



INVESTING IN SERVICES

A social platform MYTH BUSTER

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1



Spending on health, social, employment and education services prevents economic growth

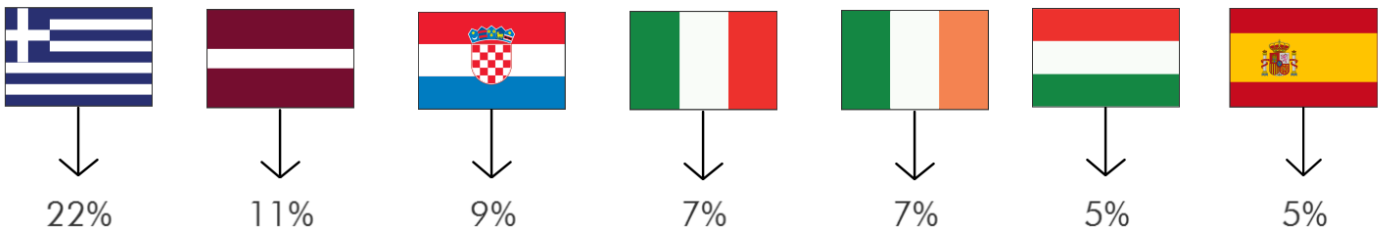


The Facts:

Health, social, employment and education services support the economy.

Member States that continued to invest in these services during the financial crisis have weathered the storm better than those that didn't. Service cuts have mainly been introduced in Member States with less developed and inadequately funded social protection systems; in these countries, services are currently unable to withstand economic shocks.

Between 2008-2012, the economic output of many Member States declined by considerable percentages:



This evolution was in sharp contrast with the situation in countries with well-developed welfare systems and more resilient labour markets like Austria, Germany, Poland, Slovakia and Sweden, where overall economic income continued rising during the crisis.

Health, social, and education services create many jobs, including for women. Social services alone have created over 1.4 million new jobs since 2008. The social and health services sectors create 22.8 million jobs - that's over 10% of the entire EU workforce.

The European Commission estimates that growth in the health and social care sectors is expected to be twice the overall employment growth level.

MYTH

2



In times of crisis, funding cuts to health, housing, social, employment & education services are unavoidable



The Facts:

In the EU the financial crisis has become a crisis of public spending.

Health, housing, social, employment and education services have suffered cutbacks in several Member States.

We often hear that these budget cuts cannot be helped, resulting in people and organisations offering services to people in need not being able to meet the demands of the entire population.

A lack of investment in quality care services such as childcare and long-term care hinders women's participation in the labour market and has an impact on children's personal development.

Access to services of general interest such as these is a fundamental right, and even people without a permit to stay in the EU are entitled to access to services such as basic health care.



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According to a 2013 report by Eurofound:



31% of Greeks



28% of Cypriots



23% of Italians



16% of Irish



16% of Romanians

.....
said that high costs are a factor making it "very difficult" for them to see a doctor
.....

Not spending on services has a huge cost in the long-run. For instance, it is estimated that the cost to the EU economy of chronic non-communicable diseases – among which cardiovascular disease accounts for 40% of all deaths in the EU – is €196 billion per year.



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



The Facts:

Although Member States may make short-term savings by cutting spending on essential services, this will cost more and challenge social cohesion in the long-term. Cuts to these services make it difficult – and sometimes impossible – to put in place preventative measures and to prepare for the population’s future needs.

Indeed, spending on these services is an investment for the future that prevents avoidable suffering and hardship and brings long-term social and economic returns. After the initial cost, these investments generate savings for public finances in the medium- and long-term.



An adequate investment in one policy area can have an impact on other policy areas, too:



Living in adequate housing lessens health and safety risks and has a positive effect on well-being. Sickness and disability cause school or work days to be lost, which has an impact on skills, education, and personal income. In 2009 the UK Audit Commission stated: "Every £1 spent on providing housing support for vulnerable people can save nearly £2 in reduced costs of health services, tenancy failure, crime and residential care."



Investing in social and health services contributes to the promotion of gender equality and work-life balance. It also generates social and economic returns as it enables people to be more socially and economically productive.



Investing in higher education for students with a disadvantaged or immigrant background is essential to break vicious circles of social and income inequality.

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4



Promoting investment in health, social, employment and education services always requires more funding



The Facts:

Promoting investment in health, social, employment and education services is not only about the amount of resources that are invested – it is also about the approach taken in their design and delivery.

Services should respect users' human rights and aim to empower people and make them more independent. In addition to addressing present needs with immediate effect – such as improving people's skills, health conditions and employability – they prevent or reduce future needs that would give rise to additional costs and reliance on services, including hospitals, prisons and income support.

The 'Housing First' initiative illustrates the positive impact of social investment – its goal is to tackle homelessness among people with complex support needs, such as mental illness or addiction. It doesn't require people to seek treatment before being housed, unlike many schemes of this kind.

There is evidence that 'Housing First' is more effective than traditional services and can also be more cost-effective; it can reduce frequent use of emergency medical and psychiatric services, prevent long and unproductive stays in other forms of homelessness services, and lessen rates of contact with the criminal justice system.



High quality services should have the principle of 'social investment' at their very core; they are designed to strengthen people's present and future skills, and to support people's participation in social and economic life.

They can often be depended upon to prevent long-term reliance on services, and one of their many benefits is that it's possible to combine one or more of these services and benefits.

Promoting social investment in services does not necessarily require more funding. Often, the initial investment produces social and economic returns in the medium- and long-term.



Migrants, including people from other EU countries, place a burden on the public services of hosting countries



The Facts:

We often hear that millions of migrants come to the EU because of welcoming reception and admission policies, regardless of their migration status. We also hear that some EU citizens, in particular from eastern and southern countries, move to other EU countries because welfare systems and services are more generous than in their country of origin.

There is no statistical evidence demonstrating the existence of welfare tourism. By contrast, welfare dependency of migrants and intra-EU mobile citizens is reduced when they are socially and economically included in their host countries.

Non-EU migrants face great difficulties in getting access to health, social, employment and education services and social benefits, especially if they cannot speak the local language and do not have access to language courses.

For instance, in France a non-national must have a residence and work permit for at least five years to qualify for Active Solidarity Income, which is a type of in-work benefit.

EU10 Countries



EU10 mobile citizens get access to welfare benefits and public services in host countries to a lower extent than the native population, especially in the case of social housing and pensions. However, EU10 citizens claim more employment-related benefits (unemployment and in-work benefit) than the native population. Since work is their main reason for mobility, EU10 citizens' use of services focuses on employment services, although participation in education and training is increasing. Due to their young age on average, they tend to use health services less than native populations.

Furthermore, research shows that it is more cost-saving to provide regular access to health services to undocumented migrants than to limit their access to emergency health services only.

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6



Most people who are dependent on services should be working instead of staying at home



The Facts:

We often hear that people who are unemployed and rely on services and benefits are work-shy, lazy and content with living off a system that they put nothing in to.

But in reality there are many people who are unable to work, rather than unwilling; there are many specific and legitimate reasons this could be, including a lack of jobs, disability, or care responsibilities. Sometimes two or more of these conditions apply at once.

Only very few people do not want to work. Access to health, social, employment and education services is a human right that should be guaranteed to everyone, regardless of whether or not they are currently employed. The small risk of services and benefits fraud is no justification for stigmatising certain users.



Age UK estimates that 300,000 carers are forced to give up paid jobs to fulfill care responsibilities every year: this causes the UK economy an annual loss of more than £5.3 billion.

80 percent of care work in Europe is provided by informal carers, the majority of whom are women. A lack of investment in quality care services such as childcare and long-term care disproportionately affects informal carers with dependent family members. This puts pressure on them to reduce their working time, opt for part-time work or interrupt their careers.

The social economy and social enterprises represent a business model that has been able to maintain and even create quality jobs in times of crisis, including for people in vulnerable situations.

67,134

People in vulnerable situations employed by social cooperatives in Italy in 2016

€373.9 million

Resources Italy invested in the employment of those people

€716.4 million

Social and economic return created by those people



Each €1 invested in work integration of people in vulnerable situations generates an economic return of €1.92

The economic return includes increased income for people in vulnerable situations, increased tax revenues and better work-life balance. The social returns can include improved family and community relationships, a sense of security and less repeat criminals.





Older people are responsible for uncontrollable care and health costs

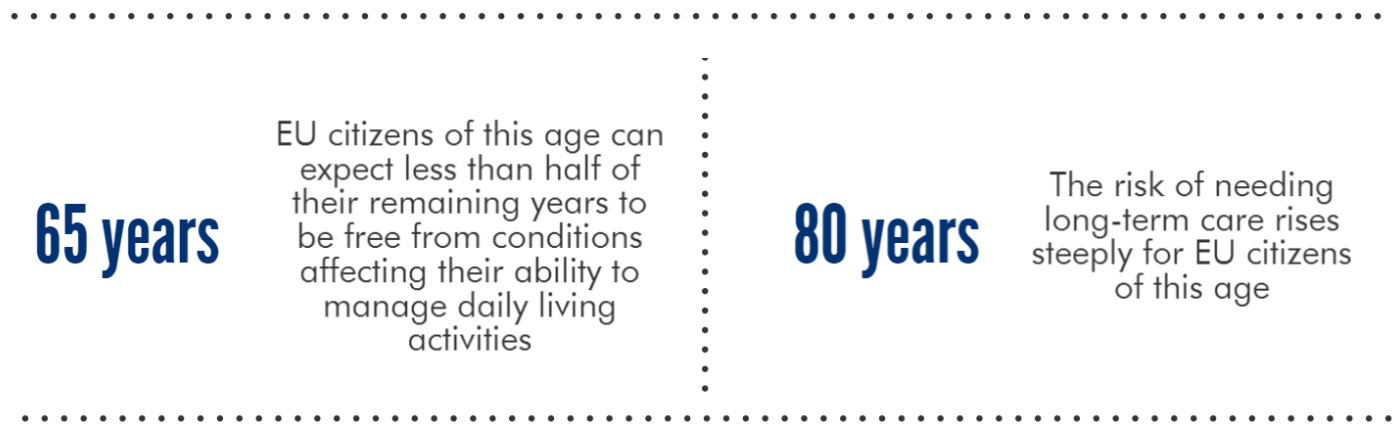


The Facts:

It is a widely held belief that our ageing population creates an unsustainable burden on people of working age.

However, if necessary support to overcome challenges arising from illness or disability is provided swiftly, most people continue to be an asset to their families and the communities they reside in.

Lifestyle choices such as poor diet, excessive drinking and smoking drastically increase the risk of diseases like cancer, diabetes and chronic obstructive pulmonary disease. Adequate investment in health and social services and information and communications technology would enable people to access and make informed choices about treatment and models of care.



Elderly people who move to sheltered accommodation before they become socially isolated remain relatively independent and rarely require long-term care. Early intervention and the timely provision of respite care, specialised equipment and adaptations to housing and supported accommodation when required are essential.

The real costs of bad health include not just the direct costs of health and care, but also the wider socio-economic consequences and informal care needs. Investment in services to promote good health for all people supports economic growth because it enables people to be more socially and economically productive.



Why should we pay for public services that are inefficient? Private companies are generally more dynamic and efficient



The Facts:

The EU institutions and Member States share responsibility for ensuring that these services respect certain common values: quality, safety, affordability, equality, accessibility and the promotion of users' rights.

In reality, there is no evidence that private for-profit companies deliver better services than the public, not-for-profit and social economy sectors. The quality of the delivery of essential services very much varies depending on country, geographical area, welfare system model and cultural traditions, as well as how they are designed and implemented.



According to a comparative analysis on the performance of United States private and public health care providers in terms of access, quality and cost-effectiveness, 88 studies found that non-profit centres performed better, while 43 found that the performance was not different.

Only 18 studies found that for-profit centres were better.



There is evidence in the United Kingdom of the dangers of privatising public services.

The for-profit company Southern Cross Healthcare was the largest care home provider in the UK, responsible for the care of over 30,000 people at over 750 care homes – but its financial model led it to collapse.

An emergency operation to save residents from being destitute had to be mounted by the Department of Health and local authorities. This was not an isolated case.



A common belief is that outsourcing public services to private for-profit companies enhances the quality of a service. However, there is no evidence that this is the case.

On the contrary, mistreatment of users and patients is still wide-spread in both public and private services.

Delivery of quality services depends first and foremost on the provider putting the rights of the user at the centre of their activities.



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9



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



The Facts:

Independent living means that people with disabilities and other users who require support to live independently can enjoy their right of choice, control and freedom with regards to where, how and with whom they live. This is possible at home, as well as at work and in the community.

It does not mean that people with disabilities and other users in need of support must do everything by themselves or rely solely on their families to help – help can also come in the form of support services. The kind of support they need should be based on their will, preferences and choices, which might lead to family and community-based services by choice.



We often hear that independent living in the community, including through family and community-based services by choice, is more expensive than institutions. Institutions are segregated residential care facilities for children, young people, older people or people with disabilities or mental health problems, and usually result in isolating the people in their care from their local communities and families.



There is a fundamental flaw with the argument that institutions are more cost-effective than independent living: they are cheaper because they provide poor quality care.

In countries with well-equipped residential care services, the costs are likely to be higher or comparable to family and community-based alternatives. In any case, the quality of life of the individual needing support should always be prioritised above economic concerns.



Promotion of systems and services that support independent living is a social and economic investment. Community services that are not organised in a way that empowers people who use them often lead to users becoming more dependent on them in the long-term.

In contrast, investing in independent living services supports people in becoming increasingly autonomous and independent, allowing them to actively participate in the community.



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'Deinstitutionalisation' is only about closing segregated institutions



The Facts:

The term 'deinstitutionalisation' is often understood as simply the closure of institutions. However, it also refers to the process of developing a range of services in the community, including prevention, in order to eliminate the need for institutional care.

The term 'community-based services' refers to the spectrum of services that enable individuals to live in the community and, in the case of children, to grow up in a family environment as opposed to an institution.

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In relation to children, this myth stems from a widely held belief that they should be permanently removed from families deemed unfit to care for them on account of poverty, lack of parenting skills or family break-up.

Deinstitutionalisation requires a paradigm shift and a change in mentalities, with an emphasis on children's rights and quality of care.



The process entails reforming child protection systems from top to bottom, starting with reinforcing all kinds of family and parental support services to ensure that separation of a child from his or her family really is a last resort.

When separation is clearly in the best interest of the child, such as in cases of neglect or abuse, different options should be available depending on the child's situation and needs.

For adults who have been residing in long-stay hospitals or other institutional settings, there is a need in the medium-term to finance the double running costs of building up community services pending closure of large-scale institutions.

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Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 48 pan-European networks of NGOs, Social Platform campaigns to ensure that EU policies are developed in partnership with the people they affect, respecting fundamental rights, promoting solidarity and improving lives.



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