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Privatization of elderly care in Sweden: a comparison between quality of public and private home care services

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Abstract

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The privatization of elderly care system occurred in response to an economical crisis as well as political decisions made in the early 1990's. Since the economic crisis was supposed to have a negative impact on quality of elderly care services, the government adopted different policies such as New Public Management strategies, the introduction of a unit price for all care services, and the law implementing "Freedom of Choice" to increase the quality of these elderly care services. In this study, I am going to explain how these policies have been effected on quality of both public and private home care services, as well as compare the organizational and technical differences between public and private home care companies in providing elderly care services. For this purpose, I compared the care provision of three public home care companies with six of private ones in Stockholm, to see how they are different in terms of the quality of their services. Based on my findings, the quality of home care services is higher in private home care companies than in the public ones. One of the reasons for this is the more efficient usage of New Public Management strategies in the private sector. Another factor is the lower hierarchical level in provision of care private sector- this accelerates solving the problems and provision of elderly care services in private home care companies. However the public sector doesn't have the two given advantages of private sector, still there is not a huge quality difference between public and private sector in provision of home care services.

Key words: Swedish elderly care system, privatization, home care companies, private providers, public providers and quality of home care services.

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1. Introduction

Sweden has one of the best welfare states, which provides extended elderly care services for all of the Swedish elderly. Care for elderly is a social right regulated in Swedish social services and it is provided to all Swedes in two forms of institutional(residential) care and home help services (Edelbalk , 2008, p.2).Today, there are about 250,000 Senior citizens over 65 years old in Sweden, who receive care services from both public and private companies (Edebalk, 2008, p.66). Both residential care and home help services are publicly financed while they are mostly provided by private sector (Edelbalk, 2008, 4-6). Two decades ago, elderly care in Sweden was considered primarily a public domain, and private provision, was virtually non-existent (Blomqvist, Winblad, 2011, p. 2). Since 1992, privatization of elderly care system started in Sweden, in response to some economic problems and political decisions made by the political Moderate Party (Suzuki, 2011, p. 5). From then on, Swedish elderly care system has undergone great changes through privatization, though it neither has been improved significantly nor has it decreased in its efficiency or capabilities in practice (Winblad, 1992). The effects of privatization can be studied from different point of views such as: accessibility, cost, provision and quality of elderly care services. I have focused particularly on the aspect of quality in this thesis.

Basically, one of the main aims of elderly care privatization in Sweden was to increase the quality of elderly care services. By regulation of the Ädel reform in 1992, different policies were introduced to increase the efficiency and quality of elderly care services. One of these policies, was introduction of New Public Management strategies which aim at using the management strategies of private providers in the public sector, in order to increase the efficiency of public elderly care services. In fact, this type of management is sustained by “market dynamics” where competition among all the providers increases the quality of their services (Blomqvist, 2005, p.1). Of course, competition should not be based on the price since it would result in marketization and making profit (Suzuki, 2011, p.15).

To increase competition between all the providers based on quality, rather than profit the government introduced a unit price for all elderly care services, both publicly and privately provided. By this means, all providers had to provide better quality of services as much as they could (Edebalk, 2008, p.8).

In this respect, government legislated another law known as “freedom of choice” as a tool to increase competition among all the elderly care providers. With this law, the customers become free to choose the provider which they would like to receive these services from, whereas before legislation of this law, municipality was the sole determining factor of which provider the elderly could receive the care services from. This law again forced providers to try their best to provide better services and to attract more customers (Edebalk, 2008, p.75).

However it should be taken into consideration that privatization limits the government’s control over the private sector (Jordan, 2006, p.91). Limited government control over the privatized sector could have a negative impact on the quality of elderly care services (Szebehely& Meagher, 2011, pp.26-27). In this respect, some researches have shown that the employees in private home care companies feel less of the government’s control over their work environment than the public employees (Szebehely & Gustafsson, 2009, p.95). On the other hand, in Swedish elderly care systems, both public and private providers are following the same rules, are regulated by district municipality, and are held under the same control of that (Kissam, 2004, p.10).

The aim of this thesis is to find out how the government supervises the work of public and private sectors and what differences there are between the government’s control over the work of public and private sector. Also, I want to understand how the privatization policies have affected the quality of elderly care services thus far. In addition, I want to compare the quality of elderly care services between public and private sectors, to find out if the privatization policies do in fact increase the quality of public and private elderly care services in a same way or not.

It’s interesting for me to realize what the main differences are between the public and private sectors in terms of their structure, and the policies which they use in providing their services. Base on this, my research questions are:

- 1) Which provider provides the higher quality of services, public or private? How does it do so while all the providers have to offer their services at the same cost?
- 2) What differences are between the government’s supervision over the work of public and private elderly home care companies?

- 3) What are the significant technical or policy differences between public and private providers in providing their services?
- 4) What are the organizational or structural differences between public and private home care companies that affect the quality of their services?

To answer these questions I used the qualitative method including document analysis and semi-structured interview. With the help of document analysis I could reach to overall view about the function and the structure of elderly care system in Sweden. On the other hand, interviews gave me a great understanding of the current situation of both public and private sectors, as well as broader view to be able to an expand view to compare both sectors with each other.

My research area is Stockholm, which has a large number of elderly care companies. As the number of home care companies is much higher than the residential elderly care companies in this city, I focused my research on comparing the public and private home cares companies in Stockholm. By this means, I had greater chance to find my required data and to do a more efficient comparison. There are currently 150 elderly home care companies in Stockholm, of which almost 90% of them are private (www.Stockholm.se). These are mostly under the control of four large companies, namely: Attendo care, Carema, Aleris and Förenade Care (Meagher, G & Szebehely, 2011, p. 14). In contrast, there are very few old people homes (residential elderly care companies) in Stockholm, of which most of belong to public providers.

In order to analyze my empirical findings, I used three different theories. Firstly, the Mixed Economy of Welfare as the main theory, and two additional privatization theories, asserted by Seeleib-Kaiser and Jordan. These theories helped me to understand how the changes of finance, regulation and provisions during the privatization of elderly care in Sweden could affect the quality of elderly care services.

1.2. Historical background of elderly care privatization in Sweden

1.1.1. Swedish elderly care from the beginning

Prior to Privatization, elderly care has for many decades been an important municipal task in Sweden (Edebalk, 2008, p. 65). Between 1918 and 1949, municipal elderly care was limited to care in old people's (nursing) homes. In this era, there were two reforms which have been proven very effective on elderly care history. The first one was introduction of national pension insurance in 1913. According to this law the entire Swedish population was awarded a special pension insurance for the first time. Due to this, local governments were partly alleviated from the economic load of poor relief and a modernization of the system became possible (Ibid: 66).

Another new law was the Poor Law of 1918, based on which municipalities were obligated to provide either financial support in the home or hospitalized care in the old people's home (Ibid). The general assumption permeating the Poor Law was that caring for the elderly in society was a family matter and not a question that required assistance from the public authorities. This was expressed in the law as a conditional maintenance liability between parents and adult children, which stated that adult children were obliged to repay financial support given to their parents from the municipalities' board of poor relief. In fact, this law decreased the economic burden between municipalities which enabled communities to establish old people's homes (Brodin, 2005, p.59).

On the other hand, there were some obstacles in the way of implementing this law. The major obstacle was the mix of recipients and the limited size of most institutions. As opposed to larger old people's homes, smaller homes had limited resources for separating the different groups of recipients, e.g. specific sections for mentally ill people or for those suffering from chronic diseases. Other obstacles particular to homes with fewer residents, thus mainly occurring in smaller municipalities, also transpired. Problem recruiting competent staff to old people's homes was common, especially in areas suffering from extensive labor out-migration. Often, it was a

question of storing the elderly rather than caring for them. This condition continued even with more difficulties until 1946 (Edebalk, 2008, p.68).

In 1946, the parliament introduced a system of old-age pension. The previously implemented national pension financed by insurance fees in 1913 had only provided meager support to the elderly, forcing many of them to seek additional help in the form of poor relief. The new system of a tax financed old-age pension, only provided all those who had reached 67 years of age with a sufficient standard pension while housing allowances for elderly also were introduced. From this point on, elderly people were relieved of poor relief. This law was approved in 1947 by Swedish parliament. The decision of enlargement the municipalities greatly helped to implementation of this law. From then on, old people's homes were not any longer institutions for the poor but homes for all elderly people in need of care regardless of their private economic status.

1.2.2. Development of Home help services

In the late of 1940's the Swedish elderly care sector plunged into a crisis. Since the municipalities were not able to provide the elderly with homes, the local Red Cross organization in Uppsala initiated home help services for the elderly in 1950. In the beginning, this plan was very successful since the elderly were pleased; demand for places in old people's homes went down, and those experienced housewives who were previously in a disposable labour market were becoming employed. As the number of recipients increased over time, home help services shifted over to the local authorities. Through this shift, home help services progressed successfully and were expanded mostly in urban settings. Constructing new buildings with modern equipment especially in densely populated areas enabled elderly people to stay in their home and receive more efficient home help services (Edebalk, 2008, p. 2-3).

Still home based care was provided at low cost for elderly until the mid-1970s, when full-time housewives more or less disappeared in Sweden. Meanwhile, demand for care had significantly increased, and it became vital to recruit care staff with a higher education and competence. Hence, costs for home help services went up. Of course, government devoted some kinds of subsidy to municipal home help services but not to old people's homes. For recipients of care

living in their own home, the fee was low and a housing allowance could be provided to cover the rent. Residents in old people's homes had to pay a full-time boarding fee, which amounted to 70% of the old-age pension and 80% of all other income on top of that. Hence, for both the elderly and the local authorities, it seemed cheaper to provide home help services in private homes. In reality, the costs could turn out to be exceedingly high in comparison to elderly care given in an old people's home, for those in need of extensive care. This issue resulted in closing many of old people's home. In turn, a huge number of home care companies were established to provide those elderly who were discharged from old people's home (Edebalk & Pierson, 1998 quoted in Edebalk, 2008, p.72).

As I described above, home help services continued to be more expensive during 1980s due to increased demand of elderly and lack of staff. This issue caused home help services to be faced with an increased demand of which made a new challenge for elderly care. High demand of home help services and lack of staff, elevated the importance of recruiting educated and professional housewives as home staff (Ibid:71). Another problem was sharing responsibility for elderly care between local municipalities and the county councils, regarding who should pay for what. Medical treatment was the responsibility of county councils but elderly patients who, did not in fact require more medical treatment, came to occupy expensive hospital beds. This shift in cost allocation was of course beneficial to the local municipalities (Edebalk, 2008, p. 71).

This condition forced politicians to implement new changes in the elderly care system. Based on this, in 1980 the government decided to allocate national subsidies and home allowances to residents of old people's homes. The state would hence take a neutral stance with regard to homes for old people and home help services, whereas the local authorities would be given more extended options for choosing how they wished to organize their services. An important change was also the ending of the municipal monopoly of elderly care, in contrast to previous regulations, the municipalities were now free to engage private companies to provide care for their elderly (Ibid:4).

1.2.3. Privatization of elderly care services in Sweden

When the economy and politics of Sweden had been changed in the early 1990's, privatization of welfare services began to rise. The reason for this was the financial crisis of 1990, named as a critical period in Swedish history, during which government and citizens both experienced high costs in welfare state services. Meanwhile, the Conservative political party of Sweden which was gaining strength, popularized the concept of privatization in order to challenge the traditional Social Democratic policy. (Kissam, 2008, p.3).

Base on this, in 1992, a Community Care Reform (in Swedish Ädelreformen, Ds 1989, p. 27) was enacted, by which the municipalities were appointed the sole authority for all care and home-based nursing for the elderly. The main aim of Ädel reform was gathering all the care under the control of municipality, while the other aim was to “de-medicalise” the content of home based care for elderly. In addition, the local authorities were made liable for payment of costs for elderly who were in hospital but not in need of further medical treatment. In this sense, municipalities could no longer throw costs of further medical treatment over to the county councils (Meagher et al, 2010, p.6).

Transfer of elderly care services from county council to municipalities led to the *De-centralization* of elderly care services. In fact, previously all the elderly care services were under control of county council, while base on this new law, elderly care services were propagated among different municipalities. This situation led to a huge variation in providing care services among municipalities- such that the home care companies in the most generous municipalities, provided four-times as many elderly care services for 80 years old and over, than the municipalities “at the bottom of the league” (Trydegård, 2003, p.8).

On the other hand, the start of privatization as well as the establishment of lot of home care companies, resulted in *de-institutionalization* of elderly care services. As I described earlier, before the reform of 1992, there was 35,000 nursing home beds in Sweden which were charging patients a minor flat rate- instead of providing them with their foods, care and medications in addition to their housing. In fact, it was a kind of hospital care. But after the reform of 1992, all the nursing home beds were transferred to social care services and municipalities. By this means,

the elderly now had to pay higher fees than before for the same given services, and it was much higher for long staying patients (Trydegård, 2003, p.12). In other words, now they had to pay rent for former care services and housing (even if their so-called housing consists of a four-bed room they have to share with three others). This situation made life much harder for those elderly persons with extensive care needs. As the number of hospital beds and length of staying in hospitals has decreased, many of these patients started being cared for in their own homes, or in residential care with more private responsibility- this led to the *de-institutionalization* of elderly care services (Andersson & Karlberg, 2000).

However, this reform changed the structure of elderly care, and has had a positive financial result for the county as a whole. Through this reform, the number of “bed blockers” (those patients who were medically ready to be discharged, but were not able to manage self-care on their own), dramatically decreased. In fact, the number of “bed blockers” decreased by 6% in acute hospitals, and stabilized at a low level. Particularly, elderly patients now have a shorter length of stay in acute hospitals, which has been reduced down to four days for surgery and five days for internal medicine. The most common length of stay is currently two days. The waiting time for discharge has been shortened down to three days—the notification time. For the counties this reform in addition to other ongoing changes, has led to a reduction of the number of beds from 12/1000 in 1988 to 4/1000 in 1998. In acute hospitals the number of beds fell from 6/1000 in 1988 to 3.5/1000 in 1998. In geriatric care this reduction was greatest (Ibid).

The other benefit of this reform was adopting a “special medical nurse” function which aimed at increasing care nurses’ knowledge, therefore providing a higher general standard of quality in nursing care within the municipalities. In fact, it was the recommendation of the Swedish Board of Health and Welfare’s (Socialstyrelsen) to municipalities to increase the numbers of qualified staff (Socialstyrelsen 2005c quoted in Damberg, 2007, p.4). An additional advantage being that the nurses employed were now trained to provide medical care. (NBHW, 2000a quoted in Trydegård, 2000, p.34). In addition of focus on training, another focus has been put on user participation. This aim was expected to be met through increase of staff training which “will bring with it an increase in user participation and therefore increase quality of care” (Spri 1999 quoted in Damberg, 2007, p.4).

The perspective of user participation can take different forms. Some highlighted that user participation is a helpful way in thinking about assistance and decision making, “whilst others underline the possibility to file complaints” (Ibid; Svenska kommunförbundet 1999b quoted in Ibid). These types of participation have been looked as examples of a user’s democratic rights (Socialstyrelsen 2002b), however, user participation could also be defending the individual’s right to integrity and autonomy. One interpretation has been “*help to help oneself*”- where care workers aim to strengthen the care receivers’ abilities by letting them do as much as they can on their own (Szebehely 2003 quoted in Damberg, 2007, p.4). At times though, could have the opposite effect and would challenge the care receiver’s autonomy. The approach “*help to help oneself*” is, in this sense an example of an intervention where care workers are given an educational task – teaching the older people to take care of themselves (Ibid; Evertsson & Sauer 2007).

Ädel reform brought some cut backs in hospital expenditure for counties, as it imposed a high economic pressure on municipalities which had become solely responsible for elderly care provision in Sweden. In this respect, municipalities alone had to provide a wider range of elderly care services, while the government decreased its contribution to their budgets. In fact the economic pressure of state was transferred to local government (Montin and Elander 1995, 26 quoted in Damberg, 2007, p.3).

The reason for this problem dates back to the time that the Democratic party won higher seats than their rival, the Conservative party, in election of 1991. They believed that the government should introduce an efficient way “of producing public services that would cut costs without reducing social services”. In other words, they insist on maintaining the current level of welfare services, rather than reducing their costs (Kissam, 2008, p. 3).

For this purpose, politicians and public administrators adopted some reform strategies which are known as “New Public Management” in Northern Europe. The philosophy behind New Public Management promises greater efficiency through a reorganization of the public administration that both introduces management techniques of private corporations to the public sector, and encourages public entities to use market forces in accomplishing their service goals (Bäck 2003 quoted in Kissam, 2004, p.3). There is more emphasize on management discipline than bureaucracy in this type of management, and so, resulted in reorganizing the public

administration of care and facilitated the transition to the private provision of welfare services (Ibid). However, outsourcing the care services to private providers was a response to an economic necessity; a growing Conservative party in Sweden took advantage of this situation to popularize the concept of privatization. By this means, they hailed privatization to challenge the inadequate function of the Democratic Party, in provision of traditional welfare services. In 1991, when they won the majority of seats in Sweden's Parliament, they introduced the slogan of "free choice of care" for the first time, which has been popular in nearly sixty years (Johansson 1997, Bäck 2003 quoted in Kissam, S, 2004, p. 3).

Even by the time the Social Democrats regained control in 1994, it was politically argued that the public sector is practically "bureaucratic, inefficient, paternalistic, and discourages personal and civic responsibility" (Ibid). On the other hand, municipalities have been able to charge clients fees for elder care services since March 1, 1993, as long as the fees were small enough to allow clients a reasonable amount of money (förbehållbelopp) for other living expenses they or their spouse/domestic partner faced (Regeringens skrivelse 1999/2000). However, a 1996 study by the National Board of Health and Welfare (Socialstyrelsen) found that most municipalities have fees so high that after payment, some individuals are left with an income equivalent to the social welfare norm (the minimum guaranteed by state assistance), which is not adequate as a long-term income (Socialstyrelsen 1996a). Statistically one of six help-needing people 75 years and older (especially the old women with low pensions), have forgone municipal services for financial reasons during this period (NBHW, 2001 quoted in Trydegård, 2003, p.8).

In 1998, the 'National plan of action for the care of elderly people', was passed in parliament, and confirmed the overall aims stipulated in earlier legislation and policy documents. The national principles state that the care of the elderly is a public responsibility. It should be organized in a democratic form, be publicly funded, available as needed and not based on the individual's purchasing power. Elderly people are to be able to age in security with maintained independence and have access to care and services of good quality (Government Bill 1997/98:113 quoted in Trydegård, 2003, p.2). This law was legislated in conformity with the social service act from 1982. Base on this law, everyone is entitled to help if "she/he cannot manage on his/her own and his/her need cannot be met in any other way". So, local authorities

have responsibility to see if the elderly people receive the care they need or not (Trydegård, 2003, p.1). By this means, local government became responsible for providing more services while it gained more freedom to enter the private companies into elderly care system (Edebalk, 2008, p.71).

After the Ädel reform, the elderly care sector has undergone different changes. One important change was the introduction of the “purchaser-provider split” model in Municipal Elder (beställareutförande). Under this model, municipal administrators become “purchasers” of care services from the care providers. In fact they are not care providers any more. Also caseworkers who are responsible for determining an elderly’s level of need are no longer the same municipal personnel who were providing care before (Kissam, 2004, p .3).

This program was supposed to have decreased access to elderly care services. In the study of eight municipalities, Szebehely (2000) found that the amount of home care devoted to the elderly had decreased most in municipalities with a purchaser-provider model. Szebehely concludes that specialized needs assessors had become more restrictive in determining the level of client need, probably as a result of the distance they have from the actual care work (Ibid:12). On the other hand, Trydegård and Thorslund (2000) found that historical coverage rates for home care in a municipality from 1976 to 1997 ranged from 5% to 52%, for elderly over age 80 across all 290 municipalities in Sweden (Ibid).

As I mentioned before, one aim of the Ädel reform was making a competitive market in which providers compete with each other, based on providing better quality of services, not base on the cost. For this purpose, the government introduced the “consumer choice model” base on which, the customers are free to choose the provider they prefer to receive the care from. In fact, this model was thought as a way to achieve higher efficiency and effectiveness in provision. In the beginning of 2007, there were 27 municipalities that introduced a “customer’s choice” model of providing service and care and another 27 were planning to do so.

Since the competition was increasingly promoted by municipalities, many private providers, especially private home care companies, entered into contract with municipalities and competed with each other to provide better services. In 2005 alone, 11% of the total provisions of services for the elderly were contracted out to private (profit-making) providers, mainly in the

metropolitan areas. It should be noted, that the framework of services provided by these private companies are decided and financed by municipality (Szebehely, 2009, p. 83). Base on the research from Uppsala University, in 1992 only 1% of this industry was owned by private providers; while now, private providers control 16% of the elderly care market. Also, between 2002 and 2006 the number of home help receivers increased by 11.66% which shows the significant rise of home care companies (Radio Sweden, 11 November 2011).

3. Theoretical framework

In this section, I used three different theories to understand the function of privatization and the mechanisms behind that. In addition, these theories are also used to explore the variations that exist between the public and private sectors when it comes to care for the elderly. According to Meagher and Szebehely (2011), privatization is a multi-dimensional process which affects different parts of a sector. For example it affects the financing of elderly care, provision of care services and assessing the elderly's needs, whenever each or all of these parts are outsourced to private sector (Meagher & Szebehely, 2011, p.4). Based on this, I decided to use the theory of, "mixed economy of welfare" to examine the effects of privatization on the quality, provision, financing and regulation of elderly care services in Sweden. To do so, I investigated the causes and effects for changes in the quality of services in both private and public elderly care companies.

Mixed economy of welfare in Swedish elderly care

To understand the fundamental difference between the public and private elderly care provisions especially regarding quality, it is necessary to examine the "theory of mixed economy of welfare". This theory discusses both public and private provision in a mixed economy of welfare and clarifies which effective social policies result from the shift of provisions from state to market and vice versa. In addition, difference of regulation and financing by public and private sector is elaborated by this theory.

Seeleib-Kaiser (2007) believes that there are no obvious boundaries between public and private domain in mix economy of welfare. Here, the question is what types of services are provided by the public and what types are provided by private sector? What are their provisional differences? Powell believes that the social policy is an extended concept which has a significant impact on provision, financing and regulation in a public-private mix system. However the boundary of public and private is not obvious; social policy can be provided by both private and public sectors. Of course it does not necessarily mean that the private sector violates the public boundaries, because the policy of private sector is dependent on its profit motives. However, the certainty of policy in the private domain is not as high as policy in public domain. In fact, governance in the public domain relies on legal, democratic and professional peer accountability. In contrast, the degree of certainty in a private domain is such that “the actors can be politically held in a limited way” (Seeleib-Kaiser, 2007, p.10-11).

In this respect, Bill Jordan the professor of social policy, discussed that if entire public infrastructure is provided by private firms and some is funded by private finance, it will decrease the autonomy of the national government on the scope for social policy choices. In fact, in some types of welfare, privatization will lead to democratization in public policy choices (Jordan, 2006, p. 91). In the study of Szebehely & Gustaffsson (2009) his colleagues shows that the employers in private elderly home care have “less explicit mandate” to change the system (in regards to their work conditions or staffs). Based on a survey done on both privately and publicly employed care workers, it was found that the privately employed care workers feel less political control over their work environment than care workers in the public sector (Szebehely & Gustafsson, 2009, p.87-9). The question can then be made: in spite of having less control of government over the private companies, how are the private elderly home care centers in Sweden working as efficiently as the public ones?

Here, Martin Powell answers this question by saying that the social policy with which the government uses in a mixed economy of welfare has a significant role in government autonomy. In fact, it determines to what extend the market actors can control a public infrastructure. In this way, he introduced the “three-dimensional account of mix economy of welfare”, in which both the public and private sectors are involved in financing, provisions and regulation to a degree. He argued that, as much as government is more highly involved in regulation, there is a lesser

degree of privatization, and as long as government is involved in regulation to a lower degree, the privatization is more likely to be fulfilled. The degree of government involvement in the regulation depends on the social policy which it uses (Powell 2007 quoted in Seeleib-Kaiser, 2007, p. 19).

To support this idea Seeleib-Kaiser (2007) Professor of Comparative Social Policy and Politics, argued that it depends on the level of regulation and the social policy that the government exercises over the public-private mixed society. For example: a government may decrease direct public provisions deliberately, but at the same time it outsources the ‘‘mandatory provision’’ to a private sector, which is strictly under control of the government. Here, the policy intervention not only decreases the government management but it also has utilized the private power in benefit of the public society (Seleeib-Kaiser, 2007, p.11). This can be seen the in the Swedish elderly care system, in which the government outsourced the provision of elderly care services to private sectors, while forced municipalities to introduce a unit price for both public and private services. Although these provisions were outsourced to private sector, they were still under control of government (Ibid).

Furthermore, Seeleib-Kaiser (2007) discussed that, ‘outsourcing/contracting out means that delivery is private (profit or non-profit), but regulation and financing remain public (Ibid: 49). As we have seen, introduction of the ‘‘purchaser-provider split’’ model in Swedish elderly care confirms this definition. In this model, all providers (both public and private), sell their services to municipality under a contract, and based on the government regulation. Since the government has enough control over the private sector, it has decided to outsource more public elderly care services to private sectors from 2007(Ibid: 49).

I looked back at the Powell theoretical framework again. He discussed how a higher degree of state’s regulation results in less marketization and market dominance. Less market dominance is followed by market forces follows with lower competition. Here, the questions can be asked: how does the government (persist) on high degrees of regulation while it promotes competition as a tool to achieve efficiency? Why has the government adopted the New Public Management strategy, which emphasizes on the market forces and competition?

Here, I should clarified that there is a high competition in the Swedish elderly care market, but not based on the profit or cost, but based on providing better services with higher quality. In fact, the government has used its strict regulations to achieve cost containment and to provide equal access to care services for all elderly as well as promoting competitive market (Antonsson, 2009, pp.10, 14). In this respect, Jordan believed that competition is one of the fundamental ingredients of efficiency. He believed that efficiency can be achieved by superiority of market forces, depending on the type of market. He continued that economic efficiency will be achieved only through the competitive market, because in this market producers are rivals as they introduce new products, techniques and organizational innovations (Jordan, 2006, p: 39). To reach to this market, the government adopted the strategy of New Public Management in 1992, which relies on applying management techniques of private corporations in public elderly care companies, as well as increasing the use of market forces and competition (Sobis, 2011, p. 4). This means, a lot of private elderly care companies especially private home care companies, were established to increase the efficiency of the services through the competition.

For this reason, the government introduced “free consumer-choice” model as a beginning for increase of competition and achievement to efficiency. Under this model consumers were free to choose the care providers on their own, rather than under the municipality obligation. In fact, this model was a mechanism which forced elderly care companies to increase the quality of their services. Since municipalities decided on the same payment per hour, care providers had to produce incentives to increase the total number of approved care hours. In order to do so, both public and private providers had to provide, and compete for better quality of services, since they were not able to compete for price. So, with this consumer-choice model, recipients could receive more hours of home care services, that otherwise would have needed many approved hours, and may not have produced the same results, for different reasons. Therefore, productivity as well as quality was increased through this model (Edebalk, 2008, p. 75). Since the competition is based on the quality not based on the price, the next question is: how do the private companies (for profit companies) make their profit?

To answer this question I should return to Powell’s three dimensional accounts in mixed economy of welfare again. In this account, he believes that any shifts in one dimension result in shifts in other dimensions. For example: when finance shifts from state to market it results in

shifts in provision dimension (Powell, 2007). In mix economy of elderly care in Sweden we can see these changes between financing and provision. In this sense, he argued that “Changes to means of *financing* care are also linked to changes in means of *providing* care”. Since the private providers are publicly financed, even if the size of public sector decreases, the number of private providers will significantly rise. On the other hand, there is a difference between public and private providers in the size of production. It is very important to consider that private providers have the right to offer additional or advanced services to their customers and to sell them on the open market, while public providers both in home care and residential care companies, are legally forbidden to offer ‘extra’ services. So Sweden’s free choice model, gives this advantage to private providers in competition with public ones. Moreover, in 2008 a new piece of legislation was introduced with the aim of facilitating the introduction of a voucher system for care services in the municipalities. The government bill that preceded the new legislation stresses that an important aspect of the free choice model is that it gives ‘external suppliers’ (that is, private providers) the ‘possibility to offer extra services and hence increase their operation and reach a higher profitability’ (Szebehely & Meagher, 2011, p. 23). By these means, as long as private providers can offer extra services to their customers, care provision is profitable for them.

In addition, over the last decade and a half, the growth of non-profit providers in elder care, compared with for-profit providers within the private sector, has been very slow. This point indicates that that privatization of *financing* would entail further marketization of *provision* of elder care (Ibid).

2. Methodology

Research methods are the main part of the social sciences. They constitute an important part of Scientific curricula in which we can find the basic knowledge of developing our intellectual understanding of phenomena (May, 2011, p.2). Finding the appropriate methods of the research is highly dependent on the research questions. As it is clear from my topic, my research questions are based on comparison between the public and private elderly care sectors. Through this study, I focused on comparing the aspect of quality between public and private home care

companies in Stockholm. However, there are other effective factors on elderly care provisions, such as; government's control, organizational structure, and methods of provision are discussed. Base on this, my research questions are as follows:

- 1) Which sector provides higher quality of services public or private? How does it do so while all the providers have to offer their services with a same price?*
- 2) What differences are between the government's supervision over the work of public and private elderly home care companies?*
- 3) What are the significant technical or policy differences between public and private providers in providing their services?*
- 4) What are organizational or structural differences between public and private home care companies that affect the quality of their services?*

To answer these questions I decided to use the qualitative method. According to Flick (2006), the German psychologist and sociologist, qualitative research is of specific relevance to social relations. In qualitative research, the researcher has subjective viewpoints to all the actors within a research scope. This character enables him to better understand the interactions among all the actors, as well as the cause and effects in making such a phenomena. In fact, the advantage of this method is studying the social issues beyond the theories and hypothesse, by looking for more empirical data (Flick, 2009, p.12-16).

Using this method helped me to find the effective factors on quality differences between public and private home care companies. Also, I could understand in which ways and by which factors they affect the quality of elderly care services. The big advantage of this method is making the researcher familiar with the differences in real world, with whatever he presumed based on his theoretical approach (Ibid:16). With this approach, I could compare the theories I used in my thesis with my empirical findings, to see to what extend my theoretical ideas conform to my empirical findings.

For the qualitative part, I used document analysis as my first method to get an overall view of the elderly care sector's background, its transformation, and the changes which it has undergone

thus far in Sweden. Also I studied articles, government resources, surveys and reports about elderly home care services in Sweden, before and after privatization, including documents related to elderly home care services specifically in Stockholm. Now, I can better understand what the function of the elderly care sector was before privatization, and in what ways privatization has changed the function and structure of elderly care sector up to now.

Holding interview was another qualitative method which I used in this thesis. This method was very informative for me, since it helped me get a proper view about the current situation of both public and private home care services in Stockholm. Through these means I could examine the validity and reliability of my document findings. In fact, I could understand to what extent my document findings conform to the current situation of home care services in Stockholm.

2.1. Document analysis

As May explained, documents are an extremely valuable means in Social research- helping us in both the qualitative and quantitative research methods (May, 2011, p.190). They can also be paired as a complementary strategy with the other methods such as interview or ethnography, and further analyzed (Flick, 2006, p.245). Since documents represent a part of social events for us and clarify the social relationships taking place there, we can better understand the social realities “in institutional context” (May, 2011, p.176- Flick, 2006, p.252). In fact, they inform us of “aspiration and intentions” of a period in time that they refer to, but we may not belong to (May, 2001, p. 176). Based on this, I decided to choose this method, firstly to understand the philosophy behind the elderly care privatization, and secondly, to get an overall picture of the function and policies of both public and private elderly home care companies in Sweden. However, there are very few documents about home care services specifically in Stockholm, which is my research area.

For this reason, I started to read about many articles written on privatization of elderly care in Sweden. In the beginning these documents helped me to get a good overall view of my topic. Next I was able to develop my understanding of the political and economic mechanisms behind privatization. Plus, I learned about changes that privatization had made on financing, provisions

and regulations on the elderly care sector after 1992. I analyzed those transformations within the theoretical framework of the next topics.

As I mentioned earlier there is a lack of documents specifically related to home care services in Stockholm, which is the problem of using this method alone. In this respect Flick (2006) believes that, when document analysis is used as a single method, sometimes it gives us very limited information about the processes and experiences. This is the limitation of this method which is better to apply with other methods especially interview (Flick, 2006, p. 252). For this reason I combined this method with interviews to get more information about the current situation of home care services in Stockholm. After reading all the necessary material and, sorting it out based on my theories, I analyzed it in the discussion part. Of course, through this part many new questions and hypothesis may arise.

2.2. Interview

Interview is an important method in qualitative research which helps us to have a deep “insight into people’s experiences, opinions, aspirations, attitudes and feelings” (May, 2001, p. 120). The other advantage is that interviews are a means for validation of communication since they can be extended to a second meeting “and they produce a structure of the statements with interviewees” (Flick, 2006, p. 169). There are four types of interviews: structured, semi-structured, unstructured and group (May, 2001, p.121). For this research, I decided to use the semi-structured interview method, which was very informative regarding my research questions.

Of course, interview is a good method to examine the validity of our data, but sometimes it gives us biased data. Actually, this point depends on the responses of our interviewees. Sometimes the interviewee may not feel comfortable with the questions of interviewer or in some cases, the interviewee would like to answer the interview’s questions in a way that she or he thinks the interviewer likes to hear. This issue makes the interview result invalid. This is the limitation of interview method (Marvasti, 2004, p.100). To avoid of this problem in my thesis, and because of the quite positive view of public and private home care managers about their

work, I decided to conduct an interview with a municipal need assessor, who looks neutrally at the functions of both sectors. The need assessor is a municipal employee who is in fact working with both sectors at a same time. This interview helped me examine to what extent the positive statements of managers (about their work) is most likely to be true.

Since my research area is in Stockholm and I live in Lund, I conducted all of my interviews by phone. In total, I held ten interviews six of them were conducted with *public home care managers*, three of them are conducted with *private home care managers* and one was the *Need Assessor* in Stockholm Stad (the municipality of Stockholm).

Semi structured interview

Semi-structured interview is a useful method, in which people have more freedom to” answer on their own terms than the standardized interview permits“(May, 1997, p. 123). This interview type provides an “openly designed interview situation” in which the “interviewed subject’s viewpoints” are more likely to be expressed than in structured or other types of interview (Flick, 2006, p. 149). Since the questions used in this interview are “open questions”, answering them will generate new questions spontaneously, which makes responding to them far more informative than the expected data of researcher. Additionally, in this method the interviewee will express his or her own knowledge about the topic which clarifies his own viewpoint about the research focus (Flick, 2006, p. 155). By using this method, I hope to reach extra information which describes the practical experience of elderly care managers. This information will be very useful since I may not find it in my document research.

Moreover, this method, gives researcher more” latitude” to “probe beyond the answers” helping them to enter into a dialogue with the interviewee (May, 1997, p. 155). Through this method, I may understand the most tangible effects of privatization on the home care services, from the managers’ perspective. In addition, this method enables the researcher to compare the compilation of interview results, as there will likely be a huge difference among the interviews result in this method. Some of the interviews are more informative than the others which only through comparison their differences can be fully understood. Base on this, I can achieve the

opportunity of comparing the interview results of private home care companies with public ones, through this sound method (May, 1997, p.135).

2.3. Research limitations

There were some limitations in way of my research. The biggest limitation came with interviewing both public and private elderly home care companies in Stockholm. First of all, it was really hard to find elderly care organizations who accept to do an interview with me. Sometimes, when I contacted with those organizations, they told me they will call me back again or will answer me tomorrow, but they never did. This point put me behind in collecting related data for this thesis. Unlike to my expectation, it was much harder to do an interview with public home care companies. Many of them were unwilling to answer my interview's questions and just told me they are not allowed to do that. For this reason I could only complete three interviews with public home care companies instead of the six interviews I was able to hold with private companies. Lack of documents specifically for home care services in Stockholm was another research problem. I spent a lot of time trying to find the information specifically for home care companies in this city, however I couldn't find enough of them. For this reason, I had to use the information from Stockholm municipality's website, for a part of my comparison. Lack of English proficiency was another problem for both me and many of my interviewees during our phone interviews. Most of the time I had a difficult time trying to explain to them a specific concept relating to my interviews, such as quality indicators, and so on.

2.4. Definitions of keywords

In every research there are some concepts which should be clearly explained to illuminate the research topic and aim. To do so here, I describe key concepts used in elderly care studies which can help us better understand the research idea.

Elderly people in Sweden: refers to the number of inhabitants of a given region aged 65 or older in Sweden.

- 1) Quality: In this thesis the term quality is defined based on the level of the elderly's satisfaction with care services, which they receive from home care companies. The extent to which their expectations are met is another determining factor of quality of home care services. Basically the quality is defined by the elderly's overall satisfaction, combined with the expectations from home care managers' point of view also being achieved. In fact, there is no pre-determined definition, specifically for the quality of home care services in Sweden.
- 2) Elderly care or eldercare: It means here fulfillment of special needs and requirements that are unique to senior citizens. This broad term encompasses such services as assisted living, adult day care, long term care, nursing homes, hospice care and In-Home care (www.righthealth.com 2010 quoted in Ndumea Ngoh, 2010, p. 9).
- 3) Health: It is used here in the same meaning as WHO (World Health Organization) described; a state of complete physical, mental and social well-being not merely the absence of disease or infirmity (www.WHO.com, 2003).
- 4) Caregivers: When the word is used here it can refer to different people, important in the life of the elderly, when providing them companionship and support. Caregivers can e.g. be spouses, children, friends, neighbors, nurses, home health aides, physicians, social workers and spiritual care professionals. Some may volunteer while others get paid for their professional services (www.livestrong.com, 2010).
- 5) Home based-care/ Home care: Home-based care services contains of a variety of services depending on the needs of the particular individual and ranges from regular house duties such as laundry and cleaning once or twice a month to help with personal hygiene, food and professional nursing for several hours each day (Socialstyrelsen 2009 quoted in Winblad, 2011, p: 4). In this thesis, "home care services" and "home help services" are

used in a same meaning since the home care companies which I investigated, did not distinguish between these two terms, and they use both interchangeably.

- 6) Residential care/institutional care : Residential elder care is provided to elderly persons with high nursing needs who cannot manage to live in their own homes even with home-based care service (Socialstyrelsen 2009 quoted in Winblad, 2011, p: 4).
- 7) First-line manager: she or he is a key person for developing a learning organization that encourages staff, clients and their relatives to improve the organization. (Rosengren et al, 2012, p.737). The role of first line managers is very important, since they have to carry out the decisions made by superiors and at the same time manage the demands from personnel (Antonsson, 2009, p.6).
- 8) Top management/Senior management team: is a group of highest level executives in an organization who have day to day responsibilities of managing a company or an organization. Their decisions affect everybody's work and the success or failure of the company or organization (Collin, 2008, p. 47).

3. Presentation and comparison

In this part I have presented a comparison between public and private elderly home care companies in terms of the quality of their services. In addition to quality of their services, I discussed the differences they have in techniques of service of delivery, policies, and the management style they use in the provision of their services. Furthermore, all of those factors have impact on the quality of elderly care services, which are discussed and presented in this section. For the purpose of simplicity and clarity, analysis of the findings is conducted under different sub topics.

In total, I conducted ten interviews. My interviewees consisted of six private home care managers and three public home care managers. All the managers, both public and private, are First-Line managers. Four out of six managers in private companies, had management or working experience in public elderly home care companies. Finally, I did an interview with a need assessor in Stockholm Stad which I found very informative. The interview with the need assessor offered me a better picture of the real needs of elderly people in Stockholm. In addition, in order to identify between respondents, I have labeled managers from the private elderly care companies as P₁, P₂, P₃, P₄, P₅ and P₆ and managers from the public sectors are identified as M₁, M₂, and M₃.

Furthermore, Stockholm is a big city consisting of 14 districts. Each district has a lot of public and private home care companies. Since studying all the home care companies would have made my thesis very broad, I only focused on the home care companies within four districts of Stockholm. This allowed me to study the functions and organizational differences between these companies more deeply and accurately. My interviews cover the areas of Bromma, Östermalm, Spånga-Tensta and Normalm in Stockholm. All of these districts have more or less same number of active municipal and private home care companies. Bromma district has 96 public and 5 private home care companies. Spånga-Tensta includes 93 private home care companies plus one municipal home care company. Östermalm is another district in Stockholm which has 94 private home care companies and only one public home care company. The Normalm district has the same as the Östermalm and Spånga-Tensta districts, only there is one municipal home care company while there are 97 private home care companies instead.

The names and contact info of all home care companies in each district, are provided for the elderly on the municipality website of Stockholm (<http://www.stockholm.se>). Each elderly has right to choose one of the elderly home care companies only located in district which he or she lives in. The three public home care companies which I interviewed with, are located in Normalm and Bromma districts while the studied private companies are located across the four given districts above.

5.1. Supervision over care provision in both public and private home care companies by municipality

As I discussed in the theory section, some political theorists, such as Jordan, argued that privatization limits the government's control over the privatized sector (Jordan, 2006, p. 91). This point has slightly been seen in Swedish elderly care system since start of privatization, though it cannot be said that Swedish government has limited control over the private sector. In fact, according to Seeleib-Kaiser (2007) the Swedish elderly care system is outsourced to the private sector- which means that it is privately provided but publicly regulated and financed. So, still the rules and function of provisions is regulated and controlled by the government. Below, I have presented the results of my interviews with public elderly home care managers in Stockholm, revealing which shows how the quality of services is supervised and checked by the government.

The following is the first question regarding the quality of services to the elderly:

How is the quality of your services as a public entity evaluated? And by whom?

“Every year some people from the municipality come to check everything here like: management and our working schedule, mode and the result of our work. They would ask both me and my customers, about my management disciplines (M₃)”.

“In addition, every year the head officer of company comes to us and asks me about my work and my staff. Also she does interviews with customers or gives them questionnaires to fill them out(M₂)”.

The text below is the conclusion of the interviews with some of the private home care managers in Stockholm:

“There are some people in the municipality who are responsible for supervision over management, working systems and the quality of our services. They come from the municipality once a year and they ask the customers how they feel about the services they receive .They ask the families of our customers about the condition of their elderly- how much he/she is satisfied with our services and do we provide the necessary services she /he needs (usually the municipality asks these questions to a family member of elderly person since many of the elderly

have dementia and they may not remember the services they have received). Also, sometimes they give our customers a questionnaire in which answers are ranked from 1 to 5 (for example 1 being very happy and 5 being very unhappy). Customers fill out these questionnaires, which municipality officers, and we can then evaluate the quality of our services base on the answers provided. Sometimes they ask us if we have received any complaints and if any, we have to describe them what services elderly complaint about and why.

In addition, there is a “quality meeting” in Stockholm’s municipality every month, in which all the managers of home help companies attend and report their work’s results, and discuss the quality of their services”.

Comparing these two interview’s results, we can see the same level of government control over both the private and public sectors, since Stockholm municipality has a yearly observation over function of both of them. I found that all the managers, both public and private agreed that there is a similar framework of regulation and allocation of policies for services in both sectors, since they are directly decided by municipality.

Nonetheless, the public managers believe that the private home care is making more operational mistakes than public home care due to low level of municipality’s control over their work. Antonsson, the PHD student of management in Linkoping University, conducted a comparative study in which she compared 24 public elderly companies with 5 private ones in terms of their organizational and operational structure. In this study, the First-Line managers of both residential and home care companies were interviewed regarding their company’s operation. The Kankkunen (2009) believe that the managers of both residential care and home care companies have many similar duties since their primary task is providing elderly care (Kankkunen, 2009 quoted in Antonsson, 2009, P. 11). So we can generalize their view to home care companies too.

Base on this study, the public managers asserted that private companies don’t report all the incidence happening at their companies to the municipality, while the public providers are obligated to do so. The reason for this is that municipality wants to guarantee the safety and quality of their services to their customers. Since there was no comment by private providers on this idea, Antonsson concluded that there is less obligation on private home care companies to report all the incidences occurring at their companies to the municipalities (Antonsson, 2009,

p.6-9). However, this does not confirm that private homecare companies are doing more wrong than the public, since there are some scandals in the public sector too.

5.2. Greater freedom for managers in the private sector

Another difference between private and public sectors is the greater freedom which managers have for their decision making abilities within private companies. In answering the following question: what are the advantages or disadvantages of the private sector in your mind? Those managers of private companies who have worked in public home care companies previously, told me:

“In private companies I have more freedom to make decisions about my work than in public companies. For example, if we need new equipment or I want to replace something that broken, I don't need to get permission from my boss to do so (p₃)”.

“I choose my personnel (nurses, employees, doctors)by myself while when I was working in Public home care companies we don't have right to do so(P₅)”.

Szebehely, a professor of social work and Gustafsson, a professor of sociology in Sweden, support this idea that employers in private elderly companies have less “mandate” to change the environment they manage, their personnel or the system in which they are performing their tasks (Szebehely & Gustaffson, 2002, p.87).

It should be pointed out that these differences do not affect the elderly because the management discipline and the services they receive they are the same in both scenarios. In fact they are neutral about management in public and private home care companies, since the type of services and the amount of them is all decided by the need assessors from that municipality. Here we can see that the regulation in the elderly care system over private home care companies is the same as with the public companies.

5.3. What is quality of home care service

Base on the definition of Swedish Standardization Commission, quality is “all the characteristics of a product (or service), which contribute to its capacity to satisfy expressed or implicit needs”. Translating it into the context of home care services, we understand that quality is those characteristics of the home care output that users evaluate highly (Edebalk 1993 quoted in Samuelsson &Wister, 2000, p.244). So quality is defined base on the evaluation of the elderly at the home care services. In fact, the elderly have some expectations which should be met properly. These expectations determine the quality indicators of the services in a home care company which can vary from time to time and company to company. Also the extent to which the expectations are met is another important factor in measuring the quality. In this thesis, I tried to identify the quality indicators of home care services, through the home care managers’ experience and contact with the elderly, in these given areas of Stockholm.

5.3.1. Quality indicators and their assessment

To understand the level of quality in a public or private elderly home care company, it is necessary, first to find out what the quality indicators are and based on them, see how the quality of services measures up. For this reason, I asked all of my interviewees:

What are the quality indicators (factors) in an elderly home care company in your mind?

They almost all gave me a common answer; however some of the managers pointed to more factors. Major factors stated by all interviewees were: *food, staff’s qualification, staff’s treatment towards the elderly, and efficiency in giving home care services to each individual*. Other quality factors mentioned by three other private home care managers were: activities and security.

These are the main quality indicators or factors which all managers in both public and private companies use to self-evaluate their program. Of course as I mentioned previously, these factors are evaluated and checked once a year by municipality officers, too. In public and private companies, home help managers use different systems of evaluations. Here is the most common

answer which both private and public managers gave to this question: *How do you evaluate the quality of your services?*

“We usually personally ask our clients if they are happy with the food, staff treatment, services, light, temperature of their home and other things like that. Also we ask what they need and check their health condition, to see whether they have any pain or not. This is the most common way we do our evaluation”.

Of course three private managers mentioned the *evaluation via questionnaire, interview and asking the family of customers*. Also one of the famous private home care managers in Stockholm told me:

“We have a computer-based system which I check regularly and via this system I am in direct contact with both customers and their family (p₂)”.

5.4. Differences in staff between public and private home care companies in Stockholm

The working mode of staff in an elderly home care company has a great importance since they are in direct contact with elderly. Also it has a high impact on quality of services as the care givers are the main responsible actor for delivering the care services. For these reasons, in this topic I will discuss and compare working environment, mode of work, supervision over work, and the differences which working staff have between public and private elderly home care companies in Stockholm.

Working environment: Szebehely and her colleagues, in one of their studies in Stockholm, compared both public and private employees in elderly home care companies based on different factors which affect their work environment. Szebehely (2009) chose a group of public employees and a group of private employees, and compared them through interviews. The results showed there was a slight difference between public and private employees answers. Having

“good contact with supervisors” was 10% higher among public employees than private ones and “having enough variety in work” and “finding work interesting enough” were 3% and 10% more answered by public employees respectively (Szebehely & Gustaffson, 2009, p. 92).

On the other hand, it seems that there is higher workload pressure on private employees and they perform more demanding duties dealing with mental and physical health. In this respect, 18% of private employees answered they feel mentally exhausted after a working day while only 10% of public employee answered they feel so. In addition, 6% more private employees feel physically exhausted after a working day than public employees. There is 3% higher feel of “inadequate giving services to elderly” among private employees than public one (Ibid). As a result it can be said that, private employees are more mentally and physically exhausted than the public employees in Stockholm.

Of course, the results achieved above can apply to many elderly home care companies in Stockholm, but as Szebehely emphasized, there are some differences from one municipality to other one in Sweden (Ibid). Concerning those municipalities I studied in Stockholm, I found opposite result with the Szebehely’s findings. In this respect I found that there is both higher mental and physical workload pressure on public employees. All of my interviewees both in public and private companies expressed that the public home care employees always experience a higher workload since they have to provide to more recipients’ needs than private ones. One of the public managers told me:

“More customers we have, the more workload we experience especially when we have customers with different demands. For example, some of the elderly have serious diseases like, Alzheimer or Amnesia, and need somebody to take care of them 24hours a day. So, I should send some of my staff for this purpose while in the other sections I have nobody to work. Even though at times I face a lack of staff and heavy workload, I try to provide my customers highest quality of services (M₂)”.

The problem of workload pressure was also mentioned by those managers of private companies who previously were working in public companies:

“In private companies we usually have less customers, which makes it easier for us to attend to their needs quickly. However, when I was in public elderly care I had many personnel and still too many responsibilities, so that I couldn’t go to other sections like: doctors section or physiotherapist section to check their work. Now I am much more free to go to different sections and check my personnel’s work. In fact, in private companies, I can control everything easily (P₁ P₂ P₃ & P₄)”.

Overall, there are discrepancies in reference to the difference in workload pressure between public and private home care companies. This workload pressure is mostly linked to a higher number of recipients in the public sector, however it does differ from one municipality to another. In those municipalities which I studied in Stockholm, public home care companies have slightly more number of customers than private home care companies.

However in a district like Bromma there are few private home care companies which have higher number of customers than public home care companies. According to my interviews, the managers of public sector, such as M₁, M₂ and M₃, revealed that they have 400, 160, 60 elderly customers respectively while the private home care managers have 90,158, 80,90,64 and 110 customers.

Supervision over the work of elderly home care’s staff: As I discussed earlier, Seeleib-Kaiser and Jordan believe that privatization limits the influence of government over the privatized sector. In this concern, Szebehely and Gustaffson (2009), found that employees of private home care companies feel less control of government over their work environment than public employees. Based on their study, 25% of privately employed care workers believe that government control have limited influence on their work environment, while 18% of publicly employed care workers had the same idea. On the other hand, substantial influence of government on the work environment was confirmed by 50% of public employees, in comparison with 30% of private employees (Szebehely & Gustaffson, 2009, p. 95).

Of course, government has less influence over the work environment of private employees than public employees, but it does not necessarily mean, that private employees have poorer performance than public employees. On the other hand, because of less workload pressure, and

less responsibility due to a fewer number of customers, the private managers have a higher control over their staff as compared to public employees. For this reason, when I asked one of the private home care managers, how do you check the work of your staff? She answered:

“We are in direct contact with our customers and usually we check our care givers’ work by asking the customers. All the elderly we provide here are divided into 15 teams and each team has its own leader. Every month we have a meeting with the leaders and they explain to me what they have done during the month. We also have a team work meeting weekly, and a quality meeting once a month. In addition, we check the complaints every day (P₆)”.

The other private home care manager answered: *“When I was in public elderly care I had much more responsibility than I have now, so I couldn’t supervise my personnel’s work as regularly as I’m doing now(P₄)”.*

Staff’s qualification: In my research through interviewing all the managers, both public and private home care companies were satisfied with their current staff, and they all told me:

“Our personnel are well educated and qualified”.

The staff in both companies had academic degrees related to their work. Although those private managers who had previously worked in public elderly home care companies, asserted that in their experience, there are more educated personnel in private home care companies. When I asked one of the private home care managers, what differences you see between the staff in public and private home care companies she answered:

“The staffs in private companies are more educated and usually they know different languages (p₁)”.

This is because of wider range of services which private home care companies provide to all customers. When I interviewed with two private home care managers, two of them said that:

“We have some care workers who are fluent in other languages than Swedish. We employed them to provide services for those who don’t know Swedish very well...you know, when people get old they tend to speak their mother tongue however well they know Swedish (P₄)”.

“We have staffs with different religions such as: Muslim, Christian and so on. Also, we have staffs with different nationalities that are familiar with our customers’ cultures (P₆)”.

Base on this, it seems that private home care companies, often provide customers with some extra services, for which they may have to employ people with higher skills. In doing so, they can attract more customers than the other companies- especially the public ones. Apart from this point, managers believe that hiring those who have a genuine interest for this field of work holds a much higher importance than their education. In this regard, one of those managers who had experience working in both public and private companies, told me:

“There are many people who are well educated but they are not 100% interested to their work. Especially in the public sector, I had many well educated staff members who were simply not doing their work properly. The problem is that in the public sector, we cannot tell them you are not good, but in private sector we have more freedom to do so (P₃)”.

Recently, the government decided to implement an educational program for both public and private employees to increase their education about the elderly.

5.5. Differences in methods or policies used in care provision

One of the most important questions is - what policies or methods do public and private providers use to increase the quality of their services? As I mentioned previously, the most important variable which private companies are able to provide is giving more importance to the customer’s desires. For example: they employ care givers who are able to speak multiple languages, attracting foreign elderly too; they employ staff with different religions to give services to those customers who practice religions other than Christian. In fact, they offer these services to their customers to attract migrant elderly also, for making higher profit. As I described earlier, based on the legislation of 2008, private providers gained legal rights to provide extra services to make higher profits while the public providers are forbidden to do that. It is an advantage which private providers have to be ahead of the public sector in attracting more customers. However, it should be considered that providing these special services is not always profitable, since many private providers don’t actually charge their customers any extra fees for offering those services.

In this respect, I asked one of the private home care managers - do you charge your customers any extra fees for sending them care givers who speak their native language? He answered:

“No, it’s a part of our services; we don’t charge our customers extra fees for such things. Actually, we ourselves decided to provide our customers these services since there many migrant elderly in Stockholm. In addition, the price of our services is decided by municipality (P₅)”.

In contrast, public home care companies mostly provide the typical services which all the home care providers offer to their customers. Sometimes they even have a problem for not providing those services which are available in private companies. In this respect, one of public home care company managers told me:

“Language is one of our problems, many of our elderly are not fluent in Swedish and our staff doesn’t understand them. On the other hand, most of my staff knows only English as their second language, not any native language of the customers, so they usually have a problem in their communication (M₁)”.

The other major difference between public and private companies is the mode of their management. In this concern, the private managers have more meetings regarding the quality of their services and the strategies which they are going to use. The following text is the idea of two private home care managers regarding their management style:

“We ensure the quality of our work through active management. I have different meetings with my staff and care givers (P₂)”.

“Every Monday I have a meeting with my boss. Here the elderly are divided into different groups and each group has its own leader. Once a week I have a meeting with these leaders. Also we have a quality meeting per month (P₃)”.

Based on the Antonsson’s findings, the private providers have more policies than the public providers. For example they have policies on how employees should talk about the company. They also have meetings and courses at their headquarters, which make them travel a lot. They also help to manage other units in the country (Antonsson, 2009, p: 7).

In fact, in private companies it is very important that both managers and employees know what they are working for and why. Many private managers believe that there is a lack of goals in the public sector which can lead to “goals being set up” by the manager or employee themselves, which may not necessarily be in accordance with the organization. In the study by Antonsson, even many public managers proved this fact that the private managers are much clearer in their work since they set up boundaries and stick to them. They only work for what they are paid for in the organization (Ibid).

Therefore, this is major difference in methodology between public and private home care companies, and reflects on the strategies they use in provision of care. The private managers design more policies for their operation and have regular meetings about these policies with their personnel. In addition their policies are designed based on the elderly’s needs, rather than as a surplus profit for themselves. This type of management is known as “New Public Management” which was introduced in beginning of privatization. The aim of New Public Management is to introduce the ‘private providers’ management techniques to the public sector, in order to achieve higher efficiency in public organizations (Kissam, 2004, p.3). Based on this, it seems that private home care companies are using more of the strategies related to New Public Management than public sector.

5.6. What are the most crucial needs of the elderly, and which sector responds to them more efficiently?

Here I will discuss the most important elderly needs and the mode of affording them by both public and private home care companies. I want to understand which providers, private or public can better responds to these needs. For this purpose, I conducted an interview with a need assessor in addition to managers, to learn more about her idea on the home care providers’ function. The reason I decided to interview her is because it is her job to maintain a non-biased opinion, looking at both the public and private sectors’ function neutrally. Using this information, I can see the extent to which claims from both private and public managers holds true when they say they afford elderly needs properly.

One of the main problems for the elderly is lack of **social connections**. Of course, it should be highlighted that this need is felt more among the elderly who receive home help services than

those who are caring in old people's homes. In fact, the main critique toward home based care is that this system has resulted in an increase of loneliness among elderly. Simply put, home-based care makes elderly more isolated, especially those who are sick or disabled, living alone in their homes, with no relatives or friends. The only social contact which they have is with the home care service personnel who usually have a limited time to spend for talking or walking (Abrahamsson, 2009 quoted in Annika Edström, Gustafsson, 2011, p.6).

Here, it should be stated that being old is not synonymous with being lonely, and loneliness does not only affect elderly people. These are some of the conclusions of a recently published research report from the Danish *Videnscenter på Ældreområdet*. Three percent in the 52–62 age range state that they often or occasionally feel lonely; while the corresponding figure in the 77–82 age range is five percent. There is however, now a correlation between loneliness, physical and mental disability and social alienation (Swedish Association of Local Authorities and Regions, 2007, p.14).

Now the question arises - do public or private home care companies provide any services responding to loneliness? According to my interviews, both public and private home care companies have designed some activities for the elderly people but the time and duration which they give these services to them varies base on the ability and interest of elderly. These are the summary of answers responded by both public and private managers to this question - what are the crucial needs of your customers? How do you respond them?

“We have some activities for them, like going on an expedition, walking or going to the park (M₃).

We have a lot of activities for our elderly .Two women are responsible for this (P₂).

Our care givers can spend one hour to talk with elderly or take a cup of coffee with them (P₅)”.

Regarding this, the need assessor with whom I interviewed, had another idea - she said:

“Of course public and private home care companies provide some activities for elderly, but they still suffer from loneliness. This is the main problem of elderly which effects their health. Sometimes they come here to talk and get help from us, but we can't do anything further since everything is decided based on the municipality's regulation. The problem is that we have to see

everything from eyes of law. For example: patient may need company 10 times a day, but we can join him/her once a day. I must calculate how much attention a person needs, within the framework of the law”.

Concerning the other needs of elderly she explained:

“Many of elderly are not satisfied with the services they receive. Some of them are not happy with the caregivers’ treatment, or they are dis-satisfied with cleaning of their homes. Many times I have complained about having inadequate cleaning of staff. It is expected that food is cooked in the elderly’s home, but sometimes the care givers don’t have time to do that and compensate with fast foods which do not have enough nutritional value. Also, patients often prefer accompany with them in eating, especially those who are very old and they cannot eat by themselves, but it is not always done”.

Then I asked which company’s care givers usually tend to up hold these services better, public or private? She answered:

“There is no difference between care givers’ company. They come from both public and private companies, some of them are working properly, and some of them are not”.

The other important elderly need is requiring the same staff during all their entire caring time. This point was mentioned as a very important need by all managers and the need assessor. In this respect, one of the private home care managers told me:

“Elderly are very sensitive to changing the staff who gives them care services. They like to see the same person every day since they get use to him/her. For this reason, we provide same staff for our elderly customers and they are happy with them (p₂)”.

Base on my interviews with both public and private managers, all of them said that they provide the same staff to all of their customers, as much as possible.

5.7. Problems and challenges of both public and private sectors in providing home care services- from the manager's perspective

In this section, I want to compare the problems which both public and private sectors have in common, in the way of raising the quality of their services. I will discuss these problems in different groups, and include the results of the interviews with the home care managers. According to my interviews, there are two types of problems for home care companies. The first type are those common problems among both public and private sector and the second type are those problems specifically related to public sector, since the private managers didn't mentioned any problem specifically related to their companies. Here I described each of them precisely.

5.8. Common problems among both sectors

Organizing a large population: One of the main problems in both public and private home care companies is their obligation to accept all the elderly over 65 years old. This is a law, regulated by municipality which says all the home care companies should give services to all seniors over 65, regardless of the type and severity their sickness. This issue has led to increased workload pressure on staff and management personnel in some of the home care companies in Stockholm. In this respect, two managers of private home care companies told me:

"I should accept all the elderly who come to us for getting help. It is a law from municipality. Every week I have a lot of new customers, and I have to provide them services and send them a caregiver every day. It's a lot of work for us. I don't have enough staff for this work (P₁).

Already I have 158 customers which could be more in the future. It's quiet hard to manage all of them together, since I would alone have to be an economist, psychologist and manager all at once. Also I have to be careful of the elderly needs, since their families call me regularly, inquiring about their elderly (P₄)".

So this is a common problem among both the public and private sectors which will effect on quality of their services. Accepting the managers' claim, which says there is a larger population

of customers in the public sector, it can be said that this problem has higher impact on quality of public home care services.

Lack of interested staff: This is a common problem in both public and private home care companies. The text below presents some of the managers' ideas about this problem in both sectors:

“Many educated people are more interested to work in hospitals than in elderly home care companies. Their problem is not the salary so much as they don't like to work with sick elderly. We need people who are 100% interested in this specific line of work (p₂).

Fortunately, I have wonderful staff here, but it is very hard to find them (P₃).

There are some interested applicants who want to work in elderly home care companies, but they are not educated enough. They don't have enough knowledge about the medication (P₅)”.

Many managers represented this problem as a big challenge, because while they don't have enough staff, they have to accept all the customers who come to them for help.

Competition: This point was also mentioned as a challenge among all the home care companies, however the public companies are more worried about competition because they can't afford the same services as private companies. In fact, each company is trying to be ahead of the others in terms of its services and facilities. The following text represents an idea of one of the private home managers with this concern:

“There are 150 municipality companies in Stockholm, which provide home care services. We have always to be aware of their developments and progresses. So that we can provide services better than the others or at least the same as them creating a minimum standard through competition (p₅)”.

Although this is a challenge for home care companies, it shows that the real aim of privatization, which was making high competitive environment among elderly care companies, is working as expected.

5.9. Problems of public home care companies

Lack of money: Recalling my interviews, lack of money is one of the foremost problems in public home care companies. Here is what one of the public home care managers had to say on this topic:

“I always try to save some money for the future, because if something breaks, or we need new equipment, the municipality won’t give me additional money to buy a new one or repair it. For this reason, I have to be very careful about my spending. Also I have to be consciousness about paying the salaries of my staff on time to keep them satisfied. This can be a difficult situation for me at times (M₃)”.

None of the private home care managers who I interviewed with complains of the economic problem and I just found it among public home care managers during my interviews. It is arguable that private companies do not have the same financial struggles, since many of them get their bids by offering a lower price than public sector?

Based on the Antonsson’s study (2009), the managers of public sectors believe that the private providers get their bids by offering a lower price, causing public sector loses in competition due to their higher overhead costs. So, how do they cover their expenses? Of course, it should be considered that private companies can offer extra services to their customers and make profit through this way, but they usually use other policies. As private managers claimed in the interview with Antonsson, they account on elderly care provisions as a business not as an optimal. They said that they talk more about finance and budgets within private organizations since they have to break even and make a profit. If the result is negative the company cannot exist (Antonsson, 2009, p. 8).

Consequently, private elderly home care companies in Sweden have better financial stability than public companies, because of their policies and selling extra services to their customers. Home care companies in Stockholm which are the case of this thesis have the same situation. They feel less financial burden than public one as I mentioned before.

Hierarchical levels of public sector: there are more hierarchical levels in public sector than private sector. In this respect, the private managers who were working in public companies mentioned this point as a problem which causes a delay in providing care services.

According to Antonsson (2009) public managers are dissatisfied with many hierarchical levels of the public sector. They believe that the size of the municipality is very large, and this is an issue which can take a very long time to solve, and that is frustrating. Also, they believe that there is a great distance between first line management and top management due to many hierarchical levels. Basically, since the private managers only have one manager “above” them, they can make many more decisions themselves. In addition, if they need the answer to something they can receive it the same day since decisions can be made fast (Antonsson, 2009, p. 6).

Base on this, it can be said that the provision of care services is faster in private home care companies than the public ones due to less hierarchical levels in the private sector, leaving the managers with higher autonomy in their decision making.

5.10. Comparing quality of home care services between public and private sector –managers’ perspective

In this topic, I want to compare the quality of home care services between public and private companies from manager’s perspective. In this respect, all the private home care managers who I interviewed with expressed that the quality of home care services is higher in private home care companies than the public ones. Since four of these managers were working in public companies before, their ideas give me more certainty about higher quality in private companies. On the other hand, the public managers neither confirm this idea, nor do they claim that they have better quality of home care services than private companies. They stated that they provide as high quality services as the private sector. One of the public home care managers told me:

“We don’t think we have better quality of services than private sector. We try our best to improve the quality of our services as much as it is possible and to keep our customers satisfied (M₃)”.

In this regard, the private managers emphasized: less number of customers, a better financial situation and less hierarchical levels within the private sector, are the main factors of their quality improvement. Here I don't want to talk about these factors since I discussed them earlier, but the questionable point for me is, why is there a higher number of customers in public home care companies in some districts of Stockholm? It is not clear why there is higher number of elderly in public companies while the general belief is that there is higher quality of services in private sector. In fact, I want to know why still so many elderly prefer to go to the public home care companies when they are free to choose the private ones as well? I asked these questions to all the private home care managers, and received a common answer. The text below is the conclusion of their response:

“We don't know. It could have different reasons like more accessibility to a public home care company than a private one, or something like that”.

As I found in the interview with the need assessor, elderly have right to choose one of the home care companies only located in the district she or he lives in, whether it is public or private. Base on this, it is likely that in one district elderly prefer to get help from the public home care companies than private ones, which leads to increase of customers in public home care companies.

When I discussed this issue with the need assessor, she had the same thought. I asked:

Do you think the public home care companies have more customers than private ones? If so, what is the reason in your mind?

She answered:

“Usually I would think the public home care companies have more customers but it can depend where in the city you live (if they have public home care or only private or vice versa). Here in the part of Stockholm where I work, public service has more patients. I can't tell you the ”scientific” reason for this, but I would assume that it would have to do with a lot of the elderly people feeling more comfortable with the public sector, because the private sector in another

way assuming is doing more wrong than the public sector. In fact the elderly are more certain about the public home care companies than the private ones”.

Base on this view, the crowd of elderly in public home care companies mostly depends on their geographical position and their accessibility to these companies in Stockholm. But still it is not clear why, in one district there is higher number of elderly in public home care companies than private ones.

As the need assessor described it could be because of higher reliability of elderly to the public home care companies.

Apart from the effect of population and the others factor on the quality of care services, I think the major difference between public and private home care companies is the kind of strategies which they use in conducting their services. In fact, this was the main goal of privatization of the elderly care in which had the goal of implementing the New Public Management strategies. I will continue my discussion regarding this type of management in a further section.

6. Analysis and Discussion

As we have seen, there is a similar governmental control over both public and private home care companies. Municipalities oversee both public and private home care companies once a year, and implement the same laws to them. So, privatization of elderly care has not limited the government’s control over the private home care companies. The theory of mixed economy of welfare by Powell, explained this type of privatization clearly. Regarding the three dimensional account of this theory, it is seen that the provision of elderly care services has moved from state to the market, while the state still imposes high levels of its regulation over the provision. So the quality of home care services is controlled in a similar way in both public and private home care companies. In fact, a big part of home care services is outsourced to a private sector, which means that their regulation and finance are still under the government’s control while their provision is privatized.

Nonetheless, in the comparison of Szebehely (2009) between the staff in private and public home care companies, it was proved that there is less influence of government on both employers and employees in private home care companies (Szebehely, 2009, p.92). Of course it does not necessarily affect the quality of their work. Increase of quality in the private sector is a need rather than an optimal (Antonson, 2009, p.7). In fact they account on their work as a business in which they have to be better than the public sector to keep their existence. For this reason they put a lot of effort in to provide better quality of services, regardless of influence level of politicians on their work environment.

To achieve higher quality of services in a private sector, managers design a lot of different goals for their company. They design different policies even for minor issues in their company. Simply put, they use the strategies of New Public Management, which aims at achieving greater efficiency. Through this type of management, private home care managers have higher control over everything in a company. They have many different meetings which provide both employers and employees a space to discuss their responsibilities, problems of the company and the policies for betterment of their company. Actually it was one of the goals of privatization, aiming on use of this type of management in both public and private sectors. Base on my studies, this type of management is mostly used in private sectors however, the public sector is aware of it but, does not use it as well as the private sector.

Of course, private providers are more open-handed in use of New Public Management. The first reason for this is the lower number of customers in private home care companies. However the number of customers can be different from one municipality to other one. Here I am talking about all the private home care companies in Stockholm. Based on my findings, the managers and the employees of private home care companies in this city experience lower workload pressure than the public home care companies. This then gives them the opportunity to have a lot of meetings and discussions about their issues, as it then has a direct impact on the quality of services in the private sector.

In addition, the managers in private home care companies are in closer contact with the customers than in public home care companies. For this reason, they can better recognize the

elderly's needs and they can plan the policies or strategies to specifically attend to those requirements more efficiently for each individual. In the private sector all the requirements of the customers, even the minor needs, are considered and tended to as much as possible. Basically, the managers of private home care companies define the quality indicators based on the elderly's needs. For this reason the number and the type of quality indicators can vary from one manager's view to the another in private home care companies. Of course the public providers realize the elderly's needs easily but they have not always the possibility to afford them completely. Especially the minor needs of elderly, like providing staff fluent in other languages, or personally familiar with other cultures or religions are mostly afforded by private companies.

We know the elderly have some crucial needs such as, social connections - which is not always strong at either public or private home care companies. Since the type and amount of allocation of services is decided by municipality, many times the elderly don't receive the full assistance they need. For example, providing better social connections is one way to vastly improve the quality of care in both public and private companies.

The other effective factor on quality of services is qualification difference between the staffs of public and private home care companies. In this regard, private home care companies often have better work environment for the staff than the public. There is less workload pressure on the staff, and managers are usually punctual in paying the staff's payment. These advantages result in recruiting more qualified personnel, especially those who are more educated or have a broader knowledge of other languages and cultures. Although, from manager's view the most qualified people are those who are fully interested in this line of work, regardless of their other qualifications.

On the other hand, in private home care companies it is easier to fire any unqualified staff member, or at least directly say to them that they are not qualified. In contrast, in the public sector this is much harder to do. Since there is higher governmental influence and the staff can easily complain of their bosses to the municipality. This issue has a direct impact on rise of quality in a home care company; since the staffs are ones who have the main responsible of serving the elderly.

Organizational differences between public and private sector makes a significant difference in provision of services. There is less hierarchical level in private sector which causes First Line managers to be easier in touch with top management. In fact the size of municipality is very large and getting permission from top managers takes a long time for public managers. Also more hierarchical level slows down the provision of services in public sector. This issue many times delays responding to the elderly's needs. In other words when the elderly have emergency needs to something, a late response to that need could be annoying for elderly. This problem decreases the accountability of the company which is one of the quality indicators from the view of both managers and the elderly.

In contrast, the private providers have not had this problem. Many of decisions are made fast. This has a direct impact on quality from managers' view because when the elderly have an emergency need, it could be afforded very fast.

There are some problems which both sector have in way of providing their services. Increase of the number of customers. This issue will occur for both the public and private sector, however it is likely to have more effect on public sector because many of them already have a lot of customers.

Competition is a problem since the home care providers all the time should be careful to provide the high quality of services as same as the other providers. It puts them in a challenge when they are not able to provide the services, which the other company provides. Although managers of both sectors look at this competitive environment as a problem, but it was one of the aims of elderly care privatization in order to increase the quality of services. By this means, it can be said this aim of privatization has become true. However, in this competition the private providers are more likely to win, since they have better management strategies and the opportunity to offer extra services to their customers. In addition, they usually offer lower prices to the municipality and they can get more bids than public providers.

The main aim of elderly care privatization was to afford the elderly care economical deficit through implementing New Public Management's strategies, though it has not afforded. In this respect, the Annelie Nordström president of the Municipal Workers Union in Sweden explained

that “the real problem of elderly care in Sweden is not so much a question of private versus public or of ethics - or lack of – but its money” (Municipal workers Union, Sweden Radio, 2011). So, it can be said that privatization has not helped so much the overall economic need of the elderly care sector.

7. Conclusion

Privatization has started as a response to economical needs of government and some political decisions in Sweden. The main aims of privatization were to provide accessible and affordable care services for all the elderly as well as increasing the quality of both home based care and residential care.

To understand to what extent privatization has been successful in increasing the quality of the elderly care services, I decided to compare some of the public home care companies with private home care companies in Stockholm. In this respect, I found that one of the aims of privatization, which was making a competitive environment between the public and private sectors, has completely come true. There is a very high competition not only between public and private home care providers but also among all the home care providers. However, this competition is considered as a problem in managers’ view because some of the providers are not able to win the competition. Especially public home care companies usually are loser in this competition since the private providers usually offer lower prices to municipalities than public providers to get their bids. On the other hand, they can offer extra services to their customers by which they can attract more customers.

Comparing the organizational structure between public and private home care companies, there are less hierarchical levels in private sector, which accelerates the provision of home care services in private companies. Base on this, managers of private home care companies have more autonomy in their decision-makings and designing their policies. On the other hand, there is a lower level of government influence on employers and employees of private home care companies than public ones, which gives them more freedom in their policymaking. Of course it does not mean that the private providers are able to make a decision against municipality law. Also they try to provide services with the highest quality to make their customers satisfied.

Private providers need to keep their customer satisfied to continue their business, otherwise they would not exist anymore.

Applying New Public Management strategies is visible in both private and public home care companies, however the private sector use it more efficiently. The private providers design more policies and strategies even for minor aspects of their work, which has a great impact on quality of their services. For example, they consider the cultural, religious or language needs of their recipients and design the services base on their customers' needs.

The other difference which private home care managers mentioned, is a higher number of educated staff in private home care companies. However, now the government plans to have some educational programs for staffs in both public and private home care companies. Also there is higher possibility of firing unqualified staffs in private home care companies than the public ones. In the studied districts of Stockholm, I found that private home care companies have a lower number of customers than public ones. Still it is not clear what is the scientific reason for this difference, but it is believe that elderly have more trust to public home care companies than private ones.

Overall, there is no huge difference between the quality of services between public and private home care companies in the given areas of Stockholm. Also, both public and private home care staffs have no difference in their performance. Elderly have some crucial needs which are afforded neither by public sector and nor by private sector, since they have not been considered in municipality's list of services. Some needs like social connection or activity are those requirements that should be considered in municipal service framework.

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Appendix 1-Interview Questions

This is my interview questions about quality of elderly care services with manager /boss/administrator of a public or private home care manager in Stockholm. This interview was conducted by phone. I started as follow:

Hello I am Zeynab Kalhor the master student of welfare policies and management in Lund University. I am doing my master thesis about the quality difference between public and private home care companies. Base on this I have some questions which I will be grateful if you answer them. Also I want to make you sure that your name and the other information will be absolutely confidential. If you think it is ok, shall we start?

1. How long you have been working as the manager of this center?
2. What are quality indicators of elderly care services in your mind?
3. What is/are the main challenge/s for your elderly care home today?
4. How many elderly persons you provide in your center?
5. What type of patients do you accept to offer your care services in your center ?
6. How the quality of your services is evaluated?
7. How do you ensure quality at your elderly care home?
8. What policies or techniques you use to increase the quality of your services?
9. What are the most crucial needs of your customers which they usually ask you to afford?
10. Comparing your center with a public elderly care center, what advantages/disadvantages you center has in terms of quality?
11. Do you think majority of staff working here, have enough knowledge/education about the elderly issues?
12. What advantages do you think has been brought by privatization to elderly care sector in overall?

Appendix 2- Interview questions

This is my interview questions with a need assessor in municipality of Stockholm. This interview was conducted by phone. I started as follow:

Hello I am Zeynab Kalhor the master student of welfare policies and management in Lund University. I am doing my master thesis about the quality difference between public and private home care companies. Base on this I have some questions which I will be grateful if you answer them. Also I want to make you sure that your name and the other information will be absolutely confidential. If you think it is ok, shall we start?

1. How long you have been working as a need assessor in municipality?
2. What are quality indicators of elderly care services in your mind?
3. Which sector more care to the quality indicators in your mind?
4. What is/are the main challenge/s for an elderly home care (both public and private) today?
5. What are the main differences between the public and private care givers?
6. What are the most crucial needs of elderly?
7. Comparing a public home care company with the private one, what differences they have in terms of their quality?
9. What advantages do you think has been brought by privatization to elderly care sector in overall?

