

# Executive summary

The COVID-19 pandemic put a huge strain on the health and care systems, and it was thanks to the strenuous work and commitment of care workers that many lives were saved and people in need got support. We regularly applauded them from our windows, but a few years later we seem to have forgotten about them. Working conditions in long-term care (LTC) generally remain poor and it is difficult to attract and retain LTC workers. The situation is particularly dire for personal care workers who make up about four-fifths of them in the OECD, the other fifth consisting of nurses. This challenge will grow tremendously with ageing prospects. We need to go *Beyond Applause* and this requires taking significant measures to improve wages and working conditions more generally in order to ensure that people requiring assistance in their daily lives receive the care they need. This report describes what these measures should be.

## LTC labour shortages may reach socially unacceptable levels if no decisive action is taken now

There is already considerable unmet need for people needing care. Even before COVID-19, only half of people aged 65+ with severe limitations of daily living activities received formal care in Europe, while one-quarter received neither formal nor family care, with the difficulties intensifying during the COVID-19 crisis. The share of LTC workers in total employment increased from 1.7% in 2011 to 1.9% in 2021 in the OECD. While the number of LTC workers has increased in line with the number of older people, shortages remain.

Many countries have been struggling to recruit LTC workers. Given population ageing, the demand for LTC workers will increase quickly, and may be especially hard to meet in countries facing a declining working-age population. To meet the increase in labour demand, the share of LTC in total employment would need to increase by a minimum of 27% (or 0.5 percentage points) assuming strong productivity growth in LTC, or by a more likely 32% (or 0.6 percentage points) on average in the OECD over the next decade.

## Tough working conditions diminish care quality and dissuade potential workers

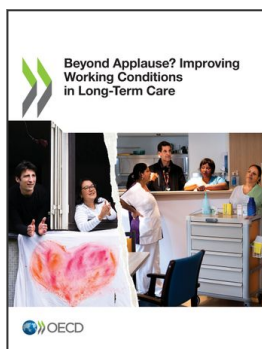
LTC workers face very difficult working conditions. Physical and psychological strain as well as burdensome working times are part of the main drawbacks of the working environment: LTC workers are much more exposed to physical and mental health risks than other employees. In addition, compared to workers with similar characteristics (e.g. age, education, gender and tenure), personal care workers have lower hourly wages than in most other occupations, and even more so if they work in LTC rather than in hospitals. While women account for more than 85% of LTC employment, they still earn less than men doing the same job. The availability of informal care – mostly unpaid and often provided by family members – as a possible substitute for formal LTC contributes to explaining low wages in LTC. Moreover, foreign-born workers represent a large proportion of live-in carers, whose employment conditions are generally difficult to monitor. It is a paradox that wages are so low in a sector such as LTC that has been reported to suffer from labour shortages for many years. When market forces are at play, the existence of excess demand should drive wages up to attract more workers. Reasons that prevent the market from balancing demand and supply differ across countries depending on their specific context.

LTC workers also feel a lack of social recognition. The majority of OECD countries have taken initiatives to improve this situation, including increasing remuneration, fighting gender discrimination, recognising LTC experience in education, increasing training requirements and running public information campaigns, but much more needs to be done.

## Policy implications

A comprehensive policy strategy is needed to tackle poor working conditions and insufficient social recognition of LTC work. Such a strategy has to cover several dimensions, with different priorities across countries depending on how their LTC sector functions. If regulations including those enforcing competition are effective, it is probably best to raise funding and leave providers the flexibility to choose a combination of higher wages, more hours or more staff. If, however, despite these regulations high profits are generated among private LTC providers then a more direct intervention on wages or staffing is justified.

- *Increasing public financing and fostering the leading role by governments.* Public finances have been under pressure during the recent and ongoing crises. But greater resources must be devoted to improving working conditions today and limit future labour shortages. A large increase in public LTC spending is needed and governments must lead in setting job-quality standards.
- *Directly intervening to raise wages and improve staff requirements.* Higher wages paid by public LTC providers may force private providers to raise wages too. Other measures covering public and private LTC providers may include: raising staffing requirements; improving compliance with staff requirements and transparency in the communication of effective staff ratios; enforcing minimum wage regulations while promoting appropriate wages in collective agreements; and, raising the sectoral minimum wage in countries where the instrument exists. In some countries, regulations in the LTC sector are more honoured in the breach than in the observance: this must change.
- *Supporting collective bargaining.* Increasing the effective coverage of LTC workers can be achieved by extending collective agreements to all LTC workers, and increasing compliance and enforcement through enhanced labour inspections and clearer information about the content of collective agreements, and by supporting affiliation to unions, for example, through subsidies.
- *Strengthening training.* Training for personal care workers, in particular those providing home care, needs to be enhanced, for example by initial training on care for older people with common physical and mental limitations, supplemented with continuous courses tailored to needs of care recipients. For nurses, an increased focus on geriatric care is required in their curricula in many countries.
- *Promoting social recognition.* In addition to better training and higher wages, information and recruitment campaigns challenging gendered care norms and training certifications are key.
- *Increasing the use of new technologies.* Beyond increasing budgets the use of new technologies should be expanded by: ensuring that data governance frameworks protect privacy; providing training to improve workers' digital skills; and, informing providers about the technologies available.
- *Strengthening preventive health policies.* Public information campaigns to promote healthy lifestyles and rehabilitation policies can mitigate the increasing demand for LTC services. LTC workers' role in preventive health can be enhanced through training and guidance on how to help older people stay healthy for longer. Technologies can contribute to reducing health risks, mitigating physical and cognitive decline and facilitating independent living.
- *Promoting transitions of undeclared care workers to formal employment.* With undeclared LTC work common in several countries especially among foreign-born workers, promoting transitions to formality is a must to improve working conditions and ensure a higher compliance with the standards set in collective agreements. This could be done by vouchers to purchase declared work, reduction in the cost of compliance with legislation and tax incentives, among others.



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