

## REPORT FROM THE THIRD MEETING OF THE LONG-TERM CARE POLICY NETWORK IN LATIN AMERICA AND THE CARIBBEAN (CUIDAR+ NETWORK)

April 8, 2021

### Alternatives for Funding Long-Term Care Systems

Funding and financial sustainability are fundamental challenges for care systems. Both in Latin America and in Europe, the demand for care services is constantly growing due to population aging and the associated risk of care dependence, and the COVID19 health emergency has magnified the size and urgency of the demands and pressure on the system.

Discussion at the third meeting of the Cuidar+ Network centered on this issue and used the specific experiences of Argentina, Peru, and the European Union as a starting point.

A series of questions framed the presentations and debate that followed:

What care model do we see as the most appropriate to the different realities in our countries? What resources does that model need to ensure the quality and adequacy of services? How will we fund that model, given the existing options? How does that guarantee of services for the population tie in to the necessary increase in job quality and quantity in the industry, which, in turn, is linked to adequate funding?

The meeting was opened by Patricia Jara, Lead Specialist at the Social Protection and Health Division of the Inter-American Development Bank, and Robert Steinlechner, Head of Cooperation at the European Union Delegation to Peru, both of whom underscored the importance of the network as a place for countries to dialogue and help each other and of the opportunity to address the issue of funding care systems.

**Lucía Cirmi Obón**, National Director of Care Policies at Argentina's Ministry of Women, Genders, and Diversity gave a presentation entitled ***Towards a National Care Policy, Guidelines for Funding in Argentina.***

#### THE CUIDAR+ NETWORK

The Long-Term Care Policy Network in Latin America and the Caribbean is an initiative promoted by the Inter-American Development Bank, the European Union's EUROsociAL+ program, and the French Development Agency.

The Network's main objective is to advance and facilitate exchanges of knowledge and experience, as well as to strengthen opportunities for collaboration between those responsible for shaping long-term care policies in Latin America and the Caribbean. The Network will thus help develop institutional and technical capacity and will promote best practices for implementing long-term care services.

The presentation began by reflecting on the gender dimension of care and on how inequality in care disproportionately affects women and impacts many other problems the State is addressing (unpaid domestic work, workforce participation, the pay gap, non-contributory pensions, or the feminization of poverty). Care Policies' mission is to work towards an equal and socially just societal organization of care. Argentina's Inter-Ministerial Forum for Care Policies, founded to achieve good inter-institutional and territorial coordination, plans policies that contribute to a more just societal organization of care and that lead to a better redistribution of care work within families and society, as well as a better redistribution between genders, recognizing care as a need, a job, and a right.

Care Policies developed the Federal Care Map as a tool that compiles and displays information on care service development and on existing needs on a geo-referenced map.

Cirmi argues for an inverted approach to thinking about funding, starting from its potential as a multiplier effect. Under this line of reasoning, the State's investment in care creates job in a sector mainly served by women and young people. This would lead to reduced poverty (jobs for the poorest sectors) that would also trigger increased consumption of basic goods; this increased consumption would drive economic activity, which in turn would drive economic growth and make more resources available in a virtuous cycle that would benefit society as a whole.

***Claudia Benavides Vizcarra***, Vice-Minister of Policies and Evaluation of Peru's Ministry of Development and Social Inclusion presented the experiences of the ***Support Network for Older People and People with Severe Disabilities - Red Amachay (Peru) and its Funding Challenges***.

The Support Network for High-Risk Older People and People with Severe Disabilities (Red Amachay) was established in response to the COVID-19 health emergency. This network is coordinated by the Ministry of Development and Social Inclusion (Midis) through the National Program for Action Platforms for Social Inclusion (Programa Nacional PAIS). Regional and local governments, as well as other entities, also participate in the network. The Network's cross-sector approach aims to bolster prevention, diagnosis, and follow-up for COVID-19 cases in older people and people with severe disabilities in vulnerable circumstances by combining health and social protection services.

The Network's implementation has drawn attention to the structural problem of "normalized" exclusion from access to health services, as well as the physical, economic, and emotional vulnerability of older people and people with disabilities. At the same time, it also brought visibility to the high potential of coordinated interventions and services adapted to the unique characteristics of target populations.

In 2020, the Network was funded by resources allocated through an emergency decree. However, its sustainability (the need continues in 2021) depends on funding for its actions from the resources of the network's constituent entities themselves, and on its operational and institutional capability.

**José Luis Fernández**, a professor at the London School of Economics and Political Science, gave a presentation entitled ***Reflections from Europe on Funding Long-Term Care***.

All funding systems must address two key aspects: First, how to collect funds; who contributes (only potential users, people who are employed, or society as a whole?); when they contribute; and how much they contribute. Second, how the system redistributes its financial resources, taking into account issues like the relationship between users' needs and income, levels of prior contributions, or the proportion of costs that are funded.

Funding decisions will affect the long-term viability of the social care system in terms of its sustainability, the financial burden for individuals and the State, whether services are used and needs are met (cost and supply of services), and political support for the care system, which will depend on whether or not it is universal, users' degree of choice and control over the services, and the burden of contributions placed on users.

When making decisions about funding models, countries should consider three key aspects: a) the fact that there is no single solution for funding long-term care, and that each country should choose its model based on its own reality; b) the nature of the funding challenge, especially looking at two key variables— socio-demographic patterns and the physical environment; and c) national preferences: long-term care as a social risk and the role of individuals, the family, and the state.

The subsequent discussion picked up where speakers' presentations left off and covered different issues related to options for ensuring the sustainability and funding of care systems in low- and middle-income countries.

Alfonso Martínez-Sáenz of Expertise France/AFD and the Gender Area of the EUROsociAL Program gave the meeting's closing remarks. He emphasized the urgent nature of the issue of funding long-term care systems and stressed the importance of making funding decisions that take each specific context into account.

## **EUROsociAL**

To learn more about the actions taken by the EUROsociAL European Union Program, see: <https://eurosocial.eu/>

Especially for these actions:

- <https://eurosocial.eu/actualidad/argentina-avanza-en-el-diseno-de-un-sistema-integral-de-cuidados/>
- <https://eurosocial.eu/actualidad/midis-peru-y-eurosocial-inician-fortalecimiento-de-la-red-amachay-de-proteccion-a-personas-adultas-mayores-y-personas-con-discapacidad/>

## **IADB**

For more on the issue of the burden of care on women and its effects on the labor market, see this study (in Spanish and English):

<https://publications.iadb.org/en/working-less-take-care-parents-labor-market-effects-family-long-term-care-latin-america>

Section especially for sharing Cuidar+ Network material:

<https://www.iadb.org/es/panorama/redcuidar>

Care-dependence risk calculator: <https://www.iadb.org/en/panorama/calculador>

## REGIONAL PARTICIPANTS IN THE MEETING:

Name	Country
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Francesco Chiodi	Europe
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Jimmy Carhuaricra	Peru
Jorge Pineda	Honduras
Jose Luis Fernandez (speaker)	Europe
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