



International Federation of Social Workers
Fédération Internationale des Assistants Sociaux
Federación Internacional de Trabajadores Sociales

IFSW Europe e.V.

THE SOCIAL CONSEQUENCES OF THE FINANCIAL CRISIS: Dublin workshop report

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Present:

Juan Curras – Spain

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GoncaPolatUluocak – Turkey

MarjutKosonen – UK

Fran McDonnell – UK

Gabriele Stark-Angermeier – Germany

Yvonne Ahlstrom – Sweden

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Introduction to the workshop

An introduction to the workshop was provided by Ian Johnston of the executive. Ian stated that the **Impact of the financial crisis is harder on those who are already living in poverty and that the gap between the rich and the poor has become greater even in those countries where there has been prosperity.** Social workers are in the position where they see the impact of poverty on service users – which can be as significant as some people living more than 20 years longer because of the areas in which they live.

Ian picked out some responses from the questionnaire returns – in Ireland the budgets of organisations which combat poverty and promote human rights has been significantly cut. This leaves them less able to advocate on behalf of those people who are most effected. Immigration is seen as closely linked to the themes of this project. Many countries referred to it in their returns. In some countries there is an issue about people receiving money from relatives living and working in other European countries. As work opportunities are now more limited this will have a significant impact not just in the country where employment is

affected.

Gabriele said it is very important that this project is not only about the EU but we must look at all of Europe. The financial crisis is happening more deeply in the countries outside of the EU. Data from all Europe shows 16% of people live in poverty. The Council of Europe has produced lots of documents and statistics.

We could ask Antonina Dashkina as the vice chair of the Committee on Social Cohesion and Anti-Poverty to produce a report which can be used in the project.

Country reports

Each country was invited to talk about the most significant issue in their country:

Germany

There have been extreme changes for specific groups. German Society is very interested in people getting work and good work conditions. There are regional differences in Germany. In the last two years there has been a decrease in unemployment. But poverty is not changing. People stay in their own ethnic communities. It is hard for them to come out and change their circumstances. There is high employment but not good pay – just because someone has a job they will not be rich. Health budgets are not rising. Pensions are not good if there have been stops in people's work. It is especially the case for women – in their 70s and 80s they are very poor. There is a big shame for older people to ask for social services.

At the moment there are lots of issues about migration in Germany. This links with the financial situation in the country. The Government's budget is not increasing. Gabriele feels that politicians are making deals to benefit themselves not to benefit society. The German Association made a declaration at their Conference – Saarbrücken declaration against Division in Society.

Spain

The consequences of the financial crisis – the crisis of the financial institutions is seen as different in Spain. It is seen as separate to the problems facing society.

Spain has a decrease in budget. Unemployment is 21%. The highest it has ever been. The budgets to support people have been cut. People can only have one year of pension.

One in four families in Spain are in poverty. This is a very new situation for Spain. There has been increased wealth in recent years – so this has come as a shock.

In Spain there is a lot of social policy – this is the responsibility of the local government. The situation of people is very different in different regions.

People have lost their confidence in politicians and even in trade unions. People think that politicians are not working for them. They are just looking out for themselves. Social workers have lost their confidence that they can change things.

There is a decrease in the budgets – but one of the principles of social work is about teaching people to address their problems. But people have lost confidence. There are issues for social workers about the distribution of wealth Globally. The last Conference in Spain made a manifesto about the situation and how social workers can address this.

Sweden

As social workers – how can we implement the Social Services Act? It has not been changed for 30 years. It leaves room for interpretations. In times of crisis the impact is that decisions made by politicians is more strict. The decisions made by social workers are also affected.

There is a change of social insurance system. You have to take whatever work is available. It is difficult to access unemployment. The main focus of the Government is to cut tax. Save the Children did a report on the poverty of Swedish children. The gap between children is increasing. Children with single parents are three times poorer than children whose parents live together. 49% of children with immigrant parents are living in poverty. 2.3% of Swedish children live in poverty.

In Nordic countries families with more than 3 children or families with single parents are the poorest. Somehow society has agreed that it is Ok for this poverty to be there. In Sweden they can see that the gap between rich and poor is growing.

In Sweden there is a growing problem with beggars and they use children to beg too. A decision was made that social workers would take action if children were used as beggars. Now less children are seen begging.

Finland

Finland took part in a conference in Iceland where poverty in Nordic countries was discussed. This was very interesting and has encouraged a lot of discussion in social workers. Hans Sward (Professor in Sweden) has carried out research on social work and poverty in Nordic countries. Social workers are in the position where they are between the needs of clients and the pressure from society. The pressure is increasing all of the time.

In Finland there are having a second financial crisis. There was the first one in the 1990s and they haven't recovered from this. There has been a trend of happenings since the 1990s. The economic situation was good at the start of 2000s, but the money never reaches poor people. So the crisis may not have such a big impact on poor people. Is there some kind of EU policy behind all of this?

Somehow people don't trust in politicians anymore. Right wing values are gaining

significance.

Some research about what is coming is important. There will be 2.5 million well qualified workers but only 1.5 million jobs.

In Finland social workers feel that they are not doing preventative work. This is always the kind of work to go when there is a financial crisis or shortage of money. This makes work for social workers much more difficult. It makes social work less attractive to young people.

In Finland there is a concern that attitudes are changing in the Nordic countries. Generally there is more money now than before – but we used to be caring about society more. There is huge sums of money spent on technology and industry – no one asks if this has an impact afterwards. It seems that it is not about money but about a change in values.

France

There is a disengagement of the state with social policy. They have asked local bodies to take charge of social policy.

When a child is in danger the local agency has to respond and take care of the child. The Judge and court is not involved. It can make the situation more difficult to deal with. The social system is more controlling. Mayors can have more information and make more decisions. So there is more of an issue with confidentiality.

There is more and more poverty – mostly in older population and young people. It is hard for people to find work – they are likely to find low paid, temporary work. There is less and less respect for employment rights.

There is a problem with health care – the government is not reimbursing health care costs now. It is hard to get health care if you cannot pay private health care.

There is a problem with migrants – migrants are treated very poorly. No assistance can be given if people do not have legal papers.

Housing is a problem. There is not enough housing for people in France.

There is less help for older people when they need nursing care. There is much more emphasis on insurance. There is also more increase in charity associations providing social services. There is more of a gap between rich and poor. There is more fragmentation in care. There are less resources – if a social worker asks for resources then they have to justify it a lot.

In France social work is a low paid job. There is still no unemployment in social workers really because people do not apply for social work training.

Malta

The financial crisis does not seem to have had a big impact in Malta. This is because Malta is still trying to establish systems.

Unemployment is down not up – it is only 4%. There is an increase in part time and lower paid jobs.

There is still a mentality that women do not work and that they should stay at home and care for their family. There is no child care to enable women to go to work.

Inflation is at a high rate. The main problem is that the Government's main concern is reducing the deficit. There has been no investment into social services – except into fostering which is new in Malta. There is a huge turnaround in social work in Malta especially in child protection. There are not enough social workers.

There were many immigrants in the past. The flow has stopped now because borders have tightened. But there are many migrants now living in poverty in Malta. They live in destitution. There is a lot of exploitation of the migrant population – as they engage in illegal employment.

The mentality of society is that people should look after their own older relatives. What happens is that people live at home in poverty without services support and then older people end up in hospital. 22% of the population is over 65. There is a great deal of pressure on services. There is no system for service provision in communities.

In Malta social work is always about crisis management never about preventative care. There is still no Children Act in Malta.

A recent report in Malta showed that 14% of people in Malta are at risk of poverty.

Turkey

In general they expected a reduction in the budget but it has actually gone up. This though means that poverty has increased drastically. More people are sharing in less money from social security.

The most important problem in Turkey is that the nature of poverty has changed. The experience of poverty is deeper and more chronic. There is a lack of social support. Traditionally there was a good social support in Turkey – but since 2001 there has been a trend where wider family members do not help each other anymore as they are all experiencing the same difficulties with poverty.

Social services in Turkey tends to mean social assistance. The struggle against poverty is only a short term temporary support.

There have been two important changes in Turkey. In health care there has been health reform – primary healthcare services. The services are now mostly locally based around

GP care. There has been a big reform in insurance systems. There is now a general health insurance system. People might think this is a good system but it is not – it doesn't cover all illnesses. Therefore people have to have private health care – so there is a move to privatisation. In service systems there is now a move towards localisation. In the past social services in Turkey were centralised. Social workers are not being consulted on the transformation.

The financial crisis has had a big impact on the resources that social workers have in the field. Social workers are not able to do as many home visits or school visits etc. There is a lot of burn out for social workers.

The biggest issue facing social work in Turkey is the deprofessionalisation of social work. There are not enough social workers so others are employed to fill the gap. This means that standards cannot be checked.

United Kingdom

Lots of the same things are happening in the UK. The financial crisis is being used as a rationale for reducing the social services system in the UK on the basis that the deficit has to be reduced in just four years. There is a huge rate of unemployment – especially for young people.

The Government has come up with the idea of the “Big Society” – so this means that people should volunteer to do the jobs that people were paid for in the past.

The Government has cut 25% of local authorities budgets – but are also asking local authorities to provide all the services that used to be provided centrally. The budget cuts will lead to loss of jobs. This will affect women much more than men.

There is devolution across the UK – so Wales and Scotland are dealing with things differently. England seems to be making the deepest cuts at the moment – but more cuts in Scotland are expected after their election. Although cuts in social security are across the UK.

There are millions on housing waiting lists and yet the budget for housing will be cut by 60%.

There are now much higher thresholds to get a service. You have to be very desperate to get a service. There is an increased charge for services.

The UK is moving more towards personalisation (giving people their own budgets). But the money available will probably be cut.

There is increasing pressure on social workers – higher caseloads. Social workers are having their wage cut and they are losing allowances – such as car allowances.

Voluntary groups do most of the preventative work in the UK – but their budgets are being cut too.

There are no cuts in health budgets but there are much more pressures on the existing budget. There are proposed changes to health which will probably lead to privatisation of services.

The rate of unemployment is the highest since records began. There are huge increases in University fees. A year at University will cost £9,000 in fees and then you will also have to pay for living allowances (about £14,000 a year in total to go to University)

There have also been changes in the retirement age.

There is also a complete change to the security system. This will put a cap on the benefits that people will be able to get. There will also be a cut in housing allowances. So people will have to move to cheaper areas to live in. Some people will become homeless.

It seems that there is a major change in attitude in society and the current attitude is unfair.

Ireland

Most of the things that people have said also apply to Ireland.

The position of Ireland has been in the news recently. This is the most significant crisis that has ever hit the State. Everyone has been affected by the crisis. It seems to have brought the Government down. There is an election next week – a complete change is expected to take place. The crisis has affected the morale of the country.

The underlying economy is quite sound, but the country borrowed huge amounts of money and speculated on property. The EU is very concerned about this – as it has the potential to have a significant impact on other countries in Europe.

The Government has used this to devastate services. It has affected people disproportionately. People are struggling to pay mortgages – so the housing waiting list is growing all the time – yet money is gone from the social housing budget.

Ireland is having to pay back a huge amount of money. This is having an impact on services. Staff numbers are being cut. Services are being cut. Salaries have been cut. Social work was quite a well paid job – but the cuts are about 20% in salary.

Caseloads are increasing, there are too few social workers. No one knows where this is going to end.

It is definitely affecting the most vulnerable in society. Social workers should be looking at trying to maintain social solidarity. The most vulnerable people should not be paying for the crisis. There are still a great deal of rich people in the country.

The most vulnerable people at the margins of society need a voice. Often these are the people who don't vote. So Governments don't get concerned about how it might affect

them.

It is difficult to get social workers to spend time and energy on this issue – because they have to struggle themselves with higher caseloads and just maintaining their own family life.

There is also a hidden poverty when people have to pay a huge mortgage themselves. They may be paying more than two thirds of their salary on their mortgage. This is hard to identify as poverty sometimes.

There is very little reference to social work and social services in Ireland – it is simply a referral to health budgets.

The Irish Association is holding a conference on the theme of social work in unequal society. They hope to do a press conference about the issues.

Conclusion on country reports

It was agreed that the “stories” that people bring are very interesting. There are some common themes – but there are also things that are powerful and that are unique for each country.

The common themes were agreed as:

Social workers are less able to do preventative work

Social workers have higher caseloads

It makes working together more difficult

There are consequences for people on their wages and working conditions

Support for social workers is needed much more – and yet there is less available

Retirement is changing

Burnout is a big issue

Social workers feeling that they can't do the job they want to do. They have value conflicts

The issues that social workers have to deal with now involve much more complex problems

The work has become much more risky – as caseloads are so high – we carry much more risk. The Blame culture might be getting worse.

There are less resources to refer to and use

Social work practice has changed - there is more Government interference in what social workers do

People are leaving the profession

The main impact of the crisis is on the vulnerable people social workers work with. The people in power are very distanced from the people we are concerned about. People are being blamed for the situation they are in. We need to find ways to make sure that people can escape the poverty and suffering they are in.

The crisis is hitting some groups of people and some geographical areas more than others. Young people and women are being affected most significantly. This affects the whole society – we all become more vulnerable.

In most countries health care is seen as more important than social care and it is easier to make an argument for maintaining health care budgets. It may help to develop an argument for social care funding if we can make direct links – for example are the rates of suicide going up? Are the rates of stress-related illness rising? Unemployment is rising. Research shows that social issues are often behind health care problems.

The risk of becoming marginalised is growing. More people are becoming marginalised. We need to help people recognise that it can happen to all of us – to increase social solidarity.

It was agreed that there is a general issue about responses to the Global financial crisis across Europe being based on inequality and a lack of attention to social justice. The attitude of society has moved away from humanity.

Preventative services

The impact of the financial crisis on preventative services was of particular concern to the workshop delegates.

It was agreed that if money is not put into social care preventative services it is a bad use of money. Saving a small amount of money now costs much more in the long term.

In the UK it seems that they have realised that money should be put into preventative health care and not just acute health care. However, when money is tight then only acute social care services are provided. We need to show that preventative services are very important in just the same way as in health. We haven't developed the good argument that health seems to have – they seem to be listened to more.

Money is put into educating people about things like traffic – wearing cycle helmets, but not into educating people about social issues.

The thing is that in social care prevention then this has long term pay offs. It is not so easy to see the outcomes of this certainly in the short term. Politicians are only in power for three to four years so they want to see changes quickly. It has to be seen as a long term investment.

The funding of preventative services must be seen as a safe investment in society for the long term. However, developing an argument for this is difficult.

What can be done?

It was agreed that social workers need to take some action on this issue. Some ideas about what could be done were discussed, as follows:

Would a group statement be useful?

The Spanish Association have developed a manifesto and the German Association have also made a statement. These were shared during the workshop.

In Spain 6,000-7,000 people have “signed up” to the manifesto. However, there was no specific media attention and the Government has not actively responded.

It was agreed that a European wide statement would be useful – but there could be challenges to this. For example, how do we find a European language? A statement that will fit into different cultures.

The workshop then worked on a set of principles which they felt would be useful for IFSW to use to develop a statement. (See statement of principles draft)

Would a set of guidance for social workers be useful?

It was agreed that social workers would benefit from guidance on how to respond to the crisis.

Guidance is currently being developed in the UK. This includes for example:

When you hear of cuts being considered – ask for consultation and ask questions about other areas where savings could be made instead? How the people affected are to be consulted with? Ask about whether the cuts are legal? etc

It was agreed that the details need to be worked out in each country as what will be most effective in each country will be different.

It is important for social workers to look at pushing governments to have to produce an impact statement on financial cuts – what will be the impact of cuts? Will there be a differential impact? Will some people be affected more than others?

How can we share “stories”?

It was agreed that it would be useful to share “stories” about the impact of the financial crisis. These can be very powerful and will help social workers to develop a better argument for funding and preventative services. It was agreed that IFSW Europe should try to collect these stories as part of the project development.

Report compiled by Annica Skoglund and Siobhan Maclean