

**«CARE REGIMES ON THE MOVE
COMPARING HOME CARE FOR
DEPENDENT OLDER PEOPLE IN
BELGIUM, ENGLAND, GERMANY AND
ITALY »**

PROJECT AND RESEARCH TEAMS

- **Home care:** all activities that are undertaken in the home where the dependent older person usually lives, (both personal care and housework, para-medical excluded)
- **Funding : MIRE-Drees (France)**
- **Scientific partners**
 - Université Catholique de Louvain – CIRTES
 - London School of Economics and Political Science, Personal Social Services Research Unit (PSSRU)
 - Université de Kassel, Institut de politiques sociales et de l'organisation des services sociaux
 - Universiteit Antwerpen, Centre de recherche sur les services sociaux et les Etats sociaux
 - La Sapienza, Università di Roma, Département d'économie publique

PLAN OF THE SESSION

- Rationales of home care
- 1. The process of marketisation in home care
- 2. Variations in the targeting of home-based support for dependent older people across Europe
- 3. Multilevel governance of home-based support: does it induce regional disparities and hinder innovation?
- The use of formal and informal care by dependant older people based on information from the Share database on individual's care arrangements
- 4. Variations in measuring and improving performance in home care services: the degree of marketisation matters
- 5. Analysis of the gender aspects of care reforms: moving towards different worlds of defamilialisation
- Are we witnessing path departure in national care regimes?

THE PROCESS OF MARKETISATION IN HOME CARE AND ITS CONSEQUENCES ON TARGETING AND WELFARE MIX: A COMPARATIVE ANALYSIS

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OUR PRESENTATION

- Objective and research questions: the implementation of market-oriented reforms
- The evolving landscape of public schemes and its consequences on targeting
- The configuration of welfare mix
- The impact of competition on price and quality
- Conclusions

OBJECTIVE AND RESEARCH QUESTION

- Context: **market-oriented reforms**
 - the increasing contracting out of home care services
 - a shift towards the direct purchasing of care by individuals through cash for care
 - a greater reliance on the private funding of care

- **The overall philosophy of LTC is progressively changing**
 - more competition among providers
 - emphasis on the empowerment of the user considered as a client

- **Hypothesis: interaction between these market-oriented reforms and “path dependency” i.e. tradition of welfare (care) regime leads to different impacts across countries**
 - The evolving landscape of public schemes and its consequences on targeting (1)
 - The configuration of welfare mix (2)
 - The impact of competition on price and quality (3)

(1) COMPLEX CLASSIFICATION OF PUBLIC SCHEMES

- In kind provision
- Cash-for-care with “free use”
- “Tight” cash-for-care
 - Care program providing cash OR a mix of services and cash with a negotiated plan by public bodies
 - Tax deduction for use of care services

England: a quite substantial level of public money for social care...

- Cash for care through social security allowances
- Highly standardised quasi-market
- Rise of personal budget

Italy: from a model based on informal, unpaid care provided by the family to one based on informal, paid care provided by irregular immigrant minders

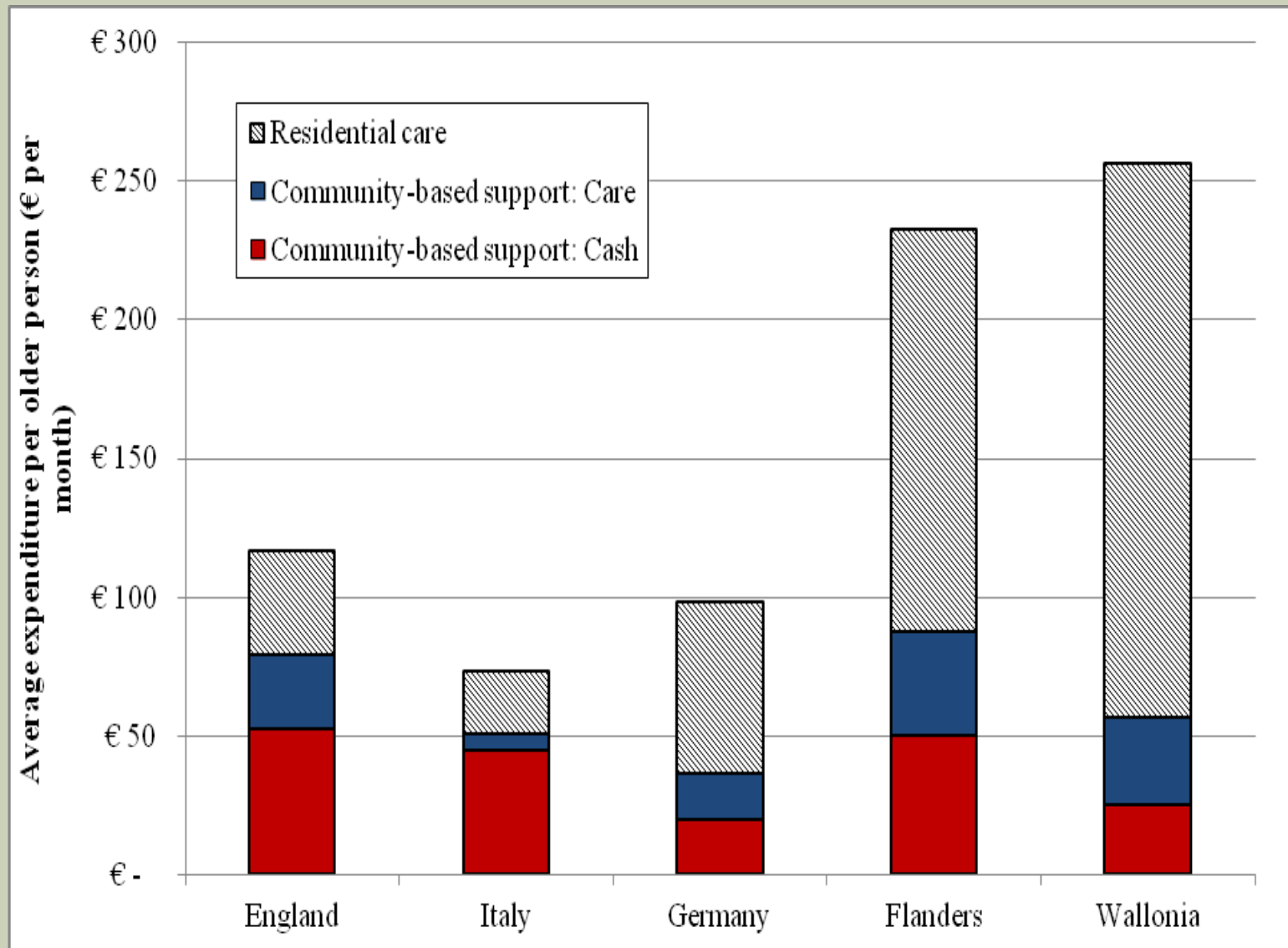
- Cash for care through social security allowances
- Tiny and fragmented quasi-market

Germany: long term insurance which supports care provided by the family through cash (low amount) and/or with a very low level of formal provision of home care

Belgium: A 3 pillars system

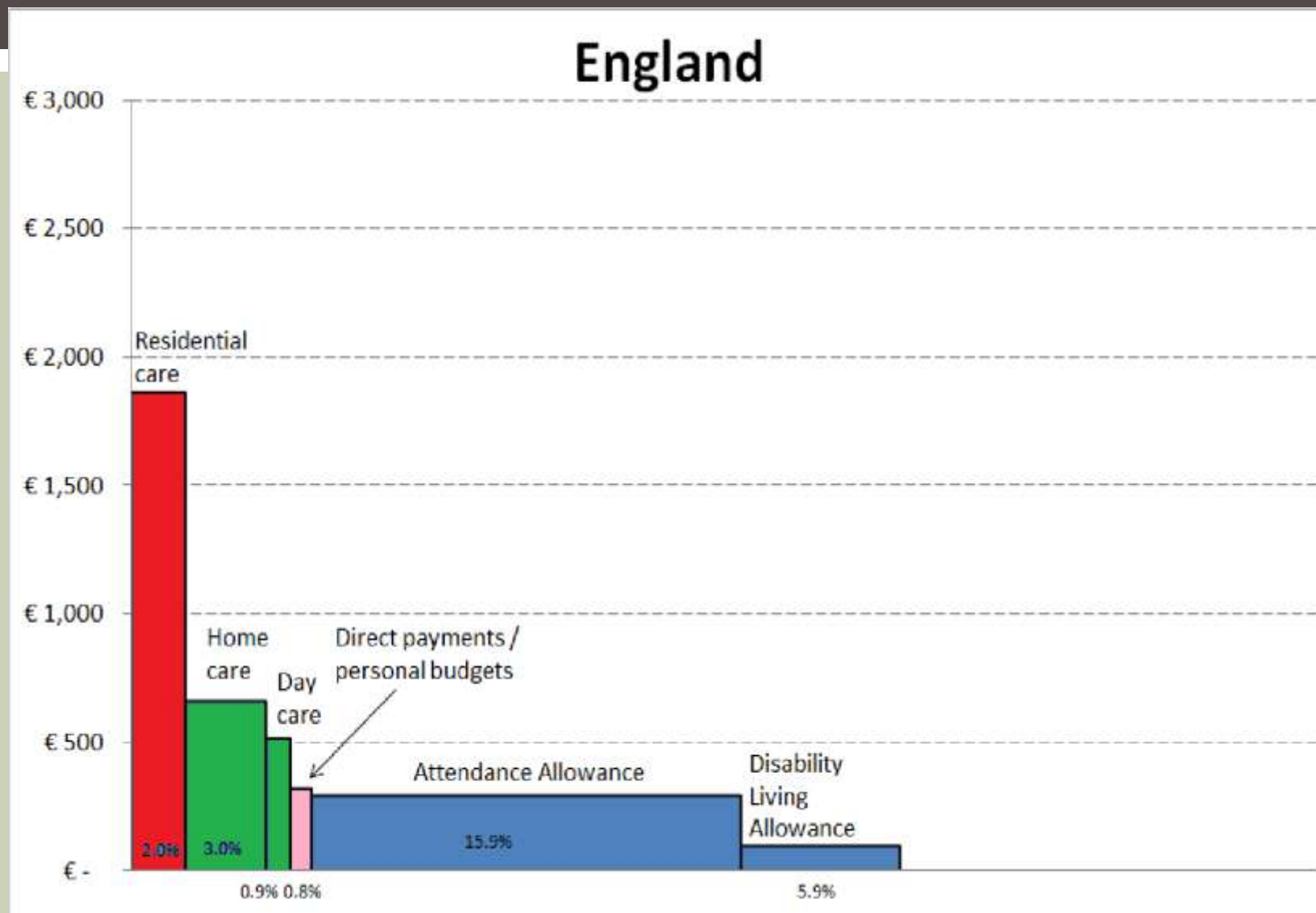
- Social security benefits,
- In kind provision of personal care,
- Voucher system for housework

Figure 2.1: Monthly state expenditure on “social care” support for older people, per older person

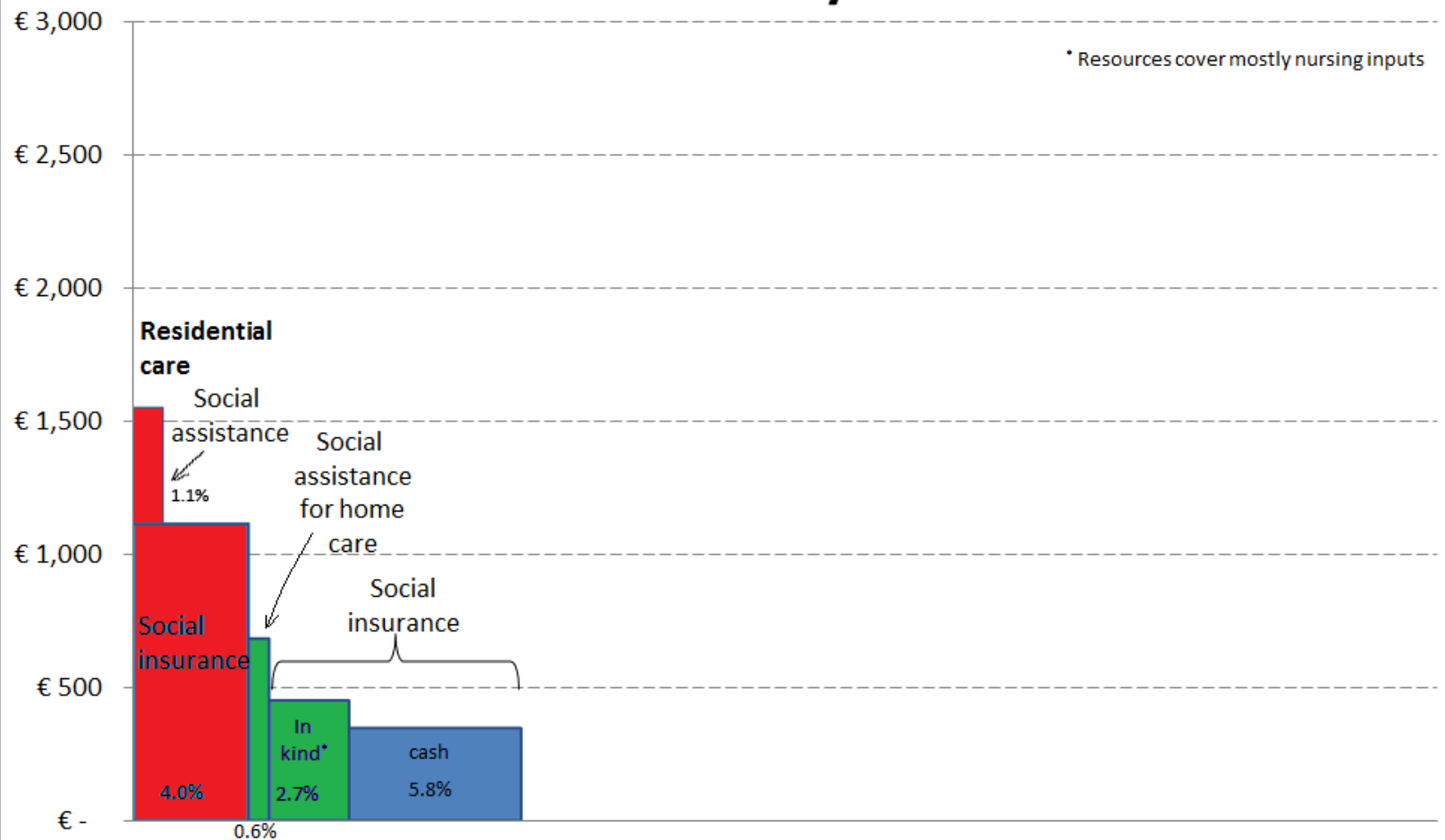


Source : CROME

FIGURE 2.6: STATE SUPPORT (AVERAGE NET EXPENDITURE AND PERCENTAGE OF THE OLDER POPULATION COVERED) FOR DEPENDENT OLDER PEOPLE IN ENGLAND



Germany



(2) THE CONFIGURATION OF WELFARE MIX

- A “welfare mix” approach: diversity of actors in the provision of care
 - State
 - For profit,
 - Third sector,
 - Carers directly employed by households
 - Families

Table: the provision of home care services
source: CROME project

	For profit		Public sector		Not for profit	
	1999	2008	1999	2008	1999	2008
Belgium Home personal care	-	-	20%	20%	80%	80%
Belgium Voucher (housework)	-	64%	-	8%	-	28%
England	70% (2004)	76%	19 % (2004)	13 %	11% (2004)	11%
Germany LTCI	36%	45%	2%	2%	62%	53 %
Italy	n.a	22%	n.a	64%	n.a	14%

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Care workers employed by families

- Belgium, England: no evidence of sharp increase but may change with the development of personal budget in England
- Germany: mini –jobs and irregular domestic workers (up to 100.000)
- Italy: in 2010, irregular caregivers were estimated to be about 774,000, mostly migrants

Care provided by family: important...

(3) THE IMPACT OF COMPETITION: PRICE VERSUS QUALITY

- Regulation affects the way in which competition works by shaping the role played by the different actors and therefore the dynamics of the welfare mix

	Price regulation	Quality regulation	Type of competition
BELGIUM Personal care Voucher system	Set by law		
	Set by law		
ENGLAND	Through public procurement between LA and providers		
GERMANY	Negotiated between representatives of funders and provider networks		
ITALY	Through public procurement, if any, between municipalities and providers		

	Price regulation	Quality regulation	Type of competition
BELGIUM	Set by law	Very long process of authorization: providers must comply with standards., framed in terms of inputs, narrowly specified	
Personal care			
Voucher system	Set by law	Very light process of registration	
ENGLAND	Through public procurement between LA and providers Increasing of personal budgets	Providers must comply with standards, framed in terms of outcomes and are broadly specified	
GERMANY	Negotiated between representatives of funders and provider networks	Providers must comply with standards framed in terms of inputs, narrowly specified (LTCl funds)	
ITALY	Through public procurement, if any, between municipalities and providers	Providers must comply with minimum standards, but these are set regionally and weakly monitored	

	Price regulation	Quality regulation	Type of competition
BELGIUM Personal care	Set by law	long process of registration	Competition almost not at work: Demand > Supply
Voucher system	Set by law	Very light process of registration	Given the control over price, pressure is passed onto wages and working conditions
ENGLAND	Through public procurement	standards, broadly specified	<ul style="list-style-type: none"> - Efficiency: central issue - Pressures on wages and working conditions while struggling to comply with quality regulations. - Shift in emphasis from regulation (monopsony of local authorities) to competition through Personal Budgets.
GERMANY	Negotiated between representatives of funders and provider networks	standards narrowly specified	<p>Given the control over prices, the pressure is passed onto wages and working conditions</p> <p>Market competition by bargaining for additional “grey” services not covered by LTCI</p>
ITALY	Through public procurement,	weakly monitored	The stiffest competition comes from the irregular market

CONCLUSIONS

- The introduction of market principles in the home care sector **regulated by the state**
 - Limited price competition
 - Mainly competition in terms of lower wages and poor working conditions
 - May affect users indirectly, where it entailed lower quality of care
 - Public financial resources have not kept up with the rising need for home care + increased use of “cash for care”
 - More “consumers” exercising choice in **the unregulated** care market.
 - Diversifying out of the basic services guaranteed or regulated by the public sector
 - Rise of black market
- => Major issues on these unregulated care markets both regarding quality of work and service