



## Investing in services: Challenging myths

Social Platform policy recommendations to the European institutions

February 2017

### **MYTH 1:** Spending on healthcare, social, employment and education services inhibits economic growth

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#### **How can the European institutions challenge this myth?**

- Develop a comprehensive job creation strategy aiming for strategic investment in the social, health and care sector involving Member States.
- Facilitate the anticipation, due to demographic and societal changes, of future needs in terms of employment and training of the workforce in the health and social care sector. Monitor and forecast possible labour force and skills shortages through cooperation between Member States and relevant civil society stakeholders. This will ensure that there is sufficient comparable data for EU wide health and social care workforce planning. The shortage of careers should be addressed as part of a wider strategy, which includes policies for recruitment, retention and training.
- Recommend Member States to invest significantly in secondary, tertiary education and life-long learning and to reform education systems by focusing on inclusiveness, equity and quality, to empower the civic and economic participation of all.

### **MYTH 2:** In times of crisis, funding cuts to health, housing, social, employment, and education services are unavoidable

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#### **How can the European institutions challenge this myth?**

- Urge Member States to reverse service cuts to the health, housing, social, employment, and education sectors in the European Semester's country-specific recommendations (CSRs).
- Drive reforms of Member States' taxation policies to ensure adequate public budgets for health, housing, social, employment, and education services. This should involve fighting tax evasion and avoidance and tackling corruption in public administration, as well as ensuring fairer redistribution.

- Allow public social investment that has a clear positive impact on economic growth to benefit from favourable treatment – so-called “budgetary flexibility” – when assessing the compliance of Member States’ deficits and debts with the European Union’s macro-economic rules. There is evidence that public investment in early childhood education and care, education and training, active labour market policies, and the provision of affordable and social housing brings economic returns. Budgetary flexibility should be prioritised in countries with shrinking public budgets.<sup>i</sup>

### **MYTH 3: Providing health, housing, social, employment and education services for all with public finances is not sustainable in the long-term**

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#### **How can the European institutions challenge this myth?**

- Measure the broad societal impact of long-term investment in services, including by improving data and indicators to assist cost-benefit analysis and use of evidence; propose new ways for public accounting systems to integrate those costs and gains.
- Develop research and statistical data to forecast the service needs of people in all Member States and sectors.
- Prioritise EU long-term investment in high-quality social infrastructure and services – including through the European Fund for Strategic Investments (EFSI) and the European Investment Bank and European Investment Fund lending – to meet people’s needs for quality, accessible and affordable health, housing, social, employment, and education services, and to create new jobs.

### **MYTH 4: Promoting investment in health, social, employment and education services always requires more funding**

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#### **How can the European institutions challenge this myth?**

- Urge Member States to implement policy reforms in services through the European Semester’s CSRs: it is necessary to shift from providing pure social assistance to designing high-quality services that are based on human rights, empower users and adopt a preventative and early-intervention approach. Include policy evaluation in the policy-making process.
- In the context of the mid-term review of the Multi-Annual Financial Framework, earmark at least 25% of the European Structural and Investment Funds (ESIF) – namely the European Social Fund and the European Regional Development Fund – to promote social investment in social, health, education and housing services and policies.

- Encourage all Member States to develop operational tools, exchange of good practices, capacity-building and training tailored to measure the social impact of investment in health, social, employment and education services.<sup>ii</sup>

## **MYTH 5: Migrants, including people from other EU countries, place a burden on the public services of hosting countries**

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### **How can the European institutions challenge this myth?**

- Define minimum standards for emergency support services in the areas of housing and health, ensuring greater coherence across Member States and making use of the expertise of civil society organisations and not-for-profit service providers. Recommend Member States not to limit the provision of health services to undocumented migrants to emergency care only, and to provide other essential forms of health care, such as the possibility to see a doctor and to receive medicine. Pregnant undocumented migrant women should have access to primary and secondary health care.
- Provide Member States with guidance in the setting up of personalised and integrated approaches in access to health and social care, housing, language and intercultural learning, legal advice, employment support, training and education services for EU mobile citizens and non-EU migrants, including in the framework of EU programmes (such as the European Social Fund, the European Regional and Development Fund, the Employment and Social Innovation Programme, the Asylum, Migration and Integration Fund and Erasmus+). Migrants' preferences and the location of other family members should be taken into account when determining where accommodation should be provided and excessive concentration in one location should be avoided.
- Make the "New Skills Agenda for Europe" approach to migrants' skills consistent with the content of the Action Plan on the integration of third-country nationals. To unlock migrants' full skill potential, do not focus only on transparency, comparability and early profiling of migrants' skills and qualifications, but embrace a more comprehensive approach to up-skilling of migrants, including through social entrepreneurship, civic education and non-formal actions.

## **MYTH 6: Most people who are dependent on services should be working instead of staying at home**

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### **How can the European institutions challenge this myth?**

- Launch a legislative proposal to develop a coherent framework for all types of leave to address inequalities between women and men in paid and unpaid work, and promote the equal sharing of responsibilities and costs for care for all dependents.<sup>iii</sup>

- Recommend Member States to halt the growth of precarious employment and to promote instead decent work and quality employment in all sectors. Urge Member States to implement the three pillars of active inclusion policies, by complementing activation measures with income support and access to high-quality services.
- Urge Member States to invest in the creation of quality and sustainable jobs, including in social, health, education, training and life-long learning services. Support the development of the social economy and social enterprises as a business model able to facilitate the social and economic inclusion of people in vulnerable situations, including through the exchange of best practices among Member States.

## **MYTH 7: Older people are responsible for uncontrollable care and healthcare costs**

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### **How can the European institutions challenge this myth?**

- Use the European Semester's CSRs to guide Member States in the reform of their health systems: by reducing the cost of care delivery through enhanced efficiency and avoidance of waste by improving organisational aspects; by avoiding progression of chronic diseases which account for 70% of health care budgets; by promoting good health for all and preventing the onset and progression of disease, especially among groups in vulnerable situations; by developing integrated health systems, where all components (primary health care, hospitals, community care and home care) are under one administrative umbrella.<sup>iv</sup>
- Steer a shift in Member States' investments from residential care to a safe "care-at-home" model, by developing innovative, cost-efficient and evidence-based solutions for independent living at home. This should be achieved through more efficient use ESIF and EFSI, including for the re-adaptation of the existing building stock.<sup>v</sup>
- Develop a comprehensive strategy for the creation and promotion of new job profiles and qualifications for the long-term care sector to realise its full employment potential. In particular, measures should favour the mobility of professional carers between care sectors, focusing on the social and care needs of people. This includes the development of skills related to information and communications technologies and assistive technologies, people-centred case and care management, and everyday life assistance.

## **MYTH 8: Why should we pay for public services that are inefficient? Private companies are generally more dynamic and efficient**

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### **How can the European institutions challenge this myth?**

- Trigger competition among service providers on the basis of the levels of quality, accessibility, affordability, users' safety, equal treatment, innovation, and respect and promotion of users' human rights. Cost-effectiveness is one important element when

choosing service providers, but not the only one. No matter whom the provider is (a public authority, a non-profit organisation, a social enterprise, a for-profit business) or the source of funding used (public or private), Member States and public authorities must ensure that a profit-making logic does not prevail over the general interest enshrined in the mission of essential services.<sup>vi</sup>

- Set benchmarks concerning the provision of health, social, employment and education services through the European Pillar of Social Rights. Benchmarks should not be limited to availability of services, and should drive the implementation of essential quality principles. Use as a reference the voluntary European Quality Framework for Social Services of the Social Protection Committee<sup>vii</sup> and the European Quality Framework for Early Childhood Education and Care developed by the European Commission.<sup>viii</sup>
- Impose obligations on service providers to inform users about their rights, the rules of the services, the different service options available, and care and complaint procedures, and to support them in defending their rights. Ensure that care providers enable users to participate in the development, implementation, and evaluation of care services and, where feasible and appropriate, support the most dependent in this role.

## **MYTH 9:** Independent living is not for everybody and is too expensive. Residential care is better for people who are not completely self-sufficient

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### **How can the European institutions challenge this myth?**

- Recommend Member States to use ESIF and other EU programmes to organise awareness-raising, training, and capacity-building actions addressed to decision-makers, service providers and the general public to promote better understanding of what independent living means, and to organise adequate quality support services with trained staff.
- Support financially (through ESIF and EFSI) and through policy guidance the transition from institutional care to family, community-based and alternative care, and the development of a support system based on independent living in all Member States, including personal assistance schemes.<sup>ix</sup>
- Provide guidance to Member States in setting up adequate policy frameworks to facilitate the transition to independent living of young people who leave the alternative care system. This should include the development of personalised plans, with the active involvement of the young person concerned, regarding gradual departure from care and aftercare support, financial and housing allowances, and psychological and personalised support aimed at developing self-esteem and ability to build and maintain interpersonal relationships.

## MYTH 10: 'Deinstitutionalisation' is only about closing segregated institutions

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### How can the European institutions challenge this myth?

- In cooperation with Member States, ensure that ESIF effectively supports the transition from institutional to community-based care, by means of monitoring, policy guidance, technical assistance and capacity-building of managing authorities and stakeholders. This process should ensure that before institutions are closed, high-quality alternatives are in place following a step-by-step process. In the case of children, whenever appropriate, efforts should be made to reunite the child with his/her biological family, who should receive on-going support.
- In cooperation with the European Investment Bank, the European Investment Fund and financial intermediaries, ensure that projects supported by EFSI are consistent with EU policies and recommendations concerning the transition from institutional to community-based care, including the relevant ESIF ex-ante conditionalities. Include quality of social services as eligibility criteria for projects, and involve experts from the social sector and the social economy in the European Investment Advisory Hub.
- Throughout the European Semester, ensure that CSRs that positively contribute to the transition to community-based care are not jeopardised by fiscal recommendations that require the reduction of government deficits. Safeguards for public investment in the area of quality social infrastructure should be included in recommendations related to fiscal consolidation.<sup>x</sup>

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<sup>i</sup> In its 2015 [Communication on Making the Best Use of the Flexibility within the Existing Rules of the Stability and Growth Pact](#) – COM(2015)12, the European Commission displayed its willingness to allow budgetary flexibility to encourage the effective implementation of structural reforms, promote investment and take better account of economic cycles in individual Member States. However, this Communication does not explicitly make space for public investment in social policies and services.

<sup>ii</sup> To know more, see Social Platform's 2014 [position paper](#) on the financing of social services (point III), and the 2014 [report](#) on Social Impact Measurement by the sub-group of the Commission's Expert Group on Social Entrepreneurship.

<sup>iii</sup> This proposal should improve provisions about parental leave, maternity and paternity leave, adoption, care-givers and non-child related and filial leave, including the promotion of flexible working time arrangements by choice. Read more in Social Platform's 2016 [position paper](#) on investing in services and work-life balance to improve gender equality.

<sup>iv</sup> Disease burden is heavily influenced by one's socio-economic status, thus targeting disease prevention for those at greatest risk would create maximum economic value and tackle inequalities. Source: Hans Martens (2016), '[Economic Value as a guide to invest in health and care](#)', European Policy Centre.

<sup>v</sup> Currently, in the EU 70-80% of the existing building stock is unsuitable for independent living for the ageing population.

<sup>vi</sup> To know more, view Social Platform's 2014 [position paper](#) on the financing social services.

<sup>vii</sup> See the European Commission's website, [Social Services of General Interest](#).

<sup>viii</sup> Report of the Working Group on Early Childhood Education and Care under the auspices of the European Commission, [Proposal for key principles of a Quality Framework for Early Childhood Education and Care](#) (2014).

<sup>ix</sup> See the website of the [European Expert Group on the transition from institutional to community-based care](#).

<sup>x</sup> See the 2016 [press release](#) of the European Expert Group on the transition from institutional to community-based care.