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THE RESTRUCTURING OF SOCIAL SERVICES IN EUROPE AND ITS IMPACT ON SOCIAL AND TERRITORIAL COHESION

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Foreword

- Honored for the invitation, and very happy to introduce this prestigious series of seminar
- My field is regional development and I have been working for over 30 years on services, regional development and cohesion, with a strong multi- and trans-disciplinary approach. First *business* services (in the 1980s when the topic emerged), i.e. services supporting **production**; more recently (2000s) *social* services, i.e. services supporting **reproduction**.
- Today I will present the theoretical framework underlying the COST Action '**So.S.Cohesion – Social services, welfare state and places**', which I proposed and got funded last year and now involves 19 European countries, including Spain, valiantly represented by my splendid host Professor Marisol Garcia.
- This action brings together different threads of research in a comparative perspective.

Outline of presentation

- **Why are social services important**
- **Social services and the welfare state**
 - The provider of social services
 - Welfare 'models'
- **The restructuring of social services**
 - Ambivalent readings
 - Restructuring strategies
 - Impacts
- **Key issues**
 - Social services, governance and social innovation
 - Social services and territorial cohesion
 - Social services, labour markets and gender division of labour
- **The COST Action 'So.S. Cohesion'**

Introduction

- Since Esping-Andersen's characterisation of the 'Three Worlds of Welfare' (1991), social services have experienced important **restructuring processes**, throughout Europe, from different points of departure, with different intensities, but somewhat similar strategies.
- On this restructuring relevant scientific research has been carried out in the 1990s and 2000s, tackling different aspects.
- Among the main outcomes of this body of research can be mentioned:
 - the enrichment and further articulation of the 3 'Worlds of Welfare' into at least 5 '**models**';
 - a better understanding of **path-dependency** mechanisms, i.e. the persistence of territorial specificities in change processes;
 - the recognition of '**social** **innovation** processes;
 - a new awareness of the problematics of **universalism**, a notion that is increasingly under scrutiny (for the good and for the bad)
- The financial crisis started in 2008 has brought social services back on the agenda, as cuts in public expenditures are severely threatening the very existence of some of these services in many countries and undermining social rights.

Why are social services important

- When in the early 1980s scholarly attention shifted from manufacturing to services, the scientific debate overwhelmingly focussed on **producer** services, as the new engine of development.
- It is only more recently that scholars have begun addressing services oriented to **reproduction**, among which services ensuring the **reproduction of people**.
- The **public** provision of such services was the backbone of the so-called Fordist-Keynesian **welfare state**.
- But public social services should not be considered a 'redistributive' mechanism (Swyngedouw and Jessop 2005), as they have **key development implications**:
 - They contributes to **lowering – socialising – the cost of labour reproduction**, thereby actively sustaining accumulation.
 - They provide **employment**, which in turn sustains demand and contribute to the Keynesian multiplier.
 - They free **women** from family reproduction activities and increase their **participation to the labour market**.
 - Most importantly, the public provision of social services has a major socio-political dimension, as it is a major vector of **citizenship** (Jenson 2007) and **social cohesion**.

Social services and the welfare state

- Social services are a major component of **welfare systems** as they have developed in all Western countries after World War Two.
- In fact, welfare systems are made of two main components (Jensen 2008):
 - a) A more or less extended **social security system**, i.e. public **monetary transfers or cash benefits** to individuals and/or households against the **risks of life** (unemployment benefits, pensions, poverty or disability relief, sickness leaves, maternity/paternity leaves, etc.).
 - b) A more or less extended system of publicly provided/subsidised **in-kind social services**, i.e. the direct provision of services to people:

These two components are not easy to separate and are often lumped together (see Jensen 2008 on this point). In fact, the two domains are **complementary** and in many cases **substitutable**.

Social services and the welfare state

- Three main domains of social services:
 - **Education** services (earliest ‘universal’ service, at least in the first levels → ‘compulsory education’)
 - **Health** services (universal in some countries → NHS)
 - **Care and assistance** services for early childhood, old age, disabilities, other special needs (the most recent s.s. to become a **right** as opposed to **charity**)
- Access to social services can be:
 - **universal**, when everybody, regardless of origin, place, income, gender, age has the right to the same quality/quantity of service or cash transfer (rather a theoretical notion, with different degrees of approximation in reality)
 - **selective**, when the service/cash transfer is reserved to specific categories of people (e.g. based on needs)
 - **means-tested**, when a fee is charged or the benefit is graduated in function of income (means).

The providers of social services

- Research has traditionally focussed on 3 main suppliers:
 - a) the **state**, providing free or subsidized ‘public’ services to all or selected social groups;
 - b) the **market**, i.e. private for profit firms or self-employed people selling services to those who can pay;
 - c) the **family**, in the form of unpaid (generally female) service work supplied and consumed within the (enlarged) family.
- A 4th type has recently been added:
 - d) the **third sector**, i.e. non profit organizations, voluntary associations, co-operatives, etc.

The importance of the latter – often identified with the ‘social economy’ (Laville and Nyssens 2000, Ascoli and Ranci 2002) – has dramatically increased in the last twenty years, also as a consequence of the restructuring of the Welfare state

Social services and welfare 'models'

- **Who pays for, who provides, who has access to** and the **form** of service provision/support strongly affects the organisation and reproduction of **societies** and contributes to define '**welfare models**'.
- The main **parameters** considered in the literature are:
 - degree of **public** provision/support → 'decommodification' and 'defamilization' of reproduction services
 - mix between **cash transfers** and **in-kind provision** → degree of market support
 - regulation of **access** → degree of **universalism**
- 5 main 'stylized' welfare **models**:
 - Nordic or socialdemocratic
 - Anglo-Saxon or liberal
 - Continental or conservative
 - Mediterranean or familistic
 - Central-Eastern European or 'in transition'

The restructuring of social services

- Since Esping Andersen first characterization of the '3 World of Welfare' as they featured at what will be remembered as the 'golden age' in the Post-WW2 'welfare state', profound restructuring, in different waves.
- This restructuring – often referred to as 'modernisation' (Huber et al 2006) – begun in the 1980s as a consequence of different **transformative pressures** (see Starke 2006 for a review, Pavolini and Ranci 2008, Bode 2009, Ferrera 2009).
- On the one hand, there were **bottom-up** pressures, such as users claims for greater choice and/or customization of services, for increased participation in the production-delivery process and, in general, for more democratic and accountable governance systems, in opposition to often bureaucratic and standardised public services.
- On the other hand, there were **top-down** pressures, essentially related to the fiscal crisis of governments and the imperatives to cut down public expenditures, most often through the introduction of NPM systems (Spandler 2004, CEC 2007).
- These two types of pressures found some sort of odd convergence in the Post-Keynesian discourse of **liberalisation** and '**subsidiarity**'.

Three main restructuring trends

Three main – overlapping – strategies (Blomqvist 2004, Huber et al 2006, Pestoff 2006, CEC 2007, Pavolini and Ranci 2008, Bahle 2008):

1. A **rationalization in public expenditures**, in the form of a reduction in the financial support of social services or the introduction of more stringent NPM procedures, which has often involved an **increase in selectivity** and/or an increase in **user fees** or contributions, and/or **lower coverage or quality**.
2. The **externalisation, privatisation and liberalisation** of service production, which has meant a diversification of suppliers, entailing – among other things – a growing involvement of the Third Sector (**horizontal subsidiarity**)
3. A **scalar re-articulation of authority**, generally from the national to the local governments ('re-scaling', devolution), entailing a growing responsibility of the local administrative level in the planning, funding and delivery of social services, not always with adequate resources (**vertical subsidiarity**)

The impact of the restructuring

Ambivalent readings

- In the literature the **evaluation** of the economic and social impact of the restructuring is fragmented, mixed and **ambivalent**.
- On the one hand, scholars stress the **benefits** of territorial devolution and Local Welfare Systems (LSF), as well as the greater satisfaction of (some) users as a consequence of the greater diversification and customisation of services brought about by the opening of the service supply to third parties;
- On the other hand, scholars also voice **concern** about the increased stratification of supply and territorial differentiation of welfare systems, with the associated (risks of) growing users discrimination and social exclusion.
- These concerns are to some extent voiced by the Commission of the European Communities in the 2007 document 'Services of general interest, including social services of general interest: a new European commitment', where the special mission of social services in ensuring social cohesion and the need to safeguard **equal access independently of income, origin and place**, as well as adequate public support, legal certainty and transparency towards citizens, is stressed (pp. 7-8).

The impact of restructuring 5 perspectives

- In our COST Action (2012-15) we seek to assess the impacts of the restructuring in different European national and regional contexts from **5 perspectives**:
 - **Efficiency/effectiveness** with particular attention to diversification and customization of services and user satisfaction
 - **Democratic governance**, i.e. broader participation to decision-making and increased accountability
 - **Social and territorial cohesion**, i.e. universal access to SS independently of origin, income and place
 - **SS labour market** (quality of training and contractual conditions of SS workers)
 - **Gender and equal opportunities** (position of women and other vulnerable groups, such as young people and immigrants)
- I will briefly elaborate on a couple of these perspectives

Governance and social innovation

- **Innovations in governance** towards a more enlarged and democratic process of decision making, which empowers people and changes relations (e.g. between bureaucratic providers and users conceived as passive recipients) can correctly be characterized as **social innovation**.
- On the other hand, I have argued in a recent paper (2012) that social innovation is fragile and ephemeral and needs to be **sustained**. Social innovation, i.e. the bottom-up mobilization of users and local organizations, needs human and financial resources that are not readily available, especially among the weakest groups or in the most deprived places.
- Democratic governance and social innovation can best occur in contexts where the **state** provides a firm regulatory and financial framework.
- In Italy, for example this occurs in the childcare domain in **Emilia Romagna region**, where the regional government has established a robust programming framework, with distributed responsibilities (Region, provinces, municipalities) and interactive communication procedures that leaves ample room to continuous experimentation and bottom-up innovation.

Territorial cohesion

- The **territorial** context is a relevant analytical dimension. The Post-Keynesian restructuring of the Welfare state is strongly **context-specific** and **path-dependent**, i.e. conditioned by the socio-cultural, economic and institutional trajectories of places (Kazepov 2008, Pavolini and Ranci 2008).
- This also means that apparently similar regulatory/organisational arrangements may yield different results in terms of access, quality, working conditions etc. in different **places**.
- On the other hand, two main features of the recent restructuring, i.e. cuts in public expenditures and administrative devolution (without resources), are transversally generating **increased territorial disparities**, as the poorest regions have less resources to face long-term deficits.
- This is certainly the case of Italy, where the redistributive role of the central state in social services has been severely limited by the federalist reforms, on the one hand, and the financial crisis on the other.

Childcare in Italian regions 2009



Figure 3.4. Children registered in municipal daycare centres in the 20 Italian regions, 2009 (% of total 0-2 year-old children)

Source: Istat 2011



Figure 3.3. Municipalities with public daycare in the 20 Italian regions, 2009 (% of total municipalities)

Source: Istat 2011

% of children using municipal daycare services (S05 indicator) in Calabria, Lombardy and Emilia Romagna, 2004-10

	2004	2005	2006	2007	2008	2009	2010
Calabria	2,0	2,1	2,4	2,0	2,7	3,5	2,4
Lombardia	15,5	13,7	14,8	15,8	16,5	18,7	18,9
Emilia-Romagna	27,5	28,3	27,7	28,2	28,1	29,5	29,4
Mezzogiorno	4,2	4,5	4,3	4,3	4,8	5,0	5,2
Italia	11,3	11,1	11,7	11,9	12,6	13,5	13,9

Source: Istat 2012

The labour market of SS and the gender division of labour

- Social services perform a **double role**: a) they supply *services*, but b) they also provide *employment*.
- Moreover, c) they introduce new balances of care/reproductive work in households and in the **gender divisions of labour** therein.
- Therefore, the consequences of change must be assessed not only with regard to service *users*, but also with regard to service *workers*.
- Externalisation, privatisation and liberalisation processes tend to shift onto private providers (often self-employed) and communities (Third sector, voluntary organisations) the production of services, in a context of reduced public funding. This often involves a **precarisation, casualisation and de-professionalisation** of service workers, which has negative consequences not only in terms of salaries and career opportunities, but also in the regulation and reproduction of **professional knowledge and skills**.
- A **paradox** is unfolding in the labour market: increased professional training on the supply side vs. increasing low salaries, bad contractual conditions, and exploitation, on the demand side.
- These changes particularly affect **women**, who are both *users and providers of social services*. As a wide body of literature and research has stressed, the Fordist-Keynesian welfare regime with its public provision of social services represented and important 'professionalised' work opportunity for women. When the restructuring of social services involves the contraction of such jobs and/or the reduction in access to such services, women may be driven back into their traditional role of family care-givers.

Organization of the COST Action So.S.Cohesion

The Action is articulated in **4 tasks**. The first **3 tasks** are *sequential*, whereas the **4th** is *transversal*.

1. A comparison of the **regulatory trajectories, institutional geometries, and organisational configurations of SS** in countries belonging to the **5 main 'welfare models' (WG1-YEAR 1)**
2. A comparison of **concrete experiences and practices in the field of care services** from the **5 perspectives (WG2- YEARS 2 and 3)**
3. The **in-depth analysis** of significant **cases**, both virtuous and critical, to identify the *bottlenecks* and *enabling institutional and organisational arrangements* from the 5 perspectives and to assess their transferability potential, for **policy purposes (WG3-YEAR 4)**
4. Knowledge **dissemination** and **capacity building** through **networking (WG4)**

The approach

- **Integrated** (tackles multiple socio-economic implications and complex inter-relations of So.S.)
 - *multidisciplinary* (economics, sociology, planning, geography, social policy, ...)
 - *trans-disciplinary* (bridging theory and practice)
 - *policy-oriented*
- **Space- and time-sensitive**
 - *context specificities* (institutional, socioeconomic, cultural)
 - *evolutionary* (path-dependent trajectories)
- **Comparative** (use of templates to 'frame' the exchange of knowledge)

**Thank you
for
your kind attention**