Human Resources for LTC: Characteristics, Shortages and Working Conditions

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Overview

The context for HR: LTC protection

The size and composition of the workforce

The working conditions

Addressing the issues
The context: Very low LTC coverage rates and limited funds

LTC coverage deficits of the population 65+
based on national legislation, 2015, in % of total population

- Nearly 50% (300 million people) of the global older population is living in countries without any right to LTC (red)
- 46.3% of the global population lives in countries with means tests forcing people to become poor before becoming eligible for LTC (orange)
- Only 5.6% of the global older persons live in countries with rights-based universal LTC coverage (green):

Public LTC expenditure in % of GDP in selected Asian countries (2006-2010):

- Thailand 0
- New Zealand 1.3
- Korea 0.3
- Japan 0.7
- Indonesia 0.1
- India 0.1
- China 0.1
- Australia 0
- Netherlands 2.3
- Denmark 2.2
- Germany 0.9

The social protection environment for HR: Key features of LTC protection  
(based on ILO Recommendation 202 on national social protection floors)

<table>
<thead>
<tr>
<th>LTC protection</th>
<th>Design features</th>
<th>Implementation</th>
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<tbody>
<tr>
<td>A range of services provided by a skilled workforce and cash benefits addressing reduced functional physical and/or cognitive capacities of older persons</td>
<td>Inclusive national legislation providing for universal coverage and equitable access to affordable LTC</td>
<td>Generating sufficient funds through fair financing mechanisms for quality services made available by a sufficient number of LTC workers</td>
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**LTC benefits in kind**
- Basic medical services
- Assistance with daily activities (getting dressed, preparing meals, etc.)

**LTC benefits in cash**
- Financial support for formal / informal LTC services
- Financial support for enabling environments

**Other benefits in kind:**
For informal LTC workers:
- Paid/unpaid leave from work
- Free social protection coverage
Which workers are involved in LTC?

<table>
<thead>
<tr>
<th>Workplace</th>
<th>Employment characteristics</th>
<th>Occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions</td>
<td></td>
<td>Care occupations: Medical doctors, nurses, paediatric nurses, nursing assistants, ergo/ physiotherapists, social workers, care coordinators, trained house keepers, home administrators ...</td>
</tr>
<tr>
<td>Communities</td>
<td></td>
<td>Non-care occupations: Workers in the service sector (Banking, Insurance, IT, Administration, Food, Cleaning, Transport), Construction sector, Pharmaceutical sector, Wholesale, Retail...</td>
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<tr>
<td>Private homes</td>
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Formal workers in the health/care sector (e.g. daily assistance)

Formal workers in the broader economy (e.g. insurance, transport)

Informal workers (paid/unpaid, e.g. family members or irregular migrants)
Estimated global number of formally employed LTC workers (FTE)

(in million / Source: ILO estimates 2015; OECD 2014)

Europe: 3.9
Asia and the Pacific: 4.5
Americas: 3.4
Africa: [VALUE]
Global: 11.9

Estimated number of unpaid informal care workers: 57 million
(only those who left the labour market or reduced working time to provide care to family members)
Investments in closing the gap will create millions of jobs, particularly in Asia and the Pacific including multiplier employment effects in the broader economy: Globally each job in a health occupation will create 2.3 jobs for workers in the broader economy.

Important employment opportunities also exist in the private sector as major global employers are embedding “ageing” as a key strategic driver into commercial goals, e.g. Bank of America, Merrill Lynch, Nestlé, BMW, Intel, Novartis, Pfizer...
What is the impact?

Exclusion of older persons from LTC services due to formal workforce shortages
(in percent of total population aged 65+, by region, 2015 or latest available year.)

Source: ILO estimates, 2015; OECD, 2014

*Threshold: 4.2 LTC workers per 100 persons 65+*
What are the key characteristics of LTC workers today?

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Global formal workforce</th>
<th>Global informal workforce</th>
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</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td>Women: More than 86 % of the workforce</td>
<td>Mostly female family members of care recipients</td>
</tr>
<tr>
<td>Americas:</td>
<td>Canada: 92.0 % / USA: 89.7 %</td>
<td></td>
</tr>
<tr>
<td>Asia:</td>
<td>Japan: 86.9 % / Korea: 92.9 %</td>
<td></td>
</tr>
<tr>
<td>Europe:</td>
<td>Denmark: 96.2 %</td>
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<tr>
<td><strong>Age</strong></td>
<td>Average age 40+</td>
<td></td>
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<tr>
<td>Americas:</td>
<td>USA: Average age home-care workers: 43</td>
<td></td>
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<tr>
<td>Asia:</td>
<td>Australia: Up to 70 % aged 45+ / Japan: 60 % aged 50+ / New Zealand: 50 % aged 40-60</td>
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<tr>
<td><strong>Nationality</strong></td>
<td>Foreign-born workers/Migrants: Up to 70 %</td>
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<tr>
<td>Americas:</td>
<td>United States: 33.0 %</td>
<td></td>
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<tr>
<td>Asia:</td>
<td>New Zealand: 24.3 % (foreign-trained)</td>
<td></td>
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<tr>
<td>Europe:</td>
<td>Austria: 50.0 % / Italy: 70.0 % / Sweden: 20.0 %</td>
<td></td>
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What are the working conditions?

<table>
<thead>
<tr>
<th>Formal workers</th>
<th>Informal workers</th>
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</thead>
<tbody>
<tr>
<td>Wage levels are globally very low</td>
<td>Wage levels are often zero</td>
</tr>
<tr>
<td>Working conditions in institutions are characterized by</td>
<td>Wide gaps or no social protection coverage</td>
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<tr>
<td>- Lack of infrastructure / over occupation</td>
<td>No income compensation if jobs are given up</td>
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<tr>
<td>- Lack of staff / extensive working hours</td>
<td>No training</td>
</tr>
<tr>
<td>- Deficient safety and health at work</td>
<td>No defined working hours</td>
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<td></td>
<td>No rights to breaks or holidays</td>
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<td></td>
<td>Absence of social dialogue</td>
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Addressing the issues: Rethink LTC policies by investing in LTC to develop decent employment and economic growth

1. **Invest in LTC** to achieve UC and generate sufficient funds to make LTC affordable for all in need

2. Create an adequate number of decent jobs and generate multiplier employment effects and economic growth to make quality LTC equally available

- Extend coverage based on inclusive legislation to create demand
- Implement broad risk pooling (based on taxes or contributions) to fund quality care provided by a sufficient number of workers
- Provide at least essential social protection floor benefits in kind and in cash to older persons in a social protection policy framework coordinating health, social, economic and labour market policies

- Balance the formal and informal LTC workforce by transforming unpaid care into paid jobs for those who gave up or reduced labour market participation
- Ensure decent working conditions in the delivery of services
- Provide support, compensation and adequate social protection to informal workers
Thank you!

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