



# News Letter

1/2004

## Observatory for the Development of Social Services in Europe

### Problems surrounding the development of social policy and social work in the Czech Republic – the role of SKOK, a body aiming at improving the quality of social services

Fifteen years after November 1989, social policy and social work in the Czech Republic (much like in some of the other countries of the former socialist bloc) still have two distinct faces:

- the conservative element expressed in existing social legislation, which has “survived” in the form of a strong prevalence of institutionalised care and
- the “reform” element, which is represented by new, client-oriented practices and reflected in the Internet site of the Ministry for Work and Social Affairs but not in generally applicable legal standards.

Not only are public authorities at all levels (national, regional and local) in charge of shaping the legal framework surrounding the provision of social services: most of the time, they also provide social services themselves in institutions of their own. As a result, public authorities often favour their own institutions over all other providers of social services, for the simple reason that they are more familiar with them.

Government social policy has remained largely unchanged since the days of the former regime. This is particularly true of financial aspects: the government continues to fund public social institutions on a regular basis, while less funding goes to social servi-

ces provided by non-government providers. Moreover, the latter have no established or enforceable legal right to such subsidies. Although hundreds of citizens’ action groups have clearly and publicly demanded that major changes be made to the situation of people with disabilities, the elderly, children growing up outside traditional families and other target groups of social work – and claimed that such changes need not involve extravagant means –, government pol-



icy has continued to prefer and subsidise the life of these persons in huge, costly institutions. This discrimination continues even today. It is clear that the present organisation and structure of social services cannot be improved unless there is a total change in the philosophy behind them.

The overall field of social assistance (which covers social services and so-called “social care”, including individual care) is not yet governed by a set of regulations applying universally to all services. On the other hand, regulations on social insurance and

other social transfers – e. g. child allowances – were amended in the 1990s. As a result of the necessity of correcting this imbalance, a new national organisation – SKOK (*Spolek konference nestátních neziskových organizací působících v sociální a zdravotně sociální oblasti*) (= association of the expert conference of non-government, non-profit organisations in the social and health-social area; the term “health-social” covers an area going beyond purely medical care and including complex care and social services) – has recently created a uniform financing system for social services. At the same time, the new system also establishes uniform quality standards for social services irrespective of their provider. SKOK was founded in Prague in 1996 at the first conference of social NGOs. On this occasion, the standing commission (*Stálá komise*; in its long version, its name is also abbreviated as “SKOK”) of the expert conference was elected; its task is promoting social policy so as to defend the interests and rights of the beneficiaries and providers of social and health-social services, an objective achieved partly through ongoing observation and analysis of the social situation. It was very important to create a network of social organisations so as to ensure that their aims could be better defended within the scope of social policy. The first issues to be addressed – as proposed by the providers themselves – were quality and human rights. There are still no binding rules regulating the rights and obligations of the clients of social services or those of social workers. Clients still cannot decide freely when and where they want to have recourse to social

### Editorial

DEAR READER,

ONCE AGAIN, OUR NEWSLETTER HIGHLIGHTS ONE TOPIC, THE SITUATION OF SOCIAL SERVICES IN CENTRAL AND EASTERN EUROPE. OUR FOCUS COINCIDES WITH THE ENLARGEMENT OF THE EU BY TEN NEW MEMBERS AS OF 1 MAY 2004. ENLARGEMENT WILL POSE FOUR CHALLENGES TO THE EIGHT COUNTRIES OF CENTRAL AND EASTERN EUROPE: 1. EFFECTIVE MEASURES WILL NEED TO BE TAKEN TO SUPPORT THE ONGOING TRANSFORMATION PROCESS IN THE POLITICAL, ECONOMIC AND SOCIAL ARENA. 2. ONE SUCH MEASURE MUST INVOLVE ADAPTING THE LEGAL FOUNDATION AND FINANCING PROCESSES AS WELL AS THE METHODS, CONCEPTS AND PRACTICES OF SOCIAL WORK TO THE NEW DEMANDS. 3. WITH EU REGULATIONS NOW APPLYING TO SOCIAL, COMPETITION AND STATE AID POLICIES, A NEW FRAME OF REFERENCE WILL BE ADDED TO THE NATIONAL FRAMEWORK OF REGULATION, ORGANISATION AND PROVISION OF SOCIAL SERVICES. 4. FURTHERMORE, SPECIAL SUPPORT PROGRAMMES THAT HAD EXISTED UNTIL NOW WILL BE REPLACED BY THE EU STRUCTURAL FUNDS. THE ARTICLES OF THIS NEWSLETTER SHED LIGHT ON THESE ASPECTS. THE LEADER ANALYSES NGO NETWORKS AND THEIR ROLE IN POLITICAL DECISION-MAKING PROCESSES IN THE CZECH REPUBLIC, WHILE THE GUEST COLUMN LOOKS AT THE CHALLENGES AND DEVELOPMENTS COMMON TO THE COUNTRIES OF CENTRAL AND EASTERN EUROPE IN THE FIELD OF SOCIAL SERVICES, WITH A FOCUS ON THE ROLE OF STATE AND CIVIL SOCIETY. ONE OF OUR REPORTS PRESENTS THE RESULTS OF A SURVEY ON THE NEED FOR COOPERATION AND CONSULTATION AMONG PROVIDERS OF SOCIAL SERVICES IN FOUR ACCESSION COUNTRIES; ANOTHER DESCRIBES THE TOPICS AND RESULTS OF THE WORKSHOP ON “NEW PARTNERSHIPS IN AN ENLARGED EU”. ON ITS TRIP AROUND EUROPE, OUR COUNTRY REPORT THIS TIME MAKES A STOP-OVER IN HUNGARY.

THE EDITORIAL TEAM

services, and which social services they would like to use. Health insurance schemes generally do not reimburse social institutions for the costs of these clients' medical care. There is still no market for social services functioning on the basis of supply, demand and competition, and there is still no functioning system of remuneration for the provider bodies.

Since 1999, major changes have had to be made to the new law on social services in order to implement the new social services philosophy. These changes were made in close cooperation with non-government providers serving as advisory organisations to the Ministry for Work and Social Affairs. As a result of its many actions in the interest of NGOs, SKOK had already received support from the Ministry and been recognised as the government's partner. At the time, the main objectives were defined as accessibility of social services and breadth of the services offered to users, quality of social services and respect of human dignity. It was the first time in the Czech Republic that social services were defined as being of general interest. It was expected that individual social institutions would have to be subjected to verification and accreditation. At the end of 1999, an agreement was signed between the Czech Republic and Great Britain regarding support for the Czech reform of social services. Since then, unfortunately, changing government coalitions have prevented the successful implementation of this basic reform of social services in the Czech Republic.

In 2002, SKOK was granted the status of an incorporated association. Its members are not only providers of social and health-social services, but also employers in the social and health-social area. SKOK has meanwhile begun distributing information to all its members, to local authorities, regional offices and other organisations and institutions. The purpose of the association is to contribute to the development and quality of social and health-social services in the Czech Republic. It follows the following objectives:

- promoting social policy while defending the interests and rights of beneficiaries and providers of social and health-social services;

- developing new contents and organisational concepts for humanitarian help and social and health-social services;
- ensuring the recognition of NGOs as integral elements of civil society;
- supporting cooperation between NGOs;
- informing the public about social and health-social services;
- paving the way for the conditions that will apply once the Czech Republic joins the European Union.

SKOK has no sub-structures in the regions. Instead, it maintains a network of regional representatives. The association respects the independence of its members; it offers consultation services, monitors policy development, stimulates public discussion and encourages pluralistic structures among NGOs. Through their membership, members have access to rapid information on what is happening in the social and health-social area (for instance via a monthly e-mail service established in early 2002, which already has several hundred subscribers). They are also provided with information on the documents and structural funds of the European Union and given the opportunity of participating in round table debates, seminars and regional discussions.

It is of utmost importance for SKOK and other networks in Central and Eastern Europe to develop partnerships with the relevant umbrella organisations and with related European associations. Czech NGOs still have no contacts to or memberships in these networks. At national level, however, networking has progressed: SKOK has recently joined the national federation of all non-government organisations in the Czech Republic, which was established in 2003.

Following two publications by the Ministry for Work and Social Affairs in 2002 – “The Standards of Quality in Social Services” and “Planning of social services as related to social space” – the members of the SKOK executive committee organised seminars where government officials and representatives of various levels including the smallest of local authorities were given the opportunity of improving their skills in planning and organising social services. The idea behind the concept

is not only giving social services – which have been run centrally since 1948 – a more human face: it is also a question of economic aspects. Non-stationary, mobile social services embedded in the social environment and life circumstances of the beneficiaries are an enormous improvement over and less costly than long-term or lifetime institutionalisation.

Debate and conceptual considerations on topics such as responsibility, financing, right to services, etc. have been going on for years at the Ministry for Work and Social Affairs. Yet no one in the Czech Republic can say when new legislation will come into force. SKOK wants to offer both non-profit and municipal organisations ongoing regional training, “round table discussions” and a way of ensuring that the principles of a European social policy oriented toward combating poverty and exclusion are understood and accepted.

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## Guest column

### State or civil society? The future for personal social services in Central and Eastern Europe

#### Challenges

Countries in Central and Eastern Europe (CEE) face major challenges in the task of developing effective and affordable personal social services (PSS) in this prolonged period of transition post-1989. Three barriers to success with this task have to be confronted:

1. *The legacy of the past.* The communist ideology largely denied the possibility of social problems in the socialist state making PSS unnecessary except in the most rudimentary form. Similarly non-state organizations such as western-style social care NGOs were virtually

prohibited and non-existent. Therefore the new democracies inherited very few resources for building PSS in terms of existing services, staff and any recent tradition or culture supportive of PSS.

2. *Other economic and social policy priorities.* The immediate task – and huge cost – of rescuing the failing economies in CEE and establishing democracy has been a much higher priority than investing substantially in PSS. As part of this task an early social policy priority has been to reform social protection systems, which in many cases had been inflexible and unaffordable. It is only in quite recent years that international assistance has turned more to assistance with building new PSS systems.

3. *New and severe social problems.* Painful economic restructuring has had inevitable serious social consequences for sections of society throughout the region. In the earlier post-1989 years especially, widespread unemployment and family poverty created a massive need for PSS that systems were not equipped to deal with. For example, in Romania for a period during transition more children were coming into public care because of family poverty than under communism. Elderly people, children at risk and women have been particularly disadvantaged.

#### Progress

Uneven but often significant progress is being made in many CEE countries with confronting these challenges to PSS development. With substantial international assistance (e.g. by the World Bank, European Union and individual donor countries) development work has concentrated on

- Modernising institutional/residential care
- Creating community-based services e.g. fostering, day centres for elderly people
- Training programmes for social services staff, including university degrees for social workers
- Inclusion of social services responsibilities and departments in decentralisation to regional and local governments

- Supporting the growth of agencies of civil society (i.e. NGOs) and forging partnerships between state and civil society in social care

This latter development is all-important to the future success of the PSS in the region and will be discussed in the remainder of this column. It relates to the more basic question of what form or model countries in CEE should adopt for their slowly emerging PSS systems. In particular, given their very different histories should they develop systems that are rather different from those in present Member States of the EU. The sheer size and diversity of this region makes generalisations unwise.

### 'Mixed economies' of social services

It is very well established that the predominant trend in Western Europe is for countries to develop social services systems in which there is an appropriate mixture of responsibilities and contributions from the state, civil society, families and – in many but not all – the commercial sector. Countries come to their particular model from different traditions and starting points (e. g. the state dominated welfare state systems in Nordic countries) but virtually all are now converging around the more pragmatic, affordable mixed economies of social services. This results from the demise of previous political ideologies; and the strict fiscal constraints imposed by increasing global competitiveness.

The conclusion must be that countries in CEE will adopt their own individual versions of this mixed economy model. There is no foreseeable possibility of old-style state dominated systems re-emerging. However, there may be some danger of the appearance of a past welfare model in which the state makes only the most minimal safety net provision when families and local communities cannot/will not provide social support for vulnerable people. This model was seen not only in communist states but also in other European countries (e.g. in the UK) in a much earlier period of their social history.

### State and civil society in social care

A recent study of this subject in six CEE countries (Munday 2003) examined the present position and future prospects for a productive relationship between state and civil society in developing PSS. Inevitably there are both opportunities and dangers in this evolving partnership. Given the citizens' continuing distrust of the state, together with its very limited resources, should the main emphasis be on enabling the agencies of civil society to assume the main responsibility for social care? This view is supported by the enormous enthusiasm for the growth of civil society post-1989 as seen in the rapid growth of the numbers of NGOs. A strong view is that there is no real alternative to this path. The state has neither the credibility, resources nor organisational competence to take the main responsibility for services that it is not familiar with.

An alternative view points to lessons from social history to warn against over-reliance on non-state sectors in provision of PSS. An abdication by the state of responsibility for funding, legislation and regulation – if not direct provision – of services leads to 'territorial injustice' with both the quantity and quality of social services being spread very unevenly throughout a country. Therefore, during this prolonged period of transition in CEE the state, centrally and locally, must assume major responsibilities for the PSS in a partnership with civil society. In this partnership the main actors have to agree their respective roles in relation to planning, organising, financing, delivering and regulating social services.

Fortunately there is considerable assistance from the international community to help countries with this formidable task. A scrutiny of internationally funded projects and programmes reveals a strong emphasis on building the capacity of both state and civil society in social care, with partnership working being a key theme. One example is the very substantial World Bank social services development programme in Albania. Accession countries in particular benefit from EU programmes to enable them to tackle poverty and social exclusion as part of modern-

ising their social policy in preparation for EU membership.

### Conclusion

The study referred to above revealed a variety of patterns and stages of development in state-civil society relationships in social care. Some countries are struggling to discard previous attitudes and practices; while for all, funding for sustainable PSS is a major concern. Countries such as Poland, the Czech Republic and Hungary have more experience in social care to draw on and are better placed to develop effective partnership arrangements in social care than are, for example, many of the countries of the former Soviet Union.

The final positive observation is that internal and international attention has now turned to the needs of social care development across CEE. The next few years will be critical to the success of state-civil society cooperation in this vital field.

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### Reference

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## Main report

### Survey shows unmissable increase in demand for cooperation and consultation

In view of the forthcoming accession of ten new Member States to the European Union in May 2004, the Observatory for the Development of Social Services in Europe – in close cooperation with the German federations of non-government welfare associations and the federations of municipal associations – conducted a survey among providers of social services in four of the accession countries: the Czech Republic, Hungary, Poland and Slovakia. The interviews explored possibilities of cooperation between the German federations and represent-

atives of social organisations and federations, governments, municipal authorities etc., and examined how providers of social services in EU accession countries assess their need for consultation.

On the basis of existing cooperation structures between these various parties, 120 questionnaires – the majority of them from Poland – were included in the final quantitative and qualitative analysis. This means that the central results of the survey should be interpreted as a trend rather than as a statistic claiming to have scientifically-based representative value. The survey concentrated on four areas: structural analysis, problem analysis, performance analysis and target analysis (cf. Newsletter 2/2003). A quantitative analysis of the results allows the following deductions to be made regarding the individual variables.

In all four surveyed countries, no more than one third of institutions run by local public authorities are members of national umbrella organisations. Membership in European structures is largely non-existent. Things are quite different in terms of involvement in political decision-making processes: here, providers run by local public authorities are highly active in the fields of social legislation and demand planning. There are also regular exchanges with government authorities, even though these may not be based on structured or continuous relationships. Most funds come from local sources, but also to a substantial extent from government subsidies, grants and other forms of assistance. One interesting aspect of the situation in Poland is that more than 20 % of needs in the surveyed institutions are financed from donations, gifts and legacies. Funding from EU programmes plays a relatively small role. Cooperation structures between providers are very strong within each of the four countries. On the other hand, cooperation with German bodies – for instance within the scope of municipal twinning partnerships – plays only a marginal role. Networking with other Member States or other EU accession countries is not particularly developed, either. On the other hand, results speak of a very clear

demand for cooperation and consultation, with over 90 % of institutions run by local public authorities showing a high degree of interest in such cooperation. The main areas where a need for consultation is felt are exchanges of information and experience, application procedures for EU funding, networking with EU institutions, financing, and the quality of social services.

Non-government organisations and institutions accounted for more than 80 % of returned questionnaires. As a rule, these are associations and church institutions at local level, and a few foundations. In contrast to institutions run by local public authorities, social NGOs have been much harder hit by the overall financial problems resulting from the continuing transformation process in the individual accession countries. Financing is the central problem faced by non-government providers, so that their individual funding sources are more broadly spread. In addition to subsidies and benefits from national and local government authorities – such funding being, however, neither uniform nor reliable – most funding comes from donations, gifts or legacies, and above all from the organisations' own income from the provision of social services.

But funds from foreign (partner) organisations and, increasingly, from EU programmes (especially PHARE and ACCESS) also play an important role. Nowhere in the four accession countries do not-

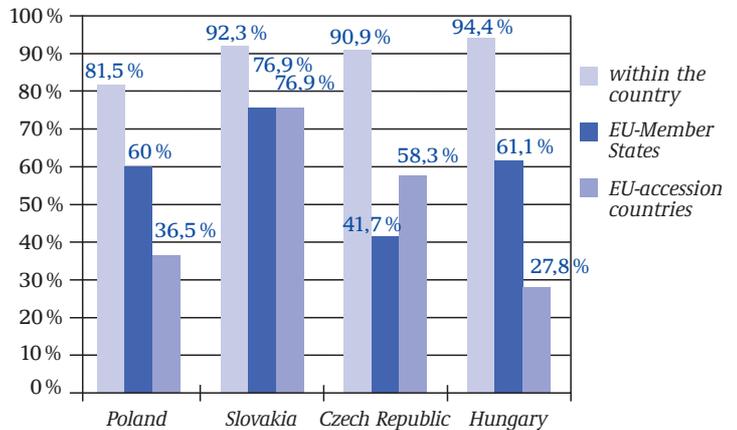
for-profit, non-government providers yet play the role of an intermediate instance. It is therefore hardly surprising that more than half of the organisations surveyed described their relationship with the government authorities that are relevant for them as mediocre on the whole, and even as poor or very poor in 7.8% of cases. Providers of social services are given the opportunity of representing their interests vis-à-vis government authorities, but there are no institutionalised structures or procedures for them to do so.

Communication is based on whatever personal contacts may already have evolved through projects supported by the state or as a result of the allocation of specific tasks. The involvement of social NGOs in political decision-making processes takes place primarily in the areas of social advocacy, applications for EU funding and participation in the development of educational standards. In contrast to institutions run by local public authorities, nearly two-thirds of non-government welfare organisations are members of national umbrella organisations: either on the basis of the services they offer (child/youth welfare, services to people with disabilities, elderly care/nursing care, etc.) or of religious affiliation (membership in church umbrella organisations such as Caritas or cross-denominational secular organisations such as the Working Community of Associations of Social Organisa-

tions [WRZOS] in Poland). The situation with regard to membership in European umbrella organisations – generally via direct membership in a national umbrella organisation – is similar, but at a lower level. Some of the European organisations mentioned are Caritas Europa, Eurodiaconia and the International Red Cross. The analysis also shows clear trends in the area of existing cooperation structures. More than half of the social NGOs surveyed have already established cooperation structures with German providers of social services. Cooperation focuses on exchange of information, knowledge/know-how, training, edu-

out a doubt, the main problem is financing. The main complaint of the organisations and institutions surveyed was that government funding for social services is not clearly or uniformly regulated. Costs for the provision of services are often not fully covered by the government subsidies allocated to cover them, and quality standards cannot be maintained. Many institutions are forced to struggle for mere survival, with funds not even sufficient to pay water, heating and electricity bills. Non-government institutions are hit particularly hard by inconsistent, uncertain or non-existing regulations. With the exception of Poland, where

**Frequency of cooperation of not-for-profit providers with other providers of social services (percentage of existing cooperation)**



cation and qualification, but it also relatively often involves coordinated application for EU funding. Applying for European project support is also often the reason stated for establishing cooperation structures with organisations/institutions in other EU Member States. There are extensive contacts with Scandinavian countries – e.g. Sweden and Denmark – as well as with Great Britain, France, Belgium, the Netherlands and Austria. The social NGOs surveyed see a particularly concrete need for consultation in the areas of exchanges of specialised information and experience, training/education/qualification, EU funding and application processes, financing, and the quality of social services.

Irrespective of the type of provider and the accession country in question, the greatest difficulties – according to the results of the qualitative analysis – are in financing, legislation and societal image. With-

a new law clearly regulates financial compensation for the provision of social services on the basis of service contracts, non-government organisations do not receive any regular funding from government authorities. As a result, many of them find themselves in permanent danger of a financial collapse that they must constantly try to avert. German federations – both non-government welfare organisations and organisations run by local authorities – should therefore see their main task as being continued financial and conceptual support for the establishment of federational structures in the EU accession countries.

The results of the survey have been published in number 11 of our working papers series. This paper can be obtained free of charge from the Observatory or downloaded from the project website.

Beatrix Holzer

**Areas of demand for consultation for social services providers**

Providers run by local public authorities		Not-for-profit providers	
Areas of demand for consultation	% of answers	Areas of demand for consultation	% of answers
1. Exchanges of specialised information and experience with regard to individual areas of social work	14.9 %	1. Exchanges of specialised information and experience with regard to individual areas of social work	10.5 %
2. EU funding/application procedures	13.8 %	2. Training/education/qualification	10.1 %
3. Networking with EU institutions	10.3 %	3. EU funding/application procedures	8.5 %
4. Financing and quality of social services	9.2 %	4. Financing	7.9 %
5. Exchange/transfer of experience and training/education/qualification	6.9 %	5. Quality of social services	7.3 %
	<b>Total = 87</b>		<b>Total = 493</b>

## “Eastern Europe Conference”: new contacts and synergies

Under the motto “New partnerships in an expanded Europe: learning from one another – strengthening social infrastructures”, the Diakonisches Werk of the Lutheran Church in Germany, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, and the Observatory for the Development of Social Services in Europe hosted an “Eastern Europe Conference” in Berlin on 8 December 2003. This workshop event was the follow-up to a survey conducted by the German federations of non-government welfare associations and the federations of municipal associations in their partner organisations and institutions in Poland, Slovakia, the Czech Republic and Hungary. The survey was based on an extensive questionnaire in German and English that had been prepared jointly by the Observatory and the federations. Its objective was to better specify and clarify the demand for cooperation and consultation among providers and institutions of social services in the four selected accession countries. In the presence of a number of guests from the participating countries and from various backgrounds of social activity, the parliamentary state secretary in the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, Ms. **Christel Riemann-Hanewinkel** opened the conference. In view of the forthcoming accession to the EU of ten new Member States, nearly all of whom have experienced an appreciable transformation process, she stressed the importance of intensive exchanges of information between people involved in all levels and types of social work. An institution like the Observatory, with its scientific orientation, was well placed to promote such exchanges, she added. **Dr. Kristina Koldinská** of Charles University, Prague, presented a report drawn up by a team led by Prof. Igor Tomeš with the cooperation of national experts in the countries involved. This report analyses the role of social services in the transformation process, and more particularly the legal and organisational aspects affecting them. Dr. Koldinská explained

the complex economic circumstances of social services in the transformation states, and the parallel evolution of demand with regard to social security structures and the concrete provision of social services. In her view, decentralisation measures and withdrawal of the state from the direct provision of social services are the central factors affecting the situation in the four Visegrád states. This, according to Dr. Koldinská, has given private welfare a growing significance over the past few years, and it has inevitably led to a broader base of funding sources, more and more from private and municipal budgets in view of the pull-back of central governmental sources. The character of the services, she explained, has moved away from traditional institutionalised care to focus on home support and care in day centres. A determining factor for social services in the countries of Central and Eastern Europe will



*Maria-Carola Bürkner, representative of the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, at the conference “The social dialogue in Central and Eastern Europe”, 29th to 31st October 2003, Nyíregyháza, Hungary*

be the continued evolution and implementation of social legislation. The discussion which followed the presentation showed the necessity of paying increased attention to the human rights aspects of social legislation and stressed the financial insecurity that often affects planning. The difficulty of infusing a materially good law with life, participants argued, was compounded by budgetary constraints, as – in the words of participants from the Slovak Republic – resources were available only for shorter-term projects. The evolving social legislation described in the first presentation was criticised by a few participants because of

the low level of social security it offered, but generally speaking, structures such as the new rules for not-for-profit NGOs in Poland were found adequate. **Beatrix Holzer** (Observatory) explained the results of the survey conducted in the four accession countries (cf. first main report for more details). Following this first segment of input, the conference split into three **workshops**: (1) possibilities for participation, (2) analysis of the situation (funding, legislation, etc.), and (3) demand for cooperation. One common problem became obvious: the lack of communication and cooperation between NGOs and political decision-makers and, consequently, the need for efficient dialogue structures. As best-practice example, Hungarian participants described the “Civil House” concept, which was also given a great deal of interest in the plenary session. Hungarian “Civil Houses” are a kind of regional forum where dialogue can take place. They offer members of the general public space and support to contribute to the shaping of public opinion in political and social matters and to participate in decision-making processes in Hungary. In his closing words, the chairman of the German Federal Working Group of Non-Statutory Welfare Services (BAGFW), **Dr. Manfred Ragati**, pointed out successful examples of cooperation between social NGOs in accession countries and the German federations of non-government welfare associations. He said he would now concentrate on ensuring that cooperation structures became more permanent and synergetic effects more extensive. Sensitive and integrative moderation by **Prof. Hanns-Stephan Haas** (Diakonische Akademie Deutschland) ensured the smooth progress of the workshop. A report on the evaluation workshop is expected to be available by mid-2004.

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## Social Services in Europe

### Social Services in Hungary

In Hungary, a range of social benefits were established by the end of the 1980s. However, services for children and families were quite uniform, not really taking into consideration the different kinds of needs. These services looked similar and provided more or less similar provision everywhere in the country. The results of the political and economic changes in 1989–1990 have brought about changes in the structure of employment, too: different work structures, unusual working hours, different demands on the part of employers, and different needs in terms of services helping families. There was a decline in the gross domestic product, consumer prices went up, subsidies were reduced, and the majority of the people was getting poorer. Unemployment appeared, and there was quite high inflation. The polarization of society developed rapidly.

### Legal Framework/Regulation

Today, the Constitution of the Hungarian Republic guarantees several social rights, namely the right to social security and a certain standard of living. The entitlement to social benefits is provided by the state through its social security system and its welfare institutions.

The Social Act of 1993 (Law 3 of 1993 on social provisions and social administration) and the Act on the Protection of Children (Law 31 of 1997) describe the system of services and financial support. The aim of both is to maintain the quality of life and human dignity of those people who are in need of help for physical, mental or social reasons. The provisions give entitlement to all citizens who are in need of such services, and whose status of health requires them. Nursery care for children under the age of 3 is considered as a basic service for all working families, whereas kindergarten (also full time care, for children between 3 and 6 years of age) is part of the education system.

These Acts provide the legal background for the services

regardless of the provider, require diversification according to needs, state the possibility for non-governmental organizations and the private sector to draw up contracts with local authorities for service provision, and describe the qualifications necessary for the different professionals working within the social domain.

### Types of services

The goal has been to offer a variety of services to choose from in order to better match the needs of users. There have been initiatives to set up new forms of services and attempts have been made to specialize and integrate their delivery. There is a move towards scaling services and to implement initiatives that are suitable for serving even the smallest villages. The aim is to ensure full coverage of the population of Hungary with a variety of services to choose from.

Existing services regulated by the Social Act include: home help, meal provision, family support service, day care for the homeless, clubs for the elderly, day care for the disabled, day care for drug addicts, home and respite care for the elderly, homes for psychiatric patients, home and respite care for disabled children, home and respite care for disabled adults, homes for addicts, homes, shelters and night shelters for the homeless, other homes. Services regulated by the Act on the Protection of Children include: childcare for children under the age of 3, child welfare services, respite services, and provisions for children in care (child protection system).

However, implementation of the legislation has not been fully achieved yet in all parts of the country and there have been no surveys to reveal the real needs of the population. Presently, the need can be estimated only from information on the utilization of services and the existence or size of waiting lists.

### Responsibilities concerning administration, financing and organisation

Today, in Hungary, the responsibility for providing care is shared between families and friends (informal care) and other agents such as the national government, local government, church, and the voluntary sector (formal care).

Ever since the political changes in 1989–1990, one of the issues, which keep coming up is the role of the state in the provision of social services, in the support of those in need and in financing different kinds of services.



*Jutta Braun-von der Brelie, scientific officer of the German Association for Public and Private Welfare, Frankfurt/Main, and Michaela Moser, representative of the Austrian Anti-Poverty Network within the EAPN, Brussels, in the library of the town hall at Nyíregyháza, Hungary*

The democratically elected governments approached these questions slightly differently, however, the main thrust of the political and the consequent economical changes was the substantial change in the role of the state. Compared to the state socialist years, when all services were financed from the central budget, the government today has only a regulatory function. With the emergence of the local government system in 1990, the responsibility for the provision of services was placed with the county and local authorities, within the 3-tier system of government (national, county, and local).

According to the Social Act, “it is the duty of central government and local authorities – beyond the citizens’ responsibility for themselves and their families, and local communities’ responsibility for their members – to ensure the conditions for providing social services” (§ 2). By reason of this division of responsibilities the central government establishes the legal framework, the regulations, and the system of financing for social provisions. Local authorities are responsible to set up the local system of social services within the framework described in the law and to define the entitlement criteria for social allowances and social services. The Act provides an opportunity for local authorities to contract non-governmental service providers (§ 120). The law also determines the obligatory

contents of the contract. The parties must come to an agreement concerning the form of provision, number of places, fees, and the system of reporting and supervision. Local authorities are obliged to pass on the available fixed and earmarked (so called “normative”) funding from the central budget to the NGOs, when the service is offered within the scope of the contract. Nevertheless, the ratio of non-governmental providers is quite moderate within the social domain.

The relatively low participation of the non-governmental sector in maintaining care services is not surprising. Non-profit service provision could not develop rapidly because of the lack of capital needed for investment. Overall, about 5–25 % of places (depending on the type) are provided by the non-governmental sector, which includes voluntary, church and private (for profit) sector providers. Maintaining a place in a centre or home (for children, the elderly, or for specific groups of vulnerable people) in most cases costs more than the normative support ensured by the national government. Service providers have to complement it to a different extent, depending on the type of the provision. The majority of the population in Hungary would not be able to cover the full cost of services anyway.

There is a lack of tradition in organising NGOs, and setting up initiatives in local communities. At the same time, the central and local governments have very high expectations as to the provision of effective solutions of social problems. There is also a lack of culture for offering sponsorship. Companies have no strategies and ideas for supporting NGOs. Therefore, many NGOs besiege central and local governments for financial assistance.

### Financing

An overwhelming part of the institutions providing care are maintained by the county and local authorities, that’s why they are mainly financed by tax revenues. One part of the operational costs the local authorities obtain from the central budget in the form of a fixed support, another part of the costs is financed from their own revenues, and as a third source a

contribution paid by the beneficiaries completes the sum. These contributions are fixed sums which must not exceed a stated percentage of the recipient’s monthly income. The ratio of the three sources can be different, depending on the type of the benefits and the financial situation of the given local authority. Private insurance schemes are not involved in the financing system. Overall, this system can be considered as a supply subsidizing one, as services are funded directly and those needing care don’t get cash grants in order to finance the services.

In summing up the situation today, perhaps we can say that even though the dynamic processes of demand and supply influence the social welfare system to a greater extent than before, the market-controlled approach is not viable. Ours is a mixed system, comprised of financial and in-kind support and service provision that is closer to state guaranteed provisions, on the continuum between directly state provided services and fully privatized services. 5–25 % of the places in the different services are maintained by the non-governmental sector.

For more detailed information please refer to Working Paper Nr. 12 “The role of social services in the transformation process – legal framework and forms of organisation”, Prof. Igor Tomeš et al., February 2004, and the country report on Hungary.

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## News from the Observatory

### Survey on the demand for cooperation and consultation among providers of social services in EU accession countries

Number 11 in our series of working papers – “Survey on the demand for cooperation and consultation among providers of social services in the accession countries Poland, Slovakia, the Czech Republic and Hungary” – describes the concept and implementation of a 2003 survey conducted by the Observatory in close cooperation with the Ger-

man federations of non-government welfare associations and a number of selected local government authorities. The paper reports on the main results of the survey – a comparison between the countries involved and between various types of providers; it also formulates conclusions and outlines possible steps toward more cooperation, consultation and networking. For details, please read the articles by Beatrix Holzer in the present edition of the newsletter as well as in the 2/2003 edition.

**Expert report "Legal framework and forms of organisation of social services in the transformation process"**

In 2003, the Observatory commissioned Prof. Igor Tomeš to carry out a study of the legal conditions and organisational forms affecting person-related social services in four EU accession countries: Poland, Slovakia, the Czech Republic and Hungary. The report presents an overview of provider structures in the main areas of social work and social welfare – with the exclusion, however, of institutions providing day-care services for children. Prof. Tomeš and his team describe the most important reform steps taken since 1989 and explain the need for further change. The study contains both comparisons of the countries involved and separate reports on the individual countries. A comparative chapter covers the central institutional characteristics of the four countries involved and relates them briefly to Germany as a "model" for the provision of social services. The original English-language version has been published as Working Paper no. 12, "The role of social services in the transformation process – legal framework and forms of organisation". A German translation is also available: Working Paper no. 13, "Die Rolle der sozialen Dienste im Transformationsprozess – rechtliche Rahmenbedingungen und Organisationsformen".

**Short report on "Cooperation structures between Austria and providers of social services in EU accession countries"**

When the coordination group of the Observatory met on 11 December 2003, Bettina Leibetseder of the Institute for Social Policy (Institut für Gesellschafts- und Sozialpolitik) of the University of Linz held a talk on the "cooperation between Austrian social services and organisations in the EU accession countries". She presented an overview of the results of a survey conducted on the five Austrian welfare federations – Caritas, Diakonie, Hilfswerk, Volkshilfe and the Red Cross – on cross-border activities and cooperation structures with providers of social services in the countries of Central and Eastern Europe.

No research has been done in this area until now. Ms Leibetseder's report therefore complements the results of the survey conducted by the Observatory on demand for cooperation and consultation among providers of social services in Poland, Slovakia, the Czech Republic and Hungary (cf. above) by presenting an outline of the situation in Austria. Overall, it should be noted that the situation in late 2003 provides only examples of networking. The Red Cross, with its partnership project, is in a good starting position for the EU expansion in May of this year. Caritas and Diakonie both depend on their European networks (Caritas Europa and Eurodiakonia) and have established no more than limited contacts with organisations in accession countries. As a result of negative experiences and lack of suitable partner organisations in the accession countries, it has been difficult for Volkshilfe to set up strategic cooperation; here too, its European network (solidar) has just recently granted membership to an organisation based in one of the EU accession countries. Hilfswerk is not interested in institutiona-

**D a t e s**

May

**13-14/Dublin, Ireland:**  
International conference on "Families, Change and Social Policy in Europe", hosted by the Irish Presidency of the Council  
Information:  
[http://www.eu2004.ie/templates/meeting.asp?sNavlocator=5,13&list\\_id=118](http://www.eu2004.ie/templates/meeting.asp?sNavlocator=5,13&list_id=118)

June

**7-9/Frankfurt a. M., Germany:**  
Specialised conference on "Der soziale Dialog in Mitteleuropa – Ein Erfahrungsaustausch zu sozialen Diensten und damit zusammenhängenden Fragen" [Social dialogue in central Europe – an exchange of information on social services and related issues], German Association for Public and Private Welfare  
Information:  
Jutta Braun-von der Brölie  
phone +49-69-95807-131  
E-mail: [braunvdb@deutscher-verein.de](mailto:braunvdb@deutscher-verein.de); <http://www.deutscher-verein.de>

**16-18/Dublin, Ireland:**  
12th European social services conference on "Delivering Quality and Access to Social Care and Health in an Enlarged Europe", hosted by the European Social Network  
Information:  
<http://www.socialeurope.com/dublin/introduction.htm>

**21-24/Oslo, Norway:**  
20th world congress of Rehabilitation International on "Rethinking Rehabilitation"  
Information:  
<http://www.ri-norway.no>

August

**16-20/Kuala Lumpur, Malaysia:**  
31st international conference of the International Council on Social Welfare on "Social Progress and Social Justice"  
Information:  
[www.ncwsdm-icsw31.org](http://www.ncwsdm-icsw31.org)

September

**9-11/Oxford, United Kingdom:**  
Annual conference of the Network for European Social Policy Analysis (ESPAnet) on "Social Policy: Meeting the Needs of a New Europe"  
Information:  
<http://www.apsoc.ox.ac.uk/Espanet/espanetconference/index/list>

**23-25/Graz, Austria:**  
Conference on "Face of Research in European Social Development – Aims, Results, Impact" organised by the European branch of the Inter-University Consortium for International Social Development (IUCISD)  
Information:  
<http://www.gewi.kfunigraz.ac.at/edu/face/>

**27-28/Lyon, France:**  
25th congress of International Center of Research and Information on the Public, Social and Cooperative Economy (CIRIEC) on "The Response of Public, Social and Cooperative Economy to the Expectations of Society: Basic Rights, Social Needs, Solvent Demand", organised by CIRIEC/IFIG, Liège, Belgium, and CIRIEC-France, Paris  
Information:  
<http://www.ulg.ac.be/ciriec/>

October

**20-21/Nuremberg, Germany:**  
6th specialised trade fair and congress for the social market in Germany, Bavarian State Ministry for Employment and Social Order, Family Affairs and Women  
Information (in German):  
<http://www.consozial.de/>

**21-23/Venice, Italy:**  
International conference on "Providing Integrated Health and Social Care for Older Persons – Facing the Challenges in Europe"  
Information:  
Dr. Kai Leichsenring  
E-mail: [leichsenring@euro.centre.org](mailto:leichsenring@euro.centre.org)  
<http://www.euro.centre.org/procare>

lised cooperation with organisations in the countries in question.

The table on the left summarises the various factors supporting or hindering cooperation.

The full text (in German) can be found in the „Aktuelles“ section of our project website.

**Conference on "Social Services of General Interest in the European Union – Assessing their Specificities, Potential and Needs"**

The German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, the Platform of European Social NGOs and the Observatory for the Development of Social Services in Europe – with

the support of the Directorate-General Employment and Social Affairs of the European Commission – are organising a conference on "Social Services of General Interest in the European Union – Assessing their Specificities, Potential and Needs", to be held in Brussels on 28 and 29 June 2004. The objective of the conference is to establish and assess the conditions necessary or even indispensable at both national and EU level to ensure the effective and efficient operation of social services of general interest and to pave the way for their modernisation. It will therefore serve as a follow-up to the White Paper on "Services of General Interest", which the EU Commission is expected to pre-

Supporting factors	Hindering factors
<ul style="list-style-type: none"> <li>• interest in cooperation</li> <li>• existing European network</li> <li>• similar religious or ideological background</li> <li>• right timing</li> <li>• win-win situation, i.e. equal partnership</li> </ul>	<ul style="list-style-type: none"> <li>• no specific objectives in this area</li> <li>• no network in the accession countries</li> <li>• no suitable partners</li> <li>• giver/taker situation, i.e. dependency</li> </ul>

sent in April 2004. It will also provide an excellent opportunity for a response to the recommendations formulated and adopted by the participants of the conference on "Social Services as Services of General Interest in the EU – Objectives, Responsibilities and Conditions", which was held in Berlin in September 2003 (cf. Newsletter 2/2003).

## Current events

### New publications of the Observatory

#### Conference proceedings

Conference on "Soziale Dienste als Dienstleistungen von allgemeinem Interesse in der EU – Ziele, Zuständigkeiten, Rahmenbedingungen/Social Services as Services of General Interest in the EU – Objectives, Responsibilities and Conditions/Les services sociaux en tant que services d'intérêt général dans l'UE – Objectifs, responsabilités, conditions générales", 2–3 September 2003, Berlin. December 2003

#### Working papers

**Working Paper no. 11:** "Befragung zum Kooperations- und Beratungsbedarf mit Trägern sozialer Dienste in den EU-Beitrittsstaaten Polen, Slowakei, Tschechische Republik und Ungarn" [Survey on the demand for cooperation and consultation among providers of social services in the EU accession countries Poland, Slovakia, the Czech Republic and Hungary]. Beatrix Holzer, Monitoring Unit. February 2004 (The publication of core extracts of this Working Paper in English as Working Paper no. 14 is planned for mid-2004.)

**Working Paper no. 12:** "The role of social services in the transformation process – legal framework and forms of organisation". Prof. Igor Tomeš et al. February 2004

**Working Paper no. 13:** "Die Rolle der sozialen Dienste im Transformationsprozess – rechtliche Rahmenbedingungen und Organisationsformen". Prof. Igor Tomeš et al. May 2004

Observatory publications can be downloaded as PDF files from <http://www.soziale-dienste-in-europa.de> under the menu item "Veröffentlichungen". If available, hard copies may be ordered (address in-

formation in the imprint section).

#### Other documents

Article: "Beteiligung möglich? – Die Offene Methode der Koordination und ihre Anwendung im Sozialbereich" [Participation possible? – The open method of coordination and its application in the social area]. Mathias Maucher, Monitoring Unit. February 2004

Brief report on "Zusammenarbeit der sozialen Dienste in Österreich mit Organisationen aus den EU-Beitrittsstaaten" [Cooperation of Austrian social services with organisations in the EU accession countries]. Bettina Leibeseder, Johannes-Kepler-Universität, Linz. February 2004

*These two documents can currently be found under "Aktuelles" on the project website.*

### Other new publications on topics of interest to the Observatory

International conference on "Der soziale Dialog in Mitteleuropa. Ein Erfahrungsaustausch zu sozialen Diensten und diese betreffenden Fragen" [Social dialogue in Central Europe. An exchange of experience on social services and related issues], 13–15 November 2002, Bratislava, organised by the German Association for Public and Private Welfare in cooperation with the Slovak Humanitarian Council. The electronic version of this publication is available at [http://www.deutscher-verein.de/portal/verein/7-arbeitsfelder/aktuelles/pdf/soziale\\_dialog.pdf](http://www.deutscher-verein.de/portal/verein/7-arbeitsfelder/aktuelles/pdf/soziale_dialog.pdf).

Caritas Europa position paper on EU enlargement. In order to inform the public on the social consequences of the enlargement process and present its own position, Caritas Europa presented a report on "EU Enlargement – Towards an Equitable Europe" in Brussels on 19 June 2003. Before the backdrop of future difficulties and challenges, the paper covers three main areas: the free movement of people/migration, employment, and non-statutory welfare. The document can be downloaded from [\[europa.org/code/EN/publications.asp\]\(http://europa.org/code/EN/publications.asp\).](http://www.caritas-</a></p>
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Caritas Europa's second report on poverty in Europe. This study was published on 16 February 2004 under the title "Poverty Has Faces in Europe – The Need for Family-Oriented Policies" as a follow-up to the first poverty report, published in 2001. It is available as a PDF file at <http://www.caritas-europa.org/module/FileLib/PovertyhasfacesinEuropeweb.pdf>. The poverty report is based on the experience of Caritas member organisations in 42 countries; it examines social policies in terms of their contribution to the reduction of family poverty and makes recommendations both to the EU and to the various EU member states.

## News update

#### New office for the Deutscher Verein

On 1 July 2004, the German Association for Public and Private Welfare, and with it the office of the Coordination Group, will be moving to Berlin. The new address will be: Michaelkirchstrasse 17/18, 10179 Berlin, phone: 030/62980-0.

#### Beatrix Holzer on maternity leave

Beatrix Holzer, scientific officer of the Observatory, is on maternity leave until mid-June.

#### Updated and expanded website

The Observatory for the Development of Social Services in Europe has updated and expanded its website at <http://www.soziale-dienste-in-europa.de>. New material on the site includes an updated version of the project presentation in German and English, an overview of projects planned for 2004 and – in "Aktuelles" and "Veröffentlichungen" – other publications and texts. Do drop us a visit!



Observatory for the Development of Social Services in Europe

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