

# European Service Debate – Forcing to Define Quality



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## **Loosing Ground**

Social Work – how ever it is defined – does actually play no major role in any of the European debates. In terms of policy making it is located outside of the policy remit of the Treaties, if not for any other reason than for the lack of an appropriate framework and funding structure, the professional debate does not really take off the ground (despite more or less individual projects) and in terms of actual EU-policies there is only little space for professional debates as annex to other topics (as for instance, the European employment strategy), or the actual debate remains in the national framework (as it is the case when we look at the consequences of the Bologna process for the professional debate).

However, one should not underestimate the indirect effects. And actually, it is strange that professionals (from academia and practice alike) refrain from engaging in debates although there are huge consequences for professional developments.

One area had been mentioned already, namely the employment strategy. Actually, the silence of the profession itself allows forces from other fields to occupy the topics with their own orientation. Another area which is currently of huge importance and where only little presence can be seen from representatives of social professions is the debate on social services (of general interest). The term is borrowed from the official European debate and already on this level there is from the perspective of social science some caution required – especially as the term general interest suggests something that can barely exist in any capitalist society. Caution is as well required while looking at the level of policymaking – and this is actually the array which is usually employed by debates of critical representatives from social professions. We hear their warnings that any privatisation and deregulation of social services – and they are at the core of all these debates on social services – will lead to the danger of insufficient services for people who cannot afford to pay for them and consequently growing inequality. However, one aspect is by and large neglected, namely the debate on what actually defines good quality of social services. Again, this field is to a large extent left to representatives of standard-setting institutions, as the ISO.

## **The Challenge**

It is without any doubt correct to answer with regard to the service debate at least in part with the simple rejection of the endeavours of deregulating and privatising social services. However, looking at the debate from inside there are at least the following aspects that require a more differentiated approach:

- Much of the defence and rejection, as it is exposed by certain groups is actually based either
  - simply on claims of existing propria or
  - on values that do not exist anymore and/or are in actual fact not current practice.
- There is a kind of coalition orienting on customers, in other words: rather than speaking continuously of clients or replacing this term by terms as users etc. there is an astonishingly wide acceptance of the term of customers. The intention of using such term is to emphasise the right to supposedly autonomous decisions, the suggested

right to choose and the negotiational character in which different actors are involved and the impulses from competition, enforcing the enhancement of quality of services. The question however is if taking such a stance is acceptable from a professional point of view.

- This leads on to a last point that requires a differentiated approach, going beyond the simple rejection of deregulation and privatisation: there cannot be any doubt that quality of social services has to be improved. Finally, a more profound engagement of social professions in the debate should be given as well by the fact that there is a force and opportunity to engage in an international debate.

### **The Framework**

It is since about 1995 now that the matter of social services is pushing forward on the agenda. At that time, the Commission of the European Communities published a first fundamental document on the liberalisation of services. Although it had been said that this was primarily concerned with the so-called 'large network industries' (postal services, electricity, gas, public transport ...) and although this was probably even the case, it was at the same time the beginning of a debate about the future not just of services but of the responsibility for the 'general interest' and the social responsibility and obligation of the state.

There is no point in documenting the entire debate and activities and the huge amount of documents that had been officially produced. The culmination can probably be seen in

- the debate on the service directive which explicitly took up the issue and aimed at opening the sector of services as well to rules of international competition and
- the launch of a white paper on social services of general interest and the inauguration of a monitoring exercise (s. references: Monitoring Service Project).

The latter is currently underway with the work on a pilot, suggested to provide a first overview but as well to develop a methodology for the further monitoring process (the final report will be launched in the middle of 2007).

### **Issues at Stake**

Despite a rather differentiated discussion with a magnitude on different aspects, there are especially the following moments characterising the debate. First, though both the European Commission's competence in the area of social issues and as well the actual 'character' of the social policy approach as far as the Commission is active in the field ('employment focus' ...), there is at least a rather serious conflict within the Commission: on the one hand certain Directorate Generals strictly guided by the single market ideology of free competition, on the other hand the concern that a regulated deregulation has to take as well certain issues on board that take a social protectionist stance.

It is important to note that the latter has at least two dimensions. The one is concerned with social protectionism that equals a 'nationalist approach', i.e. simply aiming on the protection of what is called existing traditions and mechanisms, stating they proved best in securing supposed social needs and their satisfaction. The other protectionist orientation is concerned with 'social standards', though not being clearly defined, suggesting that a European Social Model does exist.

Second, this leads to one of the main topics of the debate, namely the reference made to the general interest. Within the EU-institutions there is only little questioning of certain services being privatised, namely the so-called network services as post, energy, transport etc..(1) Actually, there is as well a general agreement within the cabinet and amongst senior officials that services should be in general subject to the internal market, being the general guiding principle for any policies. However, there is some hesitation in two regards. The one is, that

some officials advocate for the position that some exceptions should be made due to the fact that services as health, social housing, child care and others are concerned with delivering more than a service as such, i.e. that these services as decommodified services are part of a necessary contribution to cohesion and distribution and cannot be abolished without paying a price that is considered as being too high in social terms. In other words, in addition to being important as person-oriented provision and as such they are considered as important part of the European Social Model. It is claimed that not just personal support but moreover social cohesion are at its centre. The other hesitation stems from the fact that it is accepted that there will be unavoidably negative consequences in terms of a lack of provision for some and increasing inequality when the development of the single market is left to its own 'internal rules'. It has to be understood in this sense when it is said that social policy – and with this social services – have to remain a bulwark in terms of avoiding negative consequences arising from the liberalisation strategy as the only force. This means that both, compensating, flanking and a productive role of social policy are considered as being central – again a substantial claim for the European Social Model. A third and most difficult issue at stake is the differentiation that characterises the Commission's position from the beginning of the debate, i.e. the suggestion that a difference has to be made between economic and non-economic services (of general interest). Underlying is a functional understanding of what an enterprise is. It is defined as any activity which is undertaken in exchange of money or that is part of a chain in which money is exchanged against goods and/or activities. In other words, it is difficult to find in current societies any activity that is not (part of) an enterprise. This then means as well that the proposal to distinguish between economic and non-economic activities is somewhat meaningless – as it is hardly possible to find any 'major activity' and in particular any even minor professional activity that is definitely outside of the remit of economic activities.

It has to be said that within the debate there is – as far as the strict application is concerned – a kind of loophole, namely the so-called de-minimis rule. This says that services, although being economic activities and part of undertakings are exempted as long as the relevant amount of money does not exceed a certain threshold. However, it has to be said as well that in spite of such legal remit the factual concern is that an attitude develops to treat any activity, be it as small and economically 'meaningless' as it may be under the competition rules.

The current legal framework is probably best described by the four points made in the Altmark-ruling (Judgement of the Court of 24.07.2003 in case C-280/00, Altmark Trans GmbH, Regierungspräsidium Magdeburg and Nahverkehrsgesellschaft Altmark GmbH) – they read as follows:

*89. First, the recipient undertaking must actually have public service obligations to discharge, and the obligations must be clearly defined. In the main proceedings, the national court will therefore have to examine whether the public service obligations which were imposed on Altmark Trans are clear from the national legislation and/or the licences at issue in the main proceedings.*

*90. Second, the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner, to avoid it conferring an economic advantage which may favour the recipient undertaking over competing undertakings.*

*91. Payment by a Member State of compensation for the loss incurred by an undertaking without the parameters of such compensation having been established beforehand, where it turns out after the event that the operation of certain services in connection with the discharge of public service obligations was not economically viable, therefore constitutes a financial measure which falls within the concept of State aid within the meaning of Article 92(1) of the Treaty.*

92. *Third, the compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of public service obligations, taking into account the relevant receipts and a reasonable profit for discharging those obligations. Compliance with such a condition is essential to ensure that the recipient undertaking is not given any advantage which distorts or threatens to distort competition by strengthening that undertaking's competitive position.*

93. *Fourth, where the undertaking which is to discharge public service obligations, in a specific case, is not chosen pursuant to a public procurement procedure which would allow for the selection of the tenderer capable of providing those services at the least cost to the community, the level of compensation needed must be determined on the basis of an analysis of the costs which a typical undertaking, well run and adequately provided with means of transport so as to be able to meet the necessary public service requirements, would have incurred in discharging those obligations, taking into account the relevant receipts and a reasonable profit for discharging the obligations.*

*([http://eur-lex.europa.eu/smartapi/cgi/sga\\_doc?smartapi!celexplus!prod!CELEXnumdoc&numdoc=62000J0280&lg=EN](http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!CELEXnumdoc&numdoc=62000J0280&lg=EN) – 10/01/2007 – 6.38 a.m.)*

### **Quality Debates**

As much as we are dealing with a debate on economic policies and particularly on competition policies – and have to find answers as well on this level – as it is important to delve deeper into the debate on quality. The Commission highlights as the most important points for the debate the following:

- the changes in service provision as part of a process of modernisation
- high-quality of services and
- guaranteeing a legal framework, aiming on establishing the single market, i.e. making Europe the most competitive and dynamic knowledge-based economy in the world, (Presidency Conclusions; Lisbon European Council; 23/24 March 2000 – [http://europa.eu.int/ISPO/docs/services/docs/2000/jan-march/doc\\_00\\_8\\_en.html](http://europa.eu.int/ISPO/docs/services/docs/2000/jan-march/doc_00_8_en.html) – 10/01/2007 – 6.39 a.m.)

There is only very limited scope as far as Commission defines especially the first two aspects, not so much because of the reluctance to interfere in a substance matter that is outside of the Commission's remit. Rather, the reason is that the Commission actually does provide a definition which is in itself very limited. Quality is understood as highly segmented service that observes the rule of freedom of choice and independence of the consumer. This links into the understanding of modernisation, understood as rationalisation in terms of economic efficiency and effectiveness. The social dimension of the competitive single market is loosely described in the same document from the Lisbon Council, pointing out that this economy should be

*capable of sustainable economic growth with more and better jobs and greater social cohesion.*

*(ibid.)*

Is this a framework in which social professions can easily accommodate themselves? – The following mentions some aspects that are discussed already though there is still a huge lack of professionals engaging in the debate.

- One aspect mentioned within professional debates is frequently the fear that recent developments push professional activities increasingly into the direction of managerialism. It is certainly true that this is as well an important factor in the given context, especially in the case of the definitions proposed by the Commission. However, managerialism is in its present debate usually something external. Looking

at many contributions from professional sides one can assume that there is a point that is located much deeper.

- Professionals define themselves as part of a system of service delivery, but they see the service as being delivered to individuals. And of course, social services are 'person-oriented'. However, in the Commission's and other official policy makers they are very much person-centred. In other words, they are highly individualised. The question is if the profession should follow such a notion. An alternative would be (a) to present a wider understanding of what a service is and (b) to ask who and what actually the beneficiary is.

Regarding the first question, we have to look at the character of 'service' in terms of a provision that is linked to the way individuals deal with certain problems of integration, a service for specific groups, a service for communities and their development etc. – To make this clear by mentioning one example the following can be pointed out. In the framework of an international practice-research project one organisation feels with the time uncomfortable as they are – in Sweden – providing the service of community development. With this they support as well individuals, but the actual 'service', the focus of the work is a in general terms rather unspecific support of the community: looking for resources inside and from outside of the quarter of the municipality, developing 'projects' and not least developing political awareness and making voices heard. – Can that stand side by side with the provision of a kindergarden?

Regarding the second aspect – and it is closely linked to the one mentioned before – it has to be asked who actually the beneficiary is? There is – in general one or more individual(s) that can be mentioned, and in most of the cases these can be even named, i.e. we find individuals to which the service and/or the impact can be assigned. However, to speak of a social service suggests something more. It is linked to some kind of direct or indirect benefit for the social in terms of communities and society at large. This may be based on a moral obligation that translates into some kind of a public service obligation, it can be a 'functional requirement', i.e. the need to include certain groups into the labour market in order to reduce the burden of certain costs, political, legitimacy and/or ideological reasons or for any other reason. In any case, the beneficiary in all these cases are society/communities.

- In all these cases the question arises which norms act as guiding principles – and from where do we get them. This concerns questions as  
What should be considered by social professions as service, i.e. what should be delivered by the professionals?  
How should such service be 'delivered'?  
Who decides about the norms – and not least how do 'professional standards' relate to 'democratic values', with this defining the status of the different beneficiaries?

A cross-cutting question is if and in which meaning social professional activities are actually part of other service systems or if they are services in their own respect. In other words, the entire debate on services has to look as well at the independence of the profession. If practice requirements push professions increasingly into a direction of being actors in the market society, supporting the functioning of this market there may be good reasons for reconsidering questions around social rights, social justice, empowerment ... from a 'purely' professional standpoint.

### **Annotations**

(1) It has to be stated that there is a serious debate on the question if the privatisation of such services can be privatised outside of the institutions, though there are huge national differences.

## References and additional notes

QUASI-website – <http://www.eurodiaconia.org/OldSite/quasi/index.htm>

Monitoring Service Project – [http://www.euro.centre.org/detail.php?xml\\_id=652](http://www.euro.centre.org/detail.php?xml_id=652)

Observatory website – <http://www.soziale-dienste-in-europa.de/>

BAGFW-Quality website – <http://bagfw-qualitaet.de/>

collectif SSIG-FR. Pour des services sociaux de qualité en Europe – <http://www.ssig-fr.org>

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