

Social services in Europe: investing for the future

The Federation of European Social Employers manifesto for the June 2024 European elections

Context

- *Almost half of people aged 65 or more did not receive the care they needed in 2019.*
- *To keep the current long-term care¹ coverage, more than 1.6 million long-term care workers will have to be added by 2050.*
- *In 2022, women aged 25 to 49 who were not participating in the labour force but expressed a desire to work were ten times more likely to cite caregiving responsibilities for adults with disabilities or children as the primary reason for not seeking employment.*
- *In 2019, the EU achieved, on average, the early childhood education and care (ECEC) participation target set in 2002. However, further progress is necessary, especially concerning the participation of children at risk of poverty and social exclusion.*
- *Public support for the care sector is a social investment which, in parallel with action on sustainable financing, brings multiple returns for individuals, society and the economy.*



The European Care Strategy

The European Commission highlights the above contextual elements one year following the release of the European Care Strategy².

Confronted with these challenges in a climate of diminished growth resulting in dwindling funding and inflation impacting social service providers and their staff, this manifesto seeks to underscore the Commission's emphasis on social investment.

The European Care Strategy represents progress by raising awareness among Member States about the social and societal challenges they encounter. It emphasizes their necessity to

proactively plan and take action through the development of national care strategies. However, one year and a half after its publication and the adoption of two Council recommendations³, there has been minimal progress at the Member State level in this regard.

One possible reason for the lack of action could be attributed to the perception among EU governments that financing solidarity is primarily a burden on public finances. Since the 2008 financial crisis, governments have consistently aimed to decrease long-term public spending, despite rising needs, except during the Covid-19 period.

¹ 'Long-term care' according to the [EU Council recommendation](#), covers "a range of services and assistance for people who, as a result of mental and/or physical frailty, disease and/or disability over an extended period of time, depend on support for daily living activities and/or are in need of some permanent nursing care".

² <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10654&furtherNews=yes>

³ [Council Recommendation on access to affordable high-quality long-term care](#) and [Council Recommendation on High-Quality Early Childhood Education and Care Systems](#).

Prospects

Important sectors such as health, education, and care, along with numerous essential services, are currently experiencing ongoing challenges. In the midst of inflation, they are facing a decrease in resources, threats their own existence, and a significant loss of employees, at a time when their services are more crucial than ever.

Today, with the review of the EU's economic governance, it is crucial to emphasize that the primary goal of this reform is two-fold: to enhance the sustainability of public debt **AND to promote sustainable and inclusive growth across all Member States** through reforms and investments.

For instance, during the ECFIN Economic and Financial Affairs Council meeting on March 12, 2024, EU finance and social affairs ministers discussed **the beneficial impacts of social reforms and investments on economic growth and fiscal sustainability**. Ministers also exchanged **examples of recent employment and social reforms implemented in their respective countries, highlighting their contributions to enhancing growth potential**.

Investing in social services

This paper aims to convince future European legislators that the social services sector, which employs more than nine million people in the EU-27, represents an economic and societal investment for the future.

Now is the time to take action. This urgency stems from the forthcoming submission of the state of play reports by the national coordinators of Long-Term Care to the Commission, along with the country reports of the European Semester. These reports will serve as the foundation for a **new action plan for the Care Strategy implementation at the beginning of the next mandate. The European Parliament could contribute to elevating the ambition of this plan.**

Services that guarantee social cohesion

Social services target individuals across all life stages who find themselves in vulnerable circumstances due to factors such as youth, advanced age, health conditions, disabilities, or their social and familial situations.

These services are frequently cited for contributing to solidarity and social cohesion within European societies, constituting an indispensable element.

Effects that are less visible but nonetheless substantial

It is frequently ignored that, indirectly, these services are indispensable to both society and the economy at large. They facilitate access to the labour market for individuals facing the situations mentioned above and enable persons with relatives in need of support to maintain their professional activity. Social services allow individuals to balance work with such responsibilities. In absence of social services, it is primarily women who suffer the repercussions on their careers.

As projections suggest a 7% decline in the European working population by 2040, it is evident that a **labour force that does not meet the demand has negative effects on the country's growth and prosperity, extending well beyond the direct costs of social services**. This crucial aspect should not be overlooked, as services facilitating the increased participation in the labour market generate a positive impact on the return on investment.

Benefits of Social Investment

- **Early childhood care:** it has been shown that early childhood education and care is an effective and relevant tool in the fight against poverty, social inequalities and difficulties in exercising parenthood. In addition, accessible, quality and affordable early childhood care enables parents, especially women, to participate fully in the labour market. Therefore, investing in this

area not only promotes gender equality but also enhances the efficient functioning of the labour market, particularly in the face of worsening shortages.

- **Child protection:** Providing assistance and support to children in vulnerable situations (often including their parents) contributes to mitigating inequalities, risks of poverty, and engaging in risky or deviant behaviour. This initial investment enhances their prospects for societal inclusion, especially through education, thereby fostering lifelong employment opportunities.
- Participation of **persons with disabilities** in the labour market: Many people with disabilities find it difficult to access the labour market or to keep their jobs. Social services offer them a wide range of services adapted to their needs to participate in the labour market and feel better included in the society.
- **Support for older persons:** As the population ages and individuals reach advanced stages of life, there is an increasing demand for services that enable them, in accordance with the desires of the majority of Europeans, to remain in their homes for as long as possible. Despite inadequate development of such support services in many countries, it is crucial to acknowledge their need. These services also enable family members, particularly women, to continue their professional activities without interruption due to the absence of tailored services.

Care rather than cure

Social services enable a focus on **prevention rather than intervention** and contribute to

fostering social cohesion. Social support plays a vital role in preventing the escalation of certain situations into more intensive support requirements, particularly within hospital settings, where the societal and economic toll is much higher than that of prevention.

Currently, **services are struggling due to the lack of adequate support for social services in recent decades**, despite facing a growing number of individuals requiring personalised assistance. These challenges also hinder their ability to engage in the green transition more actively.

The freeze or reduction in funding, against a backdrop of uncompensated inflation, makes working conditions unattractive in terms of pay and of number of employees to carry out care tasks. This is leading to a labour shortage, which is already reflected in insufficient responses to the social needs of Europeans.

Not a cost, but an investment

This is why we call on all decision makers to consider social services not as a cost but as an investment for the medium and long term.

By adopting this approach and improving funding, solidarity among the population can be better ensured. Furthermore, the increase of labour market participation, which benefits the economy as a whole, and improvement of social and active inclusion, will reduce dependency on social benefits.

Better productivity, linked to better education and better health and social situation, will lead to additional inflows in terms of social and tax contributions. This last one also has a virtuous effect, by participating in the financing of social services.

This paper seeks to address the increasing care needs of European populations in a manner favourable to progress and social cohesion. It prioritises directing expenditure towards the most effective measures, consistently evaluating their impact, and ensuring they generate a return on investment that benefits individuals, society, and the economy.

Note to editor:

The Federation of European Social Employers is the voice of employers in the field of social services at European level, representing 31 members from 20 countries. This comprises all care and support services, especially for older persons, persons with disabilities, children and other excluded and disadvantaged persons. The Social Employers is a recognised EU Social Partner, part of the Sectoral Social Dialogue Committee for Social Services.



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