impact of all potential projects are considered.*

ABOUT SOCIAL SERVICES EUROPE

Social Services Europe brings together eight 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:

Caritas Europa is the network of 49 Caritas organisations promoting social justice by delivering services to people in need across the European continent.

www.caritas.eu

CEDAG is the European Council for Non- Profit Organisations.

www.cedag.eu

EASPD represents over 10.000 social service provider organisations across Europe and Disability.

www.easpd.eu

EPR is a network of leading European providers of rehabilitation services to people with disabilities and other disadvantaged groups.

www.epr.eu

EURODIACONIA is a network of social and health care providers founded in the Christian faith and promoting social justice.

www.eurodiaconia.org

FEANTSA is the only major European network that focuses exclusively on homelessness.

www.feantsa.org

The **Red Cross EU Office** works with people in need across the EU and globally, focusing on health & social services, asylum & migration, emergency response, and development cooperation.

www.redcross.eu

SOLIDAR is a European Network of Civil Society Organisations who gather several million citizens throughout Europe and the world to achieve Social Justice.

www.solidar.org

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