



JOB CREATION POTENTIAL IN THE HEALTH AND SOCIAL SERVICE SECTOR - 5 MILLION NEW JOBS BEFORE 2017!

1. ACTUAL SITUATION

Health and social service sector's role in employment growth

Data show that health and social services play an important role in employment growth, according to the second Biennial Report on SSGI issued by DG Employment, Social Affairs and Inclusion in 2010:

- employment in the health and social services sector grew much faster than in other sectors of the economy
- out of the 21.4 million people who were employed in health and social services in 2009, the vast majority (89%) worked in the EU-15 countries
- in addition to being an important source of job creation, the health and social services sector has an important economic weight, as it generates around 5% of the total economic output in the EU-27¹

From 2000 to 2009 total employment in the health and social service sector in the EU registered a 4.2 million increase, more than a quarter of the employment growth in the total economy. In the same period, the employment rate in this sector registered a 1.3 percentage points growth, from 8.7% of the total employment in the EU-27 in 2000 to 10% in 2009². Public services contribute to more than 26% of the EU GDP; in terms of employment, among Services of General Interest, health and social services are the largest sector, representing 33% of SGI and employing 20,5 million employees³

Future perspectives and barriers to job creation

The European population is ageing and, in the future, increasing numbers of people will need health care or social care for increasing amounts of time: this is a key driver of the growing demand for social services, which can be an opportunity for the creation of new jobs. The demand of formal care might also be increased by the reduction of availability of informal carers due to the changing family patterns (increase in single household, growing participation of women in the labour market, increased workforce mobility).

Moreover, the role of social services is all the more crucial in times of economic recessions as they not only represent a source of job generation but are also a strategic tool for strengthening social cohesion and fighting poverty.

The opportunities for job creation in the social services sector are significant but a European policy framework has still to be developed in order to fully exploit the employment potential. To achieve that, it is crucial to identify and remove those obstacles that continue to hamper the creation of more and better jobs.

The workforce of the sector has specific characteristics that have to be taken into account, such as:

- **Ageing:** this is an issue predominantly in Western European Countries (in the next decade a high percentage of the current workforce will retire)
- **Gender issue:** there is a much higher proportion of women employed in the sector than men, with differences in wages (78% of the workforce, in health and service sector the difference in wages between men and women is higher than in the total economy⁴) moreover, workers of the care

¹ European Commission, Biennial report on social services of general interest, Brussels, European Communities 2008, p. 10

² *Ibidem*, p. 10

³ CEEP, *Mapping of the public services – Les services publics dans l'Union européenne et dans les 27 Etats membres*, mai 2010

⁴ Social platform, *Recommendations for care that respects the rights of individuals, guarantees access to services and promotes social inclusion*, November 2011

sector, who are mainly women, are more exposed to poverty (due to part-time work and temporary contracts)

- **Mobility:** Increasingly, migrant workers are being employed in the sector, mostly in the care for elderly people. These workers move from Eastern European and third countries to Western European countries, leading to a 'brain drain' of care workers in the former.

Today the demand for social services exceeds supply of resources available in terms of workforce and financial support to the sector.

The lack of workforce available could be explained by the following reasons:

- The low attractiveness of the sector, especially at first line level, due to precarious working conditions, combined with high risk of physical and emotional stress in the workplace
- High rate of turnover and career abandonments, due to early burnouts
- The lack of clearly defined career paths, career mobility and development opportunities
- The lack of education and training opportunities

These facts point to the need to invest in health and social care services in a structural way. Active recruitment plans and strategies to train and retain staff are necessary.

2. THE SPECIFICITY OF THE NOT FOR PROFIT SECTOR

And its added value: production of relational goods and principle of reciprocity

Social services are provided either by public authorities, or by for-profit and not-for-profit organisations.

The non-profit sector has some characteristics that distinguish it both from the public both from the for-profit sector. The provider is private, but service provision is values-based with the objective of developing the quality of services, responding to the needs of users and respecting their dignity and not to the needs of the market.

The studies of the third sector, framed as civil economy⁵ or economy of solidarity⁶, analyse how economic activities can be governed by different rules than the pursuit of profit.

The **principle of reciprocity** helps to explain this: non-profit operators, among them social service providers, base their activities on the idea of relational goods, which focus on the promotion of happiness and well-being rather than material advantages.

Relational goods are seen as an explanation of the good working performances of the workers in this sector, while the salary is often lower than in the other working sectors, as the beneficiaries of the relational goods are both the carers and the users. In turn, relational goods are "immaterial goods", which yield utility only if they are shared with others and hence benefit simultaneously not only the customer, but also the operator. As the NGO are moved by the reciprocity principle, Zamagni says, they can be understood only by a relational paradigm.

Public authorities at all level should recognise and promote the added value of non-profit making service provision which rests on values of democratic solidarity and exchange, spurring action on a sense of belonging to the community rather than economic advantage and is moved by the principle of reciprocity. It can also be identified as the starting point to solve the current situation of financial, economic and social crisis.

Provision of quality services is strictly linked to public funding. During the recent economic crisis, social services in a number of member states have been affected by austerity measures. The consequences of the decrease of public support to social and care service providers in terms of funding and policy

⁵ Luigino Bruni, Stefano Zamagni, *Economia civile. Efficienza, equità, felicità pubblica*, Il Mulino, Bologna, 2004

⁶ Laville, Jean-Louis, *L'économie solidaire Une perspective internationale*, Hachette Littératures, 2007

commitment have been a reduction of the scope of services provided, a decrease in quality to cut costs, and a worsening of the conditions of the most in need.

The European Commission could act by:

- **Ensuring the appropriate legal, political and financial environment in order that social services, including care services, can fulfil their missions.**
- As the focus of the non-profit service provision is quality for the well-being of service users, **quality should be recognised and have a primary role in the public procurement processes**
- **Discouraging member states from adopting austerity cuts in public expenditure in social, and care, policies and services**, which particularly affect those most in need and directly lead to an increase of poverty, social exclusion and longer-term dependency. When drawing up austerity measures with member states, make social impact assessments mandatory.

3. MANAGEMENT OF THE EXISTING STAFF

A crucial step to enable quality jobs for quality services provisions

Improving the working conditions of the staff employed in the sector is crucial in order to minimise career abandonment, to enhance the public image of the sector and the quality of the services provided. Effective supervision and good human resource management could be connected to a comprehensive strategy, with the following objectives:

- **Better working conditions:** tackling precarious work, improving pay levels and promoting equal treatment at work to ensure fundamental rights, non-discrimination and gender equality
- **Regularisation of all care workers** and discourage the grey market in the care sector and improve the match between demand (families) and supply (in particular migrant domestic workers) of care workers
- **Adequate social security benefits**
- **Career progression, on-the-job training**, personal development and lifelong learning opportunities
- **Re-training of staff**, as a strategy to absorb workforce from sectors where there's a lack of demand, to the social, cultural and health sector (through retraining in The Netherlands 5000 workers passed from the industrial to the social sector).
- Improvement of **social dialogue** structures and participation of civil society

A lot of these measures are directly dependent on the funding available to organise and provide services, as about 80% of the costs of running a social service are staff costs⁷. Governments and authorities at all levels must ensure that sufficient funds are earmarked for these basic services, and provide a legal framework that allows them to continue their operations in the long term. European legislation affecting the internal market and the provision of services must be adapted or clarified so as to make these changes possible. For example, public procurement legislation has jeopardised service provision on several occasions. Where contract awards decisions are made on the basis of low prices, without due regard for quality and continuity of service provisions, service delivery and working conditions are negatively affected.

Moreover, the European Commission could act by:

- Using the ESF resources to support national, regional and local authorities in **setting up sustainable funding schemes for social services** and to develop **quality frameworks** to be agreed upon at the appropriate levels so as to ensure that quality standards in the

⁷ European Commission, Biennial report on social services of general interest, Brussels, European Communities 2008

- provision of services are respected
- Similarly, ESF resources can be devoted to the development of **training and retraining schemes** for the workforce.
 - Promoting a **Charter on professional care givers' rights**, reinforcing their right to decent employment, work-life balance, and access to specific services such as counselling and training, and recognition of qualifications, including those acquired informally or non-formally and monitor through the social OMC and the Europe 2020 strategy
 - Allocating **structural funds** budget to workforce development in the sector

4. EXPANDING THE RANGE OF RECRUITMENT

How to attract male workers, young people and recent graduates

The vast majority of the people working in health and social services belong to the age group 25-49 years. Yet, between 2000 and 2009 the share of people above 50 years working in this sector increased from approximately 20% to about 28%: in the EU-27 the workforce is ageing. Consequently, the workforce in the younger age groups has decreased throughout the period⁸. Staffing shortages pose major challenges for health care systems, which are likely to intensify as a result of the ageing workforce. Many skilled health workers will retire as demand for health services from an ageing population rises⁹.

Job creation initiatives are essential for meeting the growing demand for care services and workers. Urgent action is needed in terms of promoting the attractiveness of careers in the health and social services sector and recruiting young skilled workers into this field.

To make the sector attractive, it is essential to be aware of the reasons why the sector is not perceived as attractive are many, amongst others:

- Frequent non-standard working hours
- Lack of clear career paths
- Lower than average salaries
- Salary increase lower than rest of the economy and also other non-market services
- Lack of training¹⁰

Social NGOs are important stakeholders in debates on employment at EU level as they are representing and working with many of the groups that are underrepresented in the trade unions and that face most difficulties in securing quality job.

The European Commission could act by:

- Supporting the set-up of adequate **social dialogue** structures, with the participation of employers and employees of the non-profit social sector to make the most of its problem-solving potential, as well as the development and provision of human resources programmes aimed specifically at supporting staff employed in social services.
- Supporting the creation of **vocational training courses** and **qualifications** for careers in social services
- Giving a **formal recognition** to skills of social sector workers

⁸ European Commission, Biennial report on social services of general interest, Brussels, European Communities 2008, p. 15

⁹ ETUC, *Working time in the health sector in Europe*, Brussels 2011

¹⁰ A mismatch exists between the skills needed in providing good quality care, and the formal qualifications required to perform such work. Moreover, whereas the health care sector is characterised by an above average availability of highly skilled staff (BR Report), the opposite is true for social services: front line staff, in particular, often lack basic training and qualifications prior to entering the sector, and adequate on the job training after beginning their career (European Foundation for the improvement of living and Working Conditions, *Employment in social care in Europe*, 2006; CEDEFOP, *GREEN PAPER On the European Workforce for Health*, 2008)

- Using ESF resources to promote a **campaign** with the dual aim of increasing the societal recognition of careers in the care sector and of recruiting young people, by providing them with information on various career options. Information can be made available via the media, open-days events in social services, information sessions held by professionals in schools.

5. GEOGRAPHICAL IMBALANCES AMONGST EU COUNTRIES AND THE FINANCIAL CRISIS

The social services sector: a part of the solution to the crisis

As mentioned above, almost 20% of jobs created between 1995 and 2001 were in health and social services sector; 3.3 million new jobs 2000-2007.

Generally, health and social services play a significant role in the economies and societies of the EU Member States. They meet essential social needs, generate employment on a large scale and contribute significantly to GDP. Yet, at the moment; their importance varies widely across the EU. Their economic, social and employment potentials are clearly underdeveloped in certain Member States. As a result, social needs are insufficiently met and expectations are frustrated.

The level of social protection expenditure is strongly correlated with the proportion of people employed in the health and social services sector; thus, in new Member States a low level of social protection expenditure is corresponding to a low employment rate. On the other hand, in older Member States, a high level of social protection expenditure is positively correlated with an equally high employment rate in health and social services¹¹.

The further job creation potential in EU-15 countries is between 2 and 3%, but when including territory of the EU-27 touches the 5-7%. Moreover, due to the economic and financial crisis, health and social services in all Member States have come under serious pressures as an effect of the economic and public budget crisis. The contracting economy has created a contradictory situation: on one hand a growing need for services and, on the other hand, significantly constrained the financing basis in public budgets. Social Services Europe members reports highlight that austerity measures have negatively affected the social services provision in terms of quality of services and in some cases even of their availability.

An answer to the growing need for care and to the actual employment crisis is more than urgent, and it can be achieved by a structural investment in the sector in order to increase the efficiency of the sector and the quality of the services provided.

The European Commission could act by:

- Including the social sector jobs in the so called **White Jobs** of the EU 2020 Strategy
- Developing a comprehensive strategy involving Member States aiming at a **strategic investment** in social sector job creation

6. CONCLUSIONS

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.

The health and social services sector can represent a strategic solution to the growing needs for care and of employment. Non-profit social service providers have a big role in the provision of social and health

¹¹ *Ibidem*, p. 25

SOCIAL SERVICES EUROPE

services and also in the future job creation. Their specificity, which rests on values of democratic solidarity and exchange and moved by the principle of reciprocity, should be recognised.

The demand for social services exceeds supply of resources available in terms of workforce and financial support to the sector, due to many interconnected reasons that have to do with working conditions, the poor public image of the sector and the lack of public funding, worsened by the recent austerity measures, put in place by many member states.

To avoid the risk of staff shortages and of a contraction in the quality of the services provided action has to be taken, pursuing the following objectives:

- Working conditions have to be improved, dealing with matters such as training and retraining of staff, gender gap, mobility of the workforce, undeclared work and low wages;
- The range of recruitment has to be enlarged to young high-skilled people and male workers;
- A structural investment in the sector is needed, in particular in new Member States, where the potential growth is higher

Social Services Europe is convinced that, even though responsibility to organise and deliver health and social care services rests primarily at national and regional level, the EU has a very important role to play in terms of coordinating policy action, promoting cooperation among Member States and facilitating the exchange of good practice.

More in particular, we invite the European Commission to take the following actions:

- **Ensuring the appropriate legal, political and financial environment in order that social services, including care services, can fulfil their missions;** recognising a primary role to **quality in the public procurement processes** and **discouraging member states from adopting austerity cuts in public expenditure in social, and care, policies and services;**
- Supporting the set-up of adequate **social dialogue** structures, with the participation of employers and employees of the non-profit social sector;
- Supporting the creation of **vocational training courses** and **qualifications** for careers in social services and giving a **formal recognition** to skills of social sector workers
- Using ESF resources:
 - to promote a **campaign** with the dual aim of improve the public image of the sector care sector and of recruiting young people
 - to support national, regional and local authorities in **setting up sustainable funding schemes for social services** and to develop **quality frameworks**
 - to the develop **training and retraining schemes** for the workforce;
- Promoting a **Charter on professional care givers' rights;**
- Allocating **structural funds** budget to workforce development in the sector;
- Including the social sector jobs in the so called **White Jobs** of the EU 2020 Strategy;
- Developing a comprehensive strategy involving Member States aiming at a **strategic investment** in social sector job creation

We look forward to a cooperation with the European Commission, in the policy making process in order to achieve together all these objectives.

April 2012

info@socialserviceseurope.eu

Social Services Europe brings together seven 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. Recognising the increasing pressures on social and health care service providers around Europe, Social Services Europe aims to ensure that the specificity of not-for-profit social and health care service providers is recognised and that economic, social and legal conditions exist for quality social and health care services. 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. The Network is made up of the following European organisations: SOLIDAR, Eurodiaconia, the European Platform for Rehabilitation (EPR), Workability Europe, European Federation of National Organizations Working with the Homeless (FEANTSA), the European Association of Service Providers for Persons with Disabilities (EASPD) and the European Platform for National Non-Profit Umbrella Organizations and for National Associations of General Interest (CEDAG).