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ARTICLE

Addressing social risks of older people with care needs: how European welfare states combine pension and long-term care policies

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Abstract

Older people with long-term care (LTC) needs represent a growing and vulnerable group in European societies. A focus on the interrelation between pension and LTC policies can be useful in determining the extent to which European welfare states address this group's social risks. This paper asks how European welfare states differ in the extent to which their institutional constellations of pension and LTC policies address older people's social risks. We systematically measure the generosity of both policy fields at the institutional level to investigate cross-national differences in five European countries representing different welfare regime types. Furthermore, we develop a typology with four types of institutional constellations: residual, pension-oriented supplementary, LTC-oriented supplementary, and complementary. Our empirical results show that the studied welfare states differ in their pension and LTC policy constellations, which has different consequences for the coverage of older people's social risks.

Keywords: cross-national comparison; institutional constellations; long-term care policy; pension policy; social risks

Introduction

In recent decades, demographic ageing has placed pressure on mature European welfare states, as a greater proportion of older people with care needs has created an increasing demand for both public pensions and long-term care (LTC) (Bonoli, 2007; Taylor-Gooby, 2004). Consequently, many welfare states have considerably restructured their policies towards older people. Most welfare states have extended their LTC policies by strengthening older people's social rights to publicly funded cash payments or care services (Da Roit and Le Bihan, 2019; Ranci and Pavolini, 2015). Conversely, several welfare states' pension policy reforms have shifted part of the responsibility for pension-age income security from the state back to private actors, e.g. individuals, employers or social partners (Ebbinghaus, 2015; Hinrichs, 2021). Such trajectories in the generosity of these two ageing-related policy fields have consequences for the protection of older, retired people with care needs from the social risks of unmet care needs and poverty. However, surprisingly little research has systematically analysed the ways in which pension and LTC policies interact in European welfare states to protect this group against such social risks.

So far, it has only been shown that in welfare states with poorly developed LTC policies but relatively generous pensions, older people may use their pension income to compensate for the welfare states' often marginal, publicly funded LTC provision (Łuczak, 2018). However, a lack of care infrastructure can result in only the more affluent older people actually being able to afford to buy needs-adequate care on the market. Furthermore, some older people might use their cash payments as additional household income rather than for the necessary care (Da Roit et al., 2016). Consequently, they suffer from substantially unmet care needs and/or depend on informal unpaid care by family members.

This study asks how European welfare states differ in the extent to which their institutional constellations of pension and LTC policies address the social risks of older people with care needs. To investigate this question, we analyse the degree of generosity of both policy fields in Denmark, England, Germany, Italy and Poland, each of which represents a different type of welfare regime (Esping-Andersen, 1999).

The study introduces a new methodological approach to measuring the generosity of pension and LTC policies at the institutional level, i.e. by focusing on access and benefit levels. It likewise considers the combined generosity of both policy fields and its potential for covering the social risks of retired people with care needs.

The following section discusses the literature on pension and LTC policies, after which part three introduces our analytical and methodological framework. Part four presents the empirical findings of our cross-national comparative study of the two policy fields. Part five discusses the paper's findings and offers a conclusion.

State-of-the-art

One of the key functions of mature welfare states is to protect against social risks by providing social rights to social security and services (Esping-Andersen, 1999; Taylor-Gooby, 2004). In industrial societies, welfare states were primarily aimed at protecting against 'old social risks', especially of male breadwinners arising from the lack of labour market income due to illness, invalidity, unemployment and old age (Bonoli, 2007; Taylor-Gooby, 2004). Policies that address these old social risks, such as pensions, often require fulltime uninterrupted employment trajectories that are more typical for male workers than for female workers whose employment histories are more likely interrupted and of lower work intensity owing to caregiving (Frericks, 2022; Kuitto et al., 2021). With the transformation to post-industrial society, the established welfare states came under increasing pressure owing to de-industrialization, the rise of atypical employment and the increasing labour market participation of women that poses 'new social risks' of insufficient pension

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income in old age and declining family care potential (Bonoli, 2007; Taylor-Gooby, 2004). Therefore, needing LTC has been characterised as a new social risk in its own right (Fischer et al., 2023). Consequently, current and future cohorts of older people with care needs are exposed to both types of social risks.

Demographic ageing, tertiarization of employment and women's increasing labour force participation have also affected European welfare states' approaches to covering these risks through considerable reforms, however, with varying consequences in pension and LTC policies (Kuitto et al., 2021; Ranci and Pavolini, 2015). In the field of pension policy, welfare states are often unable to fully cover the new social risks posed by labour market de-regulation and a rise in non-standard employment to pension incomes, especially of low-qualified men and women with interrupted employment biographies (Emmenegger et al., 2012; Hinrichs, 2021). From a comparative perspective, particularly those welfare states offering comprehensive universal pension coverage for all citizens regardless of their employment history are better suited to address new social risks than welfare states with a strong orientation towards uninterrupted full-time employment and higher income replacement rates, such as the conservative or Mediterranean welfare states (Bonoli, 2007). However, particularly conservative welfare states have, to some extent, responded to these risks by recognizing specific periods of familial care provision in the calculation of pension benefits (Frericks, 2022).

Furthermore, the economic situation in old age, together with the family situation and availability of affordable extra-familial care services, affects older care-dependent people's risks of insufficient LTC provision. In LTC policies, welfare states can address older care-dependent people's social risks by 'de-familialising' policies that provide extra-familial care services or by 'supported familialism' (Saraceno, 2016), which means that LTC policies provide public funding for 'semi-formal care' (Geissler and Pfau-Effinger, 2005) by family members, friends and neighbours to secure adequate care provision. In recent years, welfare states have taken increasing responsibility for funding and partly providing extra-familial care services (Ranci and Pavolini, 2015) and have also introduced cash payments to support semi-formal care (Da Roit and Le Bihan, 2019).

Comparative research has shown that especially those welfare states that pursue de-familialising policies by offering publicly funded extra-familial care, such as Scandinavian countries, can cover potential care gaps due to women's higher employment rates (Ranci and Pavolini, 2015), while welfare states that support family care with cash payments or social security rights for carers can ease the risks associated with caregiving (Eggers et al., 2020; Saraceno, 2016). However, if the welfare state takes too little responsibility for care provision, by neither providing extra-familial care services nor supporting care by family members or close others ('unsupported familialism'), older people's families will be forced to provide the care themselves (Saraceno, 2016). This, however, might lead to immediate financial problems and future risks of lower pension income if the caregiving family members have to interrupt their employment (Frericks et al., 2014). For those older people with no family nearby to provide the care, such a policy can pose the immediate risk of insufficient LTC care provision.

Moreover, if welfare state support for care is overall low, but combined with an adequately developed care infrastructure, this could indicate that older people tend

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to pay privately for their care services, which could entail greater old-age poverty risks, especially if means-tested schemes for accessing publicly funded extra-familial LTC are lacking and pensions are low. It could also lead to disparities between those who can afford to pay privately for services and those who cannot and have to rely on family care.

The foregoing shows that the institutional constellation of pension and LTC policies is of high relevance to a welfare state's potential to cover social risks to older people with care needs. The risks of insufficient pension income and care provision in old age are strongly related, as in most welfare states severe care needs can create considerable financial burdens (Eggers, 2023; Grages et al., 2021). However, welfare states differ considerably in entitlement rules, logic of coverage and generosity leading to cross-national differences in inequality and social risks structures in Europe. LTC policies are typically more generous in social–democratic and conservative welfare states, which often combine generous de-familialising policies with policies of supported familialism, and less generous in Mediterranean, post-socialist or liberal ones, where unsupported or marginally supported familialism is more common (Eggers, 2023; Grages et al., 2021; Saraceno, 2016). In pensions, the replacement rate, a commonly used indicator of generosity (Scruggs, 2007), is comparatively low in some liberal welfare states (e.g. the UK), but rather high in some conservative (e.g. Luxemburg and Austria) and Mediterranean ones (e.g. Portugal and Italy), while many social–democratic (e.g. Sweden) and post-socialist (e.g. Slovenia) welfare states are located between these two poles (OECD, 2019). Hence, we assumed that European welfare states' institutional constellations of pension and LTC policies differ in terms of policy generosity and that, accordingly, the extent varies to which they address the social risks associated with care dependency in old age.

The scarce studies that have so far reflected on the interrelation between the generosity of pension and LTC policies have focused on its implications for institutional development (Adams et al., 2016; Łuczak, 2018; Ranci and Pavolini, 2015). Cross-national comparative research that systematically analyses the institutional constellations of pension and LTC policies with regard to their potential to address the social risks faced by older people with care needs is lacking; the present paper addresses this topic.

Analytical framework

To analyse cross-national differences in the extent to which pension and LTC policy constellations address older people's social risks, we introduce a new analytical approach that considers the institutional constellation of LTC and pension policy, and a new methodological approach for measuring the generosity of both policy types. We argue that low generosity results in social security gaps, i.e. insufficient coverage of older care-dependent people's social risks. These risks thus depend on the institutional constellation of policies towards public pensions and LTC.

Welfare state generosity can be measured on the basis of social expenditure, benefit recipiency and social rights data (Otto, 2018). The latter is of interest to us, since we apply an institutional perspective to welfare state generosity. We intentionally did not measure the generosity with outcome-related indicators but

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Table 1. Typology of institutional constellations of generosity in pension and LTC policies

Generosity of pension policy	Generosity of LTC policy	
	High	Low
High	Complementary	Pension-oriented supplementary
Low	LTC-oriented supplementary	Residual

Source: Authors' own research.

briefly reflect on outcome data in the discussion of the findings. In accordance with Saxonberg (2013, p.31), we assumed that "[b]y blurring the dividing line between policies and outcomes, we lose the ability to analy[s]e how policies influence society" and thus the ability to reflect on how policies affect social risks on an institutional level (see also Eggers et al., 2020).

Constellations of the policy fields

The interplay of institutions within the framework of institutional constellations forms an important basis for the functioning of modern welfare states (Hall and Soskice, 2001; Pfau-Effinger, 2005). However, in the past two decades, social policy research has become increasingly specialized in specific social policy areas (Yerkes et al., 2022). We argue that it is crucial to acknowledge broader institutional contexts to understand the functioning and effects of specific social policy constellations. To capture the varying degrees of pension and LTC policy generosity, we developed a typology with four types of institutional constellations (Table 1). More precisely, we developed an explanatory typology since it presents a form of deductive theorizing and it entails the explicit formulation of hypotheses about patterns in the case distribution within a particular property space (Møller and Skaaning, 2017, p.1019). In synergistic terms, the four types of institutional constellations can be characterized as 'residual', 'pension-oriented supplementary', 'LTC-oriented supplementary', or 'complementary' (Deeg, 2007).

- *Complementary:* Two policies are considered complementary if the presence of one supports the effectiveness of the other. If welfare states offer highly generous pension and LTC policies, the two policies can be expected to reinforce each other in covering the social risks associated with old-age care dependency, leaving few gaps in protection.
- *Pension-oriented supplementary:* If the welfare state promotes pension policy with high generosity and LTC policy with low generosity, older people might use the generous pension payments to fully or partly compensate for the lack of publicly funded care provision.
- *LTC-oriented supplementary:* If the welfare state promotes generous LTC support and pension policy with low generosity, LTC support might somewhat cushion the financial pressures entailed by a low pension.
- *Residual:* If pension and LTC policy generosity is low, there will be substantial gaps in the public provision of protection for older people with care needs. This

policy design is inadequate to addressing older people's social risks of insufficient income and insufficient care provision, which might be cushioned only by the informal support of family members or means-tested welfare safety nets.

This article is based on a cross-national comparative case study of pension and LTC policies in five European welfare states – Denmark, England, Germany, Italy and Poland – each of which represents a different type of welfare regime (Esping-Andersen, 1999). Since LTC policies differ within the UK, we selected England as a case for analysis. We used document analysis of care policy and pension laws and most recently available data from comparative databases, i.e. European Association Working for Carers (EUROCARERS), Mutual Information System on Social Protection (MISSOC) and Organisation for Economic Co-operation and Development (OECD).[1] Our empirical analysis was restricted to the analysis of legal regulations in force in the relevant national welfare state institutions (Appendix 1, Table A1).

On the basis of the abovementioned characteristics of the different welfare regime types regarding the coverage of social risks related to public pension and LTC policies, we can expect to find complementary constellations in the social–democratic (Denmark) and, to a somehow lower extent, in the conservative (Germany) welfare states; a pension-oriented supplementary constellation in the Mediterranean welfare state (Italy); and residual constellations in the liberal (England) and post-socialist (Poland) welfare states. We did not expect to find a LTC-oriented supplementary constellation among the five countries.

Operationalization

Drawing on literature on welfare state generosity from an institutional perspective (Eggers et al., 2020; Otto, 2018; Ranci et al., 2019; Scruggs, 2007), we measured pension and LTC policy generosity on the basis of two key indicators: (a) access to benefits and (b) the extent of those benefits that we examine separately for both policy fields. However, both policy fields follow different logics with regard to both indicators. For example, while pensions aim at income-replacement for people in old age covering the vast majority of the population, LTC policies focus on the more specific group of people with care needs and their (partial) risk coverage. Despite these differences in logics, the question of how access and extent are regulated applies to both policy fields addressing older people with care needs what allows a combined analysis. We used several sub-indicators concerning institutional regulation. For pension generosity, we analysed qualification periods, coverage, statutory retirement age and overall replacement rate of mandatory old-age security schemes. For LTC policy generosity, we analysed needs-testing, means-testing, and restrictions of eligibility to semi-formal care by family members, friends and neighbours as well as the average co-payment that the welfare state contributes to comprehensive care provision in residential care homes, by professional homecare services and/or semi-formal care (Appendix 2). From a perspective that considers social risk protection at the societal level, we argue that both key indicators for generosity are equally important, since limited access to benefits would leave part of

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the population in need unprotected, and an insufficient extent of benefits would fail to fully address social risks of older people with care needs. If either is designed in a non-generous way, older people will have to cover unmet care needs partly or fully by other means on the basis of informal care provision by family members, private financial resources or means-tested welfare safety nets. Since the two key indicators are in a 'trade-off relationship' (Ranci et al., 2019), ignoring one indicator for generosity can lead to a significant underestimation of social risk exposure.

Lastly, we examined cross-national data on gaps in public LTC support and poverty risks among older people (65+ years) to compare these findings with our analysis on policy generosity. For LTC, we assessed the gap between care demand of older adults and actual coverage by public support measures using data from the European Health Interview Survey (EHIS, 2019), European Commission, 2021) and national statistics (Eggers, 2023). For poverty risks, we used the at-risk-of-poverty rate for older adults with care needs from the European Union Statistics on Income and Living Conditions (EU-SILC, 2023) (Appendix 3).

Findings

Pensions

This section presents the indicators used to measure pension system generosity and investigates the mandatory pension schemes of the five studied countries.

A country's overall pension system often consists of several pension schemes. These can be public, occupational or private pension schemes. However, only mandatory pensions are of interest to us because only these help to avoid social security gaps in the wider population. In the case of Denmark, we also considered occupational pensions because they are characterised as quasi-mandatory in the literature (Andersen, 2011).

Access

To measure access to pension schemes we had to consider, first, the qualification periods. Most studied countries show a short or undefined qualification period. Eligibility for the German *GRV* requires at least 5 years of insurance. Pensioners with at least 33 insurance years can receive the pension supplement (*Grundrente*); however, no minimum pension amount is specified (MISSOC, 2023). While there is no qualification period for the Danish *ATP*, the *Folkepension* requires at least 3 years of residence between age 15 and retirement age, and 40 years of residence between age 15 and retirement age for a full pension. In Poland, for persons born after 1949, there is no qualification period for an old-age pension without a guaranteed minimum, but for an old-age pension with a guaranteed minimum, an insurance period of at least 20 years is required for women and 25 years for men. The Italian pension system does not include a qualification period. However, men need 42 insurance years and 10 months for a full pension, and women need 41 years and 10 months. To retire at regular pension age, the pension amount must be at least one-and-a-half times the amount of the *assegno sociale* (social allowance). Only England has a long qualification period, since at least 10 insurance years are required to receive only a reduced amount of the New State Pension. To receive a full pension, 35 insurance years are required.

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Secondly, who is covered by the pension schemes? The most encompassing scheme is certainly the universal Danish *Folkepension,* which covers all Danish residents who fulfil the qualification period. The Danish *ATP*, however, covers only social insurance recipients and employees who work more than 9 hours/week, while 85% of the employed workforce is covered by occupational pensions. Nevertheless, the Danish pension system's overall coverage is high. By contrast, coverage in all other countries is low. In England, the New State Pension is open to all employees or self-employed persons fulfilling the qualification period, while the workplace pension scheme is available to employees aged 22 to pension age who earn more than £10,000/year. In Poland, employees and most self-employed persons are mandatorily insured by the same pension system. Coverage is most selective in Germany and Italy. In Germany, employees and self-employed individuals (e.g. midwives, teachers, craftsmen) must be insured by the *GRV*. This also applies in Italy to private sector employees and the self-employed (farmers, tenants, craftsmen, tradespeople), civil servants, professionals and atypical workers with at least 5 insurance years as former employees.

Thirdly, with regard to statutory retirement age, only Poland shows a low retirement age: 60 years for women and 65 years for men. The other countries are characterized by a high retirement age. Italy's and Germany's retirement age is 67 years, England's is 66 years, and Denmark's is 67 in 2023 (69 years from 2035 on).

In summary, access to mandatory pension schemes is low (score: 0) in England. It is low to medium (score: 1) in Germany and Italy. In Denmark and Poland, access is medium to high (score: 2).

Benefit level

The second indicator of pension system generosity is the pension replacement rate, which we used as a proxy for the benefit level and which varies substantially among the five countries (OECD, 2021). The average production worker's net replacement rate is highest in Italy, at 91.8% (score: 4). Denmark shows a medium-to-high replacement rate of 70.9% (score: 3). In Germany, the replacement rate is medium level, at 51.9% (score: 2). Finally, England (28.4% of the state pension) and Poland have low-to-medium replacement rates (score: 1). Poland is the only country in which replacement rates differ between men (35.1%) and women (27.3%).

Overall generosity

To assess the generosity of five countries' pension systems, we added the scores of the two indicators (Table 2). Italy and Denmark show medium-to-high generosity (score: 5); Germany and Poland show low-to-medium generosity (score: 3). Generosity in England is low (score: 1).

LTC policy

This section presents the indicators measuring the national LTC policy generosity in the five studied countries.

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Table 2. Generosity of pension and LTC policies

Country	Pensions: Access (max. 3 points)	Pensions: Benefit level (max. 4 points)	Pensions: Overall generosity (max. 7 points)	LTC: Access (max. 3 points)	LTC: Benefit level (max. 4 points)	LTC: Overall generosity (max. 7 points)
Denmark	2	3	5	3	4	7
England	0	1	1	1	2	3
Germany	1	2	3	3	2	5
Italy	1	4	5	2	1	3
Poland	2	1	3	0	1	1

Source: Documents of national pension and LTC laws, Eggers et al. (2020), EUROCARERS (2022), MISSOC (2023) and OECD (2019).

Access

To measure access to publicly funded LTC provision, our first indicator refers to the strictness of regulations on needs-assessment procedures. The studied countries vary significantly in this regard. In Denmark, there is no defined minimum level of care dependency, and any request for personal and practical assistance must entail a needs assessment by local authorities. The German welfare state offers public support for extra-familial and familial LTC if older people pass a non-strict needs test that includes people with care needs ranging from minor to severe impairments of independence. In England, under the Care Act, only people who have substantial care needs pass the non-strict needs-assessment conducted by local councils or independent agencies. In addition, the National Health Service (NHS) provides cash transfers (Attendance Allowance) to care-dependent people who pass a non-strict needs test which is evaluated by officials of the Department of Work and Pension. In exceptional cases of severe medical conditions, LTC in nursing homes is completely funded by the NHS and based on a strict needs assessment. Italy and Poland also have strict needs testing. In Italy, it is established by a medical commission and requires 100% dependency (openly defined as complete disablement due to physical or mental conditions, inability to move without constant assistance, or need of ongoing support for daily tasks) for entitlement to both cash and in-kind benefits.[2] In Poland, there is a strict needs assessment for those who apply for residential care or specialized social services. Cash transfers such as the Medical Care Allowance and Medical Care Supplement are also granted to people with moderate disability who need part-time or periodic support.

The second indicator refers to the presence and strictness of means testing which determines whether an individual with care needs is fully or partly eligible for public support. While there is no means testing in Germany, Italy or Denmark, the English LTC policy denies people with annual income and assets above £23,250 access to public LTC support under the Care Act. Similarly, most Polish schemes are strictly means tested, which, in case of residential care and the Special Attendance Allowance for family caregivers (*Specjalny zasiłek opiekuńczy*), includes all incomes

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of older people and that of their immediate family living with them (Łuczak, 2018; Sowa-Kofta, 2018). Moreover, homecare services are only fully publicly funded for people with a gross income less than €166/month (single) or €128/month (household) (MISSOC, 2023). Means testing in Poland and England is considered strict, since thresholds for denying access are below the national median household income.

The third indicator refers to further restrictions on access; these are especially relevant in cases of publicly funded semi-formal care by family, friends and neighbours. While there are no further restrictions in Germany, Denmark, or Italy, in England, access (Carer's Allowance) is denied if semi-formal caregivers (including family members and non-related persons) earn more than £556/ month in formal employment. Moreover, direct payments are only granted to family members under very specific circumstances, for instance, in case of co-habitation or language barriers. Further restrictions also apply in Poland, where access to the Special Attendance Allowance for familial care is denied if the caregiving spouse/ partner is employed. Furthermore, payment for homecare services is mainly granted to people lacking the possibility of family care (Łuczak, 2018), while the Medical Care Supplement is restricted to people aged over 75.

To summarize, access to publicly funded LTC is low in Poland (score: 0); low to medium in England (score: 1); medium to high in Italy (score: 2); and high in Denmark and Germany (score: 3).

Benefit level

To measure LTC policy benefit level, we analysed the degree to which the welfare state co-pays care costs and thereby allows for encompassing care provision. Again, we saw large cross-national variation. The benefit level is high in Denmark (score: 4), which covers 80–100% of LTC costs. However, while comprehensive homecare services are completely free of charge, and familial LTC is generously compensated with direct payments at approximately €22/hour, LTC in residential care homes is associated with individual co-payment of approximately 25% of the care costs. In German and English LTC policy, the benefit level is medium (score: 2) with about 40–59% of LTC costs covered by the welfare state. While basic homecare services are free of charge in Germany, LTC in residential care homes is associated with considerable co-payment (€1,874/month on average; see Rothgang and Müller, 2019). Furthermore, cash payments that older people should use for family care (up to €905) barely cover more than half the wage of a professional homecare worker. In England, co-payment for residential care homes and homecare services depends on the claimant's income and assets. While LTC provision is completely financed by the welfare state for people with an annual income and assets below £14,250, people with financial resources between this and an upper threshold of £23,250/year have to contribute progressively to the costs. Public allowances for in-family care (£714/month for Attendance Allowance combined with Carer's Allowance) cover less than half the wage for professional care provision. The benefit level is low to medium in Italy and Poland, with 20–39% of LTC costs covered by the welfare state (score: 1). In Italy, the level of individual co-payment for extra-familial care also varies with the

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care-dependent person's economic situation; low-income people are partially or fully exempt from co-payment (MISSOC, 2023). On average, only one-third of the costs for homecare services and residential care is publicly covered. Public support for family care barely covers more than half the wage of a professional carer (€515/month). In Poland, individual co-payment for homecare services (limited to a maximum duration of 6 months) and residential care can amount to up to 70% of older people's income. Care allowances such as the Medical Care Supplement (€55/month) or the Special Attendance Allowance for family caregivers (€142/month) are low, covering only about 20% of a professional care worker's wage.

Overall generosity

To assess LTC policy generosity in our five welfare states, we added the scores of the two indicators (Table 2). Denmark shows high generosity (score: 7), followed by Germany, with an overall medium-to-high generosity (score: 5). The Italian and English LTC policies show low-to-medium generosity (score: 3), and the Polish one shows low generosity (score: 1).

Discussion and conclusions

Since the 1990s, pension and LTC policies have undergone major reforms as population ageing has put welfare states under pressure. These policies significantly impact how welfare states address social risks of older people with care needs. However, surprisingly little research examines the interplay between pension and LTC policy generosity. Our study seeks to fill this gap by exploring how European welfare states differ in addressing these social risks. To answer our research question, we draw on Deeg's (2007) conceptual approach to analyse the interplay of institutions within institutional constellations. We measured the generosity of pension and LTC policy at the level of institutional regulations that determine the two indicators of access and benefit level. We identified four institutional constellations of pension and LTC policies that may be called 'complementary', 'pension-oriented supplementary', 'LTC-oriented supplementary' or 'residual'.

The findings of our cross-national comparison of pension and LTC policy generosity show clear variations in the social risk protection of older people with care needs in the studied countries. As Table 3 summarizes, the Danish policies, characterized by a complementary constellation, provide overall higher pension and LTC generosity and therefore show the highest potential for covering older, care-dependent people's social risks, including the new social risk of becoming care dependent. The Polish and English policies show low generosity within a residual constellation and a rather low potential to cover both old and new social risks. Germany conforms with an LTC-oriented supplementary constellation. Although Germany, as a conservative welfare state, has been characterised as being more oriented towards old social risks, support for LTC is more generous than for pensions, indicating a novel focus on new social risks. By contrast, Italy shows a pension-oriented supplementary constellation that has a higher potential to cover the old risk of insufficient old-age income.

Table 3. Typology of institutional constellations of pension and LTC policies in European welfare states

Generosity of Pension Policy	**Generosity of LTC Policy**			
	High	Medium-to-high	Low-to-medium	Low
High	*Complementary*			*Pension-oriented supplementary*
Medium-to-high	Denmark		Italy	
Low-to-medium		Germany		Poland
Low	*LTC-oriented supplementary*		England	*Residual*

Source: Authors' own research.

With the exception of the German conservative welfare state, our expectations regarding the design of the institutional constellations based on welfare regime affiliation of the study countries were met. One reason for the deviation of Germany are recent reforms in LTC and pension policies that introduced a comparatively generous universal LTC policy with features of the social–democratic regime type, whereas the pension policy's generosity was overall diminished shifting it closer to the liberal regime type (Eggers et al., 2020; Ferragina et al., 2015).

As argued earlier, pension and LTC policy follow different logics regarding the access to benefits. While pensions aim to replace people's income in old age and thus cover the vast majority of the population, LTC policies focus on the more specific group of people with care needs. Considering these different logics, what if older people are not sufficiently covered by the regulations presented in the previous section? Or in other words, to what extent do welfare states' institutional constellations address older people's social risks related to insufficient income in old age and insufficient care provision independently of individual wealth and family context? To answer this question, we consider additional (means-tested) minimum-income protection schemes.

The Danish complementary institutional constellation offers comprehensive old-age security, as the policy fields act as complementary protection shields. This indicates a high potential for covering older people's social risks. All older people with care needs are entitled to comprehensive publicly funded LTC without noteworthy private co-payments or having to draw on pension income, which could create poverty risks. To protect older people with low pensions from further financial need, the welfare state offers a means-tested pension supplement *Pensionstillæg* (Danish krone [DKK] 7,745/month) that tops up the *Folkepension* (DKK 6,694/month) (MISSOC, 2023). Moreover, families are considerably unburdened of caregiving for their older relatives since the welfare state assumes the main responsibility for this. However, the LTC policy also offers generous public funding for semi-formal care within the family (Frericks et al., 2014). Hence, the

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Danish institutional constellation combines de-familialisation and supported familialism allowing the option to choose between both alternatives.

By contrast, England's residual LTC and pension constellation has a low potential for protecting against social risks. The pension policy addresses, to a limited extent, the risks of insufficient income in old age and, as a result, old-age poverty, especially in older people who do not fully qualify for the New State Pension. The LTC policy is only slightly more generous, manifesting as the inaccessibility of public support to the majority of older people with care needs and as considerable individual co-payments towards LTC costs. Only those below the poverty line, calculated as 60% of the median equivalized income of those aged 65 years and older (ONS, 2021), are exempt from co-funding and thereby protected against the risk of insufficient care provision. However, in case of fully publicly funded care, older people are allowed to keep only a very small share of their monthly income, and home ownership is accounted for in the means test (Glendinning, 2021). Altogether, the English residual constellation strictly targets the very poor, to whom it offers a last resort safety net against the risk of insufficient care provision in case of poverty. Family care is a common substitute for little-supported extra-familial care, but the public allowances for it are low-level, and family care comes at the cost of full employment of caregivers of working age. Accordingly, the English residual constellation presents a form of marginally supported familialism including minor elements of (market-based) de-familialisation.

The Polish institutional constellation is also characterized as residual and shows similarly low potential for covering older people's social risks. However, since it provides, under specific conditions, a non-means-tested minimum pension guarantee and, if the conditions are not met, a strictly means-tested social benefit, the Permanent Allowance (*Zasiłek Stały)* of maximum €153/month (MISSOC, 2023), its policies can help mitigate the risk of old-age poverty. Moreover, care provision and cost coverage are only publicly provided when older people have severe care needs, are very poor and/or have no family to pay for or provide the care. Since extra-familial care provision is subsidiary to informal family care (Łuczak, 2018), most care is provided by family members and not subject to monitoring or quality control, which could entail the risk of unmet care-related needs for older people and financial burdens for families (Sowa-Kofta, 2018). This is why Polish policies are a clear example of unsupported familialism. The guarantee of a minimum pension, the means-tested Permanent Allowance and the Medical Care Supplement can, to some extent, help unburden families from supporting their older relatives. However, since individual co-payment towards extra-familial care costs depends on the older person's and their immediate family's income, the old-age security system can only be expected to prevent extreme poverty due to LTC needs.

The Italian pension-oriented supplementary constellation shows a higher variance in the support of the two policy fields, which points to a medium-level potential for addressing older people's social risks. The higher generosity of the guaranteed minimum pension and the safety-net of the means-tested social allowance (*assegno sociale*)[3] mitigate the risk in old-age poverty. However, as care provision is mainly delivered by family members or undeclared live-in migrant caregivers, there is no monitoring of its quality (Pavolini et al., 2017) and only

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low-level public support in the form of an unregulated cash payment for the semi-formal caregivers. Hence, the Italian LTC policy can also generally be classified as unsupported familialism, even though some elements of support exist. Moreover, the generous pension and means-tested minimum income schemes for older people could function as supplements to compensate for the LTC cash benefit's low generosity.

Finally, Germany's LTC-oriented supplementary constellation also has medium-level potential for protecting against social risks, but these risks point in the opposite direction. This means that older people living on below-average incomes and lacking additional financial resources could face poverty risks, which may in turn affect their choices of care provision. Thus, it seems plausible that they might use cash benefits destined for care by family members as additional household income to supplement the lower pension income. However, by this, they risk having insufficient care provision, or rely on unpaid care provision by family members, a continuously widespread and culturally practice (Frericks et al., 2014). Even though the German LTC policy, in principle, includes pronounced de-familialising elements, Germany's institutional constellation can be characterized as a form of supported familialism in practice. Furthermore, there are two schemes that protect against old-age related social risks: The means-tested *Grundsicherung im Alter und bei Erwerbsminderung* (basic income support in old age and in the event of reduced earning capacity) protects older people with very low pensions from the greatest poverty risks and the strictly means-tested LTC support (*Hilfe zur Pflege* [help with care]) supports care-dependent people who cannot afford the additional costs for residential care or homecare services (Rothgang and Müller, 2019).

In case the welfare state does not sufficiently protect against the old-age related social risks, the family usually provides the last safety net that offers financial or informal caregiving support, which spreads the risks over generations, burdening especially the mainly female caregivers. To compensate for these risks, all studied welfare states introduced financial support for family care; however, requirements for access are often strict, and the benefits for family care are, except for the Danish case, small compared with wages of professional care assistants (Eggers et al., 2020).

Our study shows that country-specific pension and LTC policy constellations address older people's social risks to varying degrees. Where the institutional constellation has an overall lower generosity, it is essential that the welfare state offers a targeted minimum support scheme for those with the greatest need to fill the social security gaps. Those welfare states without a generous approach to pension and/or LTC policies, such as Poland and England, do offer at least some kind of additional minimum protection scheme. It is, furthermore, shown that these policy fields can supplement each other, i.e. with cash payments for familial LTC potentially used as additional household income, as in Germany, or with the pensions and minimum income schemes used as co-funding for care, as in Italy.

What, then, are the consequences of these policy regulations and institutional constellations on the living conditions of older people with care needs? Although a systematic investigation of this question is beyond the scope of this paper, data on the at-risk-of-poverty and care gaps of older people with care needs provide some important insights (Fig. 1). Among the five countries, there is a relationship between

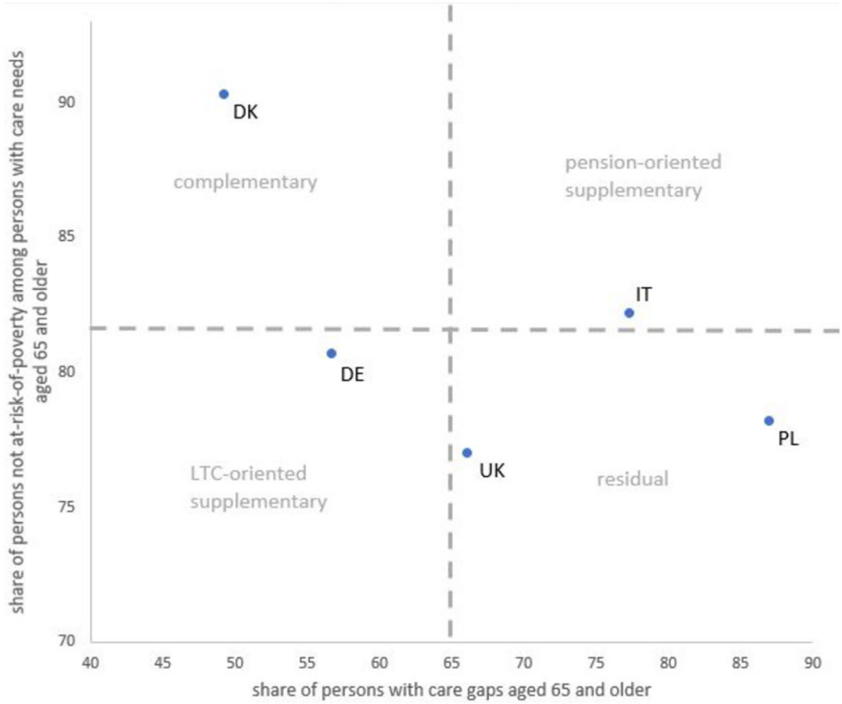

Figure 1. At-risk-of-poverty and care gaps of older people with care needs.
Source: Authors' own research based on EU-SILC data for 2019 (2018 for the UK), EHIS data for 2019 (2014 for the UK), European Commission's LTC Report 2021 and national statistics.

the share of people who are (not) at-risk-of-poverty and those with care gaps. While in Denmark care gaps and the at-risk-of-poverty are comparatively low, they are higher in the other four countries, especially in England (the UK) and Poland. This pattern fits rather well with the assignment of country-specific institutional constellations to our typology in Table 3. However, these findings need to be interpreted with caution: EU-SILC data that were used to determine the share of older people with care needs at risk of poverty do not include people living in care homes. Moreover, we had to use data for the UK and not for England.[4] In addition, our data on care gaps from EHIS, European Commission, 2021) and national statistics only consider lacking access to public LTC support and do not capture insufficient extent of benefits. These aspects probably lead to an underestimation of the at-risk-of-poverty population and the care gaps of older people with care needs. Lastly, when comparing aggregated data, there is always the risk of an ecological fallacy (EU-SILC offers no data on care gaps). Despite these limitations, Fig. 1 shows that our typology of institutional constellations might also help to understand country differences regarding outcomes of social risks of older people with care needs. This issue should be studied in more detail in future research.

To sum up, our investigation has generated new insights into the extent to which older people's social risks are addressed in different European welfare states. It highlights the two policy fields of pensions and LTC in a combined perspective

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that is crucial in assessing the situation of older people with care needs. This speaks to recent research that called for a broader perspective on the interaction of multiple social policy fields (Yerkes et al., 2022). We argue that welfare state research should more often apply combined analysis of policy areas relevant to specific vulnerable groups in society. For social policy practitioners, reflecting the fact that policy changes in one field may crucially affect others is also important. Furthermore, a country-comparative perspective may reveal a whole spectrum of possible institutional constellations. The Italian and German cases show that institutional constellations with a higher degree of generosity in one policy field and lower generosity in the other might have different consequences for different groups of older people with care needs.

For future research, it could be insightful to include healthcare policies in the analysis of the social risks faced by older people with care needs. This was, however, beyond the scope of our paper. Moreover, an analysis covering a larger set of countries would reveal how they cluster into different types of institutional constellations.

Supplementary material. To view supplementary material for this article, please visit https://doi.org/10.1017/S0047279425101189

Data availability statement. Some of the results presented in this paper are based on analysis of data from Eurostat, European Union Statistics on Income and Living Conditions (EU-SILC), 2018, 2019. The responsibility for all conclusions drawn from the data lies entirely with the authors. Other data that support the findings of this study are available from the corresponding author, upon reasonable request.

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Notes

1 In the case of English pensions, 2019 MISSOC data were the most recent data.
2 In practice, uncertainty and opacity in Italian and English needs-assessment criteria can lead to ambivalent outcomes: LTC programmes' generosity can be expanded without policy reform when needs increase in times of austerity; discretion may limit access to support (Ranci et al., 2019).
3 Up to €6,542.51/year for persons aged 67 years and older with very low income (below €6,542.51 for singles) (MISSOC, 2023).
4 Research on LTC policy in the UK shows that it is less generous in England than in Scotland, Wales and Northern Ireland since basic homecare services are in part free of charge, and means testing is less strict (Glendinning, 2021). Thus, we can assume that care gaps in England are even larger than the UK data indicate.

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