

SOCIAL SERVICES IN EUROPEAN CROSS-INDUSTRY SOCIAL DIALOGUE

Towards a strong and
deeper involvement



SUPPORT



STRENGTHEN



EXCHANGE



NETWORK

Make an impact

Promote public services



PROMOTE



LEARN



REPRESENT



ENGAGE

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**YOUR
VOICE**
IN EUROPE

INTRODUCTION

Social Services of General Interest (SSGIs) are services with a distinct social objective. They include services in fields such as **human health, residential and non-residential care activities for the elderly, disabled or other groups with special needs, social work, child daycare and out-of-school educational services.**

The historical development of these services varies from country to country, but has been strongly influenced by the establishment of the welfare state and the role of the voluntary/not-for-profit sector, including churches and community groups. In the Central and Eastern European Countries (CEECs), SSGIs have evolved more recently in the context of welfare policy regime change and accession to the European Union.

Demarcation of SSGIs is difficult as they cut across traditional sectors such as education, healthcare, residential care and social work activities. Furthermore, SSGIs also cover social enterprises such as cooperatives, associations and mutual societies. In addition, social enterprises have a cross-cutting sectoral nature as they are defined by a specific legal form and not by a specific sector.

SSGIs are delivered in very different ways across Europe as well as within the EU. This depends, for example, on the evolution of the national welfare state and the role of the voluntary or not-for-profit sector, including churches, community organisations, mutual societies and cooperatives. In several countries (e.g. France, Belgium, Portugal), there is a specific notion and legal concept of 'social enterprises', 'the social economy' and 'the social profit sector', whereas this definition does not exist in other countries.

In France, the social profit or solidarity economy was legally defined in 2014. The sector consists of legal entities taking the form of associations, mutuals and cooperatives in a broad range of sectors: culture, inclusion/integration, empowerment, popular education, support and residential shelters, health, social and medical social activities, health mutuals, insurance mutuals, agricultural cooperatives, craft cooperatives, banking cooperatives, trade cooperatives, participatory cooperative societies (SCOPs) and collective interest cooperative societies (SCIC).

1. SSGIs ARE IMPORTANT ECONOMIC PLAYERS AND EMPLOYERS

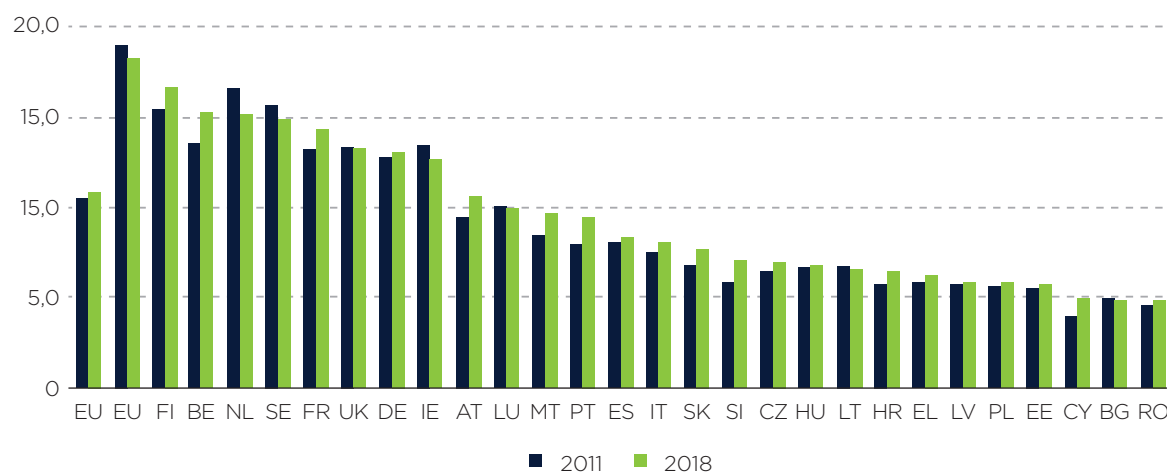
SSGIs are labour-intensive activities, and there is growing demand for workers in these sectors in nearly all European countries, namely in health and care-related services, due to demographic change and other factors. Many providers of SSGIs report increasing recruitment and retention problems.

According to the latest Eurostat data, around 11% of the European workforce was employed in human health and social work activities in 2018. At national level, the employment share is highest in Nordic countries such as Denmark, Finland and Sweden, but also high in Belgium, the Netherlands and France. By contrast, only

around 5% of the national workforce is employed in these two sectors in Romania and Bulgaria. In addition, the share in employment is well below 10% in all other CEECs.

Although several countries still have a large public sector provision, the contributions of not-for-profit and for-profit sectors are growing across the EU Member States. As reported in a recent comparative overview of 22 EU Member States, the not-for-profit sector has expanded, particularly in CEECs including Bulgaria, Hungary, Lithuania, Poland and Slovenia.

SHARE OF EMPLOYMENT IN HUMAN HEALTH AND SOCIAL WORK ACTIVITIES IN TOTAL EMPLOYMENT (AS A PERCENTAGE, 2011 AND 2018)



Source: Eurostat, Labour Force Statistics

2. SOCIAL SERVICES IN THE SIX FOCUS COUNTRIES: CHANGES AND CHALLENGES

In the six focus countries, particularly those in Central and Eastern Europe that joined the European Union more recently (Bulgaria, Hungary, Lithuania and Romania), various trends such as decentralisation, deinstitutionalisation and public spending cuts have triggered a trend towards private organisations playing an increasing role in delivering SSGIs.

The entry of private, for-profit commercial providers of SSGIs in fields such as childcare, education, hospitals and residential care has also increased. This has resulted in an expansion in competition between for-profit and not-for-profit providers.

The six countries analysed in this study are facing multiple challenges in almost all the fields of social services that urgently need to be addressed, notably in order to avoid significant erosion of societal cohesion and democratic values. According to the 2019 Country-specific recommendations in the context of the European Semester, social challenges in the six countries relate to **weaknesses and deficiencies in the social security and protection system** (Bulgaria), **poor educational outcomes** (Bulgaria, Cyprus, Hungary, Malta, Romania), **low quality of social services and poor record of inclusive/integrated policies** (Bulgaria, Romania), **poverty** (Bulgaria, Lithuania, Romania), **insufficient provision of long-term care and care**

for the elderly (Cyprus, Hungary), **childcare and early childhood education** (Hungary, Lithuania) and **underfunding and insufficiency of the healthcare sector** (Bulgaria, Hungary, Malta, Romania). **Lack of inclusive policies and discrimination against Roma** are still reported to be major challenges in Hungary, Bulgaria and Romania. In the four CEECs in particular, **poor working conditions and low pay** are key problems as regards employment in SSGIs.

Although the public sector provision of social services is still the most dominant form of social services provision in all six countries, the contributions of not-for-profit and for-profit providers seem to be growing.

The growth of for-profit providers is often accompanied by competition within the sector, which affects wages and the position of not-for-profit providers. For-profit provision can be seen most clearly in the provision of home care services. New providers also challenge existing systems of employer representation as new types of commercial provider emerge.

3. KEY POINTS: SOCIAL SERVICES ARE NOT YET COVERED BY SOCIAL DIALOGUE

Although tripartite social dialogue is established by legal regulations at national, sectoral and often municipal/local levels in all six countries, the influence of social partners on policies and legislation varies significantly. While tripartite social dialogue is quite mature and based on organisational strength in Cyprus and Malta, the situation in the four CEECs is more fragile, with significant changes and phases of weaknesses. With very few exceptions (Cyprus and Malta), private providers of SSGIs are not represented in national social dialogue.

In the context of mapping the national-level provisions of SSGIs, more than 130 SSGI-related organisations, associations and networks were identified in the six countries. However, none of them meet the criteria of an employer organisation engaged in social dialogue and collective bargaining.

Social dialogue and collective bargaining in social services are dominated by central government departments and local and regional government representing the employer on the one hand, and sectoral/professional trade union organisations on the other. The interests of private not-for-profit SSGIs, cooperatives and civil society groups are not reflected in the respective systems of social dialogue and collective bargaining.

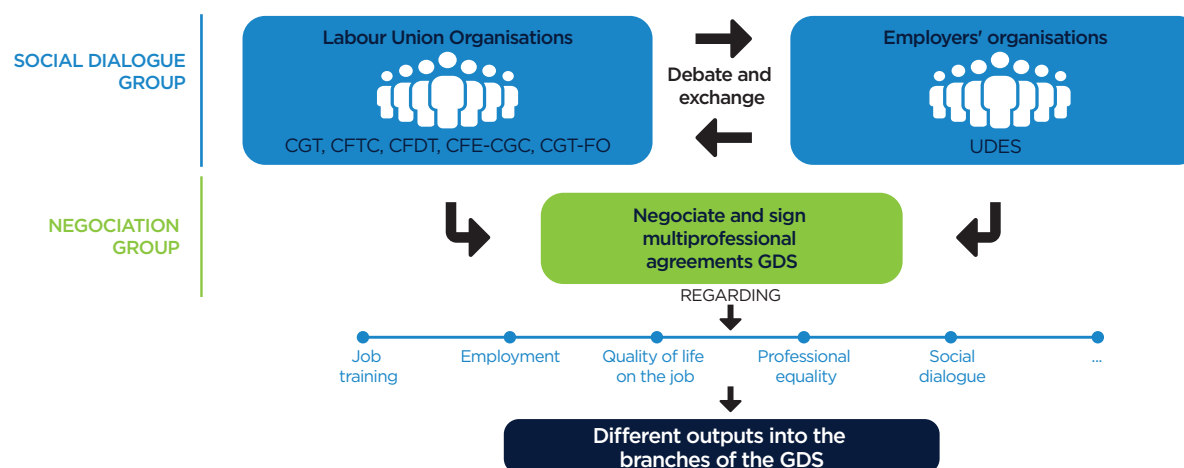
The example of **UDES in France** and **Unisoc in Belgium** and the development of collective bargaining, as well as institutional social dialogue structures in the social profit and solidarity economy, illustrate the clear added value of the genuine and strong representation of SSGIs by employer organisations and within social dialogue at national level.

LITHUANIA: COLLECTIVE AGREEMENT ON SOCIAL SERVICES

One of the very few examples of more recent collective bargaining activities (though in the public sector provision of social services) is the agreement in Lithuania. The agreement of May 2018 applies to trade union members in 35 social service enterprises operating in 24 municipalities (19 budget enterprises and 16 social care institutions) under the ministry, covering 1,900 trade union members (of around 4,000 total social workers in the country).” Besides salary issues, the agreement also contains a number of clauses related to the remuneration system, improvements in professional competence development and protection of trade union activities. In September 2019, the agreement was renewed and amended – as well as increased coverage (currently 50 social service enterprises), the social partners agreed to the establishment of a bilateral sectoral council.

BEST PRACTICES HIGHLIGHTED

FRANCE: THE SOCIAL DIALOGUE GROUP OF THE SOCIAL AND SOLIDARITY ECONOMY (GDS)



BIPARTITE SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN SSGIs IN THE SIX FOCUS COUNTRIES

COUNTRY	ACTORS AND COLLECTIVE BARGAINING
Bulgaria	Trade unions and government, municipalities Municipal CLAs, e.g. education, healthcare, social care, nurseries
Cyprus	SSGIs represented by the cross-sectoral employer organisation OEB OEB affiliates in social services (e.g. tertiary education, pre-school children's education, private hospitals) not involved in collective bargaining or dialogue with unions
Hungary	Some actors identified (hospitals, child protection) but not involved in collective bargaining No collective agreements at sector level Fragmented system of collective bargaining and bargaining outcomes in the public sector, if any, between trade unions and local authorities (e.g. nursery employees)
Lithuania	SSGIs not represented by employer organisations Sector collective agreements signed with respective ministries, i.e. two in the healthcare sector (August 2018 and December 2018), education (2017), residential care activities and the agreement of May 2018 on social services
Malta	No sector-level bargaining in SSGIs MEA affiliates in sectors such as health and professional services
Romania	No sector-level bargaining in SSGIs Sector-level bargaining made very difficult by the Social Dialogue Act 2011, very restrictive representativeness criteria

KEY CONCLUSIONS AND RECOMMENDATIONS

Despite the important social and economic role of SSGIs throughout Europe, they are far from playing an adequate role in all EU Member States. In particular, the CEECs addressed by the CEEP study illustrate the fragmented structure of private (not-for-profit and for-profit) providers of SSGIs as well as a general lack of representative voice and involvement in social dialogue and collective bargaining.

The situation in the focus countries contrasts strongly with the situation in Belgium and France, where a relatively strong role is the result of the existence of employer organisations and their integration into the national system of social dialogue and collective bargaining. The Belgian and French examples illustrate the important and enabling role of the State in providing a suitable framework for SSGIs, their collective interest representation and their involvement in social dialogue at national level.

Taking the above into consideration, the following recommendations to support the development of a collective voice of SSGIs have arisen from the study:

- In its exchanges and dialogue with Member States, the **European Commission** should highlight the important contribution of SSGIs in developing active citizenship and common good, promoting the European social model, and social and labour market inclusion.
- EU institutions as well as Member States should provide active support for social innovation, which includes **recognition and political support for SSGIs** and civil society as key stakeholders in society as well as **providing an enabling environment**.
- This should also be implemented in parallel with more **research on the social impact of SSGIs**.
- The **added value of social dialogue and the representation of SSGIs in national tripartite and bipartite social dialogue and collective bargaining** for achieving positive outcomes, improving the image of the sectors and making it fit for responding to the many future social, societal and other challenges, should be actively highlighted and promoted.
- In particular, the **development of SSGI-related employer organisations should be actively promoted** by EU- and national-level political actors as well as cross-sectoral social partners.
- In this latter context, considering the wide spectrum of SSGI-related activities, their **representation in social dialogue at cross-sectoral level** could help overcome fragmentation issues. As a cross-sectoral social partner at EU level, CEEP should pursue its work in ensuring that SSGI employers are represented at European level.

SIX REASONS WHY SOCIAL SERVICES OF GENERAL INTEREST (SSGIs) NEED TO BE ARTICULATED BETTER IN SOCIAL DIALOGUE

They are important employers, increasing the number of jobs throughout the European Union

They contribute significantly to well-being, social policy and social cohesion

SSGIs provided by not-for-profit organisations play a strong role in current social policies

They are still too often under the radar of national policymakers and public attention

They are not sufficiently represented in national and European social dialogue

They need a stronger voice in public policies in order to address challenges in fields such as service quality, recruitment and working conditions

Stronger articulation and involvement in cross-industry social dialogue would benefit SSGIs, their workers and society



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MINISTERUL MUNCII
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