

## Financial payments for family carers: Policy approaches and debates

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### Introduction

Most primary caregivers of older people living in the community are family members. Because this care work is largely unpaid, this contributes to substantial economic advantages for the long-term care system. In fact it has been suggested that without the central role of family, the system would be unable to meet the care needs of its older citizens. Yet, falling birth rates, the increased participation of women in the labour force, changes in households due to increasing divorce rates and increased geographical mobility challenge the continuing availability of family carers, an assumption upon which most long-term care policy is based (Pickard et al., 2000). Moreover, many studies demonstrate that informal caregiving for family members can have adverse impacts on personal physical and mental health (Cannuscio et al., 2004; Cranswick, 1999; Hirst, 2003); family and social obligations; and economic status, including employment income, savings, household expenditure and, in the longer term, pensions (Carmichael & Charles, 1998; Ginn & Arber, 2000; Glendinning, 1990; Keating, Fast, Frederick, Cranswick & Perrier, 1999; Keefe & Medjuck, 1997). Unless a range of services and other support for family

members are included in long term care policy, these costs and consequences may only result in a redistribution of expenditures, in both the shorter and longer terms. Thus, the issue of payment for family care is at the heart of endeavours to create economically and politically sustainable policies for community based long-term care. Such policy raises questions about the commodification of family care and the blurring of boundaries between care provided by family that is typically unpaid from that provided by formal (paid) care providers (see Ungerson & Yeandle, 2006).

Countries have different approaches to supporting family care-giving. These approaches tend to reflect the wider social welfare regimes within which they are embedded. In some countries, particularly Scandinavia, older people have access to relatively extensive publicly-funded formal home care services (Weiner, 2003). The care of older people is viewed as a predominantly state responsibility and formal services help to reduce reliance on family and friends, particularly for very intensive or intimate personal care. At the same time, formal home care services for the care recipient may provide some relief for family carers. In other countries, such as Australia, “support for family caregivers sits comfortably within the ambit of its [Australian] approach to social policy, based on mutual obligation between the state and other sectors, including individuals and families” (Howe, 2001, p. 111). Here, there has been an increasing amount of support for carers including the right of access to services and the right to a

carer's allowance to help cover the cost of caring (Howe, 1994, 2001; OPM, 2005).

In a number of countries, policies to support community-based care include the provision of financial payments for care services. They may be paid directly to the care provider or transferred to the care provider through entitlements made to the care receiver. These payments may be accompanied, to a greater or lesser extent, by other measures such as services targeted to the carer and/or the older person needing assistance; and social protection measures such as safeguarding the pension entitlements of those whose care-giving responsibilities prevent them from remaining in the workforce. Such measures further blur the boundary between employment status of carers and care provided within families. The rationales underpinning financial payments for family care-giving are varied. They may be intended to replace foregone earnings or maintain the incomes of carers who experience reduced, delayed or interrupted labour force participation; to provide additional resources with which family carers and/or care-giving households can purchase formal services to complement family care; or to offer compensation (again to individual carers or to care-giving households) for additional expenses incurred in the consumption of care-related goods and services. Most financial payments also have an important symbolic intent, in offering societal recognition of the valuable work done by family carers. Financial payment options for carers reinforce the intersections between

private and public, professional and personal, and paid and unpaid work.

Based on a content analysis of existing financial compensation policies in selected countries, four specific models or approaches to offering financial support to carers emerge. The models presented in this chapter are: consumer-directed personal budgets that allow older people to employ their carers; care allowances paid to the older person who has complete freedom as to how these are used; care allowances paid directly to the family carer; and payments to family carers that substitute for formal service provision (Glendinning, 2006; Glendinning, Schunk & McLaughlin, 1997; Jensen & Jacobzone, 2000; Lundsgaard, 2005). Analysis of these financial support options considers several “boundary” issues such as the relationship between caregiver and care receiver, family and state responsibility, monetarizing family care and implications for professionalization, money for care and its relationship to paid employment. Select evaluative criteria such as adequacy, suitability and gender are applied in the critique of the models. The results suggest that financial compensation as a support option is complex at both the micro and macro levels, blurring the boundaries between paid and unpaid work, formal and family care, and market and non-marketized relationships. Indeed, a central theme of this chapter is that financial payment for care-giving is located within, and has implications for, a number of different policy domains. It is this intersection of multiple policy domains that makes the evaluation of policy options in this area particularly

complex and continues to fuel the debates surrounding payment for care.

### Payment for care at the intersection of multiple policy domains

#### Long-term care

All developed countries are facing growing expectations among their aging populations for better long-term care services and these pressures are likely to increase as the post-war baby-boom generation reaches the oldest age groups (Huber & Skidmore, 2003; Carrière, Keefe, Légaré, Lin & Rowe, forthcoming). Not only is it the volume of care that is increasing, but so also is the complexity of the care that is required as well. Current hospital discharge practices are leading to needs for increasingly complex and intensive home-based care. Greater longevity means both the increased risk of developing seriously disabling conditions and illnesses such as dementia, as well as people living longer with these conditions. There is also evidence of an increasing proportion of carers who are elderly themselves and possibly frail. This is particularly true of older spouses, who constitute a growing proportion of family carers (Hirst, 2001; Milne, 2001).

Given that most primary caregivers of older people are close family members, these trends have implications for how the care needs of the older population will be met, and for the sustainability and longer-term cost-effectiveness of the care provided by families and friends. For example, without

adequate support, carers are at risk of experiencing exhaustion, injury and depression that may lead to the increased utilization of health resources by the carer and potentially the inability to sustain community-based care. Further, unless economic measures can provide meaningful financial support for carers, their economic vitality may be at risk due to increased expenditures and reduced income and savings. These fiscal realities intersect with current public policies for income security and economic policies intended to support citizens in later life.

## Labour

Demographic trends result in policy makers grappling with competing policy demands. A growing challenge is to reconcile the demands of the labour market to ensure an adequate supply of workers to support each country's social and economic infrastructure, yet at the same time to satisfy the growing demands for (increasingly intensive) long-term care. More specifically, there is growing concern about the availability of the human resources, both formal and informal, required to meet the demand for long-term care services as populations age (Carrière et al., forthcoming). As the majority of family care-giving is still performed by women, the dramatic increase over the past generation in industrialized countries in women's labour force participation (Jensen & Jacobzone, 2000) further intensifies these supply-demand pressures. Therefore,

strategies are needed to recruit and retain both formal and informal carers (Keefe, Légaré, and Carrière, 2007)

Moreover, many societies have seen a transition from a ‘one-earner family’ model of family policy to a ‘one and a half-earner’ (or even ‘two-earner’) family model (Lewis, 2006) and the corresponding growing alignment of welfare provision citizenship and social inclusion with active labour market participation (Lister, 2003). Consequently, policies for family carers that do not take account of, or even actively discourage, carers’ labour market participation may also have indirect impacts on the wider citizenship status of family carers, and on their social exclusion through reducing carers’ access to those rights and benefits secured via labour market participation rather than through universal citizenship rights or through the more traditional dependence on a (usually male) breadwinner.

The introduction of long term care policy that pays family members to provide care may blur the boundaries of labour market policy. The implications of this are of particular interest in this chapter. Such policies may challenge labour legislation or be counterproductive to other policies that promote the retention of human resources to maintain a healthy labour force. For example, if the state provides payment to family members, to what extent does it become the employer? What obligation does the state consequently have to offer social security benefits and other forms of social protection for these family carers?

Moreover, what about the potential loss of a productive member of the labour force that payment for care may encourage? Within this context of intersecting policy domains, the next section outlines the different approaches through which family carers may receive financial remuneration.

#### Paying for family care – different rationales and types of payment

A number of studies have proposed different typologies of payments for family caregiving (see Glendinning, 2006; Glendinning et al., 1997; Jensen & Jacobzone, 2000; Lundsgaard, 2005). Taken together, these studies allow us to identify four different models of paying family carers. These models reflect different relationships between the giver and receiver of care, and variations in the role of the state in regulating these relationships. These models – and their implications for family caregiving – will be briefly illustrated, using examples from different countries. The aim is not to provide comprehensive accounts of each typology, but to highlight the salient features of the different models and their underlying principles, in order to illustrate the blurring of the boundaries between paid and unpaid work, market and non marketized relationships, formal and family care as reflected by each.

#### (1) Personal budgets and consumer-directed employment of care assistants



In several countries including the United Kingdom, the Netherlands, Flanders (part of Belgium) and the United States, older people needing support can opt to receive a personal budget with which to purchase care, either from a private nursing or care agency or by directly employing a personal care assistant (OECD, 2005; Ungerson & Yeandle, 2006). In the case of the Netherlands, it allows the employment of a close relative, including a spouse, son or daughter. When a personal budget is used in this way, a formal employer-employee relationship results between the care receiver and the family caregiver. Personal budget-holders have to make formal contracts with their employees and adhere to normal labour market regulations concerning wage levels, taxation, social security contributions and liability insurance (Pijl, undated). In the Netherlands, the administrative tasks associated with employer responsibilities are managed by an intermediary agency. In such circumstances traditional relationships within family are blurred by this formal structure and market values and language dominate relationship agreements.

In the Netherlands model, the amount of budget is calculated according to the level of home nursing and home help needed by the older person reduced by a standard 25 percent and capped at equivalent cost of intensive nursing care. Consequently, the actual level of support provided by a family member employed by a personal budget holder is likely significantly to exceed the funding available. This reflects an artificial invoking of the boundary between

work and family – family members may be formally employed as carers but differ from formal paid carers since they often co-reside with the receiver of care, with their workplace then also being their home and also receive lower pay than the value of the care provided. Nevertheless, the notion of paying family members, including spouses and children, is widely accepted and about half of all Dutch personal budget-holders use the funding to pay informal carers. Older people are more likely than are younger budget holders to choose relatives as their service providers (Wiener, Tilly & Cuellar, 2003).

Alternative examples include direct payments in the United Kingdom and consumer directed programs in the United States and Canada. The UK direct payment scheme allows a cash payment to be made instead of services in kind. Although it was extended to older people in 2000, take-up has been very slow. In this example, it is not possible to use direct payments to employ a close relative living in the same household. In the United States, consumer-directed programs exist in most states but are extremely varied in the number and range of tasks for which the consumer may assume responsibility. In all but six states, family members may be hired (Friss Feinberg, Newman, Gray & Kolh, 2004). US consumer-directed programs generally follow one of three models: direct pay (the care recipient has full responsibility for all aspects of the employment relationship); fiscal intermediary (an agency manages payroll and taxes); and supportive intermediary (an agency provides just training for carers and

assistance with recruitment) (OECD, 2005). In some Canadian provinces, most notably Quebec, consumer directed programs which are extended to older care recipients have adopted a fiscal intermediary model (Keefe & Fancey, 1998).

## (2) Care allowances for the older person

In an alternative approach to the formal personal budget, cash payments are made to the person needing care, with no specification or formal requirement as to how this is used; the only obligation on the care allowance recipient is to acquire adequate care. Similar to personal budgets, this approach is intended to enhance choice of control by an older service user. Family carers may also benefit indirectly from insurance-based rights available to the older person. Full or partial amounts of these allowances may be transferred to carers to compensate for direct expenditures or as a token payment for services rendered.

Care or attendance allowances exist in a number of countries including Austria, France and Germany. In Germany, the long term care insurance scheme provides insurance-based entitlements for older people (see Glendinning & Igl, forthcoming). Once assessed as qualifying for long-term care insurance the older person has the option of choosing between an entitlement to service ‘assignments’ up to a specified value, depending on level of care dependency; or a lower value, non-taxable cash allowance that can be spent in any way so long as adequate care is obtained; or a combination of the two. Despite its

significantly lower value, the cash allowance option is consistently the most common preference, chosen by between 64 per cent and 82 per cent of beneficiaries (depending on the severity of the disability and level of payment). The vast majority of those choosing the cash allowance are believed to do so because they prefer to receive care from family and friends rather than strangers, but in some instances the benefit is not fully transferred to the carer (Wiener et al., 2003). In addition to the cash allowance, family carers whose relatives opt for the cash benefit are entitled to four weeks respite care each year. This can be in the form of institutional respite services or a cash payment with which to purchase substitute home-based care. Family carers of insured older people who receive (at least some of) their benefits as a cash allowance may also have their pension and accident insurance contributions paid.

The Austrian Care Allowance is a similar unconditional benefit paid to the older person, whose only obligation is to secure appropriate levels of care (Kreimer, 2006). France gives beneficiaries a cash allowance, most of which must be used to pay non-spousal care workers (Wiener, 2003).

In this model the money enables the receiver of care to have choice in terms of receiving care from the marketplace or family or a combination of both options. Consequently the issue is less about whose responsibility it is to provide care for the older person – state or family – but rather about choice, preference

and perhaps, availability. If family care is purchased in combination with formal services it is likely that the boundaries between formal providers and family carers will be blurred further as both will receive payment for the care work they provide.

### (3) Care allowances paid directly to the family carer

In this model, the state makes financial payments directly to the carer. Although eligibility is linked to the health or amount of care needed by the older person, the carer has a direct entitlement to such payments and control over how they are used. The rationale underpinning such payments varies. Rationales include compensation for a loss or reduction in earnings from paid work; support for low income carers so they are not further economically disadvantaged because of their caregiving responsibilities; and the simple symbolic recognition of the societal importance and value of family care-giving.

*Recognizing the value of family care.* Few countries provide an allowance simply in recognition of the carer's role, but Australia is one example (Howe, 2001). The Australian Carer Allowance is a financial payment made directly to carers who provide full time care on a daily basis for a dependent child or adult. The rate of remuneration is much lower than Australia's Carer Payment (see below) but it is not income or asset tested and the payment is non taxable

(Montgomery and Friss Feinberg, 2003). The Allowance is not viewed as income support, but rather is intended to help with extra costs associated with caring for a dependent child or adult (Howe, 2001).

*Income maintenance payments for low income carers.* An alternative approach involves paying benefits through a social security system to low income family carers. It is generally assumed that care-giving responsibilities place family carers at a particular disadvantage in the labor market. The underlying rationale is therefore to sustain a minimum level of income for carers whose opportunity to support themselves financially (through paid work or entitlement to other social security benefits) is restricted because of providing care. Often there are strict income and care provision criteria (either for individuals or households) attached to eligibility for these payments and often these payments are treated as taxable income.

The most important feature of all these payments made directly to carers is that they explicitly acknowledge the rights of family carers to an *independent* source of income, regardless of the rights, entitlements or wishes of the older person who is receiving care. Although eligibility is generally linked to the older person's level of disability and/or intensity of care needs, such payment schemes nevertheless do not entail the financial dependence of the caregiver on the receiver of care. In addition, if such payments are located within national social

security systems, they are likely to be governed by universally applicable and largely categorical principles of rights and entitlements; they do not involve the kinds of discretionary judgments that are often involved in the allocation of services to carers or older people. Finally, because of their underlying rationale of financial support for family carers, they generally do not preclude either carers or older people from *also* receiving services – an option denied under the German or Austrian care allowance approach (Glendinning et al., 1997).

*Income maintenance during temporary absences from work.* Another approach involves publicly funded income support payments for employees who take temporary leave of absence from work to provide support or care for a critically or terminally ill relative. Such programs exist in Canada, Sweden, Norway and Ireland. The objective of these payments is to maintain the income and well-being of an employee who has family care responsibilities while at the same time safeguarding their place in the labour force.

These programs also reflect the intersection or blurring boundaries between of paid and unpaid work for the carer. Often the financial payment is contingent upon the carer's labor force participation or household income. This model reflects the intersection of long term care policy that "compensates" carers and the rights and entitlements of employees in the paid labour market. In

Canada, for example, employment insurance benefits of up to six weeks to care for a dying relative are not considered compensation for care work but rather an entitlement of eligible employees. Analysis of most examples in this model suggests that when money is involved, an increasing formalization of the relationship emerges.

#### (4) Paying carers instead of formal social service provision

In the fourth model, family carers are paid as a substitute for formal home help services; this model operates in a number of Scandinavian countries (Jensen & Jacobzone, 2000; OECD, 2005). Here family care-giving is formalized within a quasi-employment relationship (similar to the personal budget model described above); however, in this model it is the state (in the form of the local municipality) rather than the care receiver that acts as the employer. This approach reflects the high levels of female labour force participation in Scandinavian countries, alongside continuing relatively high levels of publicly funded formal social services; and the challenge of delivering domiciliary services in sparsely populated areas.

In Finland, the Informal Carer's Allowance is awarded on the basis of the older person's needs but paid directly to the carer by the municipality; the carer enters into a contract with the municipality to provide an agreed level of care according to a service plan (Jenson & Jacobzone, 2000). The vast majority of



carers employed in this way are spouses or other close relatives and a third are aged 65 or older (Martimo, 1998). Similar initiatives exist in Sweden and Norway at the local level (Ingebretsen & Eriksen, 2004; Johansson, 2004). Generally, these allowances are lower than the costs of either institutional care or formal home care services (Sweden is an exception; see Johansson, 2004). In practice, they provide no incentive to begin caring; rather they are believed to encourage relatives to continue their existing caregiving responsibilities (Kröger, Anttonen & Sipilä, 2003) thereby enabling the older person to remain at home.

Drawing on specific countries' experiences, the above examples illustrate the range of financial payment schemes that pay family carers (or pay for family caregiving), their underlying principles and the melding together of traditional conceptualizations of public and private spheres. The personal relationship between carer and care receiver becomes increasingly formalized with the introduction of monetary compensation. This analysis suggests that the context in which financial payment as a policy option evolves is complex, intersecting with other policy domains; formalizing familial relations; and balancing notions of rights and entitlements. What follows is a discussion of the issues and debates that surround financial payment for family carers.

Payment for care – Blurring the responsibilities of family and state

The aims and nature of payments for family carers are key elements of

wider policy debates about the best ways of supporting older people now and in the future (Keefe et al., 2005; Kunker, Applebaum and Nelson, 2003; Jenson and Jacobzone, 2000). Differing perspectives on the respective responsibilities and rights of families and the state for family caregiving frame these debates. These perspectives also have strong gender dimensions (Lewis, 1992; 2006). Debates around payment for care as a policy option, therefore, continue to focus on its impact on carers (primarily women) (Kreimer, 2006), the labour force and quality of care. There is also concern that payments for family care will erode normal filial obligations of caring for dependent members.

At the core of the ‘family versus state responsibility’ debate is the question of how far unpaid work – particularly that involved in providing care for children, disabled and frail older people – is viewed as an entirely private family responsibility or a collective social responsibility; and the consequent role played by the state in supporting and/or compensating family care. Over the past two decades, welfare states have increasingly acknowledged the importance of unpaid care work, both for the individuals involved and in sustaining the wider production of care as a welfare good. This acknowledgement is reflected in the introduction of measures such as rights to leave from paid employment for both mothers and fathers, direct and indirect financial transfers and social rights (such as pension protection) attached to caregiving. However, there remain substantial variations between countries in the extent to which they explicitly attempt to

strengthen families' responsibilities or, alternatively, promote the extension of public services to relieve families of some of their care-giving responsibilities (Leitner, 2003). Esping-Anderson (1999) refers to these variations as 'familialistic' and 'defamilializing' welfare regimes, which are distinguished by the extent to which public policy assumes that households or the state carries the principle responsibility for the welfare of families and their members.

#### Devaluation of care work

Embedded in the family or state discourse are concerns about the devaluation of care work. Each of the models of financial payment to family carers may be viewed by some as continuing confirmation of the low value attached to care-giving work and the associated potential to impoverish family carers in both the shorter and longer terms.

First, in most of the countries the cash payment equivalent is not equal to the full value of the care work performed, if costed according to the level of payment for a full salaried care worker. For example, the level of the financial payment is likely to be at (e.g. the Dutch personal budget), or below (e.g. the UK Carers Allowance), any legal minimum wage level. This suggests that care work has nominal value in relation to other work. Second, unless the rate of remuneration increases regularly, its value continues to decline. In Germany, the

cash allowance has not been increased in ten years, resulting in an increasing gap between benefit levels and the cost of living (and the costs of formal care services). This is not the case in Australia or the United Kingdom, where allowance programs are part of their respective social security systems and are therefore indexed. Third, the amount of cash allowance is often less than the value of in-kind benefits offered at the same care level, again reflecting an assumption that family care is a low-cost option. In Germany, those who choose the in-kind service option receive benefits at nearly twice the value of the cash payment option. A similar inequity exists in the Dutch personal budget scheme on the grounds that informal care does not carry institutional overheads. Fourth, if payments to family carers are treated as taxable income, their value is further reduced (assuming that carers have sufficient income to reach tax threshold levels). Fifth, cash payments are not always accompanied by other social benefits, although in a few examples some minimum state pension protection for family carers is provided (e.g. Germany, The Netherlands, United Kingdom).

The commodification of this care work inevitably leads to a comparison with the market value of the services rendered. The softening of the traditional boundaries between unpaid care work by family members and paid care work in the formal sector has the potential double negative effect of devaluing family work by setting a low price for which it is compensated and devaluing formal care as a comparative cost to what can be ‘purchased’ from family members.

Models of payment that are only accessed through the entitlement of the older person and that depend on the discretion of the latter to pass the payment on to a family carer (as in Austria and Germany) do not appear to offer much choice or social protection for the carer. Moreover, they can detract from societal recognition for carers, who may become financially dependent on the person to whom they give care (Glendinning, 1990).

#### Reinforcing gender roles

Linked to the devaluation of care work is the well established fact that women are the primary providers of care to dependent older family members, whether spouse, parent, parent in law or other (Campbell and Ikegami, 2003; Keating et al., 1999; Hirst, 2001; Mestheneos and Triantafillou, 2005; Spillman and Pezzin, 2000). However, financial compensation may be a double edged sword for women. On the one hand, cash payments for family carers do recognize and attempt to ameliorate the direct and opportunity costs associated with caregiving and provide some formal recognition of the caregiving role. On the other hand, these programs can entrap women into caregiving roles by offering financial support in place of other care options. This dilemma was explicitly debated during planning for the Japanese long-term care insurance scheme:

The arguments in favour were that a cash allowance ... recognizes and

rewards the contribution of family caregivers (particularly the daughters-in-law who traditionally provided care). ... Critics of cash allowances, notably feminists, rebutted all these points. ... Daughters-in-law need liberation, not recognition. In most households, a cash allowance would not change existing caregiving patterns, which are inherently oppressive. (Campbell and Ikegami, 2003: 26-7)

In contrast, the cash-based care allowance approach in Austria has increased neither choice nor gender equity amongst informal carers. (Kreimer, 2006)

The impact of cash payments on gender roles is also affected by patterns of resource control and allocation within households. In societies where men are considered the head of the household, such as Japan and Israel, women's advocates are hesitant to support cash payments because it is expected that these would go to the head of the household while women would still provide care, but without support and recognition.

The impact of cash payments for care on gender roles may be mitigated to a greater or lesser extent if formal services are also available. In Australia and the United Kingdom, it is possible for carers to receive both income maintenance benefits and services in kind. In Germany there is a gradual trend for long-term

care insurance beneficiaries to opt for a combination of cash payments and services in kind; in addition, carers of insurance beneficiaries are entitled to four weeks respite care a year, plus counselling and retraining opportunities. Carers in Finland who are employed as quasi-home helps can convert part of their payment into services in kind, to help reduce the stress of full-time care-giving. Such combinations of payment and services dissolve boundaries of public and private care, and between paid and unpaid care work.

#### Reconciling labor market and care policies

As noted above, the rationale and nature of payments for family care-giving need to be compatible with wider labor market policies, particularly the significant recent increases in women's labour market participation and the future supply of labour that will be required to balance changing dependency ratios (Arksey and Kemp, 2006). None of the models of payment for family care-giving described above is high enough, in relation to the level of care-giving work involved, to be viewed as an incentive for family carers to leave the labour force to take up caregiving. For example, only those with low employment incomes are eligible for the Australian Carer Payment. It is therefore not so much an enticement for employees to leave the work force to take up caregiving, but rather a means of maintaining a minimum income level for those who have already reduced (or are unable to increase) their labour force participation

because of their care-giving responsibilities. Even the income maintenance programs during temporary leave from the workplace, such as in Canada and Sweden, offer payments that are lower than the employee's regular earnings: in Sweden, carers are paid only 80 per cent of their regular income; while in Canada only 55 per cent of an employee's regular income is payable.

Even though none of these models of payment for care can be viewed as an incentive to leave the labour force, many carers nevertheless do so either temporarily or indefinitely (Arksey et al., 2005; CSHA, 1994). This puts not only their income at risk but also their entitlement to those social protection policies that are linked with labour force participation, thus potentially further impoverishing carers in both the shorter and longer terms. Membership in retirement pension schemes, entitlement to income when sick or disabled, and accident insurance entitlements all increasingly derive from labour market participation and paid employment roles. So for those carers who do leave the workforce in order to provide care, protection of their pension entitlement through the crediting of contributions is essential, as is the provision of training programs to help carers to re-enter the labour market both while caring and after a period of care-giving has ended.

Finally, payments for family carers arguably may have a doubly damaging impact on labour force productivity, in that they may support family carers' premature exit from the labour market and at the same time depress



demand for labour in the form of paid care workers for older people. Thus the costs related to two labour force positions are increased – the family carer who leaves his/her position and must be replaced and the potential paid carer who might have been hired to assist the person to remain in their own home.

### Quality of care

Adding to the complexity of the discussion surrounding paying family carers are issues relating to the quality of care received; the consequences when the quality is inadequate; and the quality of alternative service supports for carers to sustain their role. First, concerns are raised about the quality of care that family carers may provide, given a lack of training and the sometimes complex care required (Keigher, 1987). Conventional quality assurance mechanisms such as professional accreditation, agency regulation and inspection regimes are absent – and are arguably impossible to design when care allowances are used to purchase care from family members. Indeed, the state may be providing support to a care situation where the carer has little training and is deemed the ‘right’ person solely by virtue of their relationship with the client. Moreover, ‘public agencies and disabled individuals have great difficulty disciplining poor performing relatives. It is difficult for government officials to insist that a daughter be fired’ (Wiener, 2003: 16).

Second, the range, availability and quality of formal services are fundamental to a comprehensive community care system. To safeguard the quality of care provided by family carers, there needs to be available high quality formal services that carers can access on an ongoing basis or for a period of respite from their caregiving situation (Keefe and Fancey, 1997). Australian policies to support caregivers and care recipients exemplifies this (Howe, 1994, 2001). Formal services are a vital adjunct and complement to family caregiving. It would seem likely that inadequate income or poverty also risks jeopardizing the quality of informal care. However, if the principle underpinning payment for family caregiving is that the latter is intended to substitute for formal service provision, then it may be difficult for older people (and their carers) to receive publicly-funded services as well. The lack of alternative formal care services can, in turn, jeopardize the quality of informal care.

### Conclusion

This chapter has identified various approaches to payment for family carers and illustrates how such approaches intersect multiple policy domains. Key differences in the approaches discussed here are the different relationships of the care receiver and the caregiver to the financial payment, and the role of the (central or local) state in regulating these relationships. This chapter has identified the ways in which these approaches are distinct. However, they all

involve the monetarizing of family relationships and, regardless of the specific approach or underlying principle, this blurs the boundaries between market and non-market, formal and informal, paid and unpaid work. A transfer of money from the public domain for services provided by the family alters the context in which family care occurs. It blurs the boundary of what is considered family responsibility and what is state responsibility. Publicly funded financial compensation programs explicitly recognize the value of family care to society and they therefore begin to shift the locus of responsibility for the long-term care of older people from the family to the state. However the extent of this shift is limited by the fact that in all instances financial payments are considerably lower than the actual value of the care-giving work that is performed, thereby reinforcing gender roles and inequity. The state thus remains at least partially dependent on the unpaid care work of families.

The complexity of this dependence of the state on family availability as a 'more cost efficient' deliverer of care unveils itself in the blurring of labour policy. Are such family members employees of the state, or of the care recipients and how does this affect the short and long term productivity of the labour market? The evaluation of such policies is complicated further by the gendered nature of the work and the potentially increased expectations placed on women to provide such care. When women succumb to these expectations and quit their employment, the long term result may be economic disadvantage despite the

intent of some payment for care models to support women's economic well-being.

As governments struggle with the complex issues of aging societies, the accessibility and availability of family and friends to support older persons is a primary concern. There is increasing interest in the utility of financial payment as a support option for carers, particularly if it can strengthen family support in the community and thereby delay more costly care arrangements. However there are noted costs and consequences for families who engage in substantial caregiving and additional measures are needed to offset the impact on carers' lives and support them in providing high quality care. It should be noted that there is no one right way to support carers, but rather 'options' should be available. It is also important that the principles underpinning the emerging trend of consumer directed care are also available to family carers (Arksey & Glendinning, 2007). While there are commonalities amongst carers, caregiving is not a uniform experience and neither should be the options designed to support carers. Payment for care as a public policy option is no exception.

In practice, multiple measures are needed to reduce the risks of poverty and social exclusion for family carers and to balance their rights and interests with those of their elderly relatives who receive care. Policies in many countries do include multiple measures – combinations of payments to caregivers and care receivers, pension protection, workplace-based rights and formal services. The

challenge is to ensure the appropriate balance between these different measures, so that carers are not unduly disadvantaged in the pursuit of sustainable solutions to long term care. Recognition of the complexity of payment for care options across multiple policy domains is needed. Rather than critique such approaches as contributing to the blurring of boundaries between public and private, professional and personal, paid and unpaid, we need to accept this complexity and focus evaluation efforts on the outcomes of such policy for the well-being of the carer and the receiver of care.

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