Organised session - Social Investment and Long-term Care

Applying social investment principles to the provision of long-term care: issues for consideration

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Applying social investment principles to the provision of long-term care

Issues to be addressed

Explaining the interest in Social Investment

Questions of measurement

Applications to Long-Term Care
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Where does the interest in SI come from?

OECD 1997 *Beyond 2000: The New Social Policy Agenda*

*The challenge is to ensure that the returns to social expenditures are maximised, in the form of social cohesion and active participation in society and the labour market*

EC 1997 *Communication on the modernisation of social protection systems*

*‘Social protection as a productive factor’* addressing the age-old question of the overall costs and benefits of social protection systems - in particular their impact on social cohesion, political stability and economic progress

EC 2013 *Social Investment Package (SIP)*

SI involves strengthening people’s current and future capacities. (It) helps to 'prepare' people to confront life's risks, rather than simply 'repairing' the consequences.
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Where does the interest in S I come from? (2)

Sen Development as Freedom
‘Anything that enhances human capability is worth investing in’ (John Myles)

Dudová Social Investment as a New Paradigm of Social Policy
see also Hemerijck Changing Welfare States; Crouch Governing Social Risks in Post Crisis Europe and Nolan What use is ‘social investment’?

Ideological dimension including:
• ‘productivist’ welfare state
• ‘welfare state as a productive factor’ > ‘social investment as a growth-enhancing factor’
• opportunities in time of austerity to build reform coalitions (Vandenbroucke), use arguments of entrepreneurs not accountants (Crouch)
• showing (Scandinavian) extensive welfare states are successful
• ‘new neo-liberalism’ (Crouch), dangerous and destructive of welfare states (Barbier)
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Where does the interest in S I come from? (3)

Intimately linked with discussions of:

1) Social innovation – meeting social needs and creating new social relationships or collaborations

2) Social enterprise – supplying a product in ways that maximize improvements in human and environmental well-being rather than profits

Both possibly sine qua non for delivering idiosyncratic, ‘capacitating’ (social) services

3) Social impact investing – creating both financial return and a positive social or environmental impact that is actively measured (see also social impact bonds, BUT not to be confused with environmental, social and governance investing)

New way of generating private finance for public service
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Questions of measurement

S I as a normative approach

- gaining political support, emphasis on ‘rights’, ‘citizenship’, ‘equality’, ‘aiding the poorest’

S I and “evidence-based policy making”

- importance of ‘indicators’, EES and ‘Indicators Sub-Group’, ‘benchmarking’, ‘scoreboards’
- Europe 2020 Strategy
  Statistics Illustrated – data related to the Europe 2020 indicators:
  - Employment
  - Research and development
  - Climate change and energy
  - Education
  - Poverty and social exclusion
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Justifying the S I approach

1) Econometric studies

Random trials
Treated versus non-treated
(as per NICE)

Abstract: This paper presents a productivity argument for investing in disadvantaged young children. For such investment, there is no equity-efficiency tradeoff.

The Productivity Argument for Investing in Young Children*

James J. Heckman and Dimitriy V. Masterov
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Justifying the S I approach (2)

2) Case studies

Qualitative investigations
Ethnographic
Transferability?

Upscaling social investment
50 case studies

Understanding Social Investment
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Justifying the S I approach (3)

3) Quantitative observational

1) More accessible early childhood education and care > to greater female employment rates
2) Pursuing active labour market policies > less persistent unemployment
3) More adequate social transfers > less persistent poverty
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Applying an S I approach

Cost-Benefit Analysis (CBA)
• used for project appraisal (esp. by governments, WB, etc.)
  • see also UK airport expansion (Davies Report)
• all costs and all benefits converted to “present value”
  • approve if B > C
• social cost-benefit analysis (SCBA)
  • takes account of non-$ costs and benefits (attempts to put $ values on these)
• Social Returns on Investment (SORI)
  • variant of SCBA emphasising “stakeholders”

Cost-Utility Analysis (CUA)
• like SCBA but not requiring $ values for benefits
  • “hedonic pricing”, rating scales, QoL measures, etc.
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The S I approach and LTC

The Commission Staff Working Document on LTC (2013)
a determined strategy to achieve a combination of reduced disability in old age, improved capacity of older people to manage functional limitations and higher productivity in care delivery

The Joint SPC-EC Report on LTC (2014)
• called for action to:
estimate the costs of LTC (including informal care), of new technology, of innovative care practices that improve productivity in the care system
improve how LTC spending be presented and define an international accounting paradigm for LTC costs
use OMC and EIPAHA to exchange innovations and good practice

S I in Europe: A study of national policies (2015)
• LTC barely mentioned!
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The S I approach and LTC (2)

Specific suggestions in SPRINT

• preventative actions
  • e.g., accommodation reducing falls, promoting healthier lifestyles
• benefits of integrating health and social care provision
  • e.g., Scotland, Portugal (reducing bed-blocking, improving health)
• institutional v domiciliary care
  • “cost effectiveness”, what “benefits” for whom?
• QoL of informal carers
  • implications for NICE when assessing dementia medication
• QORU (Quality and Outcomes of Person-Centred Care Research Unit)
  • using a ‘wellbeing’ not ‘needs-based’ cost effectiveness approach
• ASCOT (Adult Social Care Outcomes Toolkit)
  • measuring SCROoL, input to CUA not (S)CBA
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SPRINT

www.sprint-project.eu