

Homecare Congress Istanbul 22-25 October 2017

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The 'impossible trinity' of
eldercare models. Lessons from
Italy



GREY ITALY

- Italy has a population of 60.6 million (end 2016)
- 22.3 % of the population over 65 (13.5 million)
- Life expectancy at 65: + 19.1 for men: + 22.4 for women
- 6,8 over 80 (4.1 million; second highest in the world after Japan)
- 18,5% disability prevalence among the elderly
- 7% disability prevalence (share in total population) in 2013; expected to go up to 10% by 2060. Values close to EU average in both years

'Migrant in the family' and 'Migrant in the market' models

- the **'migrant in the family'** model (typified by mediterranean countries (Italy, Greece, Cyprus and Spain) but has increasingly 'contaminated' the Austrian and German care sectors
- the **'migrant in the market'** (for care services) typified by the UK) but increasingly attractive for the Nordic model (including the Netherlands)

	Migrant in the family per 100 people 65+	Migrants in formal care per 100 people aged 65+
Netherlands	Approx. 0	1.5
France	0.3	0.9
Sweden	Approx. 0	3.4
Norway	Approx. 0	1.6
UK	Approx. 0	1.7
Austria	2-3	0.5
Germany	1-2	1.1
Italy	6-8	0.2
Spain	2.4	0.5

Italian migrant-in-the family model:

Provisions:

- Low residential services
- modest public homecare services (slightly below EU median)
- High cash benefits to households

Paid home carers

- Cash benefits used by households to employ helpers and carers
- Most are migrants, the majority from within the EU
- A large proportion are in-living home carer
- A large proportion of home carers are irregular

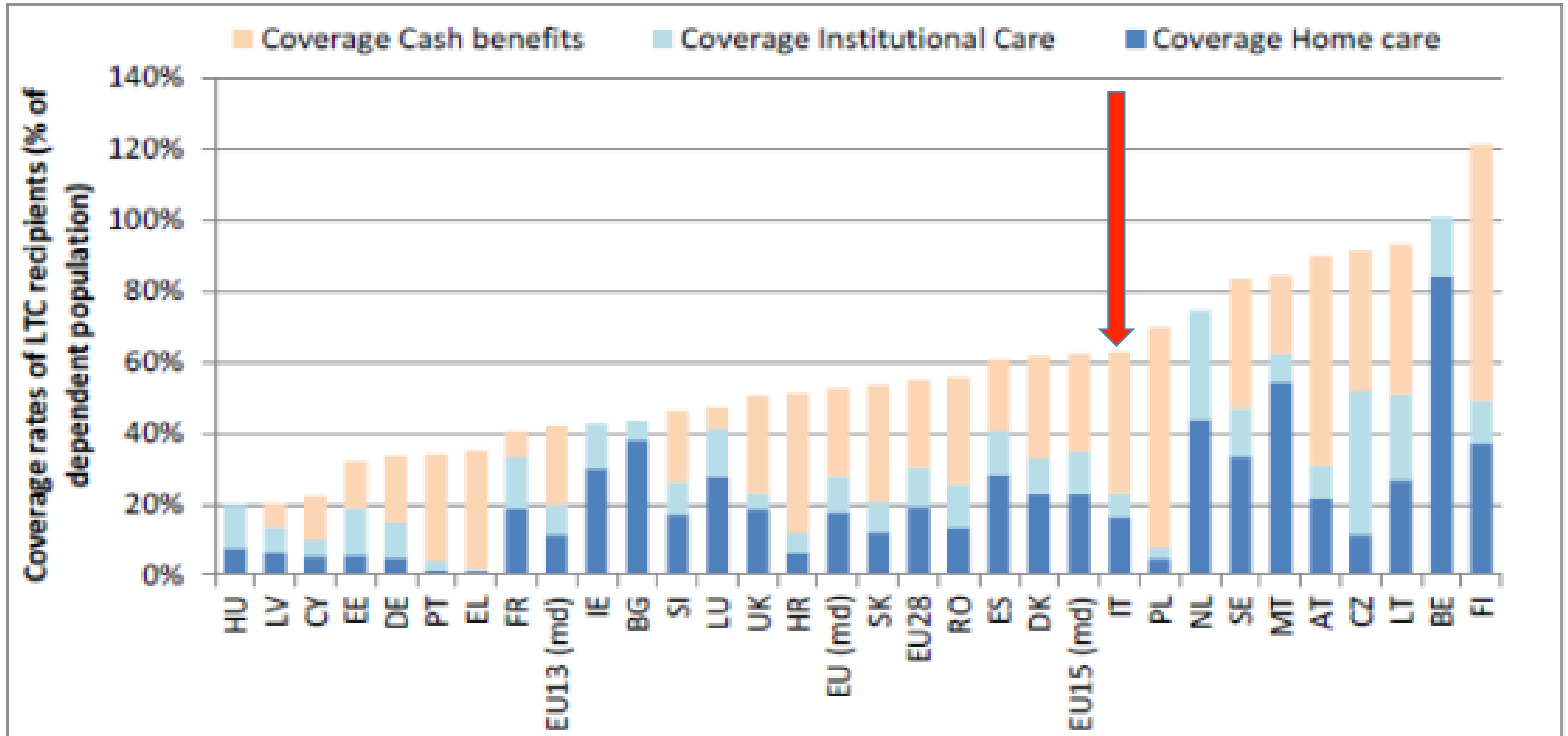
Unpaid family carer

- The largest source of adult care, mostly elderly care,
- more than 3 million adult carers in early 2010s according to official estimates*
- nearly two thirds women

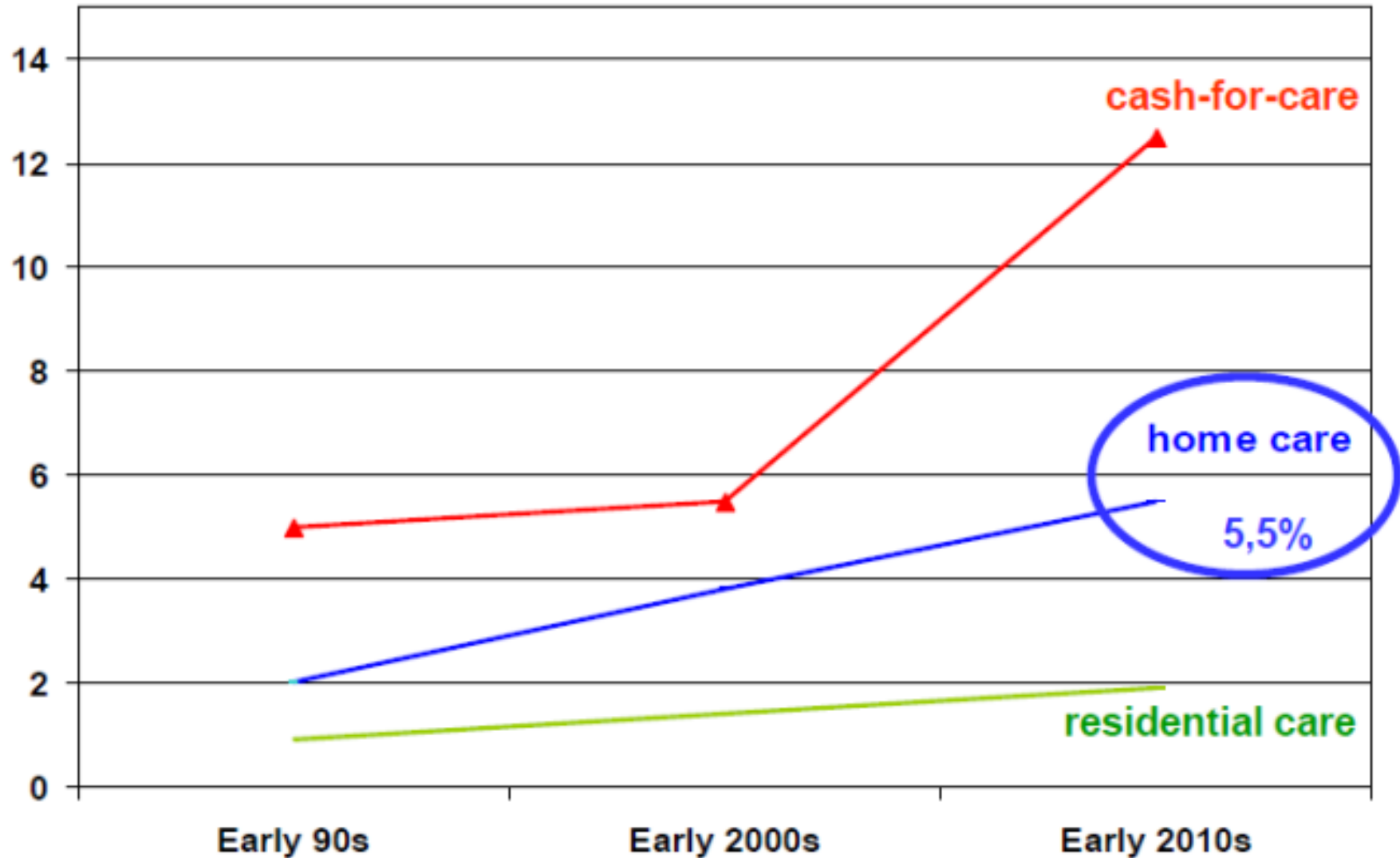
*ISTAT (2011) Conciliazione fra lavoro e famiglia

Mix of provisions:

Residential, home care and cash benefits coverage



Trends in provisions : Recipients in % of 65+



Source: Barbabella et al. 2013

Provisions: amounts

Home care services

- (Integrated Health and Home Care: 21 hours care per year per recipient on average; 4,3 % of 65+)
- Home help (2090 € per recipient per year, 1,3% of 65+)

Cash benefits conditional on disability (main ones, can be summed up)

- Attendance Allowance: non means tested; **currently 515 euro net per month**, received by 1.5 million people 65+ in 2015
- Other, local care allowances: means tested, depends on region/local authority. For example in region Emilia Romagna 2,5% of the over 75 y.o. received **215 euro per month** in 2014.
- Disability pension; work-related disability; amount depends on years of contributions, distance from pensionable age, seriousness of disability

(Main sources: NNA (Rapporto 2015); INPS Rapporto 2016)

Home carers employed by households (elderly care). Estimates

About 800 thousands in mid 2010

Between half and two thirds without a fully regular contract

More than three fourths migrants

Share of live-in carers between 22 and 61% of the total depending on survey Year.

Main sources: Pasquinelli-Rusmini (2013); Istat, national accounts (share of irregular domestic workers); Alcli (2014)

Home carers and domestic workers officially employed by households. 2016

379 thousand workers hired by households as 'minders' (badanti)

Every 10 registered 'minders':

- 9 are women
- Almost 6 originate from Eastern Europe
- Only 2 are Italian Nationals.
- The remaining 2 are non EU nationals

488 thousand workers hired as 'domestic helper' ('collaboratore familiare')

Every 10 'domestic helper':

- 8 and a half are women
- Almost 4 originate from Eastern Europe
- An additional 3 are Italian nationals
- The remaining 3 are non EU nationals

The 'impossible trinity'

- Financial sustainability
- Long service hours
- Good quality of employment

Financial sustainability : public spending on Long Term Care (2014)

	Million EUR	EUR per inhabitant	PPS per inhabitant	% of GDP
Belgium	10 221	912.1	821.3	2.6
Bulgaria	4	0.5	1.2	0.0
Czech Republic	2 132	202.6	341.0	1.4
Denmark	7 293	1 292.2	926.0	2.8
Germany	47 800	590.3	582.7	1.6
Estonia	66	50.5	71.3	0.3
Ireland	4 263	923.3	738.3	2.2
Greece	241	22.2	27.1	0.1
Spain	9 446	203.2	219.7	0.9
France	40 429	611.2	569.7	1.9
Croatia	78	18.5	29.5	0.2
Italy	13 813	227.2	221.4	0.9
Cyprus	35	40.8	45.0	0.2
Latvia	120	60.2	91.7	0.5
Lithuania	369	125.7	218.4	1.0
Luxembourg	779	1 401.1	1 036.8	1.6
Hungary	737	74.7	140.5	0.7
Malta	:	:	:	:
Netherlands	28 322	1 679.3	1 490.1	4.3
Austria	5 105	597.6	546.4	1.6
Poland	1 772	46.6	88.6	0.4
Portugal	1 597	153.6	192.8	0.9
Romania	197	9.9	20.6	0.1
Slovenia	487	236.3	291.3	1.3
Slovakia	18	3.3	5.2	0.0
Finland	8 171	1 496.2	1 207.6	4.0
Sweden	15 058	1 553.0	1 143.1	3.5
United Kingdom	39 997	619.5	508.7	1.8

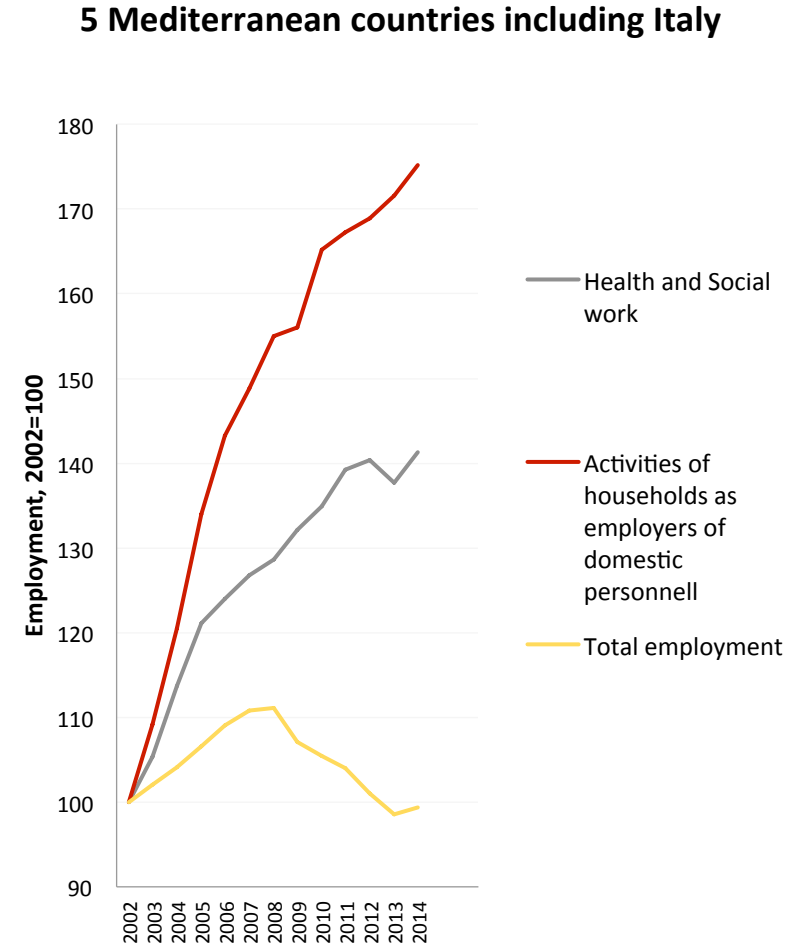
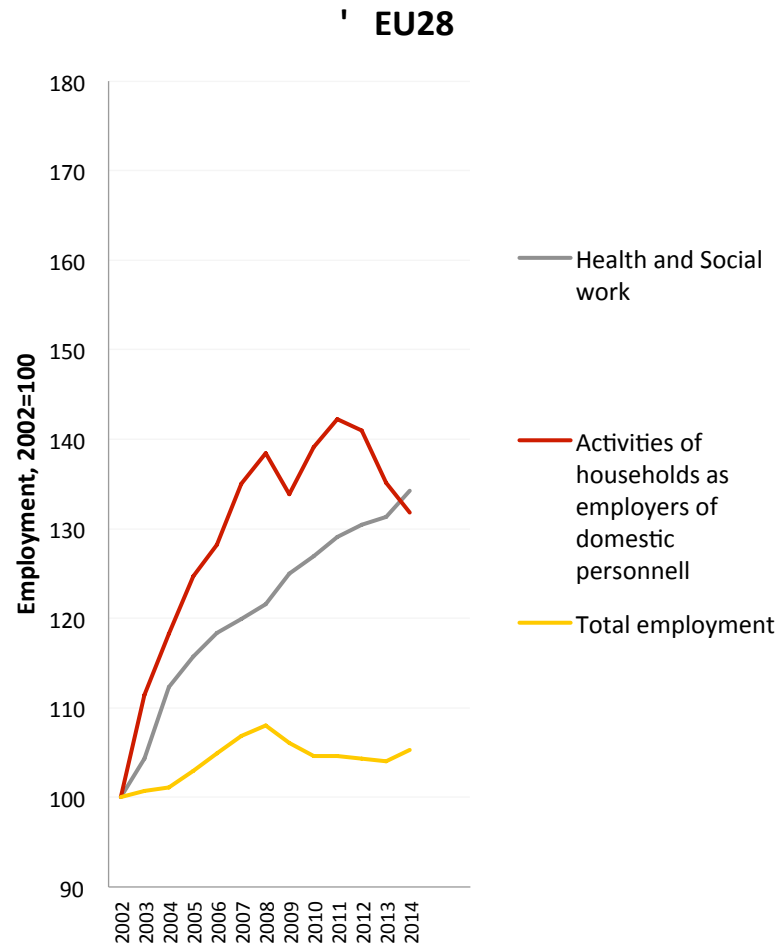
Overall cost effectiveness? Comparing social costs of home care in Denmark and Italy around 2003

Costs for category of dependency C			
Cost item		Roskilde (Denmark)	Modena (Italy)
Hours of home care			
physical+ instrumental care by family carer		negligible	17.6
Private (paid) or public home help		52.6	37.7
Use of hospital		31.8	29.0
Use of nursing home			3.3
Doctor		0.9	7.7
Public health nurse			0.3
Private nurse			1.9
Meals on wheels			
Chiropodist/physiotherapist			2.0
Priest			0.2
Day care		10.0	
Housing adaptation		0.3	0.3
Personal and technical appliances		4.4	
TOTAL		100.0	100.0
TOTAL PPS (sum)		201.5	227.2

Hours of care in Denmark and Italy in early 2000s

Hours of home care per elderly, category of dependency C, around 2003			
		Roskilde (Denmark)	Modena (Italy)
Home help including paramedical and supervision		12.1	25.7
Family carer			
Physical+instrumental		negligible	17.9
Supervision		negligible	14.9
TOTAL		12.1	43.6

Employment creation capacity is high in a 'migrant in the family model'



... but quality of employment is low

- working conditions and wages (from ACLI-COLF 2014) :
 - good contractual provisions but rarely applied in full: example of contractually declared hours
 - median monthly wages vary from a top figure of about 890 euros for 54 hours per week (in case of regular, written contract) to 600 euros per month for more than 54 hours per week among home carers hired without a written contract (estimated at about one fourth of the total)
 - widespread burn-out.
- Productivity: low, partly because low incentive to use assistive technology

For discussion: do short term financial sustainability and employment creation capacity compensate for long-term drawbacks ?

- Long term care sector foregoes role of growth driver
- Encourages persistence of irregular economy
- Hinders change in gender roles