



Peer Review in Social Protection and Social Inclusion and Assessment in Social Inclusion

Denmark 2009

# Peer Review: Combining choice, quality and equity in social services

Short Report



On behalf of the  
European Commission  
DG Employment, Social Affairs and Equal Opportunities



Held in Copenhagen (Denmark) on 1 April 2009, the Peer Review was hosted by the Danish Ministry of Social Welfare. In addition to the host country, nine peer countries took part: Estonia, Hungary, Italy, Lithuania, the Netherlands, Portugal, Romania, Spain and the United Kingdom. Participating as European stakeholders were the European Social Network and Eurocities. Danish stakeholders were represented by the Anti-Poverty Network, National Association of Senior Citizens Council, the Dane Age Association and the Danish Association of Senior Citizens. A representative of the European Commission's DG Employment, Social Affairs and Equal Opportunities took part in the meeting.

## 1. The policy under review

Social services and healthcare are free of charge to the user in Denmark. The country has a high-tax, high-benefit system, so Danes expect good-quality public services. Danish social spending per capita is among the world's highest. Following local government reform, the 98 municipalities are now citizens' primary access point to social care services, which are financed through block grants and local taxation. The responsibilities of the five regions include healthcare. Recently, two major steps have been taken to further develop the Danish welfare system:

- Free choice of provider was introduced by law in 2002. Elderly people themselves can now decide whether they prefer to receive help from the municipality or from a private firm. Either way, the municipality pays for the services. The aim is to promote cost-consciousness, transparency and a clear separation between the levels of the authority and the provider. Free choice of domestic help provider has proved popular, but the majority of older people still use municipal services for personal care. There are no plans to extend free choice to nursing care/
- Quality reform in the public services is the aim of a government proposal presented in August 2007, after extensive consultations with users, relatives, employees, managers and experts. The initiatives focus on staff qualifications in the social services, quality development tools, de-bureaucratisation, greater orientation towards citizens' needs and wishes, an improved physical environment and exploitation of technological options. From 2010, quality contracts between local councils and citizens will be required, with clear and measurable objectives for each local authority service area. In addition, method development, piloted in cooperation with local authorities, focuses on legally correct procedures, efficient use of available resources, reduced risks of error, and improved legal protection for citizens.

More particularly, the Peer Review looked at elderly care in Denmark and at the way of combining choice, quality and equity in the delivery of this type of social services:

- Home care is on the basis of individual needs, as expressed by the recipients and assessed by qualified visitors. It includes practical, domestic help, personal care and nursing care. It is free - except in the case of temporary help, where an income-related user charge may apply. The goal is to enable older people to stay in their own homes for as long as possible, through "help for self-help". Some 25% of those aged 67 and over currently receive permanent home care services. Care services are usually provided whether or not a family carer is available.

- Quality standards are used to ensure that services are delivered in compliance with policy goals. Local councils are required to draw up a quality standard at least once a year, and to monitor its application. The standards, which must be published, set the quality and price requirements for all suppliers of personal and practical assistance. They must also enable citizens to be fully aware of their rights in relation to the local authority. Local quality standards must at least meet the requirements of the national legislation.
- At least two preventive home visits a year must be offered by every municipality to each citizen aged 75 or over. The aim is to promote use of services that can help older people to maintain their physical and social skills, while preventing loneliness and insecurity. Uptake of the visits is continuing to increase.
- Residential accommodation is provided on the basis of need, as determined by the municipalities. Access to accommodation within two months is now guaranteed to those eligible.

## 2. Key lessons and aspects of transferability

Among the main points to emerge from the Peer Review:

- Choice was a central topic. However, for some Member States, choice in social services is still a luxury, especially in rural areas. They face basic issues about ensuring an adequate, or even a minimal, level of provision across the country. The main reasons cited for promoting choice are:
  - *Cutting costs.* But no conclusive evidence emerged that choice and competition do lead to cost reduction. Direct costs may go down, but administrative and regulatory costs may rise. Choice also implies over-supply of services, which may ultimately entail additional costs.
  - *Improving quality.*
  - *Creating greater diversity of provision.* But the funding has to be there to enable diverse services to develop and there is little evidence that demand-side mechanisms, on their own, increase volume and diversity in the supply of services; additional actions by local and/or central governments are also needed.
- Regulation, although often prompted by the emergence of private provision, is also essential for the protection of vulnerable people in state-provided services. There is a balance to be struck, as over-regulation can result in very high costs and fewer providers. Top-down regulatory systems need to be complemented by citizens' own contributions to regulation and quality assurance, such as transparent, accessible complaints systems. The Danish complaints system is an example of such a process, and might well be transferable to other EU Member States.
- Relationships between central and local government are an important factor in service provision. In most but not all of the peer countries, the trend has been towards decentralisation. If local government is felt to be the correct level for the provision of social services, then it must be appropriately resourced. Equalisation grants from central to local government, such as are found in Denmark and some other EU countries, are a useful and transferable mechanism. They should be targeted on the smaller, poorer and rural municipalities.

- The boundaries between public and private provision are still being worked out in most of the peer countries. Municipalities may have a gate-keeping role here. To what extent should local government be directing public resources into private profit?
- Funding individual users to buy in support services directly is a relatively new idea in most EU countries, and the mechanisms for this are still being developed. Cash payments to individuals as a way of funding care raise particularly difficult issues. A gender dimension is involved, as a cash system may perpetuate the tradition that younger female family members act as unpaid carers for the elderly. There is also only limited evidence that these are effective in stimulating supply.
- The impact of demographic ageing on care provision is a major topic in most EU countries. The assumption is usually that an ageing population will put care resources under increasing strain. However, some participants questioned this. Although people are living longer, they are also healthier. So they may not require assistance until later, if at all. However, increased longevity also means there will be more cases in which one elderly spouse is the carer for the other.
- The quality of social service outcomes requires more attention. So far, evaluation has tended to focus on service inputs.
- EU rules on public services of general interest are neutral on the “make or buy” issue (i.e. whether the authorities provide their own services or purchase them from outside contractors).

The Peer Review's conclusions did feed into the EU conference on social services held in Prague on 22-23 April 2009.