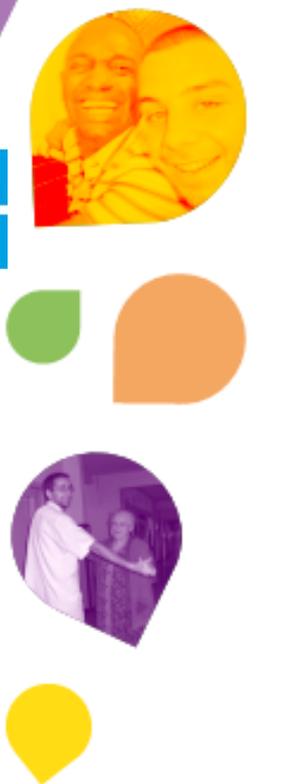


Eurodiaconia

The Social Cost of the Crisis: Even More in Need and More Needed

Report on the social repercussions of the economic and financial crisis

Based on Eurodiaconia's second survey on the impact of the financial and economic crisis on its members





Introduction

Eurodiaconia is a federation of organisations, institutions and churches providing social and health services and education on a Christian value base throughout Europe.

Our 33 members, from 21 countries in Europe, are active in the provision of social services. They are rooted in Christian faith within the traditions of the Reformation as well as in the Anglican and Orthodox traditions. We work for quality of life in a social Europe, engaging in learning processes, exchanging knowledge and service among our members across national and confessional boundaries.

From January to March 2009, Eurodiaconia carried out a survey on the immediate impact of the economic and financial crisis and the anticipated medium term impact over the next three years. Following our members' replies, in May 2009 we published a first impact assessment of the economic crisis on Eurodiaconia's members, as well as recommendations springing from these conclusions. The results of the May 2009 survey, the [More in need, more needed](#) report, revealed the existence of a real immediate impact of the crisis, with an even stronger impact expected to come. As stated in this first report, Eurodiaconia wished to follow up on its initial findings to learn about the evolution of the impact of the economic and financial crisis on our members and to know more about their perspectives for the future. The aim of the following report is to present the state of play of our members today and to compare it with the data collected in May 2009. The following report presents data and (anonymous) quotes from our members' experiences of the impact of the financial and economic crisis.





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Executive summary

Our follow up survey, aiming at analyzing the impact of the economic and financial crisis on our members, 18 months after it started, confirms the trends from our first survey.

Overall, the main message remains the same: our members are very concerned about the future. They feel that the social crisis is worsening, and that a stronger impact of the economic and financial crisis is to come in 2010. They experience increasing needs, whereas their means, especially in terms of financial capacity, are decreasing. Some even foresee “a collapse of the system” while most of them view the solutions to this deep social crisis as resting not only on public policies but also on a deeper questioning of the current system and its values.

Our members have been experiencing an increase demand for services, especially for debt counseling, emergency financial support and employment advice, and are expecting these demands to continue to increase, as well as an increasing demand for other services, especially food programs. 11 of the 20 respondents are also expecting the demand for homeless services to increase. Most of them think they will be called to play a new role in 2010, maybe to counterbalance a decrease in the provision of publicly run services.

None of the respondents to this survey were able to state that they felt their government has developed efficient policies to support organisations like theirs to face the crisis.

Facing these considerations, our members ask us to promote the exchange of best practice, helping them to find efficient tools to fight the new challenges arising from the financial and economic crisis. They also ask us to raise awareness of their situations and to lobby for social justice in Europe as well as promoting their work toward the EU institutions and policy makers.

Eurodiaconia’s members concluded by underling the “need for vision and optimism” from people in a crisis situation. They requested Eurodiaconia’s secretariat to move the debate on the economic and financial crisis a step further by linking it to social and environmental sustainability and the broader role of churches.

To sum up, we can say that our members expressed a great level of uncertainty as to the future, how to tackle the challenges they will be facing in the coming year, and the amount of state support they will be able to rely on to successfully carry out their tasks.



Methodology

The follow-up survey was taken between 20th October and 16th December 2009, by 20 of our members from 15 different countries¹. Among them were three non European Union countries (Non EU) and twelve European Union Member States (EU MS).

For this report, results have occasionally been analyzed regionally, dividing the respondents in four regions:

Northern Europe	Eastern Europe	Mid Europe	Southern Europe
Denmark x2	Czech Republic x2	Germany	France
Finland x2	Hungary x2	Netherlands	Spain
Iceland	Latvia	Switzerland x2	
Norway	Poland		
Sweden	Romania		

The questionnaire consisted of 25 online questions, also available as a word document, divided into seven sections touching on different areas of impact of the financial and economic crisis:

- I- Impact on your neighbourhood and your organisation
- II- Impact on your member organisations in the provision of services
- III- Impact on your organisation's finances
- IV- Impact of the crisis on public policies
- V- Impact on publicly run social services
- VI- Impact on individuals in their relationship to your organisation
- VII- Miscellaneous

The questionnaire was also designed to give an open space of expression to our members. That is why the following report will not only present raw data, but also an analysis based on our members comments, sometimes accompanied by direct quotes from our members.

One of our members (Serbia) did not complete the whole survey but reacted to some questions commenting on the impact of the economic and financial crisis on their organisation. These comments, when concur by other member's observations, are also taken into account in the following report.

The conclusion of this report will present Eurodiaconia's recommendations, based on our members' experiences.

¹ See Annex 2 for the list of respondent





REPORT

The analysis will follow the seven section approach adopted by the questionnaire, presenting data in graphs, supported by an examination based on Eurodiaconia's members' comments.

I- Impact on your neighborhood and your organisation

Eurodiaconia's members believe the economic and financial crisis has had an impact on their organisation and neighborhood over the past year, but consider that a bigger impact is still to come. They highlight two main direct impacts: rising unemployment in society and cuts in funding in the provision of services. Many of our members see that the number of vulnerable people is growing while means of action to support vulnerable people are diminishing.

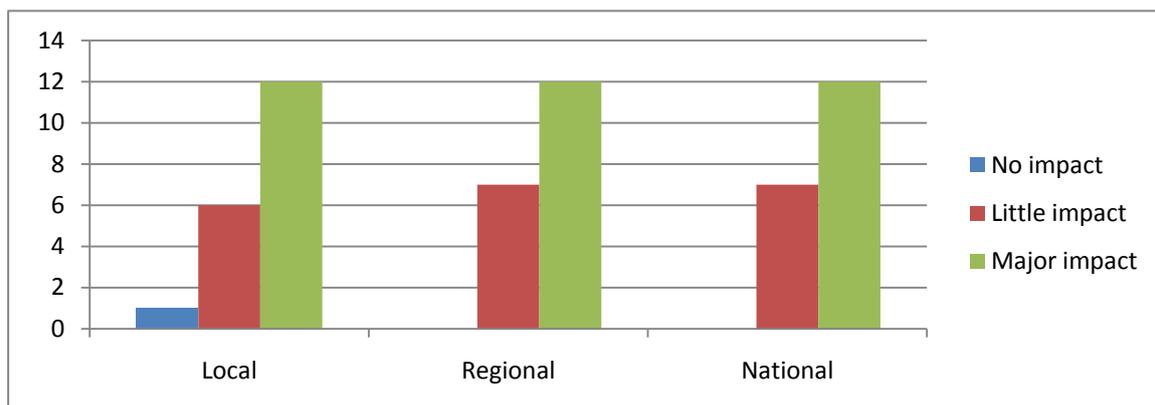
According to some of our members, the situation before the crisis was already weak. Many of them described the impact of the crisis as triggering bankruptcies, which led to more unemployment – especially among young people – and subsequently a decline in tax revenue which indirectly impacts on their funding as authorities are forced to make cuts.

Moreover, our members believe that the full impact of the financial and economic crisis is actually delayed and will come with more force in 2010 as the 2009 public budgets were based on 2008 and therefore often did not take into account the full extent of the economic and financial crisis.

Geographical impact

In our last report, when asked what kind of impact the economic and financial crisis has had so far in their country/region/municipality, our member organisations' replies were relatively evenly spread between "a little impact" and "a large impact".

In this new report, their answers are very significantly different as 12 out of 19 replied that the crisis had a major impact at National/Regional/Local level.



Since January 2009, according to you, what impact has the financial crisis had at these different levels?



It is interesting to look more precisely at the division by region and countries and to compare it with Eurodiaconia's previous survey (2009).

In the table below, the answer by our members to the question "Since January 2009, according to you, what impact has the financial crisis had at these different levels?" is synthesized so that green stands for no impact, orange for little impact and red for major impact. Black stands for no relevant data available. The first column brings in data from our previous report.

We can see that one of our members (Poland) felt at the time of the first report, that the economic and financial crisis had a large impact on their neighbourhood, whereas more recently they experienced a little or no impact.

On the contrary, 4 of our members (Denmark, Finland, and our 2 Swiss Members) initially felt the economic and financial crisis had a little impact on at the local/regional/national level in their country, whereas they now believe the economic and financial crisis has had a major impact.

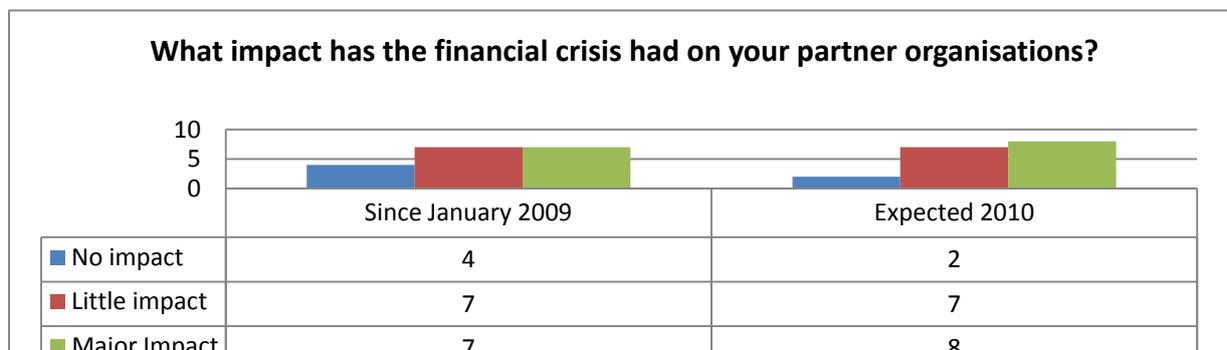
"We have now the problems with low budgets especially at the local sector which is responsible for the financing of most of the social services"

Impact experienced so far (May 2009 report)	Impact experienced so far (February 2010 Report)	Evolution
Czech republic	Czech republic	Stable
Czech republic	Czech republic	N/A
Denmark	Denmark	Increase
Denmark	Denmark	Stable
Finland	Finland	Increase
France	France	Stable
Germany	Germany	Stable
Hungary	Hungary	Stable
Hungary	Hungary	N/A
Iceland	Iceland	Stable
Latvia	Latvia	Stable
Netherlands	Netherlands	Stable
Norway	Norway	Stable
Poland	Poland	Decrease
Romania	Romania	N/A
Spain	Spain	N/A
Sweden	Sweden	Stable
Switzerland	Switzerland	Increase
Switzerland	Switzerland	Increase

Yellow=no impact
Blue= little impact
Green= major impact
Black= no relevant data available



Impact on partner organisations



Looking at the impact of the economic and financial crisis on our members' partners organisations, we can once again observe the evolution between the experienced impact, and the concerns for the future.

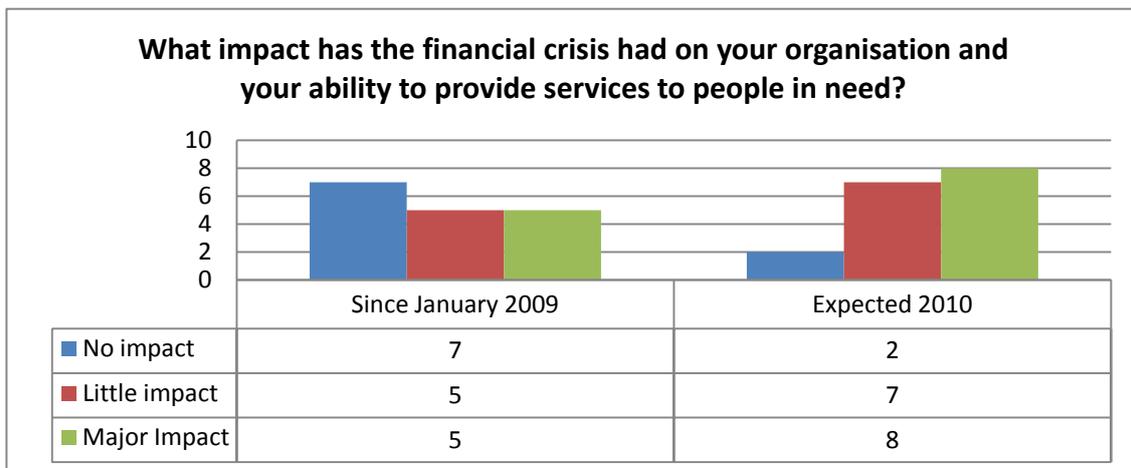
2009	no impact	little impact	major impact		2010	no impact	little impact	major impact
Czech republic	x				Czech republic			x
Denmark		x			Denmark		x	
Denmark	x				Denmark	x		
Finland		x			Finland		x	
France			x		France			x
Germany		x			Germany		x	
Hungary			x		Hungary			x
Hungary			x		Hungary			x
Iceland			x		Iceland			x
Latvia			x		Latvia			x
Netherlands	x				Netherlands		x	
Norway	x				Norway	x		
Poland		x			Poland		x	
Romania		x			Romania		x	
Sweden			x		Sweden			x
Switzerland		x			Switzerland		x	
Switzerland			x		Switzerland			x



Impact on the capacity to provide care and services to people in need

On the question to know what impact the crisis had on the capacity of our member organisations to provide care and services to people in need, slightly less than half of the members who replied stated that the crisis had no impact so far, and the other half stated that the crisis had either a little or a major impact.

However, when speaking about the expected impact to come, 15 out of 17 of our member expect that the crisis will have an impact on the capacity of their organisation to provide care and services to people in need



Looking at the same question from a country-based approach, we can continue to observe an evolution towards a stronger impact of the economic and financial crisis by region. Thus, in particular several Eastern European and Nordic countries which had not had experienced a strong impact of the economic and financial crisis in the past year, are now saying that they either experienced a stronger impact or they definitely expect such an impact to strike in 2010.

“Social services are financed both from the state budget and the regional budgets as well. The budgets were agreed in 2008 when our politicians claimed that the financial crisis would have no impact. As a result the budgets were not cut then. This year 50% of financial resources to cover social service funding for 2010 are missing so far.”

“Reduced staffing, fewer services provided.”

“The worst impact will come in 2010. There is [150 million Euros] missing in the state budget for social services. This will bring the biggest crisis since the fall of communism.”

“We had to cut salaries 4 times and reduce staffing again. We think we can survive this year with the minimal wages and the same amount of services provided, but the future prospect is bleak.”



Of the 19 members responding to this question, 17 have relevant data over the 2 or 3 past years.

Among them:

- 10 members have experienced a clear worsening impact of the crisis on their organisation and their ability to provide care and services to people in need.
- 6 members have experienced a constant little or major impact
- 1 member has experienced a decreasing impact.

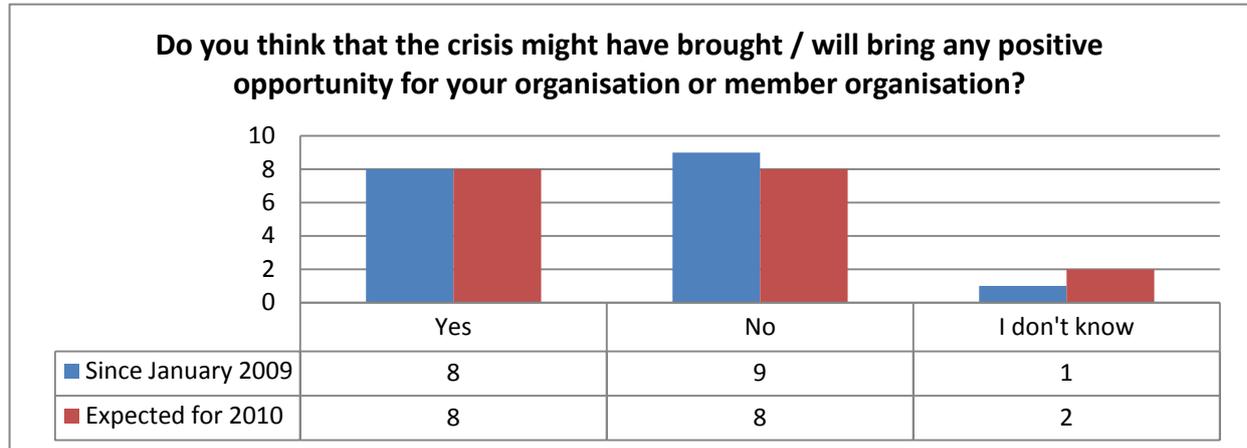
Experienced - 2008 (May 2009 Report)	Experienced - 2009 (February 2010 Report)	Expected 2010 (February 2010 report)	Evolution
Czech republic	Czech republic	Czech republic	N/A
Czech republic	Czech republic	Czech republic	Increase
Denmark	Denmark	Denmark	Stable
Denmark	Denmark	Denmark	Increase
Finland	Finland	Finland	Increase
Finland	Finland	Finland	N/A
France	France	France	Increase
Germany	Germany	Germany	Increase
Hungary	Hungary	Hungary	Stable
Hungary	Hungary	Hungary	Stable
Iceland	Iceland	Iceland	Stable
Latvia	Latvia	Latvia	Increase
Netherlands	Netherlands	Netherlands	Stable
Norway	Norway	Norway	Decrease
Poland	Poland	Poland	Increase
Romania	Romania	Romania	Increase
Sweden	Sweden	Sweden	Increase
Switzerland	Switzerland	Switzerland	Increase
Switzerland	Switzerland	Switzerland	Stable

Yellow highlight=no impact
Blue= little impact
Green= major impact
Black= no relevant data available



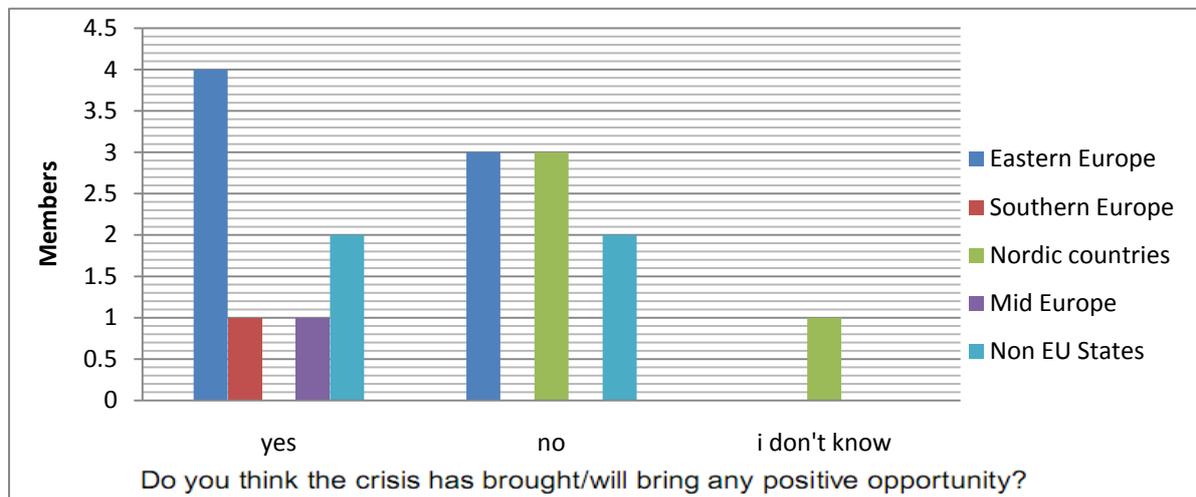
The crisis, an opportunity?

Asked whether the crisis could bring any positive opportunity or increase solidarity, our members are relatively divided. A small majority thinks that nothing good came from the crisis in 2009.



There is an interesting opposition from Nordic EU MS and Eastern Europe EU MS as none of the Nordic MS considers that the crisis could bring a positive opportunity, whereas more than 50 % of our Members from Eastern Europe actually consider that the crisis could do so.

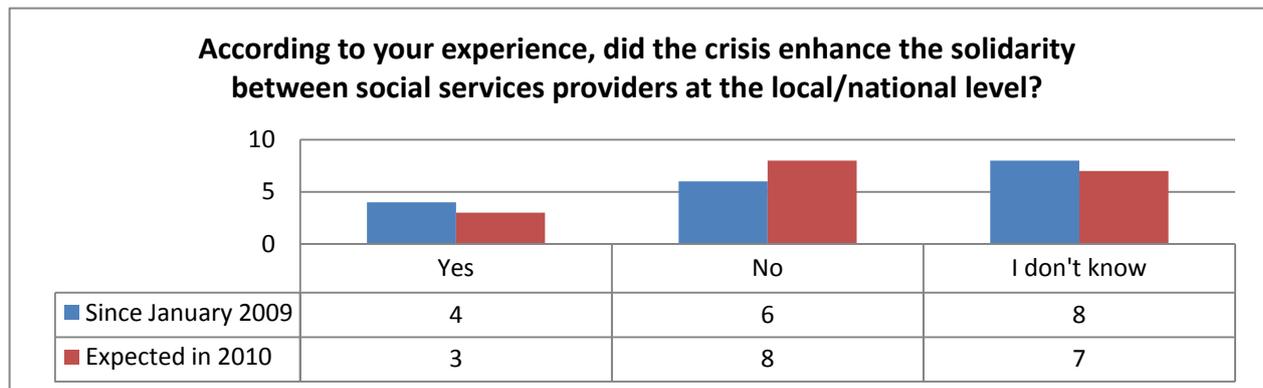
“There is thus an opportunity to debate the structure of society and to put the economy on a more sustainable path”



For two reasons, comments mainly came from organisations seeing the crisis as an opportunity. Firstly, a higher attention is now given to their work and concerns (e.g. poverty, the structure of society and economy, sustainability). Secondly, the crisis is forcing our members to rationalize their work by refocusing their priorities and making their services more efficient.



Furthermore, on the question to know if the crisis enhanced solidarity between social services providers, our members are once again quite divided, but are broadly negative. Attempts to network and cooperate are being made, but ultimately the decrease of funding at all levels of society means an enhanced competition between social services providers.



“There will come a pressure for effectiveness and only bigger organisations are likely to make it.”

“There are, in my impression, at local and national level, serious attempts to help and support each other and to target groups and benefits to match”

“The smaller cake means also smaller piece for the participants. The smaller NGOs complain about too strong position of the big ones.”

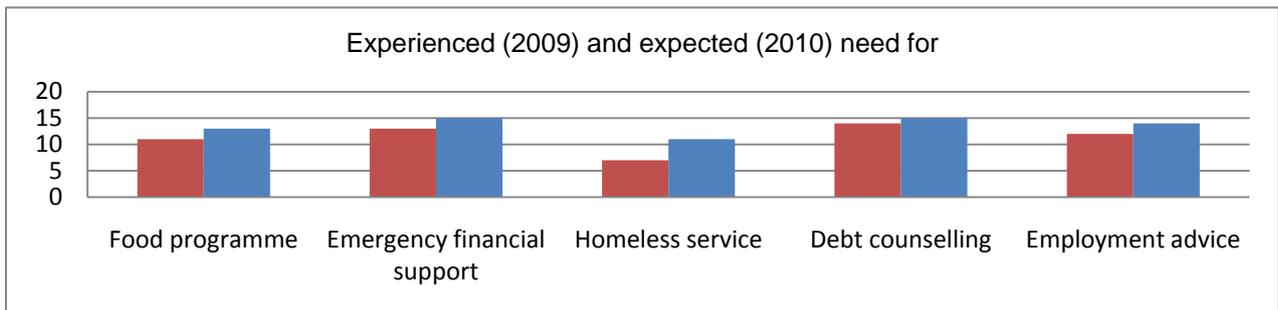


II- Impact on your member organisations in the provision of services

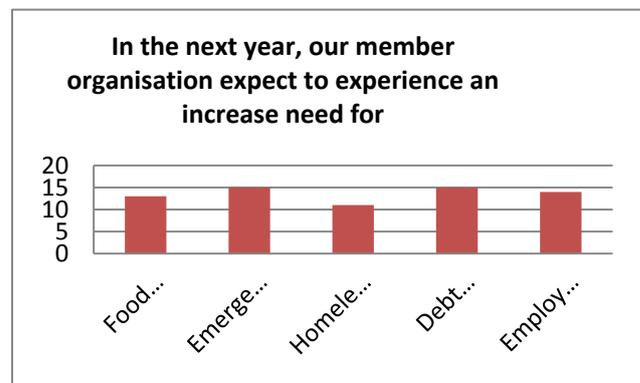
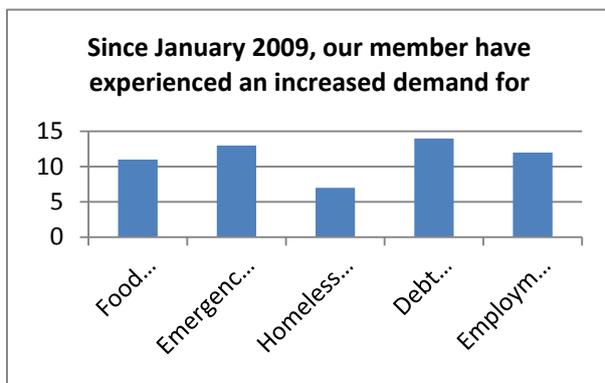
Most of Eurodiaconia's members witnessed an increased demand for services but only some of them had to refuse assistance to some service users in 2009. About a third of the respondents expect to need to change the type of services they currently provide.

Increase demand for services – experienced and foreseen

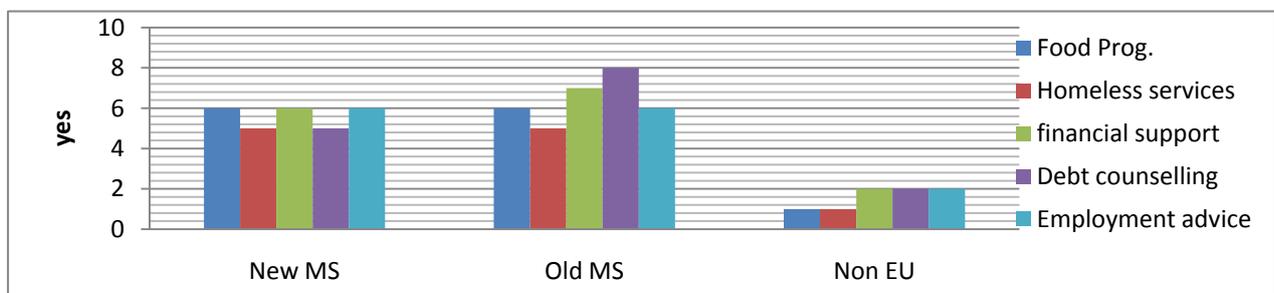
The majority of our members attest to an increase in demand for a broad scope of services in 2009, especially for debt counselling, emergency financial support and employment advice, and are expecting these demands to continue to increase, as well as an increasing demand for other services, especially food programs (eleven of the respondents - out of twenty – are also expecting the demand



for homeless services to be increasing.)



In 2010, do your member organisations expect to experience an increased demand for the following services?



Eurodiaconia is supported under the European Community Programme for Employment and Social Solidarity (2007-2013). Views expressed do not necessarily reflect those of the European Commission.

Eurodiaconia is a federation of organisations, institutions and churches providing social and health services and education on a Christian value base throughout Europe. Eurodiaconia is registered as an AISBL in Belgium.

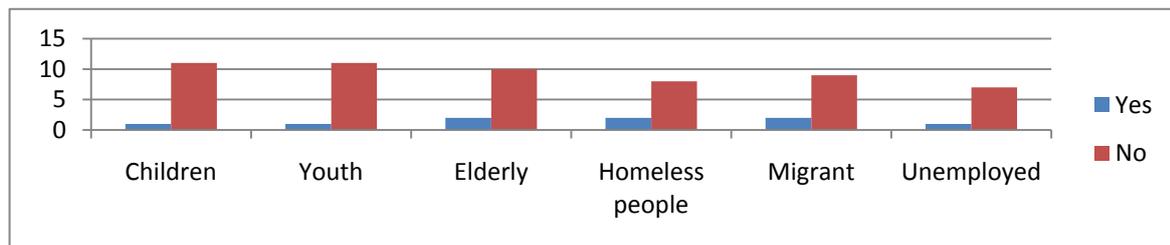


Capacity to provide services

Some of our members commented that the crisis weakened their organisation, making them unable to respond to an increasing demand for services. Eurodiaconia members also reported increased demands for access to health care (home care service, palliative assistance and access of “uncovered users”).

Only four of the respondents declared they had to refuse assistance to some eligible service users.

Since January 2009, did your member organisations have to refuse assistance to eligible service users (If yes, please indicate to which group)?

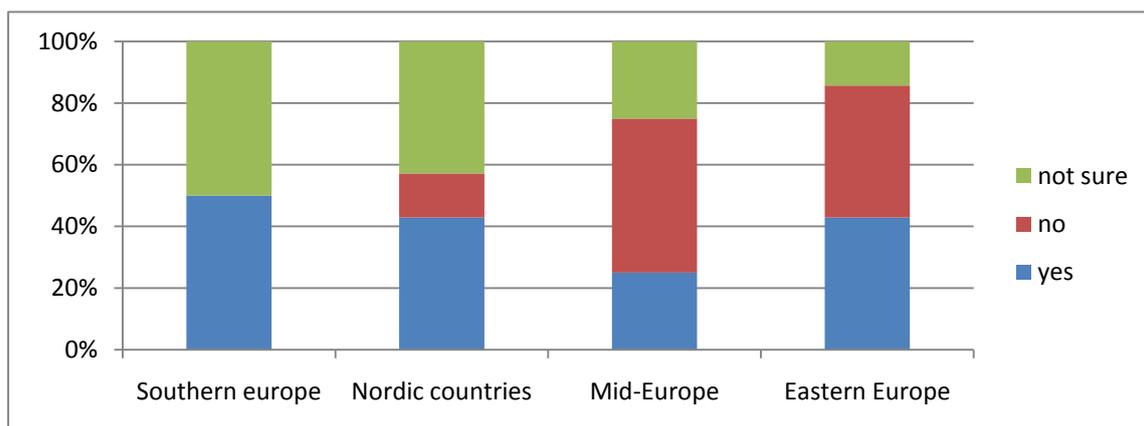


“Not yet but we expect this could happen next year.”

Change the type of services provided

A third of our respondents consider they will need to change the type of services they currently provide either because the needs of people are changing due to the crisis, or because of the decrease in funding and the subsequent need to reduce the scope of services provided.

“For example the sheltered housing we provide for mentally handicapped people requires rather intensive care, i.e. it is expensive. We are not sure whether we will be able to finance it in the coming future.”



Do you think that the type of services your member organisations provide will have to be changed due to the financial crisis?





As can be seen from the table below, eight out of the twenty respondents believe the type of services their member organisations provide will have to be changed due to the financial crisis. They explain that they will have to operate with fewer staff and less money, and that they might have to reduce their services.

Among the 12 other respondents, 5 are uncertain as to what will happen, and 7 believe the services they provide will not have to be changed due to the financial crisis.

Do you think that the type of services your member organisations provide will have to be changed due to the financial crisis?

	Yes, in the coming year	Yes, in the long term	No	Not sure
CZECH REPUBLIC			x	
CZECH REPUBLIC		x		
DENMARK			x	
DENMARK				x
FINLAND		x		
FINLAND			x	
FRANCE	x			
GERMANY			x	
HUNGARY	x			
HUNGARY			x	
ICELAND	x			
LATVIA	x			
NETHERLANDS	x			
NORWAY				x
POLAND				x
ROMANIA			x	
SPAIN				x
SWEDEN		x		
SWITZERLAND			x	
SWITZERLAND				x

“We might have to reduce our services”

“Our own economy is decreasing from 2010-2011. It will mean fewer staff and less money to operate with”

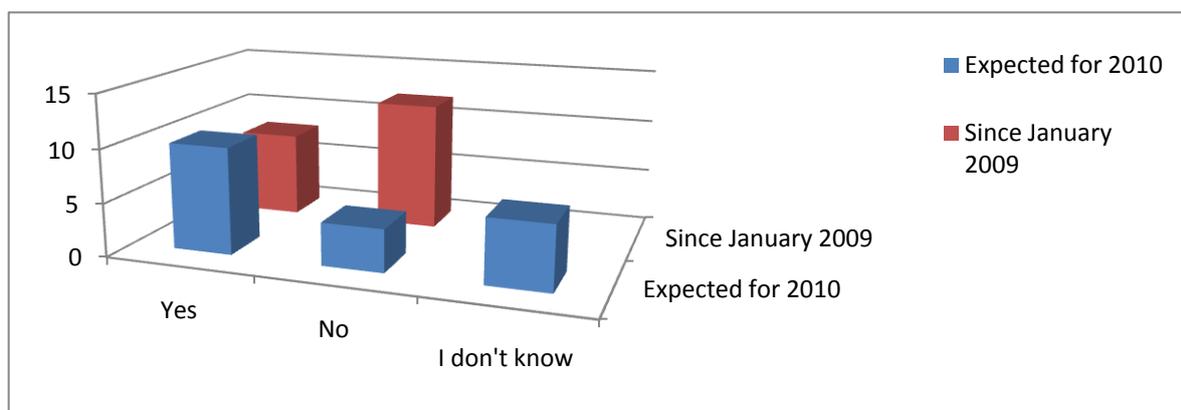


III- Impact on your organisation finances

When our members took the survey, many of them were not yet aware of the new budget for 2010 which could be one explanation for such uncertainty in the results. Many have already experienced a cut in funding, but many others had not, but feared that the 2010 budget would bring a loss of funding. Many mentioned that the 2009 budget was decided before the crisis really struck, and believed that the impact of the crisis on their organisation was then delayed, to be fully felt in 2010.

Direct impact on funding

For a majority of the respondents (twelve out of twenty) the funds from local sources have not been reduced since January 2009. However, a very large majority of the respondents (sixteen out of twenty) are either unsure about the future or expect that their funding will be reduced.



Have the funds you receive from local sources been reduced?

The cuts are coming from all levels of society (Government, municipalities, private donors, etc).

“10% less revenues from local authorities, significant reduction in donor assistance and private institution: in one case -50%, in another -100%. Support from local authorities and churches remained at similar levels” “About -10% from local authorities as well as private donations”

Reaction to the lost revenue

Asked how they plan to make up the lost revenue, the respondents can be divided in two categories. First, many of them hope to diversify the source of revenue and to alleviate the lack of expected revenue through finding new donors, especially private donors and churches. The other reaction is either to change/suppress the existing services, or to rationalize their functioning.

“There are enough resources in [our country], you need to know just where.”

“Rationalization, effectiveness”

“If need be, suppressing the scope of social services.”



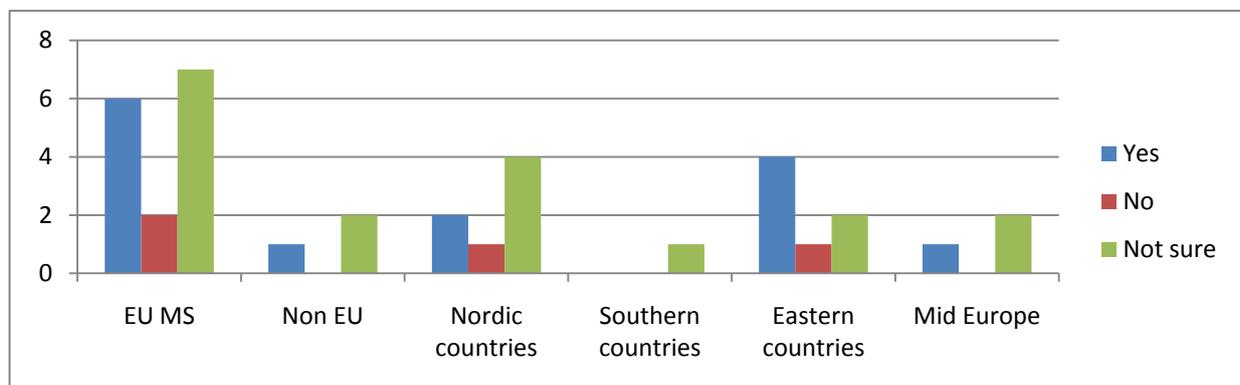


IV- Impact of the crisis on public policies

Due to the diversity of our members, the analysis of the impact of the economic and financial crisis on public policies is quite heterogeneous. The most obvious trend is the perception by Nordic countries that governments are looking more closely at volunteering now, as a new way of participation in society. On the question to know how efficient public authorities have been in supporting our member organisations and similar organisations, the result is quite shocking as none of the respondents believe that its government has developed efficient policies to support organisations like theirs to face the crisis.

Labour policies

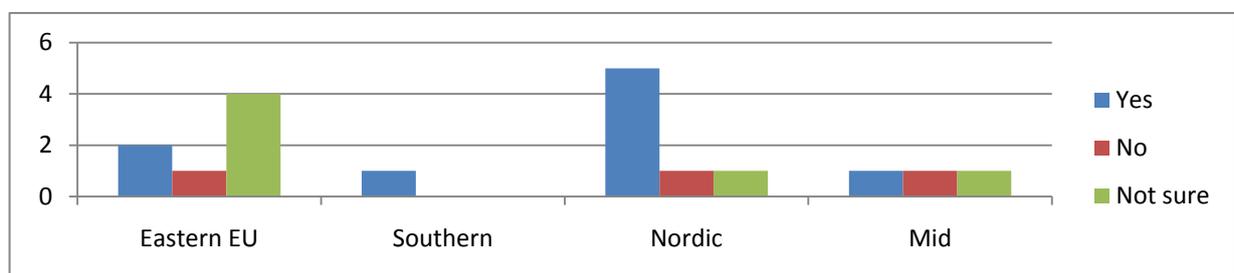
Asking whether our members think that the market labour policies might be modified in their country following the crisis, no homogenous trend emerges. Some of our members from countries with very flexible labour market policies do not think that such policies are likely to be modified following the crisis. Some others believe the current policies will be changed, for instance to extend the period of unemployment benefit, in order to adapt the national policies to the impact of the crisis on people.



Do you think that the market labour policies might be modified in your country following the crisis?

Valuing of informal work

Members from Nordic countries are clearly aware of initiatives from public authorities aiming at giving a new profile to informal work and volunteering either as new ways of participation (and therefore social inclusion) or as a new strategy for rationalization of costs and saving.



Are you aware of any initiatives at the local or regional level to promote the value of informal work (e.g. volunteering) for unemployed or long term unemployed people?



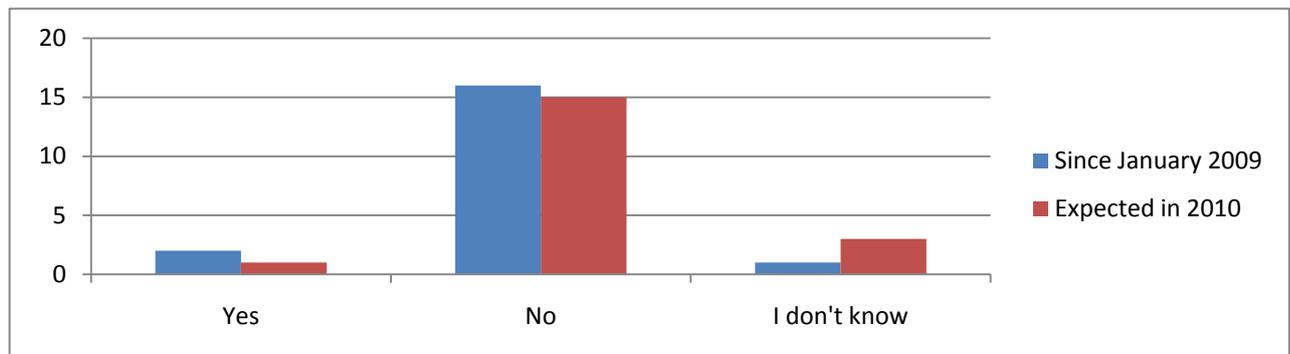
“Especially on national level, it is considered to make it mandatory to do some volunteering as part of primary school.”

“The government is actually discussing the possibility to include socially excluded people in the volunteering status (originally meant for the youth exclusively).”

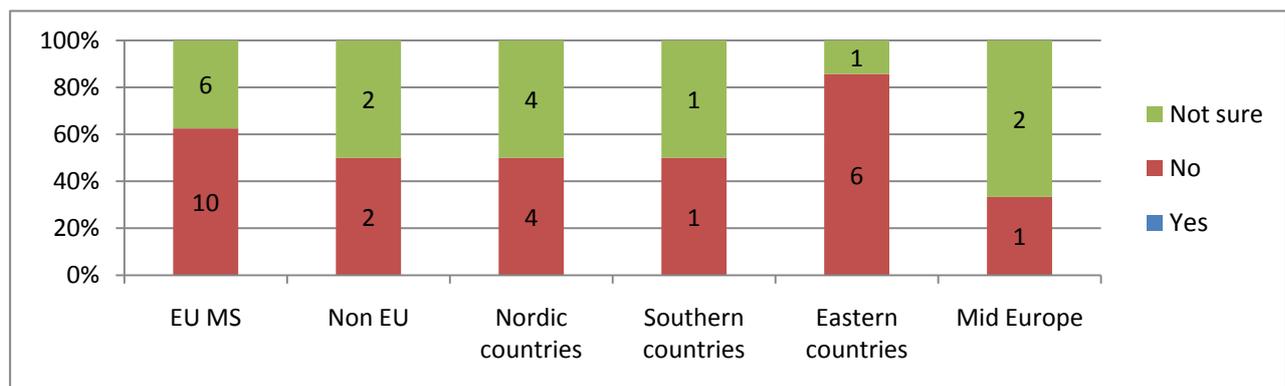
“The local government is showing more interest in volunteering work as a way to solve their own economic problems from 2010”

Public authorities’ support for your organisation

Our members have not felt the support of public authorities during the crisis. Most of them (more than three quarters) did not benefit or expect to benefit from any concrete measure from public authorities to support them during the crisis. None of them stated that their government has developed efficient policies to support organisations like theirs to face the crisis.



Have you benefited, or do you expect to benefit, from any concrete measure taken by public authorities to support your organisation or your members during the crisis? At the local/Regional level



Do you believe that your government has developed efficient policies to support organisations like yours to face the crisis?

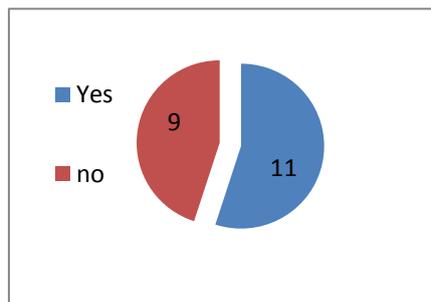
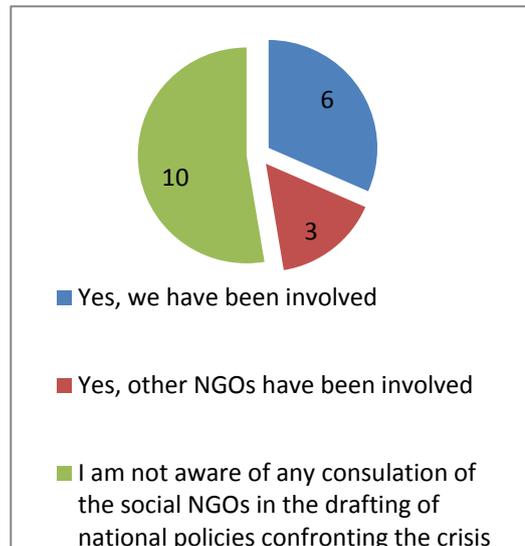


Consultation of actors for social policies

Have you been consulted directly, or are you aware of other social NGOs' involvement in the drafting of public policies in response to the crisis?

A majority of our members, who are generally consulted directly by public authorities in the preparation of public policies, are not completely aware of consultation with social NGOs' in the drafting of public policies in response to the crisis. However, almost half of them have either been directly involved in such a consultation or know of other social NGOs being involved.

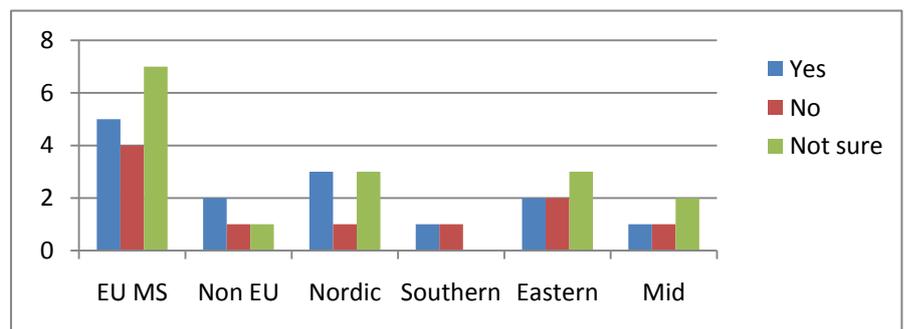
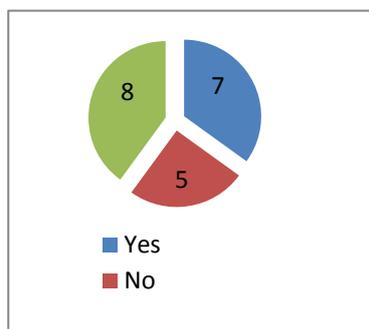
“In the field of poverty and debt, there have been discussions with governments, but not on the credit crisis and increasing unemployment”



Have you ever been consulted directly by public authorities in the preparation of social policies?

“The Government has secured the banking system, wants to give credits for R & D, training and mobility in the private sector, private investment (supply side)...but nothing as concerns providers working in the social and health fields”

On the question to know if our members are **aware of a regular consultation between public authorities and social NGOs in the preparation of social policies**, the answer is once again unclear as a majority of respondents (8 out of 20) declare they are “not sure”, and 5 are unaware of such consultation. The only positive majority comes from non EU countries as 2 out of 4 members declare they are aware of such a process.



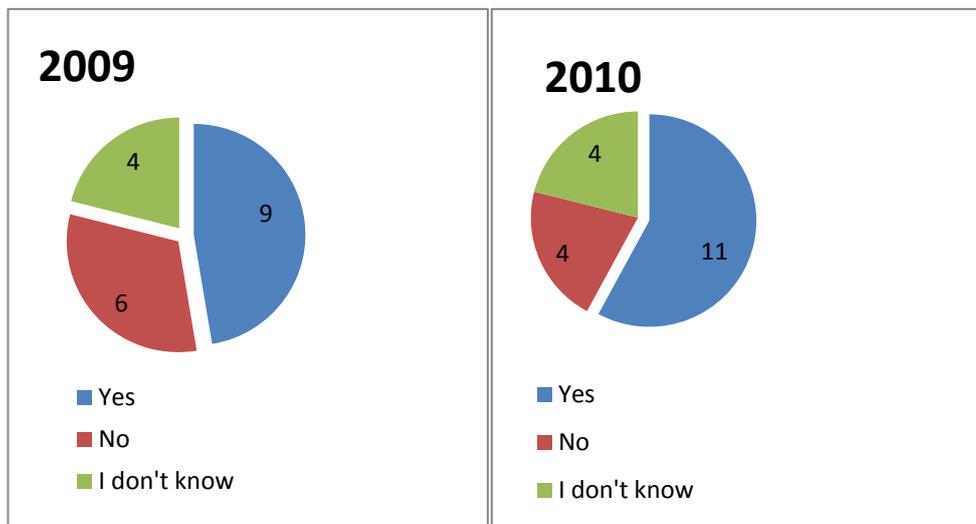


V- Impact on publicly run social services

Our members felt that the crisis had impacted publicly run social services especially as some of them have been reduced. Therefore, a majority of respondents to this survey believe they now have a bigger role to play.

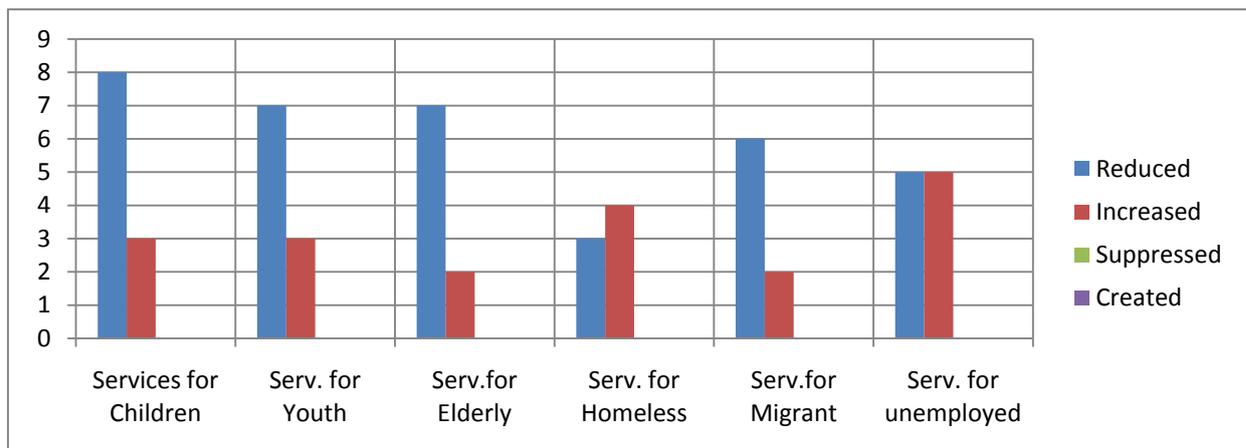
The crisis and publicly run social services

Our members think that the crisis has impacted publicly run social services, and expect these services to be affected by the financial and economic crisis in 2010.



Would you say that the crisis has impacted/will impact publicly run social services in your country?

Asked how certain categories of publicly run social services have been affected, we can see that for most of our members publicly run social services have been reduced, apart from services to the homeless and unemployment services, which have been increased in order to react to the crisis.





A new role to play?

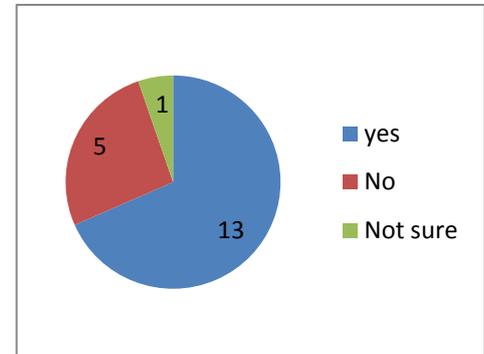
A large majority of our members say that that their organisations have now a bigger role to play at the local/national level, for example to counterbalance a decrease in the provision of publicly runs services.

Would you say that your organisation or member organisations now have a bigger role to play at the local/national level, maybe to counterbalance a decrease in the provision of publicly run services?

“The role has increased but the ability to fulfill has not.”

“New beneficiary groups have appeared and they are not supported by the state yet”

“Yes, an increase of persons in vulnerable positions always means more work for churches and diaconia.”

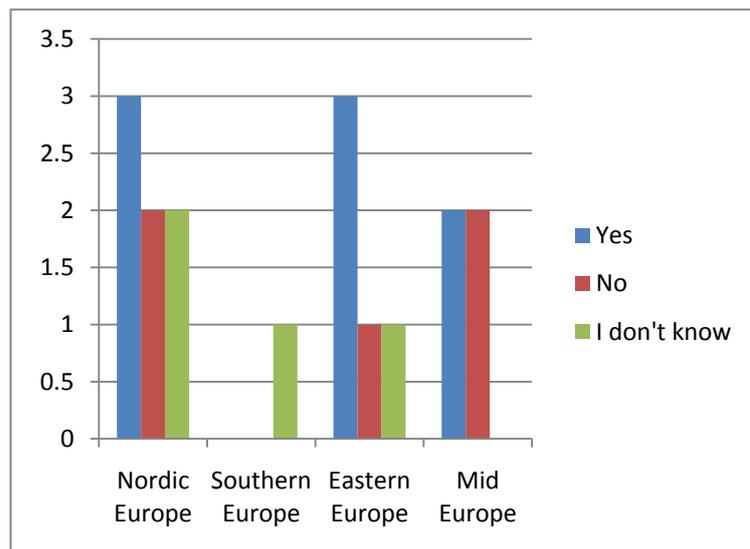
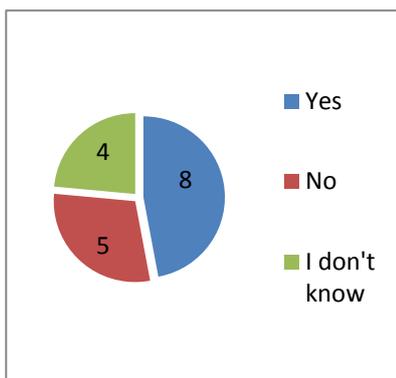


VI- Impact on individuals in their relationship to your organisation

Volunteering

A majority of the respondents believe that the economic and financial crisis had an impact on volunteering. This is particularly clear for our members from Eastern Europe and countries from North Europe. In some cases, unemployed people are required to volunteer in order to get unemployment benefits. Some of our members report a decrease in the number of volunteers, others report an increase.

Would you say that the crisis has had an impact on volunteering (e.g fewer volunteers, people being forced to volunteer, etc?)

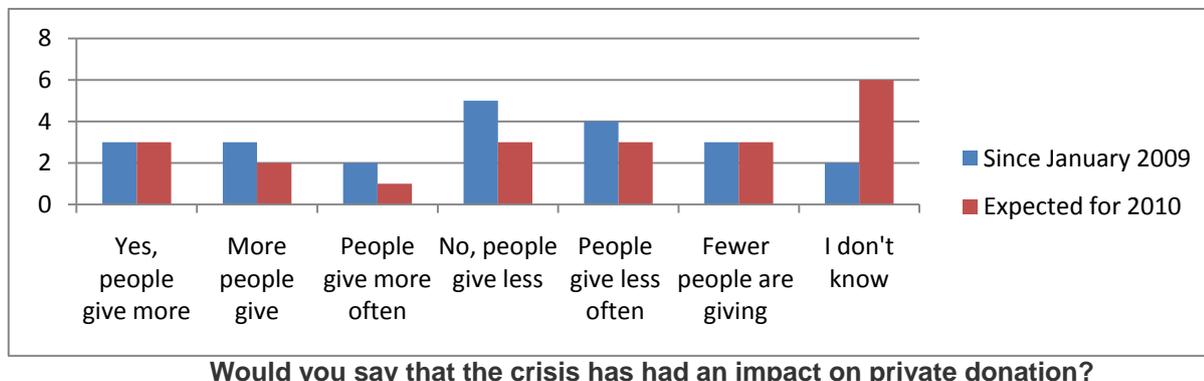


Private donations





Questioned on the impact of the financial and economic crisis on private donations, our members expressed the feeling that private donation is decreasing particularly as people are giving less and less often.



VII- Miscellaneous

Main concerns with regards to social services provision as result of the financial crisis

The main concerns of our members following the economic and financial crisis are the lack of funding and its consequences. They fear an augmentation of demand, and a subsequent decrease in the quality of services, a need to reduce the scope of their services and therefore a decrease in accessibility to services for the most vulnerable and minorities. They also mention a risk of diminishing solidarity and the consequent lack of public investment in the welfare state.

“Social services: going to be reduced, accessibility and quality especially for the vulnerable people going down”

What should Eurodiaconia do as a response to the financial crisis?

Among our members’ comments, four main proposals came back.

Our members mainly expect Eurodiaconia to be **a tool for exchange of best practices** (“Give us best practices and new ideas”). Secondly, Eurodiaconia’s members ask the secretariat to **promote the work of our members** (“give public information about activities and services done by member organizations”) and to **promote values**, especially in a time of crisis (“To demonstrate: love and compassion is not affected by this crisis.”) Last but not least, Eurodiaconia’s secretariat is asked to **raise awareness** and to **lobby for social justice in Europe** (“Pursue political goals for a more just and decent Europe”).

The crisis – an opportunity to cut down on staff and finances?

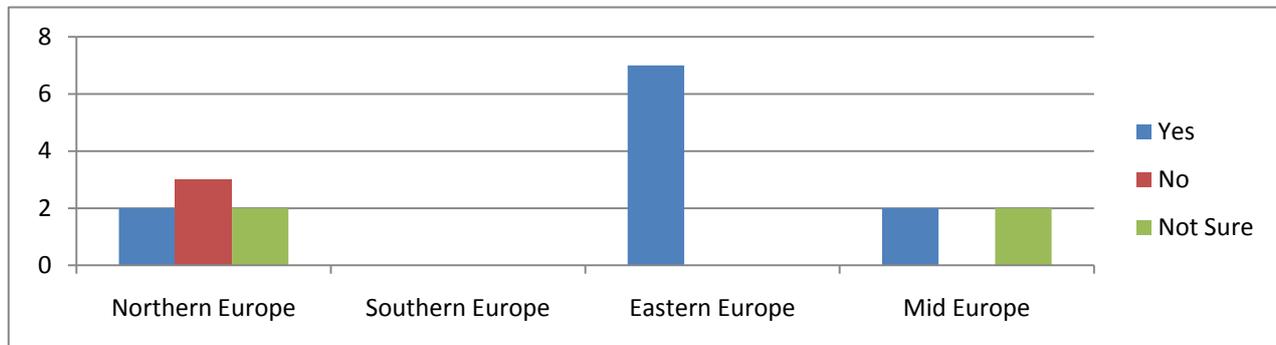
We asked our members if they have reasons to believe that the crisis might have been “used” by companies, public authorities or service providers, as an excuse to cut down on staff or finances. The analysis of answers by regions brings an interesting result, as for Northern Europe countries the answer, even if tight, is negative, whereas all of the Eastern Europe respondents answer positively.





“Reductions at the workplaces are not always associated with the real problems stemming from the economic crisis.”

“Every (economical) depression is partly psychological.”



Do you have reasons to believe that the crisis might have been “used” in your country /neighborhood by companies, public authorities or service providers, as an excuse to cut down on staff or finances?

“The financial crisis is used by state institutions to justify the amount of insufficient funds.”

Additional comments

Our members would like Eurodiaconia to encourage the EU to take the debate on the economic and financial crisis a step further by linking it to social and environmental sustainability and the role of churches. Other members insisted on the “need for vision and optimism” from people in a crisis situation, and the subsequent solutions that diaconal organisations can provide.





Conclusion

Our members across and beyond Europe together provide services to millions of people in need. This survey demonstrates that our members, these essential actors, have already been strongly hit by the economic and financial crisis and are very uncertain as to what tomorrow will bring for them and the people they serve. They also believe that despite the importance of their role, especially in a time of crisis, public authorities are not giving them adequate support.

“Most vulnerable users might not receive any public funding in the coming years. The Government wants to improve the monitoring of public expenditure, reducing the number of social and health care providers on the one hand and implementing evaluation processes to control associations' activities on the other hand. While the former measure increases competition among social stakeholders (associations facing profit organisations, etc.), the latter one requires associations 'activities to target the users that can be re-inserted in a short term perspective (long term homeless or unemployed are more and more excluded from public social and health policies).”

More in need – More needed

This survey confirms the findings from the previous one as it shows the obvious increase in demand for social services as well as the lack of public support for social service providers in a time of crisis.

Concerns for the future: the impact of the financial and economic crisis hitting the most vulnerable

Our members expressed great uncertainty as for the future. They believe that even if they have already experienced the impact of the economic and financial crisis, that the real impact has somehow been delayed due to the budgeting mechanisms, but that it will fully strike in 2010.

The Lisbon Strategy initially aimed at eradicating poverty by 2010. Moreover, the European Union efforts are now called to focus on the eradication of homelessness, after the 2009 “light year” on homelessness. However, beyond political declarations, through this survey our members speak of another reality. Eleven out of twenty respondents expect to increase their provision of homelessness services during the coming year. They also believe the demand for food programs will keep increasing. Not only will our members have to provide their existing range of services, but they also expect to face an increasing demand, all of this with decreasing means from public and private support. In light of these considerations some of our members therefore expect to be forced to reduce the scope of their activities.

This is simply a frightening perspective, and an example of the direct impact of the crisis on the most vulnerable. As we know, economic growth of the recent decades benefited more the rich than the poor and the gap has been widening². This survey testifies that the impact of the economic and financial crisis is very likely to enhance this division, bringing more pressure on an already weak social cohesion.

² OECD Growing Unequal? Income distribution and poverty in OECD countries
Growth, Jobs and Social progress in the EU, Social Protection Committee Report, September 2009





The way ahead

Our members insist that the public policy reaction to the economic and financial crisis must not bank on the tools that triggered the crisis to deal with its consequences, but go further and look at the roots of the problem. The pre-crisis state was not satisfying; as many analysts claim, we believe that the crisis did not come out of nowhere but was the fruit of the economic and financial system.

Moreover, protecting and investing in social services is especially important in a time of crisis. Thus, Social services provide essential assistance to many, whether for a long or short term need, covering the main risks of life, such as ageing, as well as for specific circumstances, such as disability. They often address not only physical and mental needs but also the spiritual aspect of care for each human being. They enable people to integrate or reintegrate into society. They enable people to access and retain employment, offer a route out of poverty and exclusion, enabling them to fulfill their potential.

However, Eurodiaconia believes that, as demonstrated by this report, social services are often not given the recognition or financial support that they deserve and need. Despite an increase in demand for services, Eurodiaconia's member organisations experience falling income and therefore increased difficulties in providing their services. More and more authorities funding social services are using tendering to procure services rather than providing them in house or providing direct subsidies to providers. Unfortunately our members report negative impacts on the quality of social services following this trend. There are discussions as to how to protect social services' special nature and role in society, on how to ensure access to quality social services for all.

Eurodiaconia therefore considers that there is a public responsibility resting on National government and the European Union, to ensure access to social services and to ensure that service providers are able to provide quality services to all people, especially the most vulnerable. In this context, Eurodiaconia has five key recommendations.

1. Support services that mitigate the impact of the crisis

As society faces a deep financial and economic crisis and given demographic trends, more of the population will need the care and support that social services provide so such services must be developed and supported to meet this increasing demand. Given the role of social services outlined above, Eurodiaconia believes that access to social services is necessary to uphold human dignity and is a fundamental right. This is supported by Part 1 article 14 of the European Social Charter³ and Article 34 1 of the Charter of Fundamental Rights⁴. The European Commission also recognised the importance of social services in promoting social inclusion and cohesion⁵.

2. Invest in Social Services

Based on our findings in this report and the previous one, Eurodiaconia continues to urge national governments to invest in Social Services. Additionally, this increasing demand means that jobs created in the sector will be long-term. Therefore, just as social and health care services have contributed strongly to job creation, even while other sectors were shrinking, they will continue to provide jobs. If new services are

³ Everyone has the right to benefit from social welfare services. [European Social Charter](#)

⁴ The Union recognises and respects the entitlement to social security benefits and social services providing protection in cases such as maternity, illness, industrial accidents, dependency or old age, and in the case of loss of employment [Charter of Fundamental Rights](#)

⁵ See also the European Commission's communication COM(2006) 177 final for a comprehensive description of social services. Please note however that Eurodiaconia believes that social security schemes are not services in themselves.





supported and developed there is the potential to provide new jobs and sustainable employment. Investing in and improving the quality of services, particularly in preventive services, reduces need in the long-term and therefore expenditure.

3. Strengthen the welfare state; protect the most vulnerable

Facing the crisis, some national governments plan to reduce taxes in order to enhance growth. However, national governments now have to deal with higher public deficits. Our members fear that a tax reduction might be followed by high cuts in social spending in order to limit the public deficit. This would be highly detrimental to people, and particularly the most vulnerable. We believe the protection of welfare state mechanisms are essential to the safeguarding of social cohesion and social stability.

4. Take the opportunity for change

Many of our members said that problems did not start with the crisis, but that the crisis has simply exacerbated existing flaws in the system. They also referred to the crisis as an opportunity to rethink their own functioning. A third of the respondents expect to be obliged to change the type of services they provide, about half of the respondents even see the situation as an opportunity for change. In expressing such a will to adapt their services to the crisis, they are also challenging society as a whole in its answer to the economic and financial crisis – will society let itself be questioned and changed by the crisis? Our members insisted on the need to go beyond a short-term solution to the crisis, in order to concentrate on thorough investigations as to the causes of the crisis and the need to build a more sustainable society.

5. Improve and uphold quality

Social services must be of quality in order for the service to achieve its goal of meeting a personal need. Everyone should have the right of access to quality services. Where services are provided for remuneration they must be affordable to all. The scenario in which a two-tier care system develops, whereby in some areas only low-quality care is accessible because quality services are not affordable should be avoided by sufficient funding. Improving the quality of services can lead to an increase in cost but investment in social services, particularly in preventive services, reduces need in the long-term and therefore expenditure.





Annex

Annex 1 – Questionnaire

To view the questionnaire please click on the icon below or click [HERE](#)



Annex 2 - More in need, more needed (May 2009 report)

To view Eurodiaconia's May 2009 report on the impact of the crisis, please click on the icon below or click [HERE](#)





Annex 3 - List of respondents

CZECH REPUBLIC: DECCB/Diaconia of the Evangelical Church of the Czech Brethren

CZECH REPUBLIC: Slezska Diakonie

DENMARK: Dansk Diakonirad

DENMARK: Kofoeds Skole

FINLAND: Association of Diaconia Institutes in Finland (ADIF)

FINLAND: Finnish evangelical Lutheran church

FRANCE: Fédération de l'Entraide Protestante

GERMANY: Diakonisches Werk der EKD

HUNGARY: Magyarországi Reformatus Egyház, Ungarn

HUNGARY: Okumenisches Hilswerk Ungarn (HIA)

ICELAND: Den Evangeliska Lutherska Kyrkan i Island

LATVIA: Diakoniezentrums der Ev. Luth. Kirche Lettlands

NETHERLANDS: Kerk in Actie

NORWAY: Kirkeradet (Church of Norway National Council)

POLAND: Diakonia Kościoła Ewangelicko-Augsburskiego w RP

ROMANIA: Episcopia Reformata Din Ardeal

SERBIA: Ecumenical Humanitarian Organization (EHO)

SPAIN: Spanish Committee of Cooperation between the Churches

SWEDEN: Svenska Kyrkan

SWITZERLAND: Diakonieverband Schweiz

SWITZERLAND: Schweizerischer Evangelischer Kirchenbund – Federation des Eglises protestantes de Suisse (SEK-FEPS)

