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GOVERNANCE LEVELS and PERFORMANCE of Care Systems

A comparative analysis of four mature welfare states

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- Decentralisation of care for the elderly is everywhere: in all countries but seldom for all care instruments: e.g. more for services than for cash
- Pro arguments underline innovativeness, sensitiveness to specific preferences, circumvent political stalemate
- Contra points to perverse effects (“ performant units will attract moving consumers and so inhibit innovation”), and to inequality inside nations



- KAZEPOV hypothesis: decentralisation will lower the performance and aggrandize inequality and inhibit innovation and the coherence of the care system
- We inquire these assertions in 4 “old” welfare states: Belgium, England, Germany and Italy



- We expect however that other characteristics are more important determinants of performance levels:
 - the design of the care system: either cash oriented or more service oriented
 - the basic design of the welfare state: liberal versus corporative , and inside this latter, the more or less familistic orientation



- We first give an overview of the design and some performance levels (e.g. the coverage levels of the care instruments).
- These figures in table 1 are from the CROME report (2012)



Table 1: An overview of the design and performance of LTC systems in the four states

		Belgium	England	Germany	Italy
Home Care	coverage rate	7,1%	4 - 5,7%	2,9 - 3,5%	2,7 - 4,6%
		(16,1%)			
Residential Care	coverage rate	7,9%	4,2%	4,2%	2 - 3%
Cash for Care					
National Scheme		/	Direct Payments	Pflegegeld	Indennità di Accompagnamento
	€		€ 679 (mean)	€ 297 (median)	€ 472 (fixed)
	coverage rate		0,6%	6,4%	6,3 - 9,5%
Regional Scheme		/	/	/	Regional Cash Benefit
	€				n.d.
Additional Cash for Care					
National Scheme		Allowance for Care to Elderly Persons	Attendance Allowance	/	Assegno di Cura
	€	€ 275 (mean)	€ 222 - € 332 (upper - lower rate/month)		€ 50 - 260 (upper - lower rate/month)
	coverage rate	7,2%	5,9%		n.d.
		Flemish care Insurance (Regional Scheme)	Carer' Allowance	/	/
	€	€ 130 (fixed)	€ 253 (fixed)		
	coverage rate	14,6%	0,2% (3,3%)		



- Germany and Italy are more cash-oriented and Belgium and England more service-oriented, but all systems have elements of both instruments
- Belgium and England tend therefore to have more services but also a serious amount of cash, whereas Germany and Italy are more one-sided cash oriented



- What about the variation between regions inside countries ?
- We first inquire the variation within nations, not only for the “regional” instruments but also for the take-up of the national measures
- Table 2: National Long Term Care System: mean and regional variation in uptake by 65+ of Care In Kind and Cash benefits in the four countries

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Belgium^a						
Net Income (€)	2	16623,8	19460,2	18042,000		
% Uptake Home Care 65+	2	5,5	5,7	5,600		
% Uptake Residential Care 65+	2	7,1	8,6	7,850		
% Uptake Belgian Social Security Benefits 65+	2	6,1	8,2	7,150		
% Uptake Flemish Long Term Care Insurance 65+	1	14,6	14,6	14,600		
England						
Net Income (€)	9	14965,3	23115,1	17589,422	2658,3721	7066942,277
% Uptake Home Care 65+	9	2,9	5,1	4,014	,7308	,534
% Uptake Personal Budget 65+	9	,3	1,2	,584	,2945	,087
% Uptake Social Security Benefits (Attendance Allowance) 65+	9	13,0	17,5	15,368	1,4721	2,167
Germany						
Net Income (€)	16	14945,5	23459,0	18266,056	2564,5445	6576888,491
% Uptake Home Care (nursing and social) 65+	16	2,3	4,6	3,475	,6688	,447
% Uptake Residential Care 65+	16	3,8	5,3	4,253	,4078	,166
% Uptake Long Term Insurance 65+	16	5,0	8,2	6,413	,9835	,967
Italy						
Net Income (€)	21	11876,6	20600,7	16631,505	3203,9077	1,027E7
% Uptake Home Care (nursing and social, ADI) 65+	21	,4	7,3	3,129	1,9181	3,679
% Uptake Residential Care 65+	21	,5	4,9	2,129	1,3346	1,781
% Uptake Regional Cash for Care (Assegno de Cura) 65+	13	,2	3,5	1,015	1,0180	1,036
% Uptake Social Security Benefits (Indennita di Accompagneto) ^b	21	2,1	12,5	6,676	1,9305	3,727



- We know that in all corporative states, services are regulated and (co-)funded by decentralised authorities and that local authorities also cofinance the services in England.
- We see that governance levels have not that much impact:
 - national (cash) is also somewhat differently implemented
 - the regional service instruments do not show greater variation



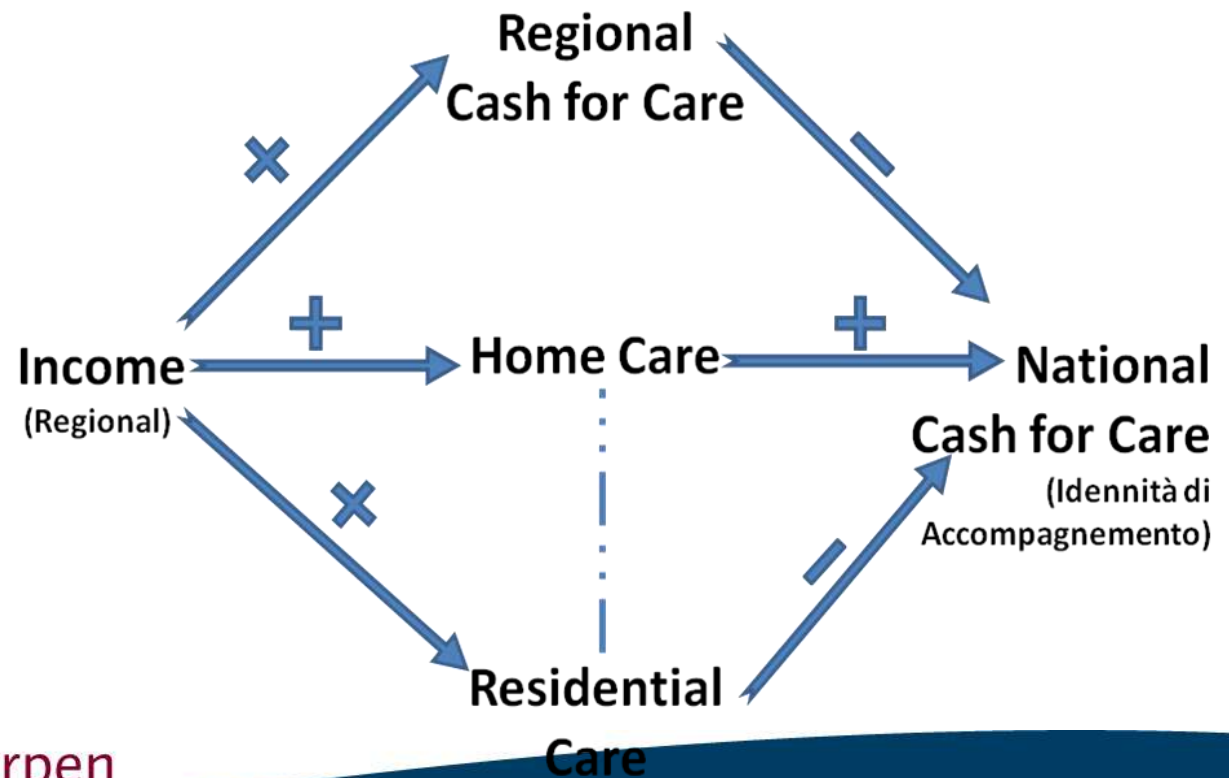
- The overall variation is limited in 3 countries but not in Italy where variation is high in both national and regional instruments
- Is there a systematic correlation between the wealth and income-levels of regions and the performance of their elderly persons policy instruments ?



- Therefore we investigated – with a simple multiple regression model - whether income levels of the regions in 3 countries were correlated with performance levels of services and cash, whether steered at the national or at the regional level.
- We found no systematic relationships in England and Germany: the take-up of national measures and the use of regional instruments varies but is not correlated with the wealth of the region.

- But the situation in Italy is quite different. We found other relations, as in figure 1

Figure 1: *Correlations Italy*





- We know already that the variation in incomes, and in cash and services is great – compared to the 3 other countries- and we see that they are inter-correlated for the “regional” instruments. The national cash measure is however only indirectly related to the regional income levels.



What about innovativeness?

The degree of LTC-policy innovation is not so much determined by the distribution of the authority levels but by the LTC-system chosen. Service-oriented countries (Belgium, England) have exhibited considerable innovations at the national level and in Belgium also at the regional levels



- Cash-oriented nations (Germany and Italy) exhibit very few policy innovations at the national level but some experimental innovations at the regional levels.



- And what about the COHERENCE of the Care System ?
- The coherence of the Care system in England seems to be higher than in the three corporative countries where a divided policy structure prevails and where the local implementation is non-unified. Especially in Belgium there exists sometimes a conflictual and competitive situation but it results in more innovativeness which is not the case in Germany and Italy.



- As a conclusion we can state that the division of LTC competencies between national and regional authorities is neither related to the performance level nor to the degree of innovativeness but only to the degree of (in)coherence in the policy structure and local implementation systems.
- The chosen LTC-type is much more correlated with the performance and innovativeness



- The case of Italy can be discussed in this context: a cash-oriented state with a low score on services and slow innovation. The great income inequality of the regions cause great care inequalities in services and, at a further distance also in the take-up of the important national cash. Richer regions with more residential services do lower this rate but their higher ambulatory supply instead increases the take up there.