




**Learning from marketised eldercare in liberal welfare states: concepts and system dynamics**

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**Outline**

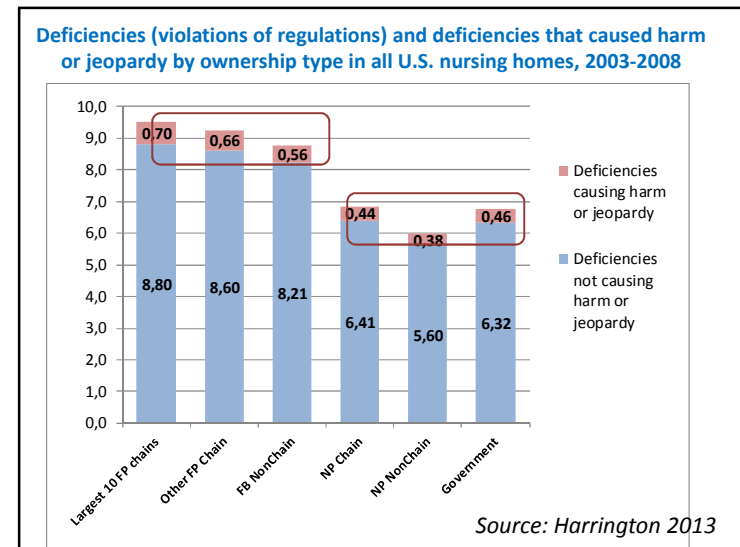
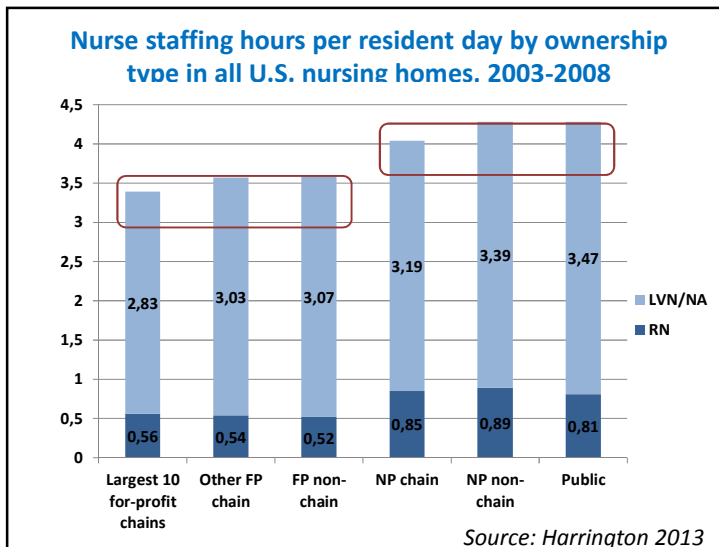
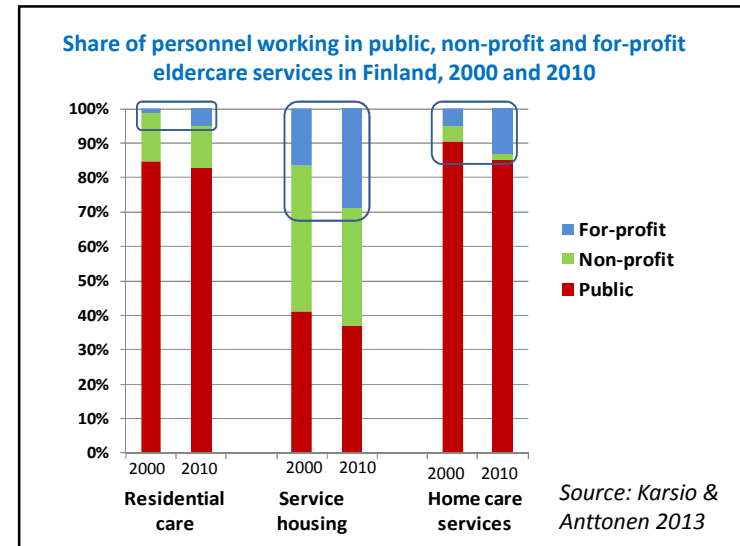
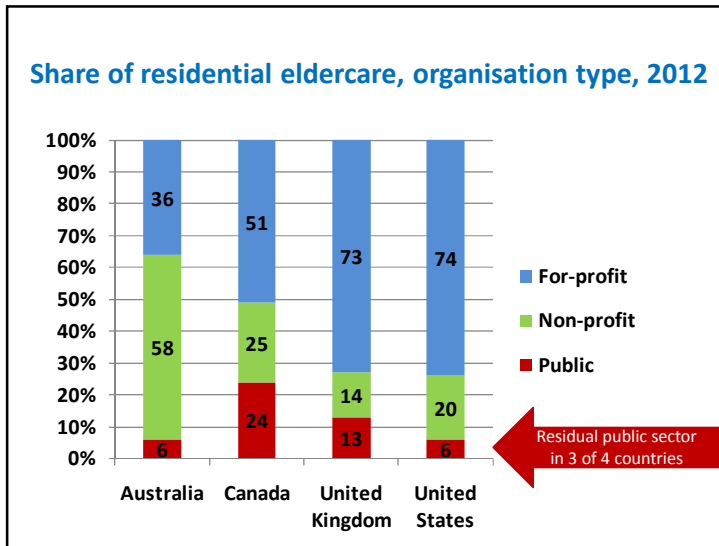
- Context: 'marketisation' of social services
- Marketised services in liberal welfare states: scale and trends
- Thinking about organisations in social service systems
- Regulating quality in marketised service systems

**Defining marketisation**

	Private actors involved	Private actors not involved
Market practices/competition	1 Outsourcing with competition; customer choice models	2 Importation of private sector practices into the public sector
Non market practices	3 Outsourcing without competition	4 'Traditional' public sector provision

**The dominant model in liberal countries**

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Market practices/competition	1 <b>Outsourcing with competition; customer choice models</b>	2 Importation of private sector practices into the public sector
Non market practices	3 Outsourcing without competition	4 'Traditional' public sector provision



### Why is it important to distinguish among different 'private sector' organisations?

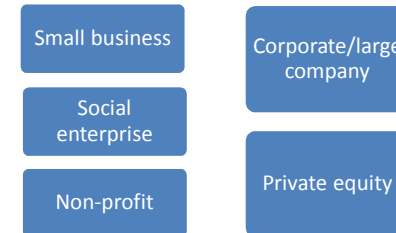
1. Different kinds of organisations (public, non-profit, for-profit) have different goals and organising principles
2. Implications of 1. → Changing the mix of organisations may change the quality, governance and distribution of services and jobs
3. Implications of 1+2 → Change in the nature of the welfare state, democratic governance and citizenship?

### Two ways of categorising organisations

#### *The public sector*

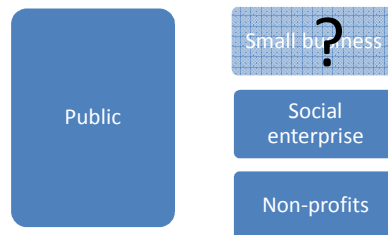


#### *The private sector*

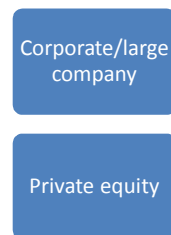


### Two ways of categorising organisations

#### *The social economy*

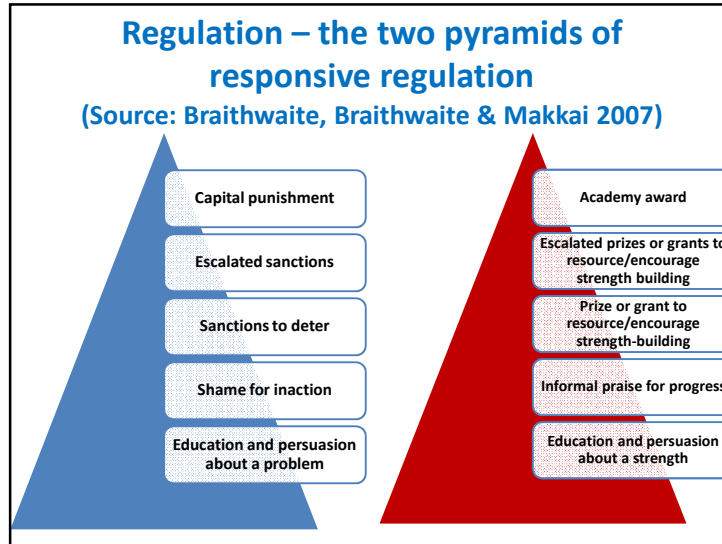


#### *The market economy*



### Regulation as response to marketisation

- 'Freer markets, more rules' (Vogel 1996)
- Increase in rules → 'regulatory trap' (Braithwaite et al. 2007)
  - Ritualism in monitoring and compliance
  - Provider capture
  - Perverse consequences
    - Favours large organisations
    - Increasing rules *increases* inconsistency
    - Documentation and compliance demands can reduce the quality of care (Banerjee 2013, Armstrong 2013, Harrington 2013)
  - Regulatory systems are costly -- and typically under-resourced.
  - An example of the very detailed regulation of residential care in Ontario, Canada, can be seen here: [http://www.e-laws.gov.on.ca/html/source/regs/english/2010/elaws\\_src\\_regs\\_r10079\\_e.htm](http://www.e-laws.gov.on.ca/html/source/regs/english/2010/elaws_src_regs_r10079_e.htm)



#### References

- \* Armstrong, P. (2013) Regulating care: lessons from Canada.
- \* Banerjee, A. (2013) The regulatory trap: Reflections on the vicious cycle of regulation in Canadian residential care.
- Braithwaite, J., Makkai, T. and Braithwaite, V. A. (2007) *Regulating aged care: Ritualism and the new pyramid*, Edward Elgar Publishing.
- \* Harrington, C. (2013) Understanding the relationship of nursing home ownership and quality in the United States.
- \* Karsio, O. and Anttonen, A. (2013) Marketisation of eldercare in Finland: legal frames, outsourcing practices and the rapid growth of for-profit services.
- Vogel, S.K. 1996, *Freer markets, more rules: regulatory reform in advanced industrial countries*, Cornell UP, Ithaca.
- \* Chapters in G. Meagher and M. Szebehely, eds, *Marketisation in Nordic Eldercare: a research report on legislation, oversight, extent and consequences*. Available at [www.normacare.net](http://www.normacare.net).

#### Sources for ownership chart for English-speaking countries

**Australia:** *Report on Government Services 2012*, Table 13A.16  
Ownership of operational aged care residential places.

**Canada:** author's calculation from Statistics Canada 'Residential care facilities', Table 1.1 (base total excludes 'Other')  
<http://www.statcan.gc.ca/pub/83-237-x/2012001/t001-eng.htm>.

**United States:** Author's calculations from Centers for Medicare and Medicaid Services, Nursing Home Compare - General Information,  
<https://data.medicare.gov/dataset/Nursing-Home-Compare-General-Information/dg6a-rvxv>.

**United Kingdom:** Laing and Buisson, Press information on release of *Care of Elderly People UK Market Survey 2012-13* report, 15 Jan 2013,  
<http://www.laingbuisson.co.uk/MediaCentre/PressReleases/CareofElderly201213PressRelease.aspx>.