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Social Services in Times of Economic and Social Crisis: The case of Spain

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Abstract

The financial and economic crisis which originated in 2008 has had a severe impact on the population of the Southern European countries. The economic policies of austerity and public deficit control, as well as the neo-liberal and conservative social policies are redefining the public social protection systems, in particular the Social Services. In order to get to understand the current situation, we shall explain how the Social Services were developed in Spain and analyse the causes and consequences of the economic crisis. The working hypothesis is that the greater the increase on the population's needs, the more developed the Social Services should be. We carried out a descriptive analysis of the situation as far as the social impacts of the crisis per region are concerned. We tested the hypothesis through a parametric model of analysis of variance (one-way ANOVA) triangulating with the non-parametric Kruscal-Wallis test. The working hypothesis failed. The regions with better developed Social Services show a lower level of poverty and social exclusion. The challenges that the public Social Services system faces in times of crisis is three-fold: 1) re-modelling of local administration and transferring of the municipal Social Services responsibilities to the regional administration; 2) an increase of the population at risk of poverty and social exclusion 3) impact on social policies.

Keywords: social policies, Spain, social services, economic crisis

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Introduction

The economic crisis and the public Social Services system in Spain

The crisis of the international financial system that originated in 2008 in the United States has had many different effects on the European productive economies. (EUROFOUND, 2011). In the case of countries like Spain, the extremely high private borrowing, the fragmented and lax work market and a productive model which used to focus its activity on tourism, services and construction made up the economic scenario before the crisis (Carballo-Cruz, 2011). The collapse of the financial system had a direct impact on employment, as an important part of the productive activity was possible thanks to credits. The consequence was a significant destruction of jobs, mainly in less-qualified sectors and the impossibility to find a job in the short term (Alvarez, 2011). The key factors to understand the economic downturn are the decrease in the per capita income, the dramatic reduction of family expenditure and savings and the low business activity.

The impact that the lack of financing and the restructuring of the collapsed banking system had on the economic activity have marked the economic policies over the last four years in Spain (Carbó & Maudos, 2011) which, in a way, have been defined by the international economic and financial institutions. The government budget deficit control and the reactivation of the private business economic activity again through access to credit, define the current macroeconomic policies.

At the end of 2013 and after five years of financial and economic crisis, the macroeconomic framework shows signs of the end of the recession and a forecast of a shy GDP growth for 2014 (SIE, 2013). Nevertheless, the prospects as far as job creation is concerned, are not good: there is not still any positive forecast on the reduction of the unemployment rate, nor are there any guarantees that the job creation will not imply precarious working situations. The above possible economic improvement will take place within a context of higher economic and social inequality. This has increased the risk of poverty and social exclusion of the general population and particularly of different vulnerable groups and communities (children, youngsters, the elderly, ethnic minorities, dependants, disabled and women) (INE, 2013).

The economic crisis, the job destruction and the increase of inequality have brought about a greater risk of poverty and social exclusion of the population. These situations and their causes are the challenges the Spanish society and the public social protection systems now face. The response that the civil society and the Third Sector provide for solidarity and proximity-based social action is based on immediate material shortage, without neglecting awareness campaigns and policies (Caritas, 2013). Families take on more care responsibilities and households with incomes from benefits and old-age pensions become the economic

support for children and grandchildren (Nadilni & Jurado, 2013). The strategies are manifold: reduction of expenditure, changes in eating habits, readjustment of the spending priorities and the use of savings, if any.

While there is a deterioration of the living conditions of an important part of the Spanish population as a result of the economic crisis and unemployment, we can see a swing in the social policies implemented by the State. The effects of the economic crisis have found regressive social policies: austerity in public expenditure (particularly social expenditure); neo-liberal ideological positions which re-define the role of the State and of the public sector on the social protection systems; and individual responsibility as opposed to collective responsibility. It might seem paradoxical that the response given by the State to the social problems arising from the economic crisis be less coverage, less allowances and less equal opportunity. To an extent, this paradox may be explained by the peculiarities of the Spanish Welfare State in terms of origin, structure, financing and services. These make it particularly vulnerable to the ideological and political changes of the governments (Guillén, & León, 2011).

The combination of universalist systems (public health systems and social services) with others that require prior contributions (public benefits systems, old-age pensions, unemployment benefits) and the existing of a regional State administration with conferred responsibilities in the social sphere, explain the complexity when it comes to set up different systems, their funding and adaptation to social changes and crisis situations (Subirats, 2007).

The Spanish 1978 Constitution establishes a State administration structure which acknowledges a “Central Administration” and other 17 regional administrations (“Autonomous regions”). Without being a Federal State, the regions have their own Statutes of Autonomy and manage the basic pillars of the Welfare State: health, education and public social services. Each region administers the resources transferred from the central administration in the social sphere and runs the services with its own policies and regulations. As we shall illustrate, this regional administration of the public Social Services system, brings about simultaneous social protection models within the same State, with a varied approach in their management and results.

The public Social Services System has developed in Spain over the last 35 years in a heterogeneous way over the Spanish territory. However, we can distinguish five stages in its formation, allowing understanding the current situation.

First Stage, up to 1978: Charity, Social Assistance and institutionalization. Until the end of the 70s, the different methods that existed as a response to contingencies such as sickness, disability, old age, widowhood and orphanhood, lead to three large categories of Spaniards: (a) employees that with their contributions were entitled to the social protection offered by the Social Security. For example, economic benefits for sickness, disability, old age, widowhood and

orphanhood; (b) the extremely poor (those who proved not to have economic means to survive or relatives obliged by law to provide assistance to them) which were included in the Municipal Charity Register. If they stayed included in this Register, they could benefit from the charitable welfare services of the local public administration (local councils and provinces) which consisted of providing housing, clothes and food in closed institutions (nursing homes for the elderly and disabled and orphanages). Healthcare, hospitalization and mental asylums were also provided as an ex-gratia charity system. These closed institutions were not very professionalized, as they only hosted or “parked” the above-mentioned population groups without providing any therapeutic activities. The Catholic Church played a major role both in the public institutions and in the charity organizations it owned; (c) The Spaniards with a high level of income, who always had the possibility to pay for services from the market to satisfy their needs.

Second Stage, the “Transition” and the Spanish 1978 Constitution. After Franco’s death (1975), during the so-called “Transition” period, the planning of a Public Social Services system started, trying to follow the trends of more advanced European countries. The 1978 Constitution modified the territorial structure of the Spanish State and established three levels: State Administration, Autonomous Regions (Regional Governments) and Local Administrations (Local councils and Provinces). With this new model, the Autonomous Regions became the sphere of action of Social Services regarding regional planning, management of specialised centres, provision of technical assistance to the local authorities, coordination and monitoring within their territory. At the end of the 70s, a slow process of de-institutionalization started at the non-profit organizations, in particular those devoted to assistance of minors and disabled people.

Third Stage, the 80s, approval of the Social Services laws in the Autonomous regions and new obligations for the Local Administration. The Social Services Laws in the Autonomous regions highlighted the Administration’s public responsibility and showed an initial emphasis on the social services being publicly-owned. This appeared as an attack to the non-profit organizations that had traditionally provided an answer to the social needs. However, as in practice it was impossible for the Autonomous regions to develop a system of services that would be exclusively public, the management of services was delegated to non-profit organizations with the requirement that they would become professionalized. In exchange, these organizations could receive public subsidies to render services if they were duly accredited. The local administration (Act 7/1985, dated 2nd April regulating the Local Government) substituted the previous municipal charitable welfare system by rendering social services. In 1988, the Central Administration set down the minimum contents the municipal social services should cover, with an agreed Plan of Social Services which propelled the decentralization towards the local sphere. The basic facilities set up were the Social

Services Centres, Shelters and Drop-in Centres. The basic services were Information and Guidance, Home Assistance, Sheltering and Social Harmony, Prevention of Social Exclusion and Social Integration. From the very beginning, there was an uneven development of the basic social services in the different Autonomous Regions, even showing inequality within different territories in the same region. The Regional Authorities took responsibility for providing specialised services to assist different population groups, such as services for the disabled, the elderly, minors and others. This decade showed an increase in the de-institutionalization of all those placed in “total” institutions, including mentally-ill and intellectually-disabled people. However, the assistance in the region did not get to offer the necessary services, leaving the families, once more, to take care of them.

Fourth Stage, the 90s. Uneven development of the social services systems in the Autonomous regions. The social services continued their uneven development depending on the political will of each Regional Government, as happens nowadays. This has generated inequality situations among the Spaniards depending on their place of residence. Non-profit organizations continued rendering services funded by the public administration, thus developing a patronage system. Furthermore, the public administration started to establish service agreements with for-profit entities on the market, for example, places in nursing homes for the elderly or for minors. In a context of economic recession, there was a strong increase of unemployment and a dramatic reduction of the unemployment benefits. This originated a new group of applicants who had never sought for help from the Social Services. These people started to use the Social Services, stricken by debt and insisting that they did not want social assistance, but rather a job. We should point out the importance of the human factor, from family support to other types of support from neighbours, friends, etc. Families and informal networks act as a buffer for precarious and poverty situations. Parents accommodated in their homes their adult children with their own families (partner and children), getting to survive on their old-age pensions, which were normally low. Faced with structural unemployment, the social services started to collaborate with non-profit organizations devoted to social integration and work placement of especially vulnerable social groups, such as women, youngsters, people over 45, immigrants and disabled people (Martinez-Román, Mira-Perceval & Redero, 1996. Martinez-Román & Guillén, 1996; 1997).

Fifth Stage, 2000 - present. Economic growth and world economic and financial crisis. The public administration started to get into debt with the entities rendering social services, building up defaults. The subsistence needs affect a great portion of the population and yet the social support is being reduced. Many non-profit entities that depended on public funding felt forced to close down or are still rendering services without their professional staff being paid. A direct consequence of the economic crisis is the so-called tax crisis of the State, which

in Spain started to become a reality from 2010 onwards (Navarro, Torres & Garzón, 2011). The income the State receives from direct and indirect taxes has dropped due to the rise of unemployment and the reduction of expenditure. Furthermore, the State turned public a very important part of the private debt from the collapsed financial system, having to resort to the international debt markets and accept the financial and economic conditions imposed by creditors. Control of public deficit becomes a priority to the Central Government and so it changes the criteria and structure of social expense. Less funding and more needs simultaneously are the paradox the Social Services face in Spain at present as a consequence of the economic crisis and the austerity policies.

Data and methodology

Different researches have analysed the social consequences of the economic crisis, both for Spain and for Europe (Fernández, 2012; Hernann, 2013). Other researches have focused on the negative effects that the austerity economic policies have on economic reactivation (Thomsen, 2012; OXFAM, 2013). Fewer empirical studies have analysed the impact of the crisis on public social protection systems and in particular on social services (ESN, 2009). This is due to the lack of systematized data, the delay in publishing the statistics and the diverse nature of sources that make any comparison difficult.

In this paper we provide data regarding the social effects of the economic crisis and the level of development of social services within the compared framework of the 17 autonomous regions that make up the Spanish State for the year 2010. The indicators we have used, with their operational definition and their respective sources are:

Table 1. *Main indicators*

Social exclusion, poverty, inequality	Public Social Services System
1. UNEMPLOYMENT RATE (%) 2. HUMAN DEVELOPMENT INDEX (HDI) 3. GINI INDEX 4. PER CAPITA INCOME 5. AROPE RATE (%)	6. SOCIAL SERVICES DEVELOPMENT INDEX 6.a. SSDI (RIGHTS) 6.b. SSDI (ECONOMIC) 6.c. SSDI (COVERAGE) 7. SOCIAL SERVICES EXPENDITURE AS % TOTAL FINANCED PROJECTS (n) 8. SOCIAL SERVICES USERS/TOTAL POPULATION RATIO

Unemployment rate gives the number of unemployed persons as a percentage of the labour force (OECD, 2011). In Spain we consider as workforce, the population between 16 and 65 years old. Substantial underemployment might be noticed. *The Human Development Index (HDI)* is a composite measure of human development. It measures average achievements in a country in three basic dimensions of human development: a long and healthy life (health), access to

knowledge (education) and a decent standard of living (income). Data availability determines HDI country coverage. To enable comparisons among countries, the HDI is calculated with the most recent available internationally comparable data from leading international data agencies and other reliable data sources, rather than from national sources directly (UNDP, 2013). *The Gini index* measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution (OECD, 2002). *Per capita income* is the mean income of the people in an economic unit such as a country or city. It is calculated by taking a measure of all sources of income in the aggregate (such as GDP or Gross national income) and dividing it by the total population (OECD, 2009). *AROPE rate* is defined as the share of the population in at least one of the following three conditions: 1) at risk of poverty, meaning below the poverty threshold, 2) in a situation of severe material deprivation, 3) living in a household with very low work intensity (Antuofermo & Di Meglio, 2012). *Social Services Development Index* (for Spain and per region) assesses three basic dimensions in the public social protection systems: 6.a) level of recognized rights and political decisions, 6.b) economic significance of social services, and 6.c) coverage (population, users of Social Services, shelters and drop-in centres) (Garcia, Barriga, Ramirez & Santos, 2013). *Social Services Expenditure as % Total financed Projects (n)* is defined, according to the Agreed Plan for the Basic Social Service Benefits in Local Governments (2010-11), as the expenditure on Social Services in relation to the total amount of financed projects (Ministry of Health, Social Services and Equality, 2013). *Social Services Users/Total Population Ratio* is defined as the quotient between the number of Social Services users and the total population. (Ministry of Health, Social Services and Equality, 2013).

In this paper, we present a descriptive analysis of the main indicators related to the effects of the economic crisis and to the development of the Social Services in Spain by Region. We have classified the Spanish regions in three groups depending on the level of development (weak, medium or strong) of the public Social Services system. Each region has been assigned to each cluster considering the average score in each region. This way, with a “Weak” system in the development of Social Services, we could find the regions of Andalusia, Balearic Islands, the Canary Islands, the Valencian Region, Extremadura, Galicia, Madrid and Murcia; “Medium” includes the regions of Aragon, Asturias, Cantabria, Castile-Leon, Castile-La Mancha and Catalonia; and with a “Strong” system the regions of Navarre, the Basque Country and La Rioja.

Our working hypothesis sets down that within the framework of the Welfare State, higher risks of poverty and social exclusion in the population imply the strengthening of the public social protection systems, in particular the Social Services, as they offer resources to the whole of the population and take specific actions for prevention and social inclusion. If the Social Services are not

reinforced in times of social crisis, the population would become even more vulnerable thus giving rise to poverty and social exclusion.

The social impact of the economic crisis should be counterbalanced with social policies that would reinforce the Social Services. Nevertheless, we believe that the policies from the central, regional and municipal administrations are not focused on these issues.

In order to determine the existence of significant differences between the different levels of development of Social Services, with regard to the impact of the economic and social crisis on the Spanish regions, we have carried out an analysis of variance (one-way ANOVA) taking SOCIAL SERVICES DEVELOPMENT INDEX (3 GROUPS) as dependent variable and UNEMPLOYMENT RATE (%), HUMAN DEVELOPMENT INDEX, GINI INDEX, PER CAPITA INCOME and AROPE RATE as independent. We have tested the statistical assumptions both for the independent and dependent variables. As the independent variable has less than 30 cases per group, we carried out the Kruscal-Wallis non-parametric contrast to triangulate the ANOVA parametric test, obtaining identical results at the chi-squared Kruscal-Wallis association tests and the one-way ANOVA F-test. We have decided to carry out the post-hoc Scheffe tests, as we do not count with a high number of comparisons.

Results and discussion: the regional differences of the Social Services

The economic crisis has increased the risk of the Spanish population of being in a poverty or social exclusion situation, going from 24.5% in 2008 to 28% in 2013 (Spanish National Institute of Statistics - INE 2013). We must mention the results for the population under 16. Within this age group, the AROPE rate stands at nearly one third of the population, being even higher amongst women. The aggregated data for the whole of the State mask the important regional differences, as seen in *Table 2*.

We can see that in the midst of the economic crisis, there are regions more affected by unemployment than others. This translates into lower per capita income, higher economic inequality, lower human development and greater probability of risk of poverty and social exclusion. The Social expenditure in Spain (public sector) % GDP increased from 26% in 2008 to 27.4% in 2012. (OECD, 2013) This information may lead us to think there is a higher investment from the State on Social Services, but in reality it corresponds to the increase in the State expenditure on unemployment benefits. (Freysson & Wahrig, 2013). Neither the statistics of the OECD nor those of the EU gather up, in the case of Spain, the reality of Social Services, therefore we need to resort to local sources. When analysing the level of development of Social Services, we can confirm important regional differences.

Table 2. *Regional differences in the social indicators (2010)*

	UNEMPLOYMENT RATE (%)	PER CAPITA INCOME	HUMAN DEVELOPMENT INDEX	GINI INDEX	AROPE RATE
ANDALUSIA	28.35	0.4160	0.6853	0.3170	35.90
ARAGON	16.06	0.6188	0.7910	0.3160	15.90
ASTURIAS	16.67	0.5346	0.7438	0.3220	16.80
BALEARIC ISLANDS	22.23	0.5914	0.7284	0.2900	25.80
CANARY ISLANDS	28.96	0.4570	0.6857	0.3140	35.30
CANTABRIA	14.93	0.5733	0.7603	0.3030	19.60
CASTILE-LEON	15.78	0.5679	0.7773	0.3060	24.70
CASTILE-LA MANCHA	21.33	0.4254	0.6880	0.3040	30.90
CATALONIA	17.98	0.6602	0.8059	0.3300	19.80
VALENCIAN REGION	22.91	0.4904	0.7172	0.2940	26.30
EXTREMADURA	23.90	0.3931	0.6571	0.3030	41.50
GALICIA	15.69	0.4934	0.7302	0.3040	22.00
MADRID	15.75	0.7186	0.8397	0.3810	18.10
MURCIA	24.98	0.4388	0.6922	0.2910	36.10
NAVARRE	11.64	0.7287	0.8335	0.2920	9.70
BASQUE COUNTRY	10.89	0.7881	0.8804	0.3190	15.50
LA RIOJA	15.68	0.6060	0.7695	0.2870	24.80
TOTAL SPAIN	20.33	0.5503	0.7557	0.3350	25.50

Source: *authors' computations*

Table 3. Main indicators of the development of the public Social Services system

	SOCIAL SERVICES DEVELOPMENT INDEX	SSDI (RIGHTS)	SSDI (ECONOMIC)	SSDI (COVERAGE)	FINANCED PROJECTS (n)	SOCIAL SERVICES USERS/TOTAL POPULATION RATIO
ANDALUSIA	4.40	3.50	6.70	3.40	251.00	11.87
ARAGON	5.85	8.50	4.30	5.90	43.00	7.34
ASTURIAS	6.35	5.00	8.30	5.70	41.00	9.47
BALEARIC ISLANDS	3.15	8.00	0.00	3.10	55.00	6.34
CANARY ISLANDS	2.00	0.00	0.00	4.00	92.00	15.08
CANTABRIA	6.60	2.50	10.00	6.20	31.00	37.55
CASTILE-LEON	6.65	6.00	6.00	7.30	29.00	15.68
CASTILE-LAMANCHA	6.25	5.00	10.00	4.50	149.00	33.36
CATALONIA	6.35	9.50	6.00	5.30	101.00	18.92
VALENCIAN REGION	0.60	0.00	0.70	0.80	159.00	15.03
EXTREMADURA	4.60	0.00	9.00	3.80	76.00	32.69
GALICIA	3.65	5.00	2.00	4.10	268.00	15.02
MADRID	2.75	2.50	2.00	3.30	54.00	12.14
MURCIA	2.80	2.50	4.00	2.20	36.00	11.86
NAVARRE	7.15	7.50	8.00	6.50	n.a	n.a
BASQUE COUNTRY	7.35	6.00	9.00	6.90	n.a	n.a
LA RIOJA	6.85	7.50	9.70	4.90	4.00	7.91
TOTAL SPAIN	4.91	4.65	5.63	4.58	1393.00	15.43

Source: authors' computations

We can see that the development of the public Social Services system in the regions most impoverished by the crisis is weaker than in those where the impacts were lower.

Table 4. One-way ANOVA. Homogeneity of variances, general ANOVA model and results of the Kruscal-Wallis test

	Levene test		ANOVA		Kruscal-Wallis	
		Sig.	F	Sig.	Chi-Squared	Sig.
UNEMPLOYMENT RATE (%)	1.55	0.245	8.604	0,003*	9.173	0.010*
HUMAN DEVELOPMENT INDEX	0.11	0.892	5.192	0,019*	6.793	0.033*
GINI INDEX	1.01	0.386	0.515	0,608	1.776	0.412
PER CAPITA INCOME	0.25	0.784	5.224	0,019*	6.694	0.035*
AROPE RATE	1.04	0.376	4.728	0,026*	7.349	0.025*

*Statistically-significant differences in a confident interval of 95.5%

Source: authors' computations

The general ANOVA model shows that in regions with “Weak”, “Medium” and “Strong” systems there are significant differences in the unemployment rate, the Human Development Index, the per capita income and the at-risk-of-poverty-and-social-exclusion rate. There is no difference among regions as far as the Gini Index is concerned.

Table 5. Mean differences per group. ANOVA One-way (Scheffé method)

Scheffé			Mean difference (I-J)	Sig.
UNEMPLOYMENT RATE (%)	WEAK	MEDIUM	5.44	0.05
		STRONG	9.83 *	0.01
	MEDIUM	WEAK	-5.44*	0.05
		STRONG	4.39	0.30
	STRONG	WEAK	-9.83*	0.01
		MEDIUM	-4.39	0.30
HUMAN DEVELOPMENT INDEX	WEAK	MEDIUM	-0.04	0.35
		STRONG	-0.11 *	0.02
	MEDIUM	WEAK	0.04	0.35
		STRONG	-0.07	0.20
	STRONG	WEAK	0.11*	0.02
		MEDIUM	0.07	0.20
PER CAPITA INCOME	WEAK	MEDIUM	-0.06	0.52
		STRONG	-0.20 *	0.02
	MEDIUM	WEAK	0.06	0.52
		STRONG	-0.14	0.13
		STRONG	0.20*	0.02
AROPE RATE	WEAK	MEDIUM	0.14	0.13
		STRONG	8.33	0.12
	MEDIUM	WEAK	12.94 *	0.05
		STRONG	-8.33	0.12
	STRONG	WEAK	4.62	0.66
		MEDIUM	-12.94 *	0.05
			-4.62	0.66

* Statistically significant mean differences in a confident interval of 95.5%

Source: authors' computations

The unemployment rates in regions with a “weak” Social Services system are an average of 9.83 points above those with a “Strong system”. The HDI and the per capita income is lower in the regions with “weak” social services. Finally, the AROPE rate shows an average rating 12.94 points higher in the regions with less

developed Social Services. Paradoxically, the more unemployment and the higher the risk of social exclusion seen in a region, the weaker its Social Services system is.

The Spanish Government launched in 2010 austerity policies to reduce public expenditure and curb the deficit which are still on-going. With the Popular Party (conservative- neoliberal) in power since 2011, the structural adjustment policies have radicalised. The features of the present Government have been marked by the reforms in the pensions system and the work market, along with the budgetary cut-backs. The regional governments, mostly made up by the Popular Party, have followed the principles of tax discipline, no longer investing in the basic pillars of welfare, education, social services and health which were transferred to the regions. This lack of investment initiated processes of re-structuring of services, which has even become a threat to sectors such as health (Legido-Quigley *et al.*, 2013).

The Social Services are not alien to the tax and ideological re-structuring of the Spanish Welfare State, in the same way they were not alien to processes of social and political change over the last 35 years (Subirats, 2007). As a consequence, the perspectives for the future of the Social Services are not good. The new “Act for rationalization and sustainability of the Local Administration” has already been approved by the Spanish Parliament. By means of this law, the responsibilities on Social Services issues are being transferred from the Local Councils to the Regional Governments. The towns with more than 20,000 inhabitants may keep an independent network for basic guidance and referral. The responsibilities should be transferred as of the 31st December 2015 and the Regions would be allowed to “outsource” services in order to save money.

The consequences for the public Social Services system are unpredictable. The estimations carried out by the General Council of Social Work in Spain show a 40% loss of funding in general, a reduction of more than 80% of their resources for projects such as Home Assistance and a direct negative impact on the elderly, youngsters and families (specially women), i.e., those groups who use the municipal Social Services the most (CGTS, 2013)

Conclusions

The impact that the economic crisis originated in 2008 has had on the Spanish population shows a structural social vulnerability. Social Services are a fundamental factor in achieving the goals of the Welfare State: 1) they carry out part of the redistribution of wealth, in particular to those that have less; 2) they allow to bring the administration closer to the citizens and thus learn about their needs 3) they make the development of capacities easier and guarantee equal opportunities

for the population. Local management of Social Services by local councils allows organizing the service according to the needs. Social Services are essential in a context where the economic inequality rises along with unemployment and the risk of poverty and exclusion rate.

In this paper we have highlighted the social consequences of the economic crisis in Spain and their relation to the development of Social Services. The impact of the crisis has not been accompanied by the strengthening of Social Services, as one would expect. In order to explain this situation we have described the development of Social Services in Spain since its creation up to now. We have analyzed its level of development in each region and confirmed that those regions that have suffered a higher impact from the crisis on their population have the least developed Social Services. We cannot talk about a cause-effect relationship, but we can highlight evidence that shows that the impoverishment and social exclusion processes are not being slowed down by the Social Services.

The current social policies are not steering towards strengthening the public social protection systems. The regional disparities will be further enhanced in the coming years, especially when the powers get transferred from the Local Councils to the Regional Governments.

The Social Services professionals and the citizens in general are now facing a situation where it is difficult to predict anything positive. It might be in times of division when we need to ask ourselves the most complicated questions, though we may not have any immediate clear and concise answer. Wondering what is going to happen with the Social Services in Spain is like wondering what is going to happen with the people whose only social protection network is the Social Services.

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