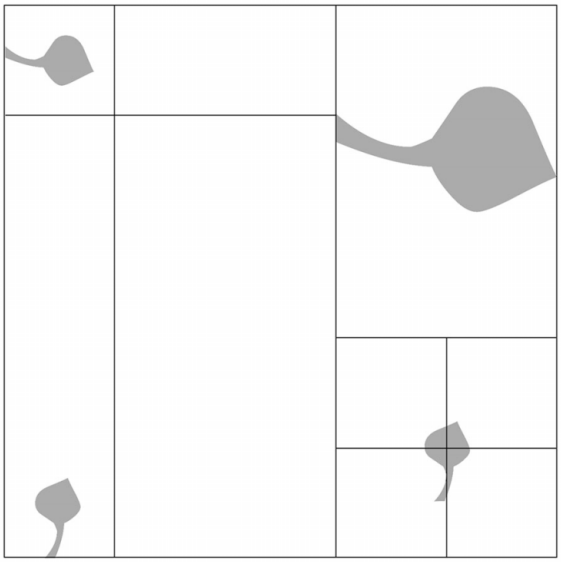
Extended abstract

An Innovative Model of Multilevel Governance in Rural Geriatric Care: The Institutional Reponse of the Lugo Provincial Council



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Highlights:

1. The Elderly Care Centers of Lugo Provincial Council constitute an innovation in rural public-public collaborative governance.
2. The model demonstrates local institutional resilience capacity in response to the absence of regional government funding for geriatric social services.
3. "Permeable institutionalization" allows users to maintain community bonds and domestic routines.
4. Flexible access based on territorial rootedness transcends biomedical paradigms of geriatric care.
5. Exclusively local investment generates multiplier effects reversing territorial depopulation dynamics.

Abstract: This study analyzes the Elderly Care Centres of the Provincial Council of Lugo as a paradigmatic case of peripheral institutional innovation in long-term care. The distinctive feature of the model (and the analytical thread of the article) is its governance: a horizontal public partnership between the Provincial Council and eighteen rural municipalities, structured through intergovernmental agreements and funded exclusively with local resources in the absence of regional co-financing. On this basis, the study examines three dimensions: the institutional architecture and its enabling legal instruments; the implementation of the Integrated Person-Centred Care paradigm through "permeable institutionalization" that preserves community ties and biographical continuity; and the role of the centers as instruments of sustainable rural development, with quantifiable multiplier effects: a fiscal return of 60–66 % and twenty-five jobs per center, with 80 % of hires being local. Based on a documentary analysis of ten agreements, economic management data, and participant observation at four centers, the results establish a critical viability threshold of 30-40 beds and identify as a central structural tension an annual operating deficit of 3.6 million euros borne by local governments, offering a model with the potential for transferability to territories facing similar sociodemographic challenges.

Keywords: Long-term care; Integrated Person-Centered Care; Depopulation; Aging in place; Intergovernmental collaboration.

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Extended Abstract

1. Introduction

Population ageing and rural depopulation constitute two of the most significant structural transformations affecting contemporary European societies, particularly in inland areas of the Iberian Peninsula. These dynamics are deeply territorial, reshaping socio-spatial organisation and challenging the sustainability of welfare provision in low-density regions. In Spain, 23.1% of municipalities are severely aged, with more than one third of their population over 65, a situation especially acute in peripheral rural areas.

The literature consistently highlights structural barriers to rural geriatric care, including limited access to specialised services, geographical dispersion, and the outmigration of qualified professionals to urban centres. This trend has intensified through a "second wave of depopulation", involving the loss of highly educated cohorts. At the same time, informal care systems—traditionally sustained by women—are increasingly unsustainable due to socio-economic change.

These constraints are compounded by the inefficiencies of service provision in sparsely populated territories, where higher per capita costs and the absence of economies of scale render conventional residential models largely unviable. Within this context, the province of Lugo represents an extreme case, with a population density of 32.9 inhabitants/km² and an ageing index exceeding 220%. Demographic projections indicate the potential disappearance of several municipalities in the coming decades.

In response to the limitations of regional provision, the Provincial Council of Lugo has developed, since 2010, a network of Elderly Care Centres (ECCs) through agreements with eighteen municipalities, financed entirely through local public resources. This case is analytically significant due to the convergence of three dimensions: horizontal public governance in a context of institutional gaps; the implementation of Integrated Person-Centred Care (IPCC) under constrained conditions; and a multifunctional territorial role combining care provision, employment generation, and population retention.

2. Objectives, Methodology, and Sources

The research addresses three questions: how collaborative governance and IPCC are operationalised in highly rural contexts; what territorial and socioeconomic impacts the ECC network generates; and under what conditions a locally financed model can be sustained.

Accordingly, three objectives are defined: to analyse the governance architecture between the Provincial Council and municipalities; to assess multidimensional territorial impacts; and to identify conditions for sustainability and scalability.

A qualitative case study design is adopted, grounded in critical realism and supported by methodological triangulation. Four strategies are combined: documentary analysis of agreements, reports, and budgets using categorical content analysis; participant observation in four centres (64 hours across eight days in 2024); analysis of secondary statistical data; and estimation of economic impact through regional input–output modelling.

The analysis follows an abductive logic, iterating between empirical evidence and theory. Findings were validated through a member-checking session with institutional actors.

3. Findings

The Provincial Council finances approximately 90% of capital investment (averaging 1.81 million euros per centre), while municipalities contribute land and 200,000 euros. Annual operating costs average 874,491 euros per centre, generating a total deficit of 3.6 million euros, distributed through a population-weighted formula (75% Provincial Council, 25% municipalities).

The governance model transcends the dichotomy between full public management and outsourcing. Core IPCC functions remain publicly managed, while ancillary services are selectively outsourced without compromising relational care. This reflects a hybrid institutional configuration adapted to rural constraints.

Only 28.3% of users present the highest dependency level, indicating that the model addresses broader needs beyond those recognised by the national system.

Access prioritises territorial attachment rather than strictly age or dependency criteria, aligning with ageing-in-place approaches and challenging age-based exclusion.

The socioeconomic impact is notable: each centre generates around 25 direct jobs, with 80% of employees residing locally, reinforcing labour markets and reducing commuting. Fiscal returns are estimated between 0.60 and 0.66 euros per euro of expenditure, evidencing significant local multiplier effects.

Participant observation identifies a form of "permeable institutionalisation", characterised by continuous interaction between centres and communities. Residents actively participate in local cultural life, contributing to knowledge transmission and reversing traditional care hierarchies. Care practices incorporate local cultural and gastronomic elements, enhancing well-being and continuity. Informal exchanges further sustain a moral economy underpinning social cohesion.

4. Discussion

The ECC model exemplifies decentralised governance and rural social innovation within the Spanish welfare system. It reflects an expansion of the welfare mix, where innovation emerges through intergovernmental collaboration rather than market provision, particularly in contexts where private actors are unviable.

Permeable institutionalisation challenges classical notions of residential care as a site of social rupture, demonstrating continuity in residents' social and cultural trajectories. This extends the IPCC paradigm by embedding care within territorial and community dynamics.

The identification of an optimal scale of 30–40 places per centre highlights the balance between economic viability and personalised care. Unlike similar models, however, the Lugo case operates without substantial regional or national funding, underscoring its institutional singularity.

Economically, the findings contest the perception of social expenditure as unproductive, demonstrating its role in local development through employment generation and income recirculation. Nevertheless, the absence of regional government funding remains a key structural limitation, raising concerns about long-term sustainability.

5. Conclusions

Four main conclusions emerge. First, horizontal intergovernmental collaboration overcomes scale constraints, achieving occupancy rates above 90%. Second, permeable institutionalisation enhances well-being beyond biomedical indicators, incorporating social and cultural dimensions. Third, local investment produces significant multiplier effects, supporting economic resilience and population retention. Fourth, long-term sustainability requires regional co-financing.

The ECC network demonstrates that rural geriatric centres can function simultaneously as care infrastructures, drivers of territorial development, and mechanisms of community cohesion. It thus represents a form of transformative social innovation that reconciles efficiency, spatial justice, and the humanisation of care.

6. Future Directions

Future research should prioritise longitudinal analyses of residents' trajectories within permeable institutional contexts and comparative studies across peripheral European regions. Greater use of participatory methodologies is needed to incorporate diverse stakeholder perspectives.

From a policy perspective, three priorities emerge: the development of territorially sensitive regulatory frameworks; the establishment of multilevel funding systems resilient to political dynamics; and the design of evaluation tools capable of capturing the broader social value generated by these initiatives beyond purely economic metrics.