

# Vulnerability and Long-term Care in Europe

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Cover illustration: Pattern adapted from an Indian cotton print produced in the 19th century

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## PREFACE

This book provides a novel approach to investigating the effects of longevity on the welfare of Europeans, focusing the attention on the need and the provision of insurance in the form of long-term care. The motivation behind this study is the extraordinary improvement in life expectancy experienced in the last century in Europe and the implied changes in the demographic structure of society, coupled with a significant exposure to vulnerability experienced at older ages. Important differences in health conditions emerge in Europe for different socio-economic groups, which will translate in a marked inequality of well-being at older ages. The book fills a gap in the literature by pointing to the economic relevance of long-term care in view of increasing rates of care-dependent older people at a time when welfare systems are retrenching. The book presents an overview of the basic concepts of vulnerability and dependency: older people who are *dependent* on others' help with their basic activities of daily living, and are unable to maintain an *acceptable* level of well-being. We enhance the policy relevance of long-term care insurance by providing a detailed taxonomy of the forms of coverage existing in Europe and looking at the range of services required by individuals with a reduced degree of functional capacity, physical or cognitive. We are the first to make use of detailed micro-data at the individual on large surveys representative of the European population age 50 and over, such as the English Longitudinal Study on Ageing (ELSA) and the Survey of Health, Ageing and Retirement in Europe (SHARE) in order to support our investigation with sound empirical evidence. We document, by making use of individual data, the

efficacy of the different long-term care provisions in different institutional contexts and simulate “counterfactual” regimes.

We argue that there is scope for harmonization both on terms of assessment-of-needs procedures and in terms of long-term care provisions. The assessment procedures of each country or region are largely affected by a sluggish and often complex legislation, with little attention being paid to the fast-changing health conditions of older people, to the extent that many countries ignore cognitive impairments in their protocols while cognitive decline is becoming a major source of dependency. Long-term care insurance is extremely fragmented and a significant variability of benefits and provisions emerges even at a local level. We identify the most effective methodologies to provide a robust assessment of needs as well as the efficacy of the different policies in providing good care and ultimately guaranteeing well-being to older people.

This book is an ideal compendium for academics and public health operators who want to learn about vulnerability in old age and its implications and for policy makers who face decisions in the domains of dependency and long-term care.

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This study uses data from SHARE Waves 1, 2, 3 (SHARELIFE), 4, 5 and 6 (DOIs: 10.6103/SHARE.w1.600, 10.6103/SHARE.w2.600, 10.6103/SHARE.w3.600, 10.6103/SHARE.w4.600, 10.6103/SHARE.w5.600, 10.6103/SHARE.w6.600), see Börsch-Supan et al. (2013) for methodological details. The SHARE data collection has been primarily funded by the European Commission through FP5 (QLK6-CT-2001-00360), FP6 (SHARE-I3: RII-CT-2006-062193, COMPARE: CIT5-CT-2005-028857, SHARELIFE: CIT4-CT-2006-028812) and FP7 (SHARE-PREP: N°211909, SHARE-LEAP: N°227822, SHARE M4: N°261982). Additional funding from the German Ministry of Education and Research, the Max Planck Society for the Advancement of Science, the US National Institute on Aging (U01\_AG09740-13S2, P01\_AG005842, P01\_AG08291, P30\_AG12815, R21\_AG025169, Y1-AG-4553-01, IAG\_BSR06-11, OGHA\_04-064, HHSN271201300071C) and from various national funding sources is gratefully acknowledged (see [www.share-project.org](http://www.share-project.org)).

This study also uses data from ELSA Wave 7. ELSA data were made available through the UK Data Archive. ELSA was developed by a team of researchers based at the NatCen Social Research, University College London and the Institute for Fiscal Studies. The data were collected by NatCen Social Research. The funding is provided by the National Institute of Aging in the United States, and a consortium of UK government departments co-ordinated by the Office for National Statistics. The developers and funders of ELSA and the archive bear no responsibility for the analyses or interpretations presented here.

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## LIST OF ABBREVIATIONS AND ACRONYMS

ADL	Activities of Daily Living
ELSA	English Longitudinal Study of Ageing
EU	European Union
iADL	instrumental Activities of Daily Living
LTC	long-term care
OECD	Organisation for Economic Co-operation and Development
SHARE	Survey on Health, Ageing and Retirement in Europe
WHO	World Health Organisation

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