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From:	The Social Protection Committee
To:	Permanent Representatives Committee/Council
Subject:	Key conclusions on 2021 Long Term Care Report of the Social Protection Committee and the European Commission - Endorsement

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Delegations will find attached the key conclusions of the report under reference as adopted by the Social Protection Committee on 18 May 2021, with a view to their endorsement by the Council (EPSCO) on 14 June 2021.

The full Report, jointly prepared by the European Commission (DG EMPL) and the Social Protection Committee, can be found in doc. 9144/21 ADD 1 and ADD 2.

## KEY CONCLUSIONS

Principle 18 of the European Pillar of Social Rights<sup>1</sup> stresses that everyone has the right to affordable long-term care services of good quality, in particular homecare and community-based services. The European Pillar of Social Rights action plan<sup>2</sup> commits the EU-27 to further work on this.

The 2021 Report on Long-term Care prepared jointly by the Social Protection Committee and the European Commission analyses common challenges faced by Member States in long-term care. While acknowledging the diversity of long-term care systems and their close links to social protection, employment, and health policies, as well as continuing data gaps, the report highlights the following key points.

**The demand for high-quality long-term care is set to rise, and reinforcing its provision can contribute to gender equality and social fairness.**

1. **Population ageing is expected to lead to a strong increase in demand for long-term care.** Reflecting remarkable gains in life expectancy, the number of people aged 65 or over is projected to rise by 41 %, to 130.1 million, over the next 30 years. The prevalence of disability and the need for long-term care both increase with age. The number of people potentially in need of long-term care in the EU-27 is therefore projected to rise from 30.8 million in 2019 to 33.7 million in 2030 and 38.1 million in 2050.

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<sup>1</sup> European Commission, *Commission Recommendation of 26 April 2017 on the European Pillar of Social Rights*, C(2017) 2600 final, 2017.  
<https://ec.europa.eu/social/BlobServlet?docId=17625&langId=en>

<sup>2</sup> European Commission, *Questions and answers: the European Pillar of Social Rights action plan*, 4 March 2021.  
[https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_21\\_821](https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_821)

2. **COVID-19 has strongly affected long-term care systems, adding evidence to the urgency of strengthening them.** Systemic weaknesses were highlighted by high mortality rates in long-term care facilities, difficulties in ensuring continuity of care, and the impact on the well-being of older people and carers. Although it is too early to assess the effect of the COVID-19 crisis, it is important to draw lessons to improve systems on a structural basis and make them more resilient.
3. **Long-term care has a strong gender dimension.** Almost 90 % of workers in the sector are women, and so are most informal carers. In addition, 33 % of all women aged 65 or over need long-term care compared with only 19 % of older men. Older women have lower incomes, including pensions, and thus are potentially less able to afford care. Adequate and affordable formal long-term care services, together with policies to improve working conditions in the sector and reconcile paid employment and caring responsibilities, could thus help support gender equality.
4. **Ensuring adequate social protection for long-term care contributes to social fairness.** Older people with lower levels of income are more likely to have long-term care needs, whereas they are potentially less able to afford it. Adequate social protection thus plays an important role in ensuring long-term care needs can be met.

**Access, affordability, and quality are key challenges in relation to long-term care.**

5. **Many people in need of care may not be able to access it.** Data regarding the use of home care services and the numbers of residential care beds can shed some light on this. On average in the EU-27, only one third of the people aged 65 or over with severe difficulty with personal care or household activities used homecare services in 2014. This could indicate that people in need of long-term care rely on informal care – either by choice or the lack of formal services or for financial reasons – or have unmet care needs. Also, when it comes to residential care, the number of long-term residential care beds varies a lot across Member States.

6. **Ensuring the affordability of long-term care is a challenge.** Across the EU, more than one third of households who need long-term care, but are not using (more) professional homecare services, report financial reasons for this. The share is even above 50 % in five Member States. On average, across 19 Member States and regions, around 75 % of older people with long-term care needs are estimated to see their remaining income reduced to less than the ‘at-risk-of-poverty’ threshold if they purchase homecare services at full cost, without social protection.
7. **Social protection coverage for long-term care is mixed and in general limited.** In some Member States, public support is available to only just over one tenth of all people aged 65 or over in need – whereas in others, almost all those in this group receive publicly provided homecare, residential care or cash benefits. Even when available, social protection for long-term care needs (unlike for healthcare) is often not sufficient; even after receiving support, on average nearly half of older people with long-term care needs would be below the poverty threshold after meeting the out-of-pocket costs of homecare.
8. **A common understanding of quality in long-term care is needed.** Among different approaches, the person-centred model, based on the needs and preferences of the person in need of care, seems to be gaining attention. Different approaches are also used for measuring quality, with a wide range of indicators, focusing on structures and process or related to the personal experience of care recipients. Quality of care is also affected by factors that include workforce, organisation (e.g. integration of services to cater for complex needs), technology, and funding. The efforts to ensure quality are mixed and mainly focus on residential care, thus more attention is needed also on home and community-based care.

**An adequate workforce is key to meeting the rising demand for high-quality services, but the current labour shortage may intensify further.**

9. **Meeting the rising demand for long-term care can support job growth, but Member States struggle to attract and retain care workers.** The sector already employs 6.4 million people, and it is estimated that up to 7 million job openings for healthcare associate professionals and personal care workers will arise by 2030. At the same time, the size of the sector varies greatly across the EU. Most Member States report many unfilled vacancies in the long-term care sector and expect staff shortages; these could worsen as the care workforce ages, at the same time as demand for care rises.
10. **Difficult working conditions and low salaries may contribute to staff shortages.** Long-term care work is made difficult by the prevalence of non-standard work arrangements, irregular working hours, shift working, and physical/social strains. Average earnings in the sector are lower than those across other sectors in all Member States. The healthcare sector also appears to pay more (though this is partly explained by the composition of the workforce). Low coverage by collective agreements and limited public long-term care expenditure may also contribute to lower wages in the sector.
11. **Increasingly complex skills requirements make finding staff more difficult, but may also make the profession more attractive.** Caring requires close collaboration between various professionals, and often includes the use of new technologies or the need to address complex care needs. This requires digital and transversal skills. Qualifications requirements can help ensure the quality of the workforce and make the sector more attractive, but can also act as barriers to accessing the profession.

12. **Targeted and systemic efforts are needed to ensure an adequate long-term care workforce.** Policy options include: improving working conditions and pay, including through reinforced social dialogue; encouraging the recruitment of a more diverse workforce; improving work organisation; reskilling and up-skilling, especially regarding digital and transversal skills; and ensuring better health and safety at work.

**Informal care has been essential in long-term care provision, but this often comes with neglected costs**

13. **Informal carers, mostly women, carry out the bulk of care-giving in many Member States.** The use of solely informal care varies from around 30 % to around 85 % across Member States. However, while informal care is sometimes a matter of preference, it may often be the only option due to a lack of accessible and affordable formal care. The availability of informal care is likely to decrease due to increased participation by women in the labour market; extended working lives; greater geographic mobility; and other demographic trends.
14. **Informal care often comes with significant costs for the carers, in both the short and long term.** Even when it is a personal choice, providing care can negatively affect carers' physical and mental health and well-being. Another challenge for informal carers is the difficulty to reconcile care with paid work. Employment among women carers aged 45-64, a key group of care-givers, is significantly lower than average. Employed carers often work part time. This has an immediate effect on their current income, and can affect their old-age income due to a reduced accrual of pension rights, which can be even more important for carers with childcare responsibilities in addition.

15. **In addition to its societal contribution, informal care has an economic value, which is not immediately visible.** The economic value of the time spent on informal care is estimated at 2.4-2.7 % of EU-27 GDP, exceeding in most Member States expenditure on formal care. On the other hand, informal care brings costs, including losses of tax and social security revenues due to carers' lower labour market participation, and expenditure on benefits for carers. Partial estimates show that this public cost could amount to at least 0.5 % of GDP, close to one third of the current public expenditure on long-term care.
16. **In parallel with efforts to reinforce formal care services, supporting informal carers is also important.** Relevant support measures include care benefits, health insurance coverage, counselling and training, validation of skills, and the provision of respite care. Support measures that also address the long-term consequences of providing informal care, such as pension credits for care activities, could also play an important role.

**Reforms of long-term care systems, and the investment related to it, need to be pursued further and should build on the lessons learnt from the COVID-19 pandemic.**

17. **Long-term care expenditure is projected to be one of the fastest rising social expenditure items, thus requiring sustainable financing mechanisms.** The level of expenditure on long-term care is highly differentiated across the EU-27. In Member States with higher expenditure on long-term care relative to GDP, social protection coverage for long-term care is also higher; whereas a lower-than-average share of the residents of Member States with low current public expenditure use formal long-term homecare services. Public expenditure on long-term care is projected to increase from 1.7 % of GDP in 2019 to 2.5 % of GDP in 2050 on average across the EU, with large differences across Member States. In a scenario assuming some upward convergence among Member States, expenditure in the EU-27 is projected to as much as double, to 3.4 % of GDP in 2050.

18. **Increasing the efficiency of long-term care expenditure can contribute to addressing the financing challenge.** A key role in delivering high-quality care at lower cost can be played by: the effective deployment of new technologies; investment in active and healthy ageing policies; and health promotion and disease prevention.
19. **Over the last three years, several Member States have addressed specific challenges of long-term care systems rather than pursuing systemic changes.** Such measures are primarily designed to: improve the situation of informal carers; facilitate access, affordability, and quality in relation to home-based and residential care services; and improve the situation of the professional long-term care workforce. More recently, many temporary measures have also been taken to address the difficult situation of those receiving and providing long-term care in the face of the COVID-19 pandemic.

**In the light of these observations, the Social Protection Committee considers that there may be scope for further work at EU and Member State levels to address long-term care challenges.** Further reforms need to be pursued by Member States to address structural weaknesses in long-term care systems and to make them more resilient to future external shocks. While being specific to national and regional contexts, such reforms should address the common objectives of ensuring good-quality long-term care, accessible and affordable to all, delivered in a financially sustainable way. At the same time, it is essential to build on the lessons from the COVID-19 pandemic to enhance the responsiveness and resilience of long-term care systems.

**Although progress is being made in developing common EU indicators on long-term care, important data gaps remain.** The availability of comparable data on all key dimensions of long-term care needs to be improved. Further work with Eurostat and the Member States could help advance this objective, including by exploring options for data collection on long-term care spending.



**The Social Protection Committee calls for further consideration of how to shape long-term-care policies and systems.** It also invites the Economic Policy Committee to jointly reflect on the findings of the 2021 Long-Term Care Report, the 2021 Pension Adequacy Report, and the 2021 Ageing Report.

**Regular analysis of long-term care developments at the EU level is essential for sound policy-making.** The Social Protection Committee and the European Commission, therefore, intend to prepare a third joint Long-Term Care Report.