

4th International Conference on Evidence-based Policy in Long-term Care

London School of Economics, 4-7 September 2016

Organised session - Social Investment and Long-term Care

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

Bernard H. Casey
PSSRU, LSE



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

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

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.

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

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)

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

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

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

Questions of measurement

SI as a normative approach

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

SI 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

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

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.

Review of Agricultural Economics—Volume 29, Number 3—Pages 446–493
DOI:10.1111/j.1467-9353.2007.00359.x

*The Productivity Argument for Investing in Young Children**

James J. Heckman and Dimitriy V. Masterov

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

Justifying the S I approach (2)

2) Case studies

Qualitative investigations
Ethnographic
Transferability?

Upscaling
social investment
50 case studies

Third Sector Leaders
ACEVO

Understanding
Social Investment



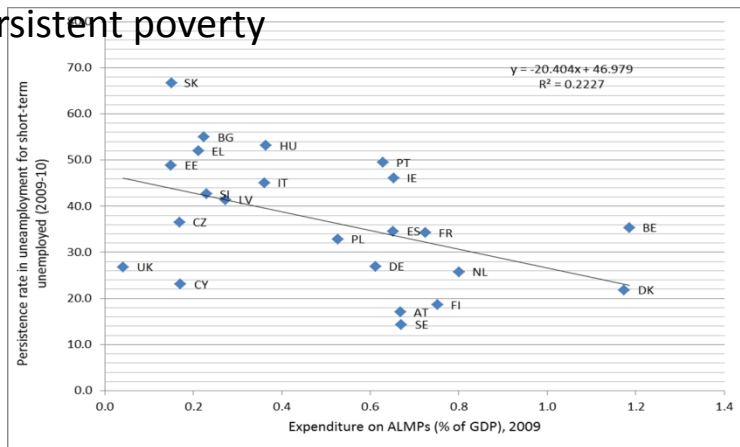
Applying social investment principles to the provision of long-term care

Justifying the S I approach (3)

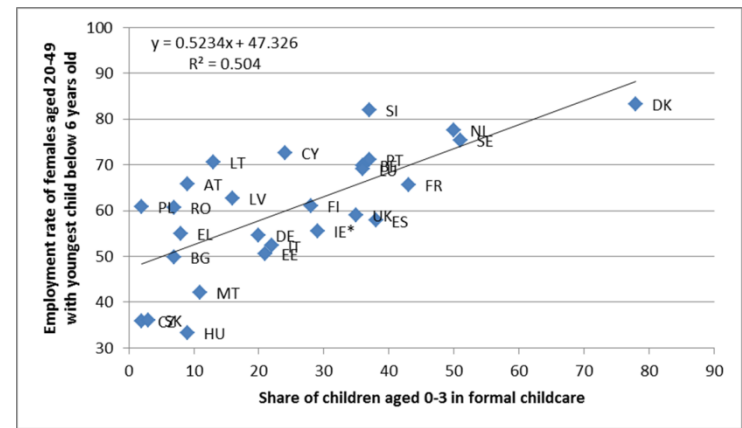
3) Quantitative observational

- 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

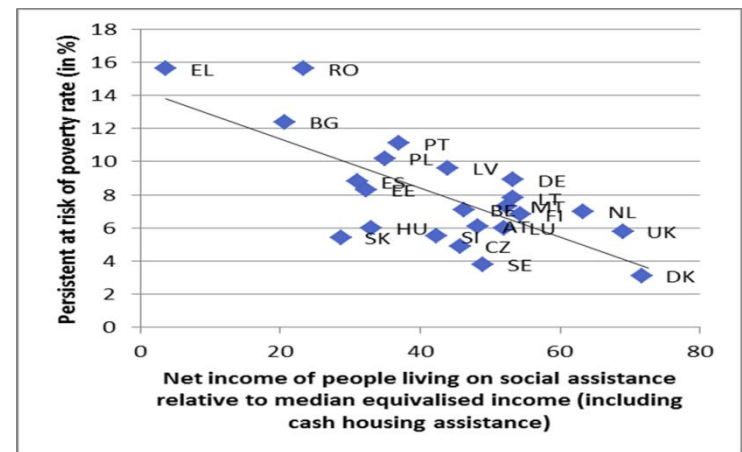
2



1



3



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

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.

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

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!

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

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*

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

SPRINT



www.sprint-project.eu