

THE SOCIAL CONSEQUENCES OF THE FINANCIAL CRISIS

1 st WORKSHOP

Zagreb, 29. - 30. January 2011

REPORT

PRESENT COUNTRIES

Austria

- Maria Moritz – president of Austrian Association of Social Workers
- Georg Dimitz – treasurer of Austrian Association of Social Workers, representative of UN in Vienna, child protection department in Vienna

Great Britain

- Ian Johnston – member of IFSW Executive, president of the Executive of British Association of Social Workers

Croatia

- Lovorka Pandur – social worker in Home for mentally ill people “Turnic” in Rijeka
- Martina Kalcic – social worker in Center for Social Welfare Rijeka (Department for mentally ill and disabled people)
- Krasanka Glamuzina – director of Home for elderly and infirm people “Medvescak”
- Stefica Karacic – president of Croatian Association of Social Workers, head of the Center for Social Welfare Zagreb`s office in Dubrava
- Meri Gatin – president of Association of Social Workers of City of Zagreb and Zagreb County, social worker in trust fund “Zajednicki put”
- Ines Furda – secretary of Croatian Association of Social Workers
- Milica Greguric – Association of disabled people
- Jelica Klobucar – director of Center for Social Welfare Osijek
- Tatjana Katkic Stanic – member of IFSW Executive, Ministry of health and social welfare (director of social work)
- Stela Fiser – Ministry of health and social welfare

Kosova

- Hamdi A. Boja – director of Social Workers Union of Kosova, Center for Social Welfare Mitrovica
- Gezim Musliu - Mitrovica Municipality
- Shaqir Demiri – director of health and social welfare of Mitrovica Municipality

Bosnia and Herzegovina (Republic of Srpska)

- Branka Gavric – Center for Social Welfare Celinac
- Sonja Rosic – Daily center for children in risk
- Grozdan Jankovic – director of Center for Social Welfare Celinac
- Zeljka Stevanovic – Center for Social Welfare Celinac
- Tomislav Svast

Denmark

- Henrik E. Nielsen – Danish Association of Social Workers

Bulgaria

- Diana Petrova – Bulgarian Association of Social Workers
- Valio Hristov – president of Bulgarian Association of Social Workers
- Rumen Tsenov – Agency of social assistance
- Ivaylo Milanov – Agency for child protection

INTRODUCTION OF THE SITUATION I EACH COUNTRY

- In Austria situation is not that bad. In the past 30 years there has been decrease of experts employment and increase of less qualified people employment who are therefore less paid and provide less quality services. The impact of crisis isn't strong because unemployed people are being included in retraining. First thing Austria did when crisis started was trying, as much as possible, to preserve existing financial system from the state. Crisis didn't impact social workers but there was no increase of salaries (last few years there was a decrease of salaries for 3%). Social welfare system has turned into a system of basic income after a new law of minimum income has been introduced. Amount of basic social welfare benefit is 744 Euro + health care + additional assistant payments for the family members. Concerning that crisis had no bigger impact on social welfare system, they are still expecting consequences of economic crisis. There are some signals that the crisis will start in 2011. because of financial existence of 9 provinces and 9 regional governments that finance social welfare system. One of those countries already made 30% cuts for social welfare system. To fight against crisis they have to cut services and try to find finances till June to prevent closing all social services.
- Bosnia and Herzegovina (Republic of Srpska) uses external resources (from foreign donors) and everything is functioning on entity level. Social welfare centers are financed by local government that is under control of Ministry. Economic crisis affects entire population, quality of life is low, number of unemployed increased and therefore increased a number of social service users and a scope of social services. The number of employed social workers is unchanged so social welfare centers are not able to respond all needs and problems of their clients, quality and standards of social services are low. Three years ago there has been presented draft law that would regulate social welfare benefits, but it's still a draw because of lack of money (16 million Euro). Poor local

communities with small budgets have limited resources for social welfare benefits which led to huge differences between local communities. New law would bring new quality, some social welfare benefits would be financed by Serbian entity in Bosnia and Herzegovina and not from local community budget. For example, basic social welfare benefit amount for one person is 41 KM (app. 20 Euro) and for two people 49 KM (app. 25 Euro). Social worker`s salary is different between countries. Salaries in public sector have already decreased 8% in last two years, and there are expectations for new decrease. From the position of local government salaries are equal and depend on how wealthy the government is. Those social workers who work in NGO's get salaries from foreign donors and they are also different regarding to employer who sets up working conditions. Relations between social workers in public sector and NGO's are good despite differences in salaries and working conditions. Local government needs to be more open to NGO's.

- Situation in Bulgaria is hopeless - the poverty line is 100 Euro, permanent social welfare benefit amounts is 30 Euro. Social workers are under pressure that creates state on one hand and clients on the other. During the crisis, a number of social welfare benefit users doubled. There was a research which showed that the social welfare services for children and adults cover only 23 % of the population. There is not enough social services, the existing social services are poor quality and are not tailored for users. Legislation can not follow situation in practice which leads to major differences in regulations and their implementation. The regulations do not change and do not cover current needs for social services so social workers must bypass regulations in their work which has it`s consequences. After finishing education, social worker in Bulgaria is left on his own, there are no further trainings, no supervision, no support and no idea about lifelong learning. Also, a problem is an increase of social workers` illnesses, not just "burn out syndrome". In one Bulgarian region 35 % of experts have diseases that are classified as professional illness, but even then they work because someone needs to do the work. 98% of social workers work in public sector, their employer is the state. For the European Union project 2007.-2013. for developing services and NGO`s Bulgaria received 2,5 million Euro that are unused because of lack of knowledge of it`s usage. Bulgaria hopes that decentralization will knock on their door soon.
- Two years ago, before the crisis, Denmark had 1,5% unemployed. Now it has been rising to 6 %. The Parliament decided last year a cut in the unemployment benefit (which now is 2200 Euro each month) for the first time in many years. Unemployed can now only get these benefits in 2 years instead of 4 years as previous. There have been continuous cuts in social service benefits for specific groups. It has gradually resulted in poverty amongst especially immigrants. The Parliament has recently decided changes in the law of social service which has resulted in an increased use of sanctions (economic and otherwise) for families with children with social problems and criminal behavior. The use of prison-like institutions for offenders under 18 years has increased from 42 to 160. The Parliament changed the pension system 5 years ago in a way which from 2019 gradually lifts the age limit for early retirement pension from 60 to 62 years. The retirement age for regular pension will parallel to that be lifted from 65 to 67 years. If the average living age in Denmark rises in the years to come, the age limits can rise even higher – perhaps up to a retirement age of 72 years. Recently the government has presented a plan to stop the early retirement pension completely. According to the plan old people should first get

their pension when they are 67 years. The plan has not passed the Parliament yet and it is not likely that it can do it in the way the government wants. Denmark has a very decentralized system regarding social service. The state decides laws and regulations but the implementation and administration of social service is situated in the local municipalities. Municipalities receive funds from their own taxation and from subsidies (block grants) from the state. Both the taxes and the subsidies have been reduced in the last two years, and it will result in cuts in social service for old people, for people with disabilities, for families with children in need etc. Denmark has today no institutions for people with disabilities (mentally or physically), they all live in their own homes where they get full service. This method is very costly for the municipalities. It can cost 500 000 Euro per person per year.

- In Kosovo social welfare benefits are the same in all parts of the country, as well as salaries of social workers. They have a problem related to number of qualified social workers, there are 2 million inhabitants and 15 qualified social workers (and another 15 retired). Because of the lack of social workers other people are doing this job although they have no knowledge and skills to do it. This situation is as it is because Kosovo doesn't have education for social workers. City of Kosovska Mitrovica has the major social problems. The city is divided in two parts and the consequences of war are still present. Industrial capacities are out of use. About 11 000 people from the upper part of the city can not return to their homes. There are two social welfare centers in the city, one in the upper and one in the lower part of the city. 10% of Kosovo population receives social welfare benefits and all social categories receive some kind of social assistance. Permanent social welfare benefit amount is 40-60 Euro per family and is financed by Ministry of labor and social welfare. Municipality has its own budget that is used for other services (for example food aid). Average salary is 300 Euro.
- The United Kingdom has a lot of inhabitants, almost 70 million. It has about 120 000 qualified social workers, but about 1,5 million professionals work in social welfare area. UK has more problems like - more adults and young people under 18 years of age in prisons. Political changes during Blair government led to more differences between poor and rich people. Population of UK, including social workers, is motivated by self interests rather than the common good, which is a problem when you need to redistribute wealth. Government reduces what ever they can because of existing deficit. Generally, there is not enough worry about the impact on people during cuts in crisis. Even before crisis, when there were no cuts, there were differences in duration of life because of huge differences in way of life. A lot of people are not getting any support or help they need. Rising prices leads to big problems, especially for poor people.
- Croatia is in a process of a social welfare system reformation and process of legislation changes. Social workers are included in working groups for implementation of legislation. Act on the professional law was written and prepared by the Croatian Association of Social Workers and supported by the Ministry of health and social welfare. The greatest number of social workers work in a social welfare system. The biggest problem is that there are too much social service users per social worker in centers for social welfare who do not have adequate conditions for providing quality services. In Croatia all social workers are qualified but there is a lack of lifelong education while employers are not interested enough. Therefore, Croatian Association of Social Workers organizes trainings for social workers that are financially supported by local

government and Ministry of health and social welfare but these finances are not enough for long-term planning. There are no unemployed social workers who have all working conditions and some of the areas of the Republic of Croatia have the lack of social workers. There is no financial crisis impact on social service users, there were no decrease of social services nor delay in social service payments. With the latest legislation changes Croatia expects increase in social benefits. There is a continuous increase of unemployed people which does not follow by the increase of social service users while there is a grey economy tolerance and many people have their savings and get help from family members. The new legislation will also bring limited duration of the rights and obligatory activation of unemployed people. In 2008. was increase of salaries and the appendix to salaries for working conditions from 15% to 18%. In 2010. was a 10-month implementation of crisis tax on all salaries and pensions in three levels depending on their amount. Social workers in social welfare system have equal salaries and those in local communities have higher salaries. Salaries of social workers are among the average salaries in the Republic of Croatia. Social workers do a lot of honorary work in NGO's, Clubs for treated alcoholics, as a consultants, with children with behavioral disorders etc. Deinstitutionalization is too expensive and there is a tendency of making it financially more procurable for users. Croatian Association of Social Workers has to develop cooperation with social work trade union.

EXAMPLES OF GOOD PRACTICE

- Denmark wants to put emphasize on prevention. They want to prevent occurrence of the problem as much as possible. For example, social workers helping teachers in school so children won't be pulled out from their environment. Social worker must take part in professional teams in schools.
- Republic of Srpska introduced legislation which regulates that one social worker must be employed when there are 32 classes in school. That is why social workers are getting jobs lately. This refers only to high schools, but when there are noticed social problems in surrounding of elementary school (like violence, alcoholism and others) social worker can be employed there as well.
- In Croatia a professional social worker from center for social welfare is a member of a school team, they have join meetings in school and work on the early recognition of children in risk. Better coordination with other institutions in community is needed.
- Social workers in United Kingdom spend more than 70% of their working hours on administration, that must be changed and modern technology must be used in a better way.

WHAT WILL IFSW DO?

- We need to demand regulation of money market.
- European organization needs to work together with organizations that can impact on financial markets
- We need to collect and spread information about consequences of the crisis.
- The assembly of delegates will decide on further action
- IFSW may suggest that the gap between rich and poor should be closed and the differences

overcome or reduced, especially since stratified society produces additional costs.

- We need to focus on closing the gap between rich and poor. Otherwise the society will develop more and more severe social problems. This should convince because it affects social inclusion of all. To make sure that this will happen, we must not allow the existence of a small group of very rich who have great power and gamble with everything.
- And important task is to ensure money and good regulation for social services.
- We are experts who can inform about the consequences of cuts and deteriorations in the welfare system. People won't care if you are talking about taxes and money. It is necessary to make a survey, to explore the link of law and practice. We have to point out the consequences to the politicians in Brussels.
- In the Republic of Srpska welfare is nobody's interest, everything revolves around the money that is insufficient. How to influence politicians to put the social welfare on top of priorities. For example, the Constitution of the Republic of Srpska has a section about social rights. Recommendation of the international community to local governments is to ensure at least 12% allocation for social welfare, but this is impossible.
- We have to take a broad look into the crisis and show what services are closed and what impact it has on wider population.

HOW CAN IFSW SHOW ON LACK OF MONEY AND ITS CONSEQUENCES?

- Demonstration of how far consequences go.
- Emphasize a situation where there is no financial crisis and situation during the crisis.
- It is important to have arguments for any decision you take and be aware of the consequences but also the causes of some situation.
- It is difficult to work on prevention if you do not have enough time for a holistic approach to client, if you are focused on solving existing problems.
- Social workers should be the partners with clients in terms of influence on politicians.
- It is important to think about strategies that would have three levels - local, national and international.

FINAL CONCLUSIONS

- We need to develop a policy paper about the consequences of the crisis, ask ourselves in what society we want to live in.
- Also it needs to send out questionnaires once again and try to find out concrete examples of the consequences of the crisis and get concrete answers about the results of the crisis.
- During the crisis, the financial cuts and cuts in service quality has been done everywhere.
- A strong message about what social workers say about the situation of their clients must be sent.
- It is difficult to make general conclusions about the development, because each country is specific, so a paper should also see what each of the social worker can do at her level.
- When we work with the consequences of the crisis in our country we need to have the relevant arguments, we need to inform members of the media and politicians and show trends against which to fight. We need to use both general information's and specific cases

to show it.

- Examples of good practice in other countries need to be pointed, they can be helpful for each country.
- IFSW shall try to find allies in the struggle. Amongst them members in Social Platform.
- Executive Committee of IFSW should find a way for dialogue with relevant politicians and do first steps in order to get media "on our side".
- The commitment of social workers to help all people everywhere is required. IFSW shall stress the idea of empowerment when we propose solutions to the situation.
- It is important to include human rights in the discussion about the recent development in the European societies in order to show the serious consequences it can lead to.
- The rights of social workers are abused. It is important to lobby for social workers because they work for vulnerable groups but they are also vulnerable themselves because of the development.