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Social Protection Innovative Investment in Long-Term Care

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SOCIAL INVESTMENT CRITERIA IN THE FIELD OF LONG-TERM CARE

Bent Greve, Alexandra Lopes, Adam Richarcds, Zosia Rutkowska, Alan Glanz, Virginija Poškutė

www.sprint-project.eu

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Executive Summary

This report provides a necessary linkage between previous tasks in earlier stages of the SPRINT project, and the practical requirements for the next stages of the project, and should be read in conjunction with other reports. While previous reports have outlined the conceptual issues associated with social investment (SI) in long-term care (LTC), we need to be able to operationalise the extended requirements into something that can assist policymakers. The next stage of the SPRINT project will examine the ability to measure and value outcomes of SI in LTC, but before this it is necessary to identify those that are relevant.

This report therefore provides a practical tool that identifies common essential criteria – and these are the outcomes that can be affected by different approaches to LTC.

Based on the triangulation of expert knowledge, existing literature, and the views of stakeholders from various welfare traditions, this report outlines the key dimensions of impact that provide a logical extension of the definition of social investment in long-term care.

While different welfare traditions will affect the extent and speed to which outcomes are realised for different social investors, there are consistent issues which form the typology. The three dimensions of impact identified were those of economic return, social impacts, and risk. These provide the frame by which relevant outcomes were identified for each social investor. In addition, quality of care is discussed and identified as an intermediate outcome.

Broadly, economic returns address employment effects and efficiency improvements, with the table presented in the findings section illustrating the stakeholders likely to be affected. Social impacts refer to those largely intangible changes experienced by people, including on physical, psychological, and cognitive health, as well subjective wellbeing. Finally, risks address both financial and social components.

Importantly, many of the outcomes have multiple impacts and can be seen from different perspectives. The interdependent nature of the outcomes highlights the potential tensions between the various social investors, often with different macro- and micro-level priorities. Identifying the relative importance of the concerns will aid decision-making. This report will therefore be developed later in the SPRINT project, with the presentation of options to value different outcomes providing the discussion of how to assess the significance of those identified as relevant outcomes. As discussed, although stakeholders such as service users may identify outcomes as material, i.e. they are both relevant and significant, other powerful stakeholders may have competing or alternative priorities. Nevertheless, the improved levels of information regarding stakeholders and their experiences will increase the transparency of the issues involved.

By providing a single typology of outcomes mapped against the various social investors, we have increased the transparency of issues that require measurement and consideration when decisions regarding the allocation of resources for LTC are being taken.

Key messages

- Different social investors have different sets of criteria for investments.
- These criteria need to be considered in terms of the relevant outcomes for different social investors.
- Use of criteria in analysis might have both monetary as well as non-monetary implications.
- Outcomes relating to economic return, social impacts, and risk, can often be considered by more than just one dimension of impact.
- Some criteria of the different social actors are complementary, but some can be in 'competition' with one another.
- Ensuring criteria are used effectively in decision-making requires regularity in the involvement of stakeholders.
- To ensure transparency, clarity as to how different criteria have been used and calculated is essential.

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Acronyms and Abbreviations

ECG	Evaluation Cooperation Group
EIB	European Investment Bank
EIF	European Investment Fund
OECD	Organisation for Economic Co-operation and Development
LTC	Long-term care
SI	Social investment

1 Introduction

This report aims to develop *criteria to provide a practical tool for evaluating different kinds of long-term care schemes by assessing them across three key areas: economic return, risk and social impact.*

Complementing Barbieri and Ghibelli (2018), Richards (2018) and Poškute (2018), the focus of this report is to assist with the operationalisation of the concepts outlined earlier in the SPRINT project (Lopes 2017, Greve 2017, Ghibelli *et al*. 2017). These included key issues such as a focus on preparation as well as reparation, a broader consideration of both stakeholders and relevant costs and outcomes, and a paradigm shift that views welfare expenditure as investment rather than cost.

Our starting point is the view that the criteria used for assessing any investment will relate to the objectives for investment. We therefore analyse the objectives embedded in the concept of social investment (SI), in particular as it applies to long-term care (LTC).

The approach taken in this report is to express objectives in terms of outcomes sought from investment. This perspective supports implementation of the SPRINT project's particular objectives for this report, which refer to the investment criteria as reflecting "features that should be fulfilled by a long-term care scheme". On this basis we can view SI as policy or expenditure which seeks to produce particular outcomes. In this case, the focus is on outcomes of systems or schemes of LTC. Basing the criteria on these outcomes will enable investment in LTC to be assessed as SI.

The intention of this report expands on this conceptual basis to identify common essential criteria that can characterise what is important in the understanding of the impact of a LTC scheme as SI. This is framed across the three key areas of economic return, risk, and social impacts, with an examination of relevant outcomes for each dimension provided. This report therefore presents the criteria of SI in LTC as a practical tool that can aid the decision-making of policymakers and providers of LTC.

The definition of SI in LTC developed in Lopes (2017) provides the necessary broad lens to conceptualise SI in LTC, which forms the basis for the creation of key dimensions of possible impacts that can be experienced by the range of relevant institutional and individual social investors. The definition used throughout the SPRINT project is:

> social investment within LTC will thus be understood as welfare expenditure and policies that generate equitable access to care to meet the needs of aging populations, improve quality of care and quality of life, increase capacities to participate in society and the economy, and promote sustainable and efficient resource allocation.

Based on the above definition, the three dimensions of impact are briefly outlined below;

a) **Economic return**: This dimension abides by the awareness that when one discusses investment, there is an expectation of return (Hemerijck *et al.* 2016). Framed by the fiscal and demographic pressures consistently highlighted in the project, this dimension includes employment effects and efficiency improvements. Therefore, as well as the economic concerns of policymakers, effects on individuals are also considered within this dimension.

b) **Social impacts**: Although this dimension has the potential to be interpreted in multiple ways, we mean it as the broad classification of intangible outcomes that are experienced by individuals. The primary intention of social care is recognised as the provision of services to address the welfare shortfalls of care recipients (Knapp 1984). Some concerns in this dimension have regularly featured in economic assessments of LTC, but from the perspective of SI in LTC, its importance is increased.

c) **Impacts on risks**: New social risks, such as the challenges of reconciling work and family life, and those resulting from the changing nature of family structures and ageing populations, have replaced traditional concerns of ensuring the male breadwinner can provide for his family. Given the gender imbalance in the provision of both formal and informal care provision, this dimension is particularly significant to LTC. This will be examined for both individual and collective risks, addressing both financial and social aspects.

Expanding on the dimensions of impact, in section 5, this report identifies outcomes that different social investors would identify as desirable from their involvement with SI in LTC.

It is not necessarily possible to consider one of the dimensions in isolation, as one is quite likely to impact on another (and in some cases, be in 'competition'). For example, care arrangements can have impacts in labour market dynamics, which can be seen as an impact on risk (e.g. gender inequality in participation in the labour market), or as an impact on the broad economy (e.g. loss of income and tax revenue owing to becoming a carer) or as a social impact (e.g. loss of quality of life due to care engagement). In this report we develop an approach that disentangles these three layers while being aware of the possibility of overlaps.

Different LTC outcomes will have more salience for certain social investors than for others, and consequently different criteria will be more or less relevant to different types of investor. These outcomes range across more and less immediate, direct and indirect effects of LTC, spanning micro and macro levels. It is also the case that desired outcomes may be in conflict or raise difficult prioritisation issues. Analysis in this report will take into account the perspectives of various types of social investors – public, philanthropy, contributory and third sector – and to the analysis in Greve (2017) of the range of actors on the LTC landscape.

We distil the results of our analysis of the literature and wider sources into the presentation of proposed criteria. As an aid to practical application of the criteria, a table is presented which can be used by social investors as a tool for appraisal of proposed financing of LTC as SI. This addresses a gap in practice, that of translating conceptual concerns into a single tool for reference and application.

However, it is not feasible for this report to prioritise the various outcomes. As outlined in Richards (2018), materiality of outcomes is determined by two screens, those of relevance and significance. Regarding the former, the report acknowledges that different welfare traditions result in different priorities and levels of formal LTC infrastructure. Nevertheless, social investors involved in SI in LTC have reasonably consistent expectations of the outcomes of their involvement. These outcomes will subsequently help to improve understanding about the impact of SI in LTC in their individual country. This consistency is in line with the European Commission's recommendations for investing in children, which set out wide-ranging principles, strategies and pillars across dimensions such as equality, labour market participation, access to quality provision, and wellbeing (European Commission 2013), although not to the same extent related to SI in LTC. Concerns of significance need to be addressed by the involvement of those stakeholders affected by decisions, in which they are able to identify the relative importance of their experiences. Additionally, the significance of outcomes as identified by powerful stakeholders such as the ministries responsible for finance, will also shape these decisions.

Finally, it is necessary to set this report within the context of the SPRINT project as a whole. This report is linked to Poškutė (2018) through the discussion in the latter report regarding the distinction between success factors and success criteria. The two concepts are distinguished with reference to project management literature, in which success criteria define the results or outcome intended for the project – the focus of this report – while success factors identify causes or enablers for success in relation to the criteria – the focus of Poškutė (2018) (Basu 2017). However, the primary research undertaken for Poškutė (2018) also supports the analysis in this report, providing data on stakeholders' perceptions of 'success' in LTC. This report also provides an analytical bridge between earlier SPRINT research and activities due to be undertaken in the next stage of the project, moving from conceptual issues to provide guidance on how the criteria can be applied and issues of measurement addressed.

By explicitly considering the various involved investors and their outcomes, this report also highlights the tension that can result from competing macro and micro priorities. This issue is consistently examined within the project, and is further examined in Richards (2018) where the necessity for multiple ratios of return is outlined.

2 Aims and Objectives

The research question that frames this report is: *What are the criteria that different social investors will be more inclined to consider important when assessing the outcomes of social investment in long term-care?*

To further refine the report, the following objectives underpin the work conducted:

- To provide an expansion to the definition of social investment in long-term care to examine relevant dimensions of impact;
- To identify specific outcomes for each of the dimensions of impact that can be used as indicators for evaluating investment for the relevant institutional and individual social investors.

As with most work of this kind, there are limitations to this report which should be mentioned. Some factors which affect the impact mechanism of LTC provision will not be addressed within the framework of SPRINT. Education is one example. It can affect decisions whether to stay in the labour market or leave (therefore setting different contexts for impacts of LTC among informal family carers – see Brunello *et al*. 2015) and it can explain some of the variation in some of the expected dimensions of impact of LTC, such as health status (e.g. those with higher education tend to be healthier). Our focus is on those social investors more directly related to the need for LTC without considering mediating variables.

Another limitation is that this report does not dwell on how to finance possible investments in LTC, even in cases where the investment will be financing itself in the longer time perspective. More spending in one sector may result in savings in another. As argued in previous reports, this is often the case, so that SI in parts of the welfare state is often difficult due to overall restrictions on resources. This could in principle also imply ethical issues: for example, investment in younger people will have a possible longer pay-back time than investment directed at older people. There is thus a risk, if only positive economic outcomes are included as essential criteria, that other issues such as qualitative improvements in the quality of life for older people will not be included. Developments in recent years such as the EU "Beyond GDP initiative" (European Commission 2016) and the OECD "Better Life Initiative" (OECD 2018) have argued the need for policy to consider more than economic outcomes. See Helliwell *et al.* (2017) and Greve (2017b) for discussions of these important concerns.

The impact of higher levels of labour market participation on the availability of high quality labour to provide LTC is important and part of the discussion. However, how this might influence economic growth in the economy is also outside the scope of the analysis.

Thus, there might be a number of criteria related to impacts that fall outside the scope of this report, but they will be further examined later in the SPRINT project.

3 Methodological Considerations

Evaluation can be done in many different ways (Greve 2017). The focus here has been to identify criteria related to economic returns, impact on risk and social impact. This report uses an approach combining expert knowledge in the field (in this case expertise from partners in the project) with knowledge on how to do effective evaluation, existing literature identified by previous reports, and primary research based on focus group interviews with central stakeholders in several countries representing a variety of welfare regimes. This allows triangulation of data (literature, expert information and focus group interviews) to suggest what criteria decision makers need to be aware of when evaluating SI.

Use of experts' knowledge in a field combined with theoretical considerations on what criteria has been used is a useful methodological approach as it provides information on what has actually been used as well as arguments for the choice of criteria for SI in LTC. Based on their knowledge in their respective countries, experts in all countries involved in the study were asked to consider appropriate criteria used in decision-making which could be interpreted from national studies.

An advantage of asking the national experts to identify relevant literature was that it provided awareness of studies not published in English, thus reducing the risk of a biased set of information. This approach was combined with a Google Scholar search on social investment in LTC and a 'snowball' search, finding literature from the bibliographies in the documents identified by the national experts. The literature used is an extension of the referenced literature in the previous work-packages (see the reports on the SPRINT website), in addition to that in the review of criteria in relation to the delivery of informal care and in Greve (2017a). This combination of approaches helps to ensure that the range of possible criteria has been covered, given that social investment in LTC has so far been the subject of only limited study. This was confirmed by a continued search on Google Scholar, with weekly updates on publications within the field, using SI in LTC as the search criteria.

Furthermore, the identification of possible criteria is integrated into the analysis both through the inputs from the experts, but also through analysis of relevant stakeholders' views in a range of different countries (e.g. those involved in SPRINT representing different welfare and LTC regimes: see Ghibelli *et al*. 2017).

Stakeholders at the same time represent important actors: users, interest groups, and those involved in service delivery at local and national levels. A full breakdown of the stakeholders, and the processes undertaken to obtain information from them, is presented by Poškutė (2018).

The multi-methods approach (Hunter and Brewer 2015) utilised here can be described as triangulation of information – across experts, stakeholders and theoretical knowledge. However, the limited knowledge among stakeholders on social investment (see the analysis of focus group interviews in Poškutė (2018) on success factors, and the thematic issue of the *Journal of International and Comparative Social Policy* (2018)) presents a difficulty in ensuring that there are

criteria which are in practice used for analysis of SI in LTC. At the same time, given that most welfare states do have some priorities among different approaches to LTC and types of spending, presenting the criteria as seen from different social actors' perspectives may allow framing a set of criteria that could be important when deciding which types of SI are likely to give the best results for LTC.

Changes in LTC have not necessarily been argued as a consequence of using a SI approach. With most European welfare states, developments in the field of LTC have focused on variations of retrenchment and/or marketization (Greve 2017a). Even when they focus on using rehabilitation, prevention, re-enablement or new welfare technologies, changes are not necessarily based on a systematic knowledge of what works and what does not, which inevitably makes analysis of important criteria difficult. Even so, stakeholders' viewpoints might point to significant interests relating to possible impacts on quality of life (especially from user groups, interest organisations and those delivering informal care).

Given these challenges, knowledge on social policy evaluation was combined with information from national experts (for a discussion of the use of experts see Bogner and Menz 2009). Information from experts is here used as one means to ensure that as far as possible, existing knowledge within the field is integrated into the analysis. This we believe is an effective way of depicting criteria that can be included in analysis of economic return, risk and social impacts of SI in LTC, given that LTC is so different in the European countries and therefore criteria important in one country may not have the same use in other countries. As mentioned, these criteria may not have actually been used in practice. The variation in stakeholders' perceptions of important criteria must therefore be borne in mind. Still, the analysis indicates possible criteria where one in the actual analysis needs to show and argue for choice of specific indicators and measurement hereof. Information gathered from qualitative interviews, including focus group interviews, will always be imperfect in terms of reliability. Arguably, however, this is less of a problem with the analysis here, in which information from interviews is combined with existing literature and national experts' viewpoints.

4 Theoretical Issues

We set out the conceptual background for this report here. We do not repeat the extensive literature reviews conducted in previous reports; rather, we review some of the key issues highlighted, and examine the potential conflicts that can arise from these given the inclusion of multiple stakeholder perspectives.

4.1 Social Investment in Long Term-Care considerations

Lopes (2017) argued that SI applied to LTC involves the identification of worthy investments in LTC considering the balance of contributions and benefits expected for society as a whole, for the State, and for individuals and families. Phrased in these terms, SI involves not only the consideration of the fiscal sustainability of LTC arrangements (as it encourages cost-efficient solutions), but it also consideration of the relationship between resources allocated to the provision and the outcomes of the provision of LTC in terms of securing that LTC arrangements deliver a proven social impact. The European Commission social investment package (European Commission, 2013a) makes very limited mention of LTC. A later study on SI in Europe for the Commission points out that LTC is a new social risk and that the objectives of LTC in SI are "prevention from disabilities and rehabilitation on the one hand, improvement in the quality of care staff on the other hand" (Bouget *et al*. 2015; 30).

Previous SPRINT reports have addressed some of the specific issues concerning the use of a SI approach to analyse impacts of LTC and these are briefly discussed below.

One of the core issues addressed was where we stand as regards the social nature of the activity of LTC and to what extent is it more or less social. LTC is experienced immediately by an individual but there are wider effects; LTC is part of the private sphere where family and friends are the main actors responsible, but it is also a collective responsibility (see Greve (2017a), and European Commission (2016) for a description of national systems including actors). Different social actors may see the nature of LTC differently and those views may conflict at times. Prevailing normative orientations as to the goals, the providers, the funding principles and the regulation of LTC are mediators of the expectations and preferences of the different social actors.

The dimensions of impact as presented in the introduction necessitate consideration of the possible economic return, risk and social impact of SI in LTC.

This raises several issues, including:

a) Over what time period should the investment be considered? Investing, by definition, involves a down-payment that produces an expectation of future benefits. Some benefits may be experienced almost instantaneously, others will take some time to unfold, and others still may be experienced by someone different from the original beneficiary of the investment. Additionally, benefits in the future need to be discounted – not only to take account of the riskiness of the investment or inflation but also to satisfy time preferences of those making the investment (this issue will be addressed later in the SPRINT project). They might have a stronger or weaker preference for instant gratification and/or place lesser benefit on the wellbeing of future generations than they do on their own. This in many ways reflects classical issues in measuring cost and benefits in social policies (Boardman and Vining 2017).

b) What type of risks and returns should be included? The purpose of SPRINT in looking at LTC from a SI approach is to investigate whether an investment in a given LTC service or scheme is

justified in terms of the extent to which it improves wellbeing given the cost that is incurred. Following a welfare economics approach, the goal is to provide the means by which to assess to what extent each LTC choice enhances the welfare of individuals in society and of society as a whole, to help us choose the option that enhances it the most, while also bearing in mind efficiency and equity of access. The risks and returns to consider are those emerging from ageing societies and are felt both at the individual and at the collective level. They include both financial and non-financial risks and returns.

Considerations in this regard include adequacy and fiscal sustainability; the pursuit of activation and enablement; the reconciliation of care and work; fostering gender equality in all dimensions of social life; postponing the onset or reducing the consequences of disability; emphasising rehabilitation and re-enablement; and promoting efficiency in the delivery of services. Measurement is a core challenge. For example, if using a willingness to pay (WTP) approach it needs to be understood (among other issues) that "WTP for QALY is significantly higher if the QALY gain comes from life extension rather than quality of life improvements" (Ryen and Svensson 2015; 1289).

c) Which social impacts should be integrated in the analysis? This last issue is very much related to those who experience the impacts, although the same could be argued for the two previous questions. Interventions impact not only on the direct recipient of care but also on their families and on those taking the role of carers. Additionally, what for some may be a positive impact, can be experienced by someone else as a negative outcome. Looking at the views of different stakeholders is therefore of critical importance for understanding what is actually taking place and how different actors value different outcomes of investments, taking into account how those outcomes impact on themselves and on others.

These three issues have different implications depending on which social investor perspective one is looking into. The intention of this report is not to inform in detail on how to measure relevant outcomes, as these concerns are to be addressed later in the SPRINT project. Within LTC improvement in quality of life is difficult to measure, and will depend on national context. With smaller interventions in LTC, resulting in short-term improvement in quality of life, there is a risk of overestimating the value, as Ryen and Svensson (2015) discuss: "the value of a QALY derived through contingent valuation or revealed preference studies, based on preference for reducing risk of death, may overestimate the monetary value of obtaining smaller quality of life improvements with certainty" (1297). (In the current study the values range from less than €100 to more than €4.8m, based on the review of 24 studies.) Thus, one way of approaching the issue will be to measure what can be measured with a high degree of certainty and not measure in cases where it is difficult to be sure of the value.

There are many approaches to defining criteria for investment. For example, the European Investment Bank (EIB) (2017), argues that:

> The evaluation criteria for the EIB follow internationally accepted standards. In accordance with the criteria defined by the OECD Evaluation Network and adopted by the Evaluation

> Cooperation Group (ECG), we look at Relevance, Effectiveness, Efficiency and Sustainability. More specifically to EIB and EIF [European Investment Fund] operations, EV [Operations Evaluation] examines the management of the project cycle.

So here the focus is on effectiveness, efficiency, and sustainability as central criteria for whether to make an investment in a specific area and how this relates to social impact and risk. Thus, stakeholders might have different criteria and ideas, and this will be discussed further in section 5.

Another core issue in evaluating LTC is how to consider informal care, especially by volunteers; there are "risks of overestimating or underestimating the value of volunteering" (Larsson and Anderson 2017; 246). Therefore, when attempting to integrate the value of informal care in the analysis, the premise needs to be clear so that others who have other preferences or valuations are able to use other values. Likewise, evaluations of impact may need to distinguish between issues that can be measured in a relatively straightforward way and issues with greater uncertainty; this will be further pursued later in the SPRINT project.

Nevertheless, this report acknowledges the need to identify as criteria those outcomes that will aid decision makers. For example, quality of care can be argued to be a relevant proxy to measure outcomes of care provision that are hard to measure directly. Following a, by now, classical understanding, quality in LTC can include:

i) the quality of the inputs (such as workers);

ii) the quality of the processes or the use of resources;

iii) the quality of outcomes (Donabedian 1985).

It needs to be noted that what may be seen as an improvement in one of these areas may not translate into an improvement in outcomes. For example, an investment in new technology may have the effect that more people are lonelier, so the outcome may be worse despite the intermediate outcome having been improved. Although process concerns are often viewed as more amenable to direct service-management, recent work regards them as of less practical significance in evaluation than outcomes for those affected (Malley and Fernandez 2010). Therefore, although it is challenging, there is a need to monitor and evaluate the outcomes of an investment on those affected, as opposed to input or process. This stance is in line with the discussions by Richards (2018) highlighting the need for impact assessment to focus on how stakeholders experience the effects of LTC on their lives.

A relevant issue related to the SI perspective is the variation in focus, for example whether to focus on prevention or repair (Delens and Van Hoyweghen 2018). Some have argued that SI should not only focus on repairing and supporting when making an intervention, but that it is at least as important to focus on prevention (Vandenbroucke and Vleminckx 2011). This is not the place to go further into this discussion on the concept of SI and its dilemmas (see for example, Kersbergen and Hemerijck 2012, Kuitto 2016, Midgley, Dahl, Wright 2017, Morel, Palier, Palme 2012, Lopes 2017). Examples of preventative, informal care and re-enablement issues will be

discussed later in the SPRINT project, and issues for several European countries are addressed in Greve (2017a).

However, such issues show that how SI is actually perceived can have repercussions of what types of investment that will take place, and what kind of criteria will be used in order to analyse whether or not to embark on a specific investment in LTC.

Even if an analysis shows a positive economic outcome of an investment, there is the issue of balancing different priorities in societies. An SI in LTC might be in "competition" with one in education or child care.

Public sector deficits and debt can also restrict the ability of policymakers to change direction and invest in an area. Thus, even if the analysis shows a positive economic outcome in the long run, and even if social actors at the micro level find that an investment could be beneficial from a social impact perspective, restrictions on public sector spending may mean there is no money available.

This restriction, naturally, does not apply if a private investor is willing and prepared to make the investment, but a better or more certain positive economic return to the investor may be required. Paradoxically, if this is the case, the argument for welfare state intervention would be stronger.

A risk with the SI perspective could be that for many projects it will be difficult to show that it has a positive economic outcome, given that older people are in a life-phase where sudden changes are relatively likely. To put it another way the counterfactual situation is difficult to establish: it is difficult to know what would have happened without the intervention. An increase in need for care may be a consequence of the social investment, or due to health deterioration for other reasons.

Ethical reasons and views on what is seen as a good life will have relevance when making decisions. There is evidence that good formal care can increase quality of life (Ferraz dos Anjos 2015). Attitudes to what the welfare state should do vary among citizens in different welfare traditions: "support for equality, redistribution and state intervention is strongest in the social democratic regime, weaker in the conservative, and weakest in the liberal" (Svallfors 2012; 9). A strict investment perspective runs the risk of pointing only to investment in younger people.

5 Findings

Criteria for social investment relate to the objectives of investors, and these objectives can be described in terms of desired outcomes from investment. The key step in specifying the criteria involves reviewing a range of sources – including statements of policy together with academic analysis and evaluations of LTC and wider social care – to identify the outcomes that provision of LTC is seeking to achieve.

The starting point for specifying outcomes-based social investment criteria for LTC is an analysis of outcomes implicit in the concept of social investment more generally. An early conceptualisation of social investment was articulated 20 years ago by the sociologist Anthony Giddens, in setting out his programme for what he called the "third way" in modern political systems, which included the idea of the "social investment state" (Giddens 1998). As he later put it in a lecture:

> I prefer the term social investment state to welfare state. … The modern social investment state should be more of an asset-based state; it should be concerned with developing assets that people have whether they be education or other form of qualities and capacities… The modern welfare state … still needs to protect people but it needs to protect them as much through investing in people as simply picking up the pieces when things go wrong (Giddens 2004).

5.1 Extending the Definition of SI in LTC

Initially, the definition of SI in LTC provides the broad frame by which to examine the potential dimensions of impact that could be experienced by the various investors. Through the discussions with expert stakeholders in Poškutė (2018), these dimensions were also reinforced as important aspects of SI. The definition of SI in LTC as identified in Lopes (2017) is:

> Welfare expenditure and policies that generate **equitable access to care** to meet the needs of ageing populations, **improve quality of care** and **quality of life**, increase capacities to **participate in society and the economy**, and promote **sustainable and efficient resource allocation**.

The definition is by design a broad lens to view the concept of SI in LTC. Therefore, it was important to refine the components of the definition to identify possible dimensions of impact. Initially, those elements highlighted in bold were identified by the consortium as the issues of relevance.

As will be discussed, the range of included actors includes care recipients, their family/friends, as well as those that provide informal care. Even if these groups are not investors themselves, when assessing social impacts, the users as social actors are an important group as they both contribute (invest) and are likely to experience material outcomes.

Some of those institutional actors identified in Ghibelli *et al*. (2017) are not included in this discussion. This includes the judiciary, arms-length bodies, and user/carer lobbies, as they are not social investors. Similarly, care managers/brokers are subsumed within the broader groups of delivery organisations. Finally, both formal and migrant care workers are not included as they too are not social investors. Although they are relevant social actors who will be individually affected by choices on LTC and may have broader impacts, they are not decision makers or interested investors.

Migrant workers are an important aspect of LTC in several countries. However, how this can translate into criteria for social investment is not obvious. If there is a risk that some individuals will not have care if they cannot afford to employ migrants to provide the care, then investing in state support could imply a more equitable access to care. How to finance this is, as argued earlier, outside the scope of this report. Many migrant workers might be working in the informal economy, and for this reason will be more difficult to include in the measurement of the impact. Interventions to integrate migrant workers into the formal economy could be expected to improve migrant carers' quality of life and social and economic security. However, this might conflict with issues and perceptions surrounding migration in some countries.

Material outcomes from the perspective of each social investor informs the understanding of how changes that are experienced by each affects the realisation of the dimensions of impact. The importance on understanding and subsequently measuring the outcomes of activities, rather than just outputs, is examined in Richards (2018), but essentially these represent the changes experienced by social actors that are measurable, with results assisting decision makers.

It is apparent that there are similarities amongst those highlighted dimensions of impact, it is therefore not necessary to consider each in isolation. Framed by the requirements of this report, and the evidence from both the literature and engagement with stakeholders, the three themes of economic return, social impacts, and risk are the key elements of analysis. Some issues such as quality of life, and sustainable and efficient resource allocation, are naturally aligned with social impacts and economic return respectively. Similarly, participation within the economy aligns with the economic dimension of impact, and participation with society can be reasonably subsumed within the social impacts dimension.

Equitable access to care, as a criterion, is in principle simple: all people with the same needs should have the same right to access and the same level of benefits/services. However, in this area, as in other areas, there are often inequalities as a consequence of difference in socioeconomic backgrounds. People with higher incomes and higher levels of education tend more than others to get the care they need (or in some countries can pay for). Even in universal and encompassing LTC welfare states, inequality in access might be different not only due to variations in income/wealth and level of education, but also because of geographical issues. It might, for example, be more difficult to supply services in more remote areas. Equitable access should also reduce the risk of a lower quality of life across different groups in society.

However, the issue of equitable access to care is not as immediately obvious as to its location within the key dimensions of impact. Yet, when considered from the various actors' perspectives, as alluded to above, it is apparent that this is addressed by all dimensions. For instance, the provider and recipients of LTC will require effective financing to ensure delivery, and this will create potential outcomes in terms of both social impacts and risks for involved parties.

Finally, as discussed, quality of care is not in itself a direct criterion of SI in LTC, although it has potential to act as a useful intermediate outcome, if it can be demonstrated to lead to changes in other outcome dimensions. Therefore, quality of care is not included as a separate concern –

instead it is the resultant effects on other issues such as social impacts and risk that are identified as relevant to the management of SI in LTC.

As indicated, although it is important to identify the various dimensions of impact as separate concerns, many are interconnected, and will potentially affect multiple actors. For example, informal carers who provide care for spouses or family members will often have less options to participate in society. Barbieri and Ghibelli (2018) highlight evidence that demonstrates how female family members provide a disproportionate amount of care (see also Colombo *et al*. 2011 and Greve 2017a), and this relates to gender inequality. A possible further negative impact is also that carers may reduce their labour supply in number of hours per week, fully leave the labour market, or retire earlier. This can imply a reduction in overall labour supply and loss of competences, which might reduce pension entitlements in older age, as well as overall economic production. It can further reduce quality of life for carers, as their options will be reduced, and thereby their use of capabilities (Nussbaum and Sen 1993).

For many, support to a partner/close relative is seen as natural reciprocity in a relationship or a kind of gift-giving, and thus for those it can be negative if what they see as natural is not accepted as an important support for the person in need. Although for older, especially frail, people there is often a need for care in addition to informal support; it can be a heavy burden on the family, particularly if a carer is prevented from taking part in other activities because of caring obligations. How, and if, this situation can be helped by early intervention, different kinds of prevention, and use of rehabilitation and welfare technology is an issue for specific micro-analysis, whereas the overall impact if possible should be measured on the macro-level.

The specific components of the key dimensions, based on the understanding outlined in the introduction are elaborated further below. These findings are grounded in the existing literature, as well as the contributions of both the SPRINT experts and the stakeholders outlined in Poškutė (2018).

Economic return

- There was no consensus among partners on whether the issue of labour market participation applies to the older person receiving care. Some consider this dimension does not apply to the care recipient, given we have defined LTC as care to people over 65. Others claim that participation in the labour market should also be considered for this age group, especially given the European agenda on continuing participation in economic activities along the life course, and specific initiatives such as the United Nations Economic Commission for Europe (UNECE) and the European Commission's Active Ageing Index (which includes employment rates of people up to the age of 74 as a relevant indicator) (UNECE 2017). It is therefore included as an outcome which can potentially be considered, while acknowledging that it will be of little, or no importance to some older people.
- The impacts that care arrangements have on assets and financials of the old person. Need for care can erode assets and create financial strain leading to impoverishment.

- Conciliation of care with work for informal carers has the potential to affect the ability to generate income and pension entitlements from paid work.
- Increase in number of individuals in the workforce, to increase contributions to the social security system and tax revenues for national and local governments.
- Increase/maintain women in the workforce especially in the over 50 age group as a target for national and local governments.
- Increase in active contributors to social funds and increased return for shareholders in the insurance industry.
- Economic return for businesses providing care services.
- Increased productivity, a target for both funders and care providers.

Social impacts

There are a number of overlapping concepts relating to issues of subjective wellbeing and quality of life, and these issues are further explored later in the SPRINT project. Irrespective of the terminology used, there is widespread acceptance of the importance of these issues to those directly affected, as well an awareness of the implications to others and society generally (see for example the European Social Survey 2015). Here we will consider changes (i.e. improvements, reductions, or the avoidance of a deterioration) in the following areas:

- Physical health of those providing and receiving care as affected by LTC. For example, if informal carers are not adequately trained, or too frail themselves to support the care recipient, there is the potential for both actors' physical health to be negatively affected.
- Psychological health. A subjective component for care recipients, their families, and providers, that has the potential to have a significant impact on the lives of those directly and indirectly effected. LTC approaches have the capacity to both improve and decrease the psychological health of actors.
- For carers, issues related to anxiety about older family members' health and capability and stress, risk of depression and worries if care is not available (Forder *et al*. 2017, Mason *et al*. 2007, Rocha *et al*. 2013).
- Cognitive health decline, which cannot necessarily be avoided, although the pace at which deterioration is experienced can possibly be reduced.

  The quality of life of both those receiving and providing care can be affected by LTC, or its lack. There is a range of literature and evidence as to the potential issues that can be affected. One of the most significant developments in terms of application and testing is that of the ASCOT framework. Based on this framework, domains for both care recipients and informal providers are identified that constitute Social Care-Related Quality of Life (SCRQoL) (Netten *et al*. 2002):

For the care recipient there are eight identified domains – control over daily life; personal cleanliness and comfort; food and nutrition; personal safety; accommodation cleanliness and comfort; social participation and involvement; occupation; dignity. For the care giver there are seven domains – occupation; control over daily life; self-care; personal safety; social participation and involvement; space and time to be yourself; feeling supported and encouraged.

- Social participation is significant, and it has been shown that loneliness can influence the psychosocial wellbeing of old people, itself associated with chronic illness and self-rated health (Jané-Llopis and Gabilondo 2008). More socially integrated older people show less cognitive decline and have greater protection against dementia (Shankar *et al*. 2013, Fratiglioni *et al*. 2004).

Risk

Here we consider the risks associated with the choice of care, considered in a narrow sense as financial risks and in a broader sense as social risks. These can be felt at individual, organisational and societal levels.

As an example, those working in the LTC sector as formal workers also have a risk related to working. It can be physical (heavy lifting), stress or burn-out. Investment in technology, such as hoists, that reduces risk for the workers can thus also be seen as a social investment. Those providing informal care can also experience similar broadly social risks, including increasing isolation, in addition to those relating to their financial situation. Barbieri and Ghibelli (2018) also highlights the potential risk of care gaps in the future owing to a reduction in the number of individuals able to provide informal care along with other demographic pressures which are likely to increase the financial pressure on care providers. These issues again highlight the interconnected nature of the dimensions of impact, with individual risks impacting on other individuals, as well as the State and other providers of LTC.

Each component, as a potential criterion for the various social investors when deciding how to organise for LTC is summarised in table 1 below.

How to measure and calculate the relative value of specific outcomes and the possible impact when using the different criteria as discussed above will be examined later in the SPRINT project. Although somewhat challenging given limited availability of data, this is a necessary endeavour. Table 1 provides a contribution by identifying the criteria for the various social investors and can assist the decision-making process. It is important to describe and be aware of possible criteria, and, in the specific analysis of an explicit SI in LTC, use this information as part of the data collection, analysis and decision-making process.

Table 1: Criteria for assessing social investment in LTC, from the perspective of different investors

Investors	Economic return		Social impacts				Risks	
	Employment effects	Efficiency improvements	Physical health	Psychological health	Cognitive health	Subjective wellbeing	Financial	Social
Older person		✓	✓	✓	✓	✓	✓	✓
Family/friends	✓	✓	✓	✓	✓	✓	✓	
Informal carers	✓	✓	✓	✓	✓	✓	✓	✓
National/local governments	✓	✓	✓	✓	✓	✓	✓	✓
Insurance industry	✓	✓					✓	
Third sector organisations	✓	✓	✓	✓	✓	✓	✓	✓
Business care sector		✓					✓	

6 Conclusions

A central criterion for SI in LTC is, as a general principle, that there is a positive economic outcome of the investment. However, for whom, and its size is not defined by the use of one or more criterion for SI in LTC. Importantly, there can also be non-monetary benefits of investments.

This report has highlighted that different stakeholders can, and likely will have varied perceptions and ideas about what is the most important criteria, and thus what the outcome(s) should be of an investment in LTC. It is important to transparently identify such tensions and take these into account when making decisions about the resourcing of LTC (and any area of policy). So, even if it is seen from, for example, a frail older person's perspective that there is need for more care, this might not be in line with a macro-perspective of what the overall increase in cost would be. In line with arguments for equity of care, if the investment takes this into consideration then this should then apply for all people in the same situation, and this could have a significant effect on the availability of resources for public sector spending.

Improvement of the quality of care also has the same limits, as most people are in favour of better quality. However, again there might not be the necessary finances available for an increase in the

quality of care. However, improved quality of care is an important issue from the perspective of most social actors, as this will lead to relevant outcomes for all parties.

Social actors have different criteria they find important as shown in the findings, and this will influence if they would be in favour of a SI within LTC. Below is an attempt to conclude on what are the most important criteria for the different social actors (leaving aside discussion on who finances the SI).

Service users would presumably expect more and better care, to provide them with the quality of life outcomes that they desire, while also arguing that continuing to live in their own homes can be important. Informal carers would expect that their effort is recognised as important but could also have a criterion implying that they want to be able to stay in employment, while knowing that those they care for get what they perceive as good care.

A consideration in relation to informal care is that the majority of informal carers are female: investment in more care could help in establishing a more gender equal position in society.

For both care recipients and their informal carers, the social risks associated with poor quality care are significant, while for the latter and non-care providing family/friends, the financial risks of balancing care and work responsibilities, and the cost of care are also important.

Administrations at state, regional and local levels (depending on the national structure) might have an ambition to use SI to reduce the economic pressure on their budgets but might also have a focus on the quality of life including ageing in place for older people. In principle SI in care can create a win-win situation (better quality can reduce costs), but sometimes better quality can only be achieved by spending more money.

NGOs and third sector organisations might invest in better LTC as it improves the quality of life for those in need of care, but also in order to improve quality of life for those who are providing voluntary care. They also need to ensure sustainability of finances, although how NGOs might be able to finance SI is outside the scope of this report.

Private investors will look to invest in care provision which will achieve a positive financial return on their investment, although some may also see value in a positive public profile resulting from the investment.

Overall, this points towards a diverse set of criteria. For some, the emphasis is on the economic criteria related to SI, for others the focus could be on quality of life understood in a variety of ways. This report provides a contribution in terms of identifying the criteria for investments and an indication of their importance for different social investors. These concerns are central for improving decision-making in the allocation of resources for LTC. The next important step is to be aware of how to calculate the impact.

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