

Book reviews

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Long-Term Care Reforms in OECD Countries. Cristiano Gori, Jose-Luis Fernandez and Raphael Wittenberg (Eds.) Policy Press, 2016, ISBN: 978 144731 071 6, 306 pages. doi:10.1017/S1474747217000063

The new book “Long-Term Care Reforms in OECD Countries,” edited by Cristiano Gori, José-Luis Fernández, and Raphael Wittenberg (2016), represents a major advancement in the understanding and comparison of long-term care across diverse developed countries. This book delves into the most important aspects of long-term care, including funding, different ways of providing care, and institutions. It has several aspects that will appeal to academics and policymakers alike. Each chapter provides a conceptual framework of the issue at hand, specific comparisons across many countries, and lessons learned. The book illuminates why OECD countries differ in their current institutional arrangements for solving the common problems of providing quality long-term care for a growing population. Politics, culture, and history have shaped the underlying economic forces. This book is a valuable contribution to the literature.

Wittenberg reviews the main determinants of demand for long-term care, including informal care. As is well known, he argues that it is not aging per se but disability rates that are the main drivers of demand, and these rates vary considerably across OECD countries. Because the supply of informal care is so often provided by daughters, the labor market for women and the public provision of formal care will dictate the supply of long-term care in the future. Wittenberg also raises the important point that preferences for different types of care, as distinct from need, vary considerably across cultures and countries. These preferences may play an important role in shaping demand, supply, and the public provision of long-term care in the future.

Fernandez and Nadash review the challenges of publicly funding long-term care. They provide great details about the systems in Germany, Japan, France, United States, United Kingdom, Netherlands, South Korea, and Taiwan. Most importantly, they draw lessons from the details that help explain both trends and differences across countries. For example, I found it interesting that ban on cash payments in Asian countries, in contrast to European countries, has to do both with women’s groups opposing the use of cash payments that might lock women into traditional caring roles and the need to finance formal alternatives to informal care. This chapter provides a terrific overview of these countries.

Campbell and colleagues take on the considerable challenge of comparing public long-term care spending across seven countries (Australia, England, Germany, Italy, Japan, Sweden, and the United States). They limit the comparisons to public spending on people age 65 and older. The comparisons are revealing. Sweden spends by far the most overall, as well as the most for institutional care. One important source of care is what the authors call nursing +, intense care in the municipality. The US spends the least, in part because of high cost-sharing and means testing. The authors are able to draw conclusions from their comparisons about how countries achieve cost control through limiting eligibility and using cost sharing. They argue that the use

of direct cash benefits in Germany does not explain lower overall spending, instead it is aversion to institutional care.

Gori and colleagues, in a chapter related to the one by Campbell et al., discuss the trends in public financing over time in six countries (England, Germany, Italy, Japan, Sweden, and the United States). They find two main common themes across these countries that have pursued long-term care policy in different ways. One is expansion of coverage for community care, the other is greater intensity of institutional care. This chapter has numerous insights into the political and economic forces that have shaped public long-term care policies over the last several decades.

Da Roit, Le Bihan, and Österle describe cash-for-care benefits, one of the newest ideas to spread in long-term care, particularly in Europe. They provide a comprehensive overview of the motivation for cash-for-care, and then describe how such programs affect the recipients, their family, and other providers. The discussion of user satisfaction reveals that although one would expect most users to be happier with cash-for-care, and many evaluation studies show that, but there is heterogeneity in response. This chapter is an excellent overview of the theory and recent literature on this important topic.

Quality of care is nearly universally decried as being poor, yet considerable resources are spent trying to measure it and improve it. Malley, Trukeschitz, and Trigg explore the many dimensions of quality of care, but ultimately explain that the instruments used to try to improve it have generally not been successful. Indeed, many countries still focus on process measures instead of outcomes. And measuring and rewarding quality of informal care remains uncharted territory.

Colombo and Muir document the challenges of developing a workforce to care for persons with long-term care needs. Faced with expected increasing demand, some countries are recruiting workers from abroad. Other solutions may include improving wages and job conditions for this labor-intense activity.

Informal care is rarely directly supported by public policy, but is indirectly affected other policies that affect substitute and complementary care. Schneider and colleagues describe the many ways that public policy can support (or not support) informal care. Unfortunately, rigorous studies about the cost-effectiveness of informal care are both lacking, and would often change conclusions about cost-effectiveness of public policies.

Taking a broader view of the importance of institutions, the last two chapters discuss the role of government and organizations at different levels. Hixon focuses on how long-term care is often not integrated with the rest of the health care system, but should be. Long-term care is usually financed separately and provided separately, but taking a more global approach would likely improve cost and outcomes. Theobald and Ozanne discuss how different levels of government, from local to national, influence the type of care provided.

I highly recommend this book to anyone who wants a deeper understanding of the problems of financing and providing long-term care in developed countries, as well as ideas for feasible solutions.

EDWARD C. NORTON

University of Michigan and NBER

King William's Tontine: Why the Retirement Annuity of the Future Should Resemble its Past. Moshe A. Milevsky. Cambridge University Press, 2015, ISBN 9781107076129, 257 pages. doi: 10.1017/CBO9781139879316 doi:10.1017/S1474747217000075

Retirement income products that guarantee payments for life are expensive due to the costs of the embedded protection against longevity risk. A growing academic literature develops alternative, less expensive product designs where longevity risk is not fully insured, but shared within