8th ESPAnet Conference 2010
Social Policy and the Global Crisis: Consequences and Responses
Budapest 2-4 September 2010

STREAM: *18. Financing the Welfare State: Challenges, Reforms and Outcomes*

TITLE: *The future sustainability of the welfare states of southern Europe: new models.*

AUTHOR: GARCÉS, Jorge (1) and RÓDENAS, Francisco (2).

(1) jordi.garces@uv.es Polibienestar Research Institute, University of Valencia, Spain.
POLIBIENESTAR, Facultad de Ciencias Sociales
Avda. de los Naranjos, s/n 46022- Valencia (Spain)

(2) francisco.rodenas@uv.es Polibienestar Research Institute, University of Valencia, Spain.
POLIBIENESTAR, Facultad de Ciencias Sociales
Avda. de los Naranjos, s/n 46022- Valencia (Spain)

ABSTRACT:

In this paper a social and health care model is proposed that offers alternatives to three problems arising in converging European welfare states, particularly in the southern nations: the rise in demand for services and features linked to the ageing process, the increase in dependency, and the crisis of informal support. Development of the principles of social sustainability implies re-formulation of the regulatory, care, economic, administrative, cultural, and axiological framework enabling a response to the needs of long-term care without compromising the welfare of future generations. Together with this principle, quality of life elevated to a subjective right directs attention towards the sphere closest to citizens, eliminating all barriers, which hampers the exercise of this right. All of the above produce economic and social costs, which must be accepted from a viewpoint of social co-responsibility, which brings with it the supply of welfare individually, without detriment to the exercise of state responsibility in guaranteeing a social protection system of a universal nature.

1. Introduction: The problem.

We presently live in a period of worldwide concern regarding the economy and the environment, but that does not rule out that the crisis will spread to the area of social welfare. For about a decade the interdisciplinary research institute of Polibienestar at the University of Valencia has focused its investigations on the social sustainability model (Garcés, 2000), that attempts to explain the threat exposed to the social contract and the legitimization of the

institutions maintained by the European welfare states, if we are not able to make more efficient and effective social protection systems, and make them sustainable in time, so that they can be enjoyed by future generations. In fact European institutions provide data in favor of this affirmation for some time (Puglia, 2009).

Firstly, to understand the problem it is necessary to start from observed contradiction, especially of European citizens formed by a large middle class that demands even more resources, services and welfare benefits that are of quality, free and protected by right, against the constant reduction of investment and institutional supply of welfare (George, Stathopoulos & Garcés, 1999). This same argument has been offered by others authors, speaking about the unstoppable and progressive sequentiality of more democracy, more rights, and more social policies. Secondly, European governments true to welfare state principals that in many cases constitute true State agreements, have to redistribute resources through social policy using tax burden measures directed towards the middle classes without receiving and perceiving reciprocity of goods and services in exchange for its "contributive conformity" on behalf of governments.

These two problems could lead to the unsustainability of European protection systems, a series of phenomena that are invariable in European society and that will force an essential increase of future public investment in welfare (*Directorate-General for Economic and Financial Affairs, 2002a,b*). It is necessary that we begin think in processes of social sustainability, social change and policy that could be tempered. We are referring specifically to the irresistible increase of health costs (*Mossialos, Dixon, Figueras, & Kutzin, 2002*; *Jackson & Howe, 2003*); working in parallel and with a lack of coordination of the distinct systems of protection; epidemiological and demographic changes in Europe (*WHO, 2002*), with an increase in aging and the population in a situation of dependency (*Garcés, Ródenas & Sanjosé, 2004; Grundy & Glaser, 2000*), as well as the continual chronic illnesses that continue to increase the cost of acute hospital attention; and changes of family structures and the culture of intergenerational solidarity, especially in Southern European countries with important axiological socio-labour changes of women (*Nakano, 2000*).

The problem is complex and its solution is difficult as it originates from diverse factors that combine and are going to persist over time and will affect the social cohesion of European society in the short term, as well as the unsustainability of protection systems as we presently know them for future generations. When another factor is related especially to a certain posture of immobility on part of the government as well as the society in general; even if European governments (especially Southern Europe) are not adopting efficient and effective measures and in time to deal with the recommendations of European Union authorities with respect mainly to

the sustainability of pension systems and the progressive increase of health costs. On the other hand, in Southern European society there exists a limited ‘ socio-health culture’, that is more interested in an intergenerational savings process than in individual investment in welfare and the consumption of social and health resources of quality from retirement to the last stage of their lives.

2. Sustainable Social and Health Care Model.

The answer to this problem goes from our contribution for the restructuring of two systems of protection – social and health- an example of the many existing protection systems to the finality of making them more efficient and effective. We suggest the implementation of the sustainable ‘ socio-health model’ that implies a complex, compact, holistic, inter-systematic and interdisciplinary action. The proposed model is structured from three basic axiological principles (*Garcés, Ródenas & Sanjosé, 2003)*: *Social sustainability*, *Quality of life and Dignified death*, and *Social co-responsibility*. The definition and operation of these principles enables us to set the characteristics of them:

- The epicenters of the model are the necessities of the population (In particular, as an example we propose from an example the population requirements of long-term care).
- Create structures that are permeable to change and are dynamic in responding to variations of the necessities that do not mortgage or impede new directions in future public policies.
- Prioritize the proximity and quality of providing services.
- Creating the denominated welfare itineraries for maximum efficiency of the system, combining only a portfolio of resources, services and socio-health welfare managed case by case by an interdisciplinary team with decisions being made in consideration of the users’ decision even in situations of death.
- Considering the value of solidarity but adding criteria of joint financing or individual compensation in relation to prevention criteria in self-care and good use of the socio-health system.

We present this sustainable socio-health model in an experimental form with the end of receiving contributions to optimize it. Notwithstanding, we have put it partially into practice. The empirical experience of Polibienestar researchers in a hospital section in the Valencian Community has enabled us to view how the mentioned model is viable for application to the area of long-term care that requires dependent persons, an area where the health and social services overlap. The model requires new methodologies of work for Southern European social

protection systems, especially in case management (Ródenas, Garcés, Carretero & Megia, 2008). This methodology of work combined with the use of powerful assessment tools in different areas of intervention (home, community or hospital residence) such as the RAI system (Resident Assessment Instrument) that permits the 'sustainable socio-health' model generate personal welfare itineraries that comply with criteria of maximum efficiency without losing the quality of social security. We demonstrate that the proposed alternative itineraries are able to optimize the use of services, increasing its adequacy among those with a profile of user necessity, increasing the opportunity of using resources that are more expensive, especially those that are of secondary care or hospital care resources (Garcés, Ródenas & Sanjosé, 2006).

The efficiency of the new models demonstrated, remaining to be considered as to how it could be undertaken from a government perspective through the use of small and dynamic structures that have a high strategic value for the decentralized public administration. The proposal that we suggest consists in the creation of 'socio-health agencies'. These agencies could contract socio-health services and manage the access to them by acting to provide an answer to the necessities of person requiring long-term care and a continual assistance of social and health resources. Its function would be to define the local socio-health policies and identify the supply and demand; the definition of the services and provisions in relation to the profile of the demand, the interdisciplinary and transversal design of the services, the evaluation of services from professionals such as suppliers, whereas the satisfaction of users of the quality received, especially those factors related to the structure of the socio-health service, the instrumental tasks done for those present, professional and user relations, psychological and social support received, security, socio-health bioethics, and the residential installations or their own home

Putting the above ideas into practice is very difficult, due to the complexity of welfare systems and the fact that none of the above axioms are capable of guaranteeing the survival of the welfare system in the long term, in so far as the increase in efficiency may be compatible with continuous increases in costs as long as the cost-benefits ratio improves. Nonetheless, the rise in costs is a continual menace to the principle of Social sustainability, a principle which together with those of Social Co-responsibility and Quality of Life and Dignified Death.

Barriers such as corporatism and reciprocal ignorance of professionals in both systems, the budgetary abyss that exists in the Administration of health and social systems, the inherent family culture in the Southern European population entails implicitly in the conception of investment in socio-health services that prevent dependency in the stages of their lives, the weakness of politicians to make decisions that could effect and condition electoral results, and the scarce investments in research, development and socio-health technology on behalf of the

market constitute limitations that will have to be seriously analyzed for a successful transition toward a sustainable **socio-health model**.

3. References.

- Directorate-General for Economic and Financial Affairs (2002a) *Incorporating the sustainability of public finances into the Stability and Growth Pact*. European Economy, 3: 62-74.
- Directorate-General for Economic and Financial Affairs (2002b) *The long-term sustainability of public finances.* European Economy 3: 32-36.
- Garcés J (2000) *La nueva sostenibilidad social*. Ariel, Barcelona.
- Garcés J, Ródenas F & Sanjosé V (2003) "Towards a New Welfare State: The Social Sustainability Principle and Health Care Strategies" *Health Policy* 65: 201-215
- Garcés J, Ródenas F & Sanjosé V (2004) "Care needs among the dependent population in Spain: an empirical approach" *Health Soc Care Comm* 12, 6: 466-474
- Garcés J, Ródenas F & Sanjosé V (2006): "Suitability of the health and social care resources for persons requiring long-term care in Spain: An empirical approach" *Health Policy*, *Volume 75, Issue 2*, *Pages 121-130*
- George V, Stathopoulos P & Garcés J (1999) "Squaring the welfare circle and government ideology: Greece and Spain in the 1990's", *Internacional Social Security Review* 52 (4), 47-67.
- Grundy E & Glaser K (2000) "Sociodemographic differences in the onset and progression of disability in early old age: a longitudinal study". *Age Ageing* 29: 149-157.
- Jackson R & Howe N (2003) *The Aging Vulnerability Index. An Assessment of the Capacity of Twelve Developed Countries to Meet the Aging Challenge*. Center for Strategic and International Studies and Watson Wyatt Worldwide. Washington.
- Mossialos E, Dixon A, Figueras J & Kutzin J (editors) (2002) *Funding Health Care: Options for Europe*. Open University Press. Buckingham – Philadelphia.
- Nakano E (2000) "Creating a Caring Society", *Contemporary Sociology,* 29 (1), pp. 84-94.
- Puglia A (2009) *Population and social conditions, Statistics in focus 40/2009*, Office for Official Publications of the European Communities, Luxembourg.
- Ródenas F, Garcés J, Carretero S & Megia M (2008): *"Case management method applied to older adults in the primary care centres in Burjassot (Valencian Region, Spain)*", *European Journal of Ageing*, *Volume 5, Number 1* .

- WHO (2002) *Current and future long-term care needs: An analisis based on the 1990 WHO study The Global Burden Disease and the International Classification of the Functioning, Disability and Health.* The World Health Organization, Collection on Long Term Care: Geneva.