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SO.S. COHESION – Social services, welfare states and places

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**SOCIAL SERVICES  
DISRUPTED**  
Changes, Challenges and  
Policy Implications for Europe  
in Times of Austerity

NEW HORIZONS IN SOCIAL POLICY

**BOOK LAUNCH**

**Social Services Disrupted  
Changes, Challenges and Policy Implications  
for Europe in Times of Austerity**

Edited by  
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## Social services: A somewhat neglected topic in regional studies

- This book is about social services. **Public** social services (PSSs)
- A somewhat neglected topic in regional studies
- In fact, since the 1980s, when services began to be addressed in the urban/regional debate, the focus has been prevailingly on 'business services' and their innovation/competitive potential
- Implicit assumption that SSs only have a social justice dimension and, hence, are a social policy matter
- We contend that SSs have both an economic (efficiency) and a social (equity) role
- More importantly, we argue that they play a key role in both reproducing and reducing spatial inequalities and should therefore be a prime policy tool for regional rebalancing

## The book

- Final product of the COST Action ‘SO.S. COHESION – Social Services, Welfare States and Places’ (2012-16)
- On the **restructuring** of PSSs in Europe and its **impacts on social and territorial cohesion**
- 24 countries
- 40 university and research institutions
- 19 chapters; 410 pages
- **OPEN ACCESS**

## A few specifications

- The focus of the book is on:
  - **Care** services and services for the **inclusion of vulnerable groups** but their trends also reflect the broader dynamics of education and health services
- PSSs are a key component of the modern **welfare state** (the other being Social Security)
- Two modes of publicly supporting social services:
  - The **provision** of **in-kind** public services
  - **Cash** transfers (‘cash for care’) to purchase services in the market

They are generally considered alternative choices, but are often used in a complementary way

## Social services and the welfare state

- In the course of the 20<sup>th</sup> century social services have gone a long way:
  - They have progressively become a **public responsibility** (construction of the modern Welfare state) → **de-familisation** and **de-commodification**
  - Until the beginning of the 21<sup>st</sup> century they had become, in principle, a **right** → **social citizenship**
- And yet:
  - Very differentiated national and regional trajectories
  - Weak status compared to education and health care (the 'Cinderella' of PSSs)
  - Subject to heavy restructuring in the last thirty years → financial crisis
- Time-wise: 2 historic welfare 'regimes' in Europe : 1) Keynesian (1945-1980); 2) Neo-liberal (1990-to date)
- Space-wise: 4-5 welfare 'models': the 3 models described by Esping-Andersen (a) Nordic or Social-democratic; b) Anglo-Saxon or Liberal; c) Continental or Corporatist), plus (d) the Mediterranean or Familistic and (e) the Eastern European or 'transition' model

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## Public social services, universalism and cohesion

- The notion of 'universalism' was a building block of the modern welfare state, as initiated in Nordic countries:
  - It involved **publicly** providing the same (high) quality service to everybody, regardless of income, gender, origin, or place of residence
  - It was a pillar of the principle of 'social citizenship' (Marshall, 1950)
  - Main tool of social and territorial cohesion
- Starting in the 1980s a contested principle:
  - 'New' social movements for the recognition of diversity, user-centred services and freedom of choice
  - Subsequent scholarly discussion on universalism, selectivism, and particularism (Anttonen and Sipila 1996; Anttonen et al. 2012)
  - Now a more flexible concept, especially in what concerns the diversity of demands and the consequent need for a diversified and user-centred public supply
  - But still a key principle to pursue, if social and territorial cohesion are to be ensured

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## The role of the EU

- Since the acceleration of European integration in the 1990s, the EU has focused on economic integration and left behind social integration.
- In the EU strong asymmetry between economic regulation ('strong' law → market liberalisation) and social regulation ('soft' law, voluntary tools → still national sovereignty)
- And yet, economic regulation has had a much greater impact on PSSs than 'soft' law for social policy
  - Already with the Single European Act of 1986, and later with the treaty of Maastricht of 1992 and the Monetary union as of 2001, PSSs have been under siege: state activities (monopolies) discouraged as unfair competition → outsourcing, opening the market to private providers, competitive bidding, users' choice
  - In 1996 the notion of services of general interest (SGI); in 2003 Green Paper making a distinction between SGEI and SS, the latter acknowledged as different from e.g. transportation; in 2004 White Paper on SSGI, allegedly to play a key role in the 'European Social Model'
  - In Europe 2020 and Cohesion policy 2014-2020, social inclusion (and SSs) are given more prominence (and resources) than ever, but still no attempt to create a European regulatory basis
- Because of both EU regulation and member states own problems (fiscal crises, rise in needs) there has been a generalised process of liberalisation, privatisation and marketisation of PSSs

## Social Cohesion

## Changing Landscapes of Social Services

- I. Making out dominant trends over the course of the last 30-35 years, based on the chapters of the book
  - Disengagement of the state
  - Vertical re-scaling of responsibility
  - Horizontal re-mix
- II. The challenge of identifying shared developments
  - Reconciling the diversity of themes and findings in the chapters with an ambition to make out larger patterns
    - Variation across policy fields and countries
    - Contradictory developments
    - Contradictory effects, depending on context
- III. From Disengagement to Disruption: Why and how we generalize and say “Social Services *Disrupted*”

## (I) Trends Shared Across Many Countries

1. Shifting responsibility for funding and providing social services to non-state actors (“Horizontal” re-allocation of responsibilities)
  - (For profit) private sector providers
  - Third sector organizations, private charities, and organized Civil Society
  - Families and informal care arrangements
  - (Not so much: the old welfare associations)
2. Decentralization (“Vertical” rescaling)
  - (Back) to the local level, as organizing and often financing provision
  - To the regional level, in planning and monitoring functions (under extremely diverse conditions)
  - Critical when not supported by resources and capabilities
  - Critical when local initiatives and civil society mobilization replace public policy commitments

## (I) → The Narrative in Many Chapters:

### 3. *Public sector disengagement*

- Not “erosion of the state”
- Not “privatization” across the board
- But: Declining commitment to (universalistic) social service availability  
→ “Disengagement”
- Disengagement as decentralization
- Disengagement as growing importance of non-state actors
- Disengagement as underfunding
- Selectivity
- Fragmentation
- Arbitrariness
- Uncertainty

*The shared diagnosis*

## (II) Challenges in Making out Trends

### 1. Variation across policy fields and countries

- Variation across countries (especially Northern vs. Southern Europe) especially: Different effects of the Financial and Fiscal Crisis
- Differences across policy fields
- Counter-trends (e.g. *greater* central government engagement, funding increases) in some highly politicized and salient policy fields, such as childcare

### 2. Contradictions

- Public social services are the most vulnerable of public services
- Yet, in some places they are a growing sector of the welfare state
- However: Needs (for social services) are often growing faster than resources
  - New social needs
  - Retrenchment in the cash transfer schemes

## (II) Challenges in Making out Trends

### 3. Contradictory effects, depending on context

- Preconditions required by new social service designs (e.g. ageing in place)
- Fragmentation and selectivity in situations of over-use when cash transfer schemes surrounding social services are cut back
- Different challenges resulting from policy legacies and institutions in place prior to the post WW II expansion (i.e. primarily informal social care, private welfare associations, primarily municipal supply)
- → Resurgence of social and spatial inequalities both between European countries and within national social service systems

## (III) From Disengagement to Disruption

- In the face of all that diversity: Why still dare to generalize?
- What kind of diagnosis is “disruption”?
- Not “*State Withdrawal*” in the sense of necessarily a weaker presence of the public sector in care
- Instead: disruption of a specific notion:

→ What is being disrupted:

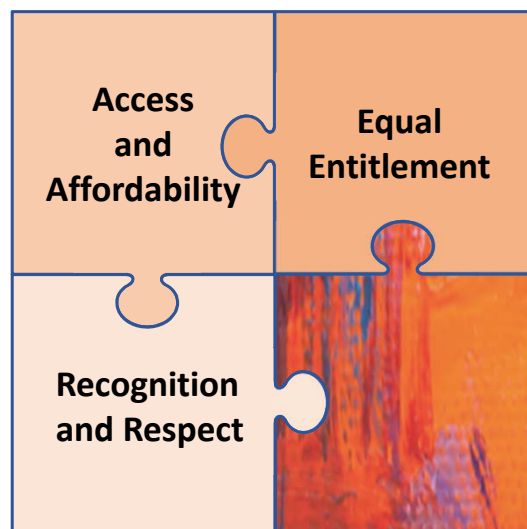
***A social citizenship rights- based commitment to public social services***

- Inclusiveness as access and affordability
  - Equal entitlement as even quality
  - Users’ self determination and empowerment
- } **universalism**

### (III) From Disengagement to Disruption

#### The Integrity of Social Rights

A "package of entitlements", which loses its character when elements are removed

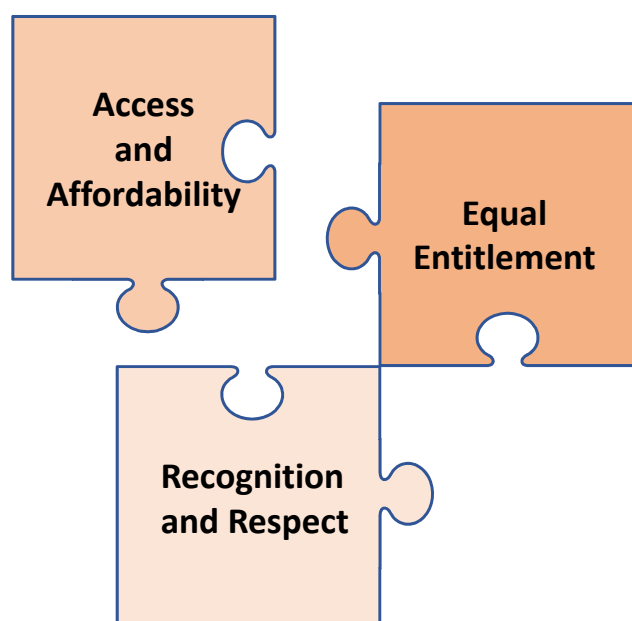


#### The Disruption of Social Rights

##### Access

- Loss of stable public funding
- Loss of regulatory commitment and monitoring
- Conditionality

→ **Social services not for all**

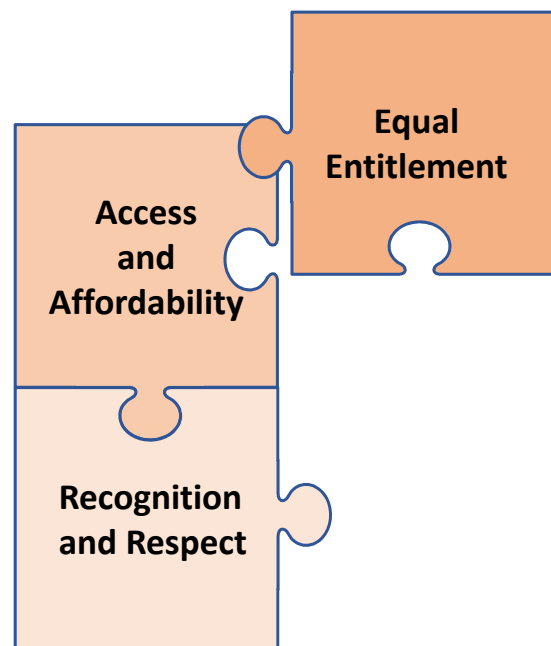




## The Disruption of Social Rights

### Equality

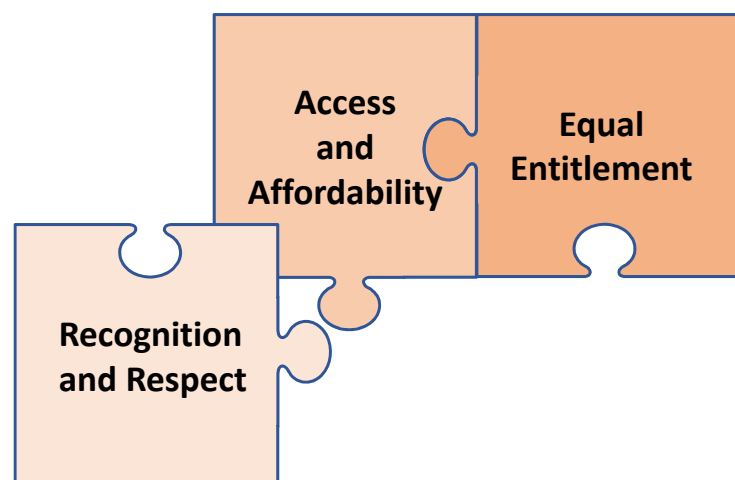
- De-Institutionalization of public care
- Market elements
- Spatial inequality
- → **Social services not the same for all**



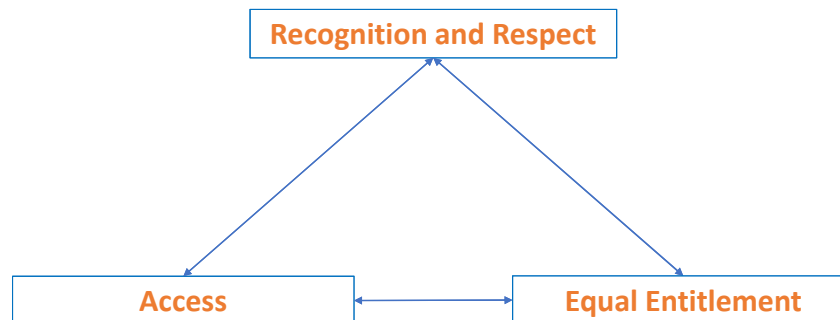
## The Disruption of Social Rights

### Respect

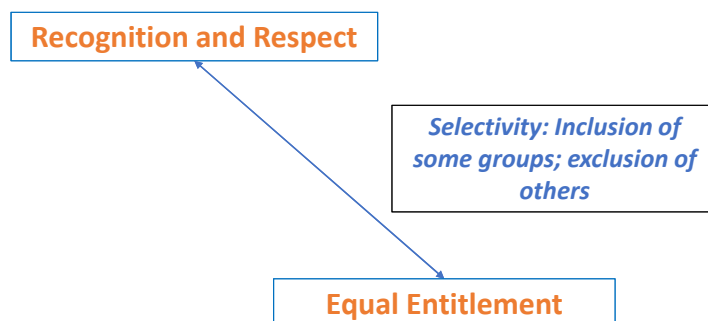
- Paternalism and social discipline
- Instrumentalism and selectivity
- Bureaucratic efficiency without recognition
- → **Strange purposes for Social Services !**



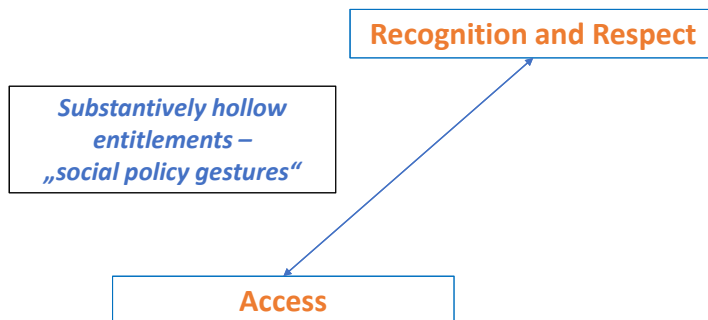
## Disruption as Undermining the Integrity of Social Rights



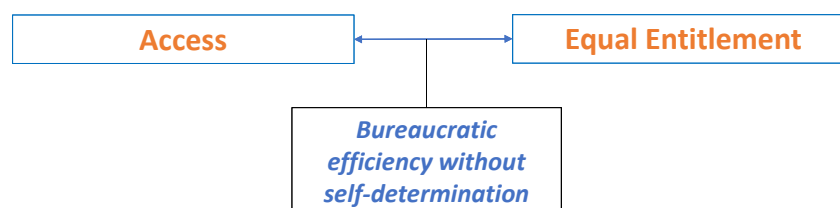
## Disruption as Undermining the Integrity of Social Rights



## Disruption as Undermining the Integrity of Social Rights



## Disruption as Undermining the Integrity of Social Rights



## What is at Stake in Sector Disengagement?

→ Public responsibility is needed for

- Securing access for all
- Securing a qualitatively even supply
- Treating all users with respect retaining a goal of self-determination for all of them
  
- Private actors (for profit-, civil society organizations & families) have no *intrinsic* reason to commit themselves to all these things (necessarily and at all time)
- This being the case, regulating them to do so is a formidable task
- "The state" – in addition to more encompassing capacity -- subscribes to norms of citizenship and human rights, and these *are* the intrinsic reason for public sector actors to commit themselves
- To tasks at the core of social policy (as policy field populated with professions)

## Territorial Cohesion

## Vertical re-scaling and territorial cohesion (I)

- Among observed restructuring trends, the one that most bears on **territorial** inequality/cohesion is vertical re-scaling, which in the case of PSSs has been mostly **downward**
- However, social and – especially – territorial impacts depend very much on the division of tasks/responsibilities among different government tiers: ‘who’ does ‘what’
- **Four tasks/functions: 1) regulation; 2) funding; 3) programming/planning; 4) implementation/production**
- Four government tiers: a) EU; b) National state; c) Regional or other ‘meso’ government; d) Municipalities

## ‘Vertical re-scaling and territorial cohesion (II)

- Most often, **planning** and **implementation** responsibilities are entrusted to sub-national governments (municipalities) → closer to demand and hence allegedly more efficient:
  - In some countries (e.g. Nordic) long tradition of autonomy of subnational governments
  - In others (e.g. Italy) more recent, with differentiated capacities
- What is crucial is ‘who’ carries out **regulation** and **funding**:
- Decentralisation of **regulation** (e.g. of service standards, access, costs) brings about differentiated **local welfare systems** undermining the principles of universal access and citizenship rights (e.g. Italy, since 2000)
- Decentralisation of **funding** without central redistribution is inherently regressive and enhances regional disparities in the capacity to provide PSSs (‘decentralising penury’):
  - In some cases (e.g. UK; Eastern Europe) instances of (re-)centralisation of funding exclusively to centrally curtail social expenditures

## Policy options

- Current policy options include:
  1. Central vs local responsibility
  2. In-kind services vs cash transfers
  3. Direct public provision vs outsourcing
- Although often presented as alternatives, they can be complementary
- What's important is that they have **very different economic effects**

## Central vs local responsibility

- Not really an alternative; some division of responsibility among government tiers has always and should still exist
- **Planning and implementation/production**, in principle best carried out at **subnational level**: better grasp of needs, better tailored responses
- But **regulation and funding** must be retained by central governments, in order to ensure **universal access** to the same quality of services (standards, access, costs) and a **territorial redistribution of financial resources** to afford it, **independently of income and place**
- Issue of the EU responsibility: at present it has no authority on social policy (still left to national governments), but indirectly it strongly discouraged public provision (directives on public procurements in services of general interest)

## In-kind services vs cash transfers

- Again, not really an alternative; more often complementary, although clear shift towards cash transfers.
- **In-kind public services** in principle ensure:
  - Greater homogeneity of supply (in quality and geography)
  - 'Good' (more strictly regulated) public jobs
  - Easier access
 But they can also suffer from:
  - Bureaucracy and rigidity
- **Cash transfers** (personal budget, allowances, vouchers) in principle allow for:
  - Lower coordination and management costs
  - An easy way to ensure the satisfaction of needs in places where with little or no supply of PSSs
  - Greater 'user choice'
 But they also :
  - Support the 'privatisation/marketisation' of social services (cash transfers are spent to 'purchase services' on the private market), hence leading to an inevitable stratification of supply
  - Tend to reproduce 'bad' jobs in context with low regulation of the labour market (e.g. Italy)
  - Can be hijacked to other purposes in the absence of 'earmarking' and monitoring of spending
  - May penalise places with a low or not profitable demand
- In-kind public services have a greater spatially re-balancing potential than cash transfers (also via 'good' jobs)

## Direct provision vs outsourcing

- Also because of EU regulation, there is a generalised **trend towards outsourcing**, which – while preserving public support – affords (in principle):
  - More efficiency in production and greater 'user choice' because of competition among providers (as opposed to inefficient and bureaucratic direct public provision)
  - A faster way to supply services in places where no history/infrastructure of direct public provision exists.
 But it also entails risks of:
  - Higher costs (for the public and/or the users) in case of monopolistic private providers
  - The prevailing of the profit logic over the entitlement logic and, hence, an 'industrialisation' of supply, possibly low quality
  - 'Bad' jobs in places with low labour market regulation
- In the end, efficiency, diversification, quality, and spatial distribution of PSSs depend very much on the intensity of the **public regulation** of private providers

## To conclude

- Over the last thirty years PSSs – as conceived during the Keynesian regime – have been significantly disrupted.
- We are trapped in a ‘catch 22’ situation: without growth, needs for social services increase and public resources to face them decrease; but by cutting PSSs, social needs further increase and growth is further stalled...
- We need to contest the neo-liberal conception whereby PSSs are a cost, i.e. an unproductive, purely redistributive public expenditure – and consider them as a productive investment (in line with the ‘social investment’ strategy), an engine of growth and, most importantly a key tool for spatial re-balancing:
  - They create jobs (‘good’ jobs) following the distribution of people
  - They contribute to sustain accumulation, by lowering the cost of reproduction of the labour force and improving the context for investment
- We also need to contest the assumption that market mechanisms can spontaneously increase efficiency, quality and user choice and recover a stronger role for the (EU) state:
  - As regulator
  - As steering force of change
  - Ultimately, as guarantor of social and territorial cohesion
- Ultimately we need to recover the principle of ‘solidarity’, both social and territorial, which can only be implemented through rules and policies devised at a central (EU) level.