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## NEW MANAGEMENT OF SOCIAL SERVICES – INTERNATIONAL PERSPECTIVES

### Abstract

Social service systems have undergone considerable development in the last several decades internationally. This development has been driven by the unprecedented demographic changes related to population aging, dropping fertility rates, as well as by the changes in family structures and weakening of the informal care capacities of families. These circumstances have entailed an increase in the population needs for different social services and required a corresponding response by the welfare states to respond to those needs. This article aims to provide a brief overview of this state response. Namely, it will focus on the key trends at international and European level applied by welfare states regarding management of social service systems, such as: residualism, marketization, decentralization, integrated service delivery and deinstitutionalization.

**Key words:** social services, management, marketization, decentralization, integration, downsizing

### 1. Introduction – Division of Responsibilities for Social Service Provision

Demographic changes such as dropping fertility rates and population ageing, as well as changes in family structures and weakening of the informal care capacities of families mainly due to the changed role of traditional family carers – women within the family and the society in general, are the key trends affecting the development of social services in developed countries (Bornarova, 2009).

In general, 4 sectors share a role in the provision of social services, with lesser or greater involvement of the other sectors, based on which 4 specific models for provision of social services may be distinguished (Munday, 2003):

- 1) *Informal sector*: social care which is provided freely – but not necessarily willingly – by families, friends, neighbours, and which remains the main source of social care for frail and dependent family members in all countries. In some countries, there is formal legal requirement for reciprocal care between parents and children. The dominant participation of the informal sector in provision of care for dependent family members, in front of the state, voluntary and for-profit sector (the latter used

- mainly by wealthier people) is typical for Mediterranean countries. This family care model, also referred to as rudimentary model, is subject to a strong feminist critique because of its reliance on women as carers, and the limited availability of child care services and support for women. Also, the rights of service users are not so well established.
- 2) *Voluntary non-profit sector*: the range of provision is considerable through self-help groups, NGOs (both large and small) engaged in delivery of social services, volunteers working within and outside formal schemes. The highest participation of the non-governmental sector in social services delivery, through solid financial support by the state, is evidenced in Continental Europe, based on the principle of subsidiarity. The subsidiarity principle is especially strong in Germany and the Netherlands where services are provided mainly by NGOs, in the former by a relatively small number of very large and long-established NGOs and in the latter by many often church-based NGOs. The family also has a strong primary responsibility, with variations between countries (e.g. in France, services for children are predominantly a state responsibility, less so with services for elderly people).
  - 3) *State sector*: includes services provided by central, regional and local government. Services may be provided by separate social service departments or as part of a larger department, e.g. health, social security, education. The strong role of the state sector based on the principle of universalism, with services for children at risk, people with disabilities and elderly people readily available and basically free-of-charge, is typical for the Scandinavian countries. Local government plays a key role in production and planning of social services, with limited contributions by NGOs and a minimal role for the for-profit sector. This model has been admired for having strong advantages for service users: a good range and quantity of services; sensitivity to gender issues; and a closer attention to users' rights than other models (e.g. open access to clients' records, clear definition of rights to specific services). However, this model has been modified in recent years because of economic and political factors. Universalism is not so readily accepted and there is a growing NGO service sector as part of a policy of increasing "welfare pluralism".
  - 4) *For-profit sector*: is growing in size and importance in the delivery of social services. Here the state increasingly withdraws from a traditional role of direct service provision,

contracts with providers from other sectors, and targets services to those in greatest need. For-profit service providers play an increasing role in the system, as do NGOs. Privatization of social services is strongly emphasized (e.g. in residential care for elderly people). The model is typical for Anglo-Saxon countries, United Kingdom, and to some extent Ireland.

The shared division of responsibilities for provision and delivery of social services between the four main sectors is accompanied by several other trends to be discussed in more detail further in the text.

## **2. Mixed Economy of Welfare and Marketization of Social Services – towards New Public Management**

Political and economic circumstances in Europe require a proper mixed, shared contribution in the delivery of social services by all sectors (informal, voluntary, state, for-profit), within the so-called “*mixed economy of welfare*”. In most of the European countries, this trend is triggered predominantly by the need for reduction of the financial contributions of the state (residualism). There is also a parallel call to delegate specific responsibilities and tasks to the remaining sectors, which is particularly challenging for the countries from Central and Eastern Europe. In this direction, there is a visible growth of the for-profit providers in Finland, for-prof-

it services taking over work previously done by NGOs in Spain, and questioning the limits of privatization in social services in terms of preventing user abuse in Sweden (Munday, 2003). By the entry of the private for-profit sector in the delivery of social services, social services are increasingly being used by citizens in need who are not necessarily poor and marginalized (e.g. families with elderly or disabled people in need of support through social services for full-time, day or temporary care - hospice, respite, or any other services they can afford).

The responsibility for service provision, that is to say, if services should be provided by the state or by the private market, has been discussed in Europe in recent years. The tendency towards service provision by non-public entities was promoted by the “*New Management Approach*” that emerged under the Thatcher and Reagan governments in the 1980s in the UK and in the US. It argues for a more effective and efficient service and benefits provision in a market where increased competition should ensure lower costs. This market of private providers (both for-profit and non-profit) can be stimulated by the state by contracting or enabling service users to buy services with vouchers or cash payments. Moreover, the approach argues for fewer input controls and a stronger focus on performance and impact. Under the “New Public Management” approach, service users are considered as customers and civil servants

as service managers, applying the case management approach in providing access to required services for the user. “New Public Management” has also affected the universal model of welfare provision in Scandinavian countries. For example, the “Act on Free Choice Systems” in Sweden was introduced in 2009 in order to encourage municipalities to implement voucher models that support service user’s choice and higher competition between service providers (European Social Network, 2016). In England and Sweden, criteria for accessing care for elderly people were amended to focus on those most in need and on home care, and this led to an increase in non-public service providers (Brennan, et al., 2012).

The “New Public Management” approach has been criticized with the arguments that private sector methods, such as the aim to increase productivity, can have a negative impact on working conditions and service quality, while Brennan and collaborators (2012) stress a threat for class based segregation due to limited access to private services. Ranci and Pavolini (2015) point out that application of this method in Sweden led to standardization of tasks and to a larger number of service users per care worker.

One of the possible risks related to this trend is the very fact that local authorities are increasingly purchasing, rather than providing social services directly, which may cause fragmentation of the social services market through multiplication of private service pro-

viders. Additionally, development of private service markets might hinder the possibility for public authorities to plan and coordinate service provision by multiple stakeholders.

Yet, despite the critiques, the marketization trend prevails and gets stronger, particularly because it goes along with solid advocacy for service users’ choice.

### **3. Decentralization and Integration in Social Service Delivery**

Compared with the marketization, there is a visible trend of decentralization of social services towards regional and/or local authorities as direct service providers or service purchasers from other sectors in the local community (Montero, et al., 2016).

Many European countries have recently introduced laws providing more responsibility for organization of care to local authorities. In Sweden, the reform of 1992 made municipalities completely responsible for the care of elderly and disabled people. In the Netherlands, major changes in the social sector happened in 2015 with an important devolution of tasks from national to local level as the “Youth Act”, the “Participation Act”, and the “Social Support Act” entered into force (European Social Network, 2016). In England, the 2014 “Care Act” has provided the local authorities with new legal responsibilities for care and support services focused on service user empowerment, choice and control. Local authorities “are expected

to shape the market primarily through commissioning quality, outcomes-based services focused on wellbeing” (Local Government Association, 2014).

Decentralization in the social and health sector is the most visible example of major welfare reforms occurring in European countries over the past years, which represents a considerable shift in the way public policies are planned and implemented. Due to limited financial resources, in some countries the shift involves requirements from local authorities to perform integrated social services delivery in a package with services from other sectors (education, health, employment) through establishment of a so-called “one-stop-shop” system. This is being done to provide services in a more cost-efficient manner and to ease access to all required services for the user in one place (European Social Network, 2016).

#### **4. Downsizing Residential Care**

Social services are commonly provided as: *home-based domiciliary* services, *community-based* services and *institution-based* services. A trend typical for almost all developed European countries is the intention to reduce the dependency on residential care. This is being justified by the conviction that residential care is the most expensive type of protection, which also produces lower quality of services. Therefore, priority is given to exhausting all alternative services in the home or in the community, before moving to residential care as the last resort. The trend is in

line with the „*aging & living-in-place*“ principle, or enabling the user to live in his/her own home as long as possible by using social services that facilitate everyday functioning and meeting basic human needs within the environment familiar to the user.

Within the residential care facilities, a trend of transformation of the accommodation settings is evident, for instance: humanization of the living conditions; application of user-tailored approach to each user by validating his/her individuality; as well as organization of life in these facilities in a way that the environment converts into a family-like setting, to the extent possible (Bornarova, 2017).

#### **Instead of Conclusion – towards a New Management Culture**

The constraints on finance for the growing number of social services have resulted in an increasing trend to introduce principles and practices from private sector management into public service sector. The objectives are numerous, including the need of making the social services more cost effective, publicly accountable and committed to good outcomes for service users. The extent of “infiltration” of a new management culture into social services agencies varies considerably, but terms and practices such as “quality control”, “performance indicators”, “contracting” and “customer orientation” are becoming increasingly frequent almost in all developed countries in Europe (especially in the United Kingdom) (Munday, 2003).

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