

Investing in Social Services

I. Jobs and Growth

Social Services can be defined as care and support “services for older people, people with disabilities and children, as well as services to reach excluded and disadvantaged group”.

The sector plays an important role towards job creation in Europe in three main ways:

- Firstly, the sector already employs 10.106.800 people (EC, 2016)¹, with over 1.7 million jobs having been created between 2008 and 2015 making it one of the biggest job creating sectors in Europe (EC, 2015).
- Secondly, social service providers contribute significantly to getting people excluded from the labour market back into jobs, especially disadvantaged groups & long-term unemployed;
- Thirdly, the provision of quality social care services allows higher labour market participation rates for some groups of people often excluded from it, in particularly women.

Together with health services, social services represents 7% of the total economic output in the EU-28 (EC, 2014). Access to quality social services also has a significant impact on growth through the sector’s role in enabling people to become economically active and to take full part in society, in particular those most excluded from society.

II. Investment Opportunities

Demand for quality social services has grown significantly. It is also expected to grow significantly over the next few decades due to demographic changes and evolving family patterns.

The economic crisis also decreased both public and private investment into the sector, both hindering the development of quality social services as well as quality job creation in the sector.

In a survey done in 6 countries, all respondents required investment (€50,000-€100 million/annum) to build fit-for-purpose quality social infrastructure or to strengthen human capital development of staff; yet struggled in accessing such financing from financial intermediaries due to perceived higher risk. Additionally, only one large service provider were aware of the European Fund for Strategic Investments.

The EFSI could be an extremely useful financial instrument for social service providers. Yet, under 4% of EFSI has been dedicated to social infrastructure and under 1% for social services, stricto sensu. Changes are required to unlock investment into social services.

III. EU relevance

Facilitating access to finance for the social services sector would enable the sector to fulfil its role in enabling & empowering all people to take part in society. Such support would also help to build a Social Triple A and implement the upcoming European Pillar of Social Rights.

IV. Contact Details

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