

Job Creation Potential of the Social Services Sector

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I. Unlocking the Job Creation Potential of Social and Health Services Sector

As a result of demographic and societal trends, it is clear that the demand for social services is growing and will continue to do so over the next few years and even decades. The European population is ageing significantly and by 2025 it is expected that over 20% of Europeans will be 65 or older, with a particularly rapid increase in numbers of those aged over 80. This trend represents a threat to the sustainability of our current social and economic model, but like with most challenges it also leads to new opportunities.

An ageing society comes with an increased need for social services and support. This implies that the supply for this increased demand will need to be met, consequently meaning that the health and social services sector will need to employ more members of staff. These “white jobs” refer to the 22.8 million people across the European Union who work in this sector¹, or over 10% of EU workforce². According to the European Commission, this figure will increase in the coming years as society copes with these trends, as well as new developments, such as the impact it will have on the provision of care services³. Furthermore, the demand for formal care may 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)⁴.

Health and social services already accounts for between 5 and 13% of EU GDP, or in other words adds around 800 billion EUR to the European economy each year. There is a huge opportunity for the European Union to expand on this if it were to create the right framework environment to help the sector fulfil its potential. Moreover, the role of social services is even more crucial in times of economic recessions as social services also play a strategic role in strengthening social cohesion and fighting poverty.

¹ Vlerick Business School, Report on Recruitment and Retention in the Social Services Sector, 2012
http://www.easpd.eu/sites/default/files/sites/default/files/Policy/Vlerick/fact_sheet.pdf

² European Commission, Call for Proposals for Social Policy Innovations Supporting Reforms in Social Services, VP/2014/008.

³ European Commission, Skill investment in “white jobs” is a must, 2010
<http://ec.europa.eu/social/main.jsp?catId=370&langId=en&featuresId=112&furtherFeatures=yes>

⁴ Social Services Europe, Job Creation Potential in the Health and Social Services Sector, 2012
<http://www.socialserviceseurope.eu/publications/item/32-reflection-on-employment-potential-in-social-services>

In addition, the sector has already shown in the past that it is an extremely dynamic sector in terms of employment expansion. Again according to data from the European Commission, between 2000 and 2009, 4.2 million new jobs were created in the health and social services sector in the EU; over a quarter of all jobs created in Europe during that period⁵. Even in times of economic crisis, job creation continued to rise with 1,3 million new jobs created in the sector between 2009 and 2013 (European Commission 2014)⁶.

Therefore, based on the increased demand for social and health services in Europe, as well as on the strong job creation rates the sector has shown in the past, it is clear that our sector represents a huge opportunity for our political institutions to grab and take full advantage of. This is even more the case when some 26 million Europeans are currently unemployed in Europe⁷ and 120 million living in poverty or at risk of poverty⁸. Fulfilling the potential of our sector is key to achieving smart, sustainable and inclusive growth by 2020.

II. Current Barriers to Job Creation in Social and Health Services Sector

To fulfil the job creation potential of the sector, it is key that the right environment be in place permitting the service providers to employ more staff and deliver better services.

This is not currently the case. The austerity measures over the past few years as a response to the economic and fiscal crisis have had a severe impact on the social care sector. Indeed, the levels of expenditure reduction were more drastic in the social services sector, then in comparison with social security, healthcare and education⁹; even though this varied from country to country. In this context of budget reduction, the funding of the social services sector is also severely affected. The cuts are not only affecting the public sector as the non-public service providers also heavily depend on public funding. Indeed, based on research EASPD did in 2012, 75% of funding of service providers to people with disabilities was linked to public sources, albeit to differing degrees¹⁰ (See Figure 1).

The effects of the austerity cuts on policies, strategies and programs for disabled people at national level are alarming. Indeed, almost 60% of service providers mentioned that the crisis impacted the long-term disability strategies they are trying to implement¹¹. In Greece, for

⁵ Vlerick Business School, Report on Recruitment and Retention in the Social Services Sector, 2012
http://www.easpd.eu/sites/default/files/sites/default/files/Policy/Vlerick/fact_sheet.pdf

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<http://www.google.be/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CCMQFjAA&url=http%3A%2F%2Fec.europa.eu%2Fsocial%2FblobServlet%3FdocId%3D13356%26langId%3Den&ei=V0EdVdKuL4bm7gaW7YC4Bw&usg=AFQjCNFweaXJChZxsDNPd-HZC8bQTOPIkA&sig2=Cgqcl8wHLWNE-xa1Z NVw&bvm=bv.89744112,d.ZGU>

⁷ Eurostat Newsrelease, Euro area unemployment rate at 12.0%, 2014

http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31012014-AP/EN/3-31012014-AP-EN.PDF

⁸ European Commission, Poverty and Social Exclusion

<http://ec.europa.eu/social/main.jsp?catId=751>

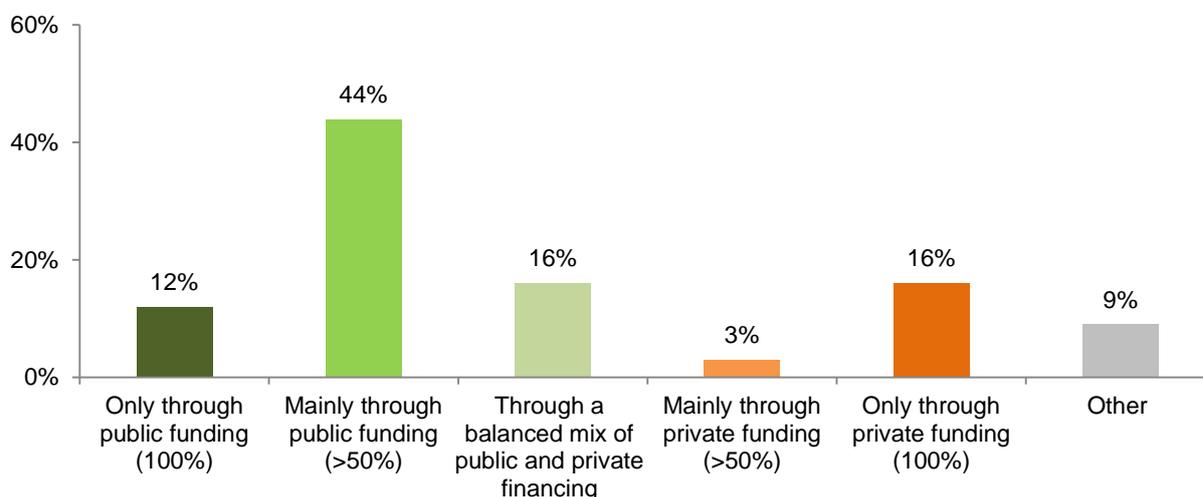
⁹ Bernard Brunhes International Group. (2012). Assessing the impact of European Governments austerity measures on the rights of people with disabilities. European Foundation Center

¹⁰ Vlerick Business School, Report on Recruitment and Retention in the Social Services Sector, 2012
http://www.easpd.eu/sites/default/files/sites/default/files/Policy/Vlerick/fact_sheet.pdf

¹¹ Vlerick Business School, Report on Recruitment and Retention in the Social Services Sector, 2012
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example, all non-for-profit providers for people with disabilities interviewed state that after the economic crisis they have experienced significant cuts in their funding coming from the public sector. Likewise in Spain, a local authority confirmed a 15% decrease in local funding of non-governmental agencies that are working with people with disabilities¹².

Figure 1: Sources of funding of service providers to people with disabilities (EASPD, 2012¹³)



According to the European Commission in 2008, around 80% of the costs of running a social service are staff costs¹⁴. As such, it is clear that cutting the budgets for social services has a direct effect on the amount of jobs in the sector.

The austerity measures taken by Member States have had a strong negative impact on the budgets of service providers, and consequently on the amount and quality of staff they can employ. This is especially the case in the countries who are experiencing the highest unemployment rates. The current crisis in the funding of quality social services throughout Europe is the main barrier to taking full advantage of the job creation potential of this same sector.

There are however many other aspects which need to be tackled in order to fulfil the sector's employment potential:

- **GENDER.** Due to employment segregation and gender stereotypes, the social service providers' professions are predominately female-dominated. For example, in Italy, 89% of social care employees are women¹⁵. In the UK, the same statistic is at 82%¹⁶. Although it varies, it is clear that this gender balance problem is apparent in every European country¹⁷.

¹² Bernard Brunhes International Group. (2012). Assessing the impact of European Governments austerity measures on the rights of people with disabilities. European Foundation Center

¹³ Vlerick Business School, Report on Recruitment and Retention in the Social Services Sector, 2012 http://www.easpd.eu/sites/default/files/sites/default/files/Policy/Vlerick/fact_sheet.pdf

¹⁴ European Commission, Biannual report on social services of general interest, Brussels, 2008

¹⁵ Simone Casadei, (2011). Le professioni social in Italia. Osservatorio Isfol.

¹⁶ Skills for Care. (2012). The State of the Adult Social Care Sector and Workforce in England.

¹⁷ Vlerick Business School, Report on Recruitment and Retention in the Social Services Sector, 2012 http://www.easpd.eu/sites/default/files/sites/default/files/Policy/Vlerick/fact_sheet.pdf

- **AGE.** In many European countries the workforce in the social services sector is ageing. Between 2000 and 2009, the share of people over 50 years old in the health and social sector increased by almost 8%¹⁸. However, so far there is no research that provides consistent data for the average age of the workers in our sector. The trend, however, is clear.
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- **WORKING PATTERNS.** The rate of part-time contracts is in general quite high in the sector compared to the economy as a whole¹⁹. The occurrence of part-time employment is even higher in home care services²⁰.
- **Remuneration.** Workers in social care earn less than the national average wages. Given that the working conditions in this sector are tough, the low salaries make the social care professions rather unattractive²¹. However, the lack of consistent and reliable data about the social care sector in the EU is even more prominent regarding the remuneration of employees of the sector.
- **QUALIFICATIONS – TRAINING.** On average workers in the Health and Social Care sector have a medium or high level of education. More specifically, in the EU-15, almost 40% of the workers in health and social services have tertiary education level, 13 percentage points higher than compared to the total economy. However, the data may be misleading. According to EUROFOUND’s research, social services front line staff do not share the same level of education as healthcare professionals. Social care employees often lack the basic training and qualifications prior to entering the sector and suitable on-the-job training after they start their careers²², despite the introduction of the European Care Certificate in 2008.
- **MIGRATION IN SOCIAL CARE.** With the increasing demand for social care workers in an ageing European population, a new supply of workers has been established mainly in the countries of Western Europe by skilled workers from the countries of Eastern Europe and from outside the EU. The main driver is the cheap labour cost that these workers can provide. However, the inability to measure the size and the quality of the migrant working force can put in danger the quality level of the care services if the focus on cheap labour cost is too high. In addition, this migration may also lead to labour shortage in the sender countries who, in addition to the brain drain of qualified care workers, will have to turn to the third countries in order to fill their demand.

Another important new development in our sector is that persons with disability are cared for more and more at home, the so-called Personal Household Services. This development has created new jobs in our sector but has also brought new challenges in terms of working conditions and quality of services provided. Although we welcome this development as it supports the transition towards community-based care, it should come with a decent framework to ensure decent jobs and the quality of service provided.

¹⁸ European Commission, Skill investment in “white jobs” is a must, 2010

¹⁹ http://www.easpd.eu/sites/default/files/sites/default/files/Policy/Vlerick/fact_sheet.pdf

²⁰ European Centre for Social Welfare Policy and Research, 2012

²¹ European Commission, Skill investment in “white jobs” is a must, 2010

²² EUROFOUND, Employment in Social Care in Europe, 2006

III. What is EASPD doing to help?

To help fill the knowledge gap on this topic, EASPD has set up a “European Observatory on Human Resources” within its membership. The European Observatory will aim to

- Measure the shortage of staff and workforce development issues in the disability sector, as well as the mobility of social sector workers;
- Identify and discuss trends in the disability sector workforce with regard to a shift in paradigm towards person-centred services and support;
- Serve as an instrument to increase the understanding by the workforce and employers of the 2020 Employment strategy;
- Develop advice and specific recommendations to social service providers and authorities at relevant levels on recruitment strategies, job profiles, training opportunities, job creation and human resource trends.

EASPD will also advocate the European institutions for them to work on how to unlock the job creation potential of this sector and take full advantage of the opportunities it presents.

IV. What can the European Union do to help?

The European institutions must issue an Action Plan on how to tap into the job creation potential of the social and health services sector in order to help achieve the Europe 2020 targets.

This Working Paper could promote the following actions:

- Conduct a comprehensive research of the Social Services sector in the European Union, focused on
 - o its three strands (public, private not-for-profit, private for-profit);
 - o the importance of ensuring quality and inclusive social services to all European citizens to guarantee access to their rights;
 - o providing solutions to the above mentioned barriers and aspects;
 - o data on tendencies and trends within the sector from EUROSTAT.
- Allocate funding for personal training programs, through the European Social Fund;
- Strengthen exchange programs for quality internships in the social services sector;
- Develop a Social Services Online Portal to facilitate the exchange of best practices on how to enhance working conditions and the sector’s attractiveness;
- Improve and further promote a single standard qualification certificate;
- Develop and launch a European campaign aimed at improving the attractiveness of the Social Services sector, in particular to young people; and
- Develop social dialogue structures for the social and health services sector throughout Europe.

For additional information, please contact

Thomas Bignal

Policy and Communications Officer

T. +32 2 282 46 11

thomas.bignal@easpd.eu

www.easpd.eu



Luk Zelderloo

Secretary General

T. +32 2 282 46 10

luk.zelderloo@easpd.eu

www.easpd.eu

