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Care 'going market': Finnish elderly-care policies in transition

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Abstract

The article evaluates marketization and its effects on elderly-care policies in Finland, where the welfare state has been the most important mechanism in mitigating failures caused by the functioning of market. In addition, since the 1960s the public sector has been regarded as the guarantee for citizens' social rights and the common good. Therefore, marketization, denoting to market logics intervened with social-care practices that construct care as a commodity and the individual in need of care as a consumer, is a critical juncture for an evaluation of the underlying pattern change. To evaluate the change this article employs a framework of institutional policy analysis. By focusing on institutional framing of care policies, institutionalized responsibilities, policy discourses, and policy outcomes and by using textual and statistical data, this article aims to reach a detailed but comprehensive picture on marketization and its influence in the Finnish social-care regime. All institutional aspects analysed in the study show a clear transition from universal social policies based on public responsibility to market-friendly policies and the marketization of social care. However, they also imply that marketization is regulated by public authorities. On the basis of these results, we argue that Finnish elderly-care policies is going through a profound change, in magnitude similar to what occurred 30-40 years ago when the politics of universalism was breaking through. The new direction points to the market and a deep-going reform of social-care service provision is taking place, and the earlier state-centred welfare production mode is at least partly withering away. In this respect the pattern of social-care service provision is turning into something else. In all, Finland seems to be approaching the form of a liberal welfare state.

Keywords: marketization, elderly care, institutional policy analysis, Finland

Introduction

The feminization of labour-market participation, the attempts to raise the retirement age, and the overall individualization of lifestyles have reduced the informal care that even today is the main source of adult social care. Informal, unpaid care done mainly by women has to be complemented and substituted by formal arrangements more extensively than ever before owing to the ageing of societies. Researchers and politicians in various countries are searching for socially and economically sustainable solutions to meet the increasing care needs of aged persons. As Daly and Lewis (2000) wrote about ten years ago, social care is today one of the most important social-policy issues in Europe. This is also the case in Finland (Anttonen, Valokivi & Zechner, 2009). This article scrutinizes social care by analysing the marketization in the social-policy field of elderly care in Finland.

We use the concept of mixed-care production to refer to the multiple ways of providing care in post-industrial societies (Sipilä, Anttonen, & Kröger, 2009). The concept of mixed-care production comprises care provision both in the private sphere of households and the public spheres of the state, market, and civil society. Marketization, in turn, is a context-bound concept used in a number of different ways. In this study marketization refers to market logics intervening in social-care practices that construct both care as a commodity and the individual in need of care as a consumer. Marketization refers first to the increased presence of for-profit providers in providing social care, and, secondly, to the institutionalization of market-like mechanisms in providing care services within the public and third sectors (or civil society). Promotion and implementation of market and quasi-market mechanisms have created space for new operational practices such as 'vouchers', 'personal or independent budgets', and 'payments for informal care', often together with the introduction of purchaser-provider models (Anttonen & Sointu, 2006; Clarke, 2006; Newman, Glendinning & Hughes, 2008; Stevens et al., 2011). Reforms have aimed at targeting society's resources in a more effective way, building up social-care markets, promoting choice, and giving citizens a voice.

Since the early 1990s, researchers have emphasized that innovations within social care often represent mixed-care production or new welfare mixes, where the clear demarcation between public and private provision is withering away (Evers & Sevetlik, 1991). This is true even in Finland with its fairly strong tradition of tax-funded service provision and fairly universal social-care policies. Marketization is related to the promotion of new welfare mix (or mixed welfare governance as we later show) in producing welfare and social care for citizens but also the overall regime or pattern change taking place in Western welfare states. To understand better the meaning and processes of marketization for social policy and social-care practices, this article employs a framework of institutional policy analysis. This approach analyses marketization as a critical juncture in which to evaluate the underlying pattern change by focusing on the institutional framing of social care, institutionalized responsibilities, elderly-care policy discourses, and some policy outcomes in the field of social-care provision. According to historical institutionalists, it is important to pay attention to incremental changes that may in the longer run lead to pattern or regime change in Western democracies that rely more heavily on market-based solutions in their public policies (Streeck and Thelen, 2005). There has been a move from 'against market' or anti-market welfare positions to 'pro-market' views that emphasize the public sector's inability to

mobilize a significant amount of new resources for any welfare purposes (Sipilä & Anttonen, 2008).

Market-friendly welfare production

The timing of adopting market-based or market-like mechanisms and practices varies across countries as does the extent of realized reforms. While there are profound changes now taking place, we speak here about the 'new politics of social care' (cf. Pierson, 2001; Julkunen, 2006) leading to a new type of regime or national pattern in the production of social care. In Europe, the United Kingdom was among the first countries to reform its public-service model thoroughly (Clarke, 2006). Since the 1990s, a number of countries, including Finland, have followed the British route, at least to some extent. International organizations such as the Organization for Economic Cooperation and Development (OECD) and the European Union have paved the way for the 'new politics of social care' by recommendations and rules structured with market logics (Jenson, 2009). The governance of social welfare is changing owing to the stronger emphasis on issues such as consumer choice, user-friendliness, social-care markets, commissioning, externalization, commercialization, and contracting-out of care services (Clarke, 2006; Newman & Tonkens, 2011; Vabø, 2006).

Countries in the first wave of marketization that adopted new mechanisms to reform public-sector service production represent the liberal welfare regime (Newman, 2001; Stevens et al., 2011; Streek & Thelen, 2005). However, in the second wave the market-related reform movement also reached the Nordic countries, where the state traditionally assumed a wide responsibility for producing and financing social care for its residents. There are reasons to look more closely at one Nordic country, Finland, and its market-related reforms in social care. For two or more decades the phrase of 'care going public'[1] has captured, first, the politicization and increased societal recognition of unpaid care work; and, secondly, it has referred to the processes through which an increasing proportion of care has moved from being solely in the private domestic sphere of the household and now falls in the spheres of the state, the formal economy of the market, and the voluntary and third sectors (Anttonen, Baldock & Sipilä, 2003). Because of the importance of the process of 'care going public' and the metaphoric strength of the phrase, we instead use here the expression 'care going private'.

Since the 1950s, in the Nordic countries care has increasingly 'gone public' in the sense that the public sector has assumed much of responsibility for producing care services for both children and adults. By using the expression of 'care going private', we do not claim that a considerable part of 'public care' has now gone back to the private domestic sphere of the household; rather, it refers to a number of developments taking place within social-care policies and practices. Many Nordic scholars – without using the phrase – have made reference to the informalization of care (Rostgaard, 2004; Szebehely, 2005), the privatization of the management and provision of public-care services (Szebehely, 2004; Vabø, 2006), and the marketization of service provision (Trydegård, 2000). Care is 'going private' in the sense that one part of social care is now removed from the public sphere of welfare states and now to a

[1] The expression of 'reproduction going public' was coined by Helga Maria Hernes in the mid-1980s. With this slogan she implied that the division of reproductive work between the family and the rest of society radically changed in the course of the twentieth century (Hernes, 1987).

great extent overlaps with the formal economy of market, third sector, and the private domestic sphere of households. Yet it is equally important to recognize that market-like mechanisms have gained more importance within the public sector.

Marketization is one important developmental path framing and shaping Finnish elder-care policies. In this article, we start from the general assumption that care is now rather going private than public, and that the marketization of care and the strengthening of market or economic principles in social-care production is part of this process. The marketization of care includes, as already mentioned, different but intersecting processes (e.g., contracting out, the use of vouchers, tax credits) through which social care as a public good becomes a 'commodity' purchased in (social-care) markets. Overall marketization and the adoption of market-like mechanisms shape social-care institutions, care-related responsibilities, and the production of care both in the public sphere of the state and local administrations and in households (Szebehely, 2005). In addition, the sphere of third- and voluntary-sector service provision is similarly affected by the logic of market.

Anttonen and Häikiö (2011) have recently shown that marketization is present both in policy discourses and in the actual policies of social care for the elderly. Thus there is good reason to take a closer look to different sides of the phenomenon of 'care going market'. Our aim is to ascertain whether there is a major market-related change taking place in Finland. Secondly, we ask how intensively and extensively 'care is going market'. Thirdly, it is important to ask if the whole pattern of producing care and care services is changing in Finland into something different than that based on the Nordic social-care regime, with its foundational principle of universalism (Anttonen and Sipilä, 2010)

These questions are studied, as we call it, in the framework of institutional policy analysis. With a focus on institutional framing, institutionalized responsibilities, policy discourses, and policy outcomes we aim at to achieve a detailed but comprehensive picture of marketization and its influence in the Finnish social-care regime. First, we are concerned about how legal reforms frame and shape social-care production and particularly social-care markets. We follow changes from the major social welfare legislative reform of 1984 to the most recent reforms by paying attention to the ways that national legislation opens (or speeds) up and structures processes of marketization. Secondly, a more detailed analysis concentrates on diverse institutional aspects of marketization in the field of social care. We use the available statistical data mainly concerning coverage of social-care services to analyse shifts in public and private responsibilities in meeting care needs. Thirdly, national and local policy documents that determine elderly-care policies provide material for interpreting policy discourses and the ways these discourses are structured with market logic. Policy outcomes are measured using statistical data on the share of public and for-profit social-care service providers in social services.

The Nordic social-care regime and market failures

In contextualizing current processes of marketization of the Finnish social-care regime, it is worth noting that social policies and the universalist welfare state have been the most important mechanisms in mitigating failures caused by the functioning of the market in the Nordic countries. Citizens and decision-makers have viewed the state and the public sector as the guarantors of citizens' social rights and the common good. This is why the welfare state has

been considered as a mechanism functioning against rather than for the market (Esping-Andersen, 1985). In every society rich people can purchase the assistance and care they need from the market by employing nurses and care workers. However, the great majority of people do not have this option. This has been one of the main reasons for extending social rights to cover such needs as social care – to simplify the complex reasons behind universal social-care policies.

Care practices are always and everywhere an integral part of the wider order and structure of a society. The norms and assumptions that govern care policies are products of gendered, political, cultural and religious norms, values, and habits (Pfau-Effinger, 1998; Pfau-Effinger & Rostgaard, 2011). International comparisons (Anttonen, Baldock & Sipilä, 2003; Bettio and Plantenga, 2004; Rostgaard and Fridberg, 1998) show that there are surprisingly large national differences in the scale, scope, and targeting of formal care services as well as in the operational practices used and justifications adopted. One and the same function may be arranged through services provided by central or local government, by private businesses, by welfare organizations or through various combinations of public and private sources. For example, carers and care recipients in some welfare systems may be offered cash benefits or tax concessions instead of services. Alternatively, a whole system may rely largely on social care being provided by relatives, friends, and partners or on care provided by immigrant care workers working in private households (Williams, 1995 and 2009).

In the comparative welfare-state literature the Nordic countries constitute one of the most distinctive welfare and social-care models. It is legitimate to speak about a Nordic social-care regime (Anttonen & Sipilä, 1996; Bettio & Plantenga, 2004) and universalism as a guiding principle behind its care policies and service provision. In the field of care policies there are (or at least have been) many important similarities between Finland, Sweden, Norway, and Denmark (Sipilä et al., 1997, 39-40). First of all, services are available to all citizens, irrespective of their economic status; secondly, the system offers fairly uniform services all over the country. Thirdly, a majority of citizens actually use these services when in need. Fourthly, universalism may also include the idea that citizens have rights to services. Fifthly, municipalities or regional administrative bodies are responsible for service provision.

The grand idea of universal social services was brought into public political discourse by the Swedish social democrats as early as in the 1920s (‘society as people's home’). It was closely connected to the promotion of gender equality and a work society for all. Since the 1950s, universalist solutions often enjoyed strong support in social policy reforms. This was also the case with social-care services. In aged care two main instruments were used.

In Finland until the 1960s institutional care was the main mechanism for meeting the care needs of elderly people and the rate of institutionalization among the elderly remained high until 1980s (Noro, 1998). The municipal home-help service was greatly expanded in the 1960s and 1970s. Developments in municipal home-help serve as a very good example of universalist social policies. In 1966 the home-help service was made available to all those who needed them, irrespective of age and financial position, and the municipalities were required by law to provide these services (Rauhala, 1996). Municipal home help was the first truly universal social service in Finland. In 1970, around seven per cent of the population (65+) received home help, and in 1990 Finland was in the top position internationally with a coverage of 24 per cent (OECD 1996: Table 3.6; according to the national

statistics the corresponding figure is slightly lower, 19 per cent). In the 1980s and early 1990s Finland as one of the Nordic countries had the most advanced systems for safeguarding citizens' and also aged citizens' rights to social care. In this sense, it is possible to argue that the universalist social policies peaked in the early 1990s.

Legal reforms paving the way for marketization

In Finland, universal principles in the field of social-care policies were challenged during the economic recession of the early 1990s. The recession of 1990-94 was unparalleled in Western economic history, with unemployment rising up to the level of 20 per cent. This particularly unbalanced the central government budget, which again resulted in drastic cuts. One of the main objects of cost containment was state subsidies to local governments, which hit municipal social-service provision severely. Being less protected by social rights, services for the elderly were among the main victims of the cuts.

The economic recession together with the growth of a liberalist market ideology have led to a profound restructuration of social-service policy. It is interesting to note that even before the collapse politicians had opened up some important doors for promoting diversity in service provision. The major reform of the social-welfare legislation in 1984 permitted the use of state subsidies for purchasing social services produced not only by the municipal authorities but also by voluntary and private organizations, as well as payments for informal caring. The Social Welfare Act of 1984 obliged municipalities to provide services according to need, but it also gave them freedom to decide how these needs would be met. This was the beginning for the new politics of social care based on marketization and thus increasingly on mixed-care production.

Since the 1984 reform, the system of home-care allowances (HCA) has constituted the third instrument in providing care for the aged along with institutional and home-care services. The system of HCA brought into being new mechanisms and operational practices in making social-care policies. Instead of providing services for aged and disabled persons, relatives and other laypersons are paid to take care of those who need regular help and attendance. In Finland, cash benefits like HCA are primarily seen as an alternative to social-care services (Anttonen & Sointu, 2006). Payments for care schemes are a crucial part in the process where the government tries to reduce the costs of social-care services financed by tax revenues and provided with high professional standards that have also characterized public-care service provision in the Nordic countries.

Another major legal change that opened up space for marketization took place in 1993, when the system of earmarked state subsidies for social welfare was dismantled. This legal reform strengthened the idea that municipalities are in charge of arranging services, but they have the freedom to decide how these services are arranged and produced (following the Danish model of that time). These two legislative reforms paved the way not only for marketization but also for the informalization of social care by making it possible for local governments to purchase services from private (for- and non-profit) providers and to substitute some part of care service provision by supporting informal care given at home. All this has led to increased diversity in the social-care production for the elderly and mixed practices of governance in managing social-care systems at the local level of municipalities.

Further steps towards mixed governance that involved the market logic were taken when the tax credit for domestic help was introduced in 2001. This credit can be used for employing assisting personnel, including domestic and care workers, for instance, at an aged person's home. The tax credit for domestic help clearly represents a market-friendly policy alternative to publicly funded service provision. In principle, this reform allows people to purchase care services (with the exception of childcare) directly from private providers or to employ care workers, but in practice the use of this credit for purchasing care has been very limited (Finnish Tax Administration, 2011).

The introduction of the voucher system has strengthened market-like mechanisms in social-care production. Since 2004 municipalities have been able to provide some care services by means of service vouchers. The services provided for aged people most often include home help and cleaning services as well as services to support informal carers' legally defined right to some time off. In 2009, the Law on Health and Social Service Vouchers was passed to regulate better the diversity in local practices adopted in the Finnish municipalities. Thus it is only very recently that the system of service vouchers has started to gather more momentum within health and social-care policies in Finland.

Diminishing public responsibility on social care

Social care for the elderly is going through major changes with respect to the principles behind the legal reforms and mechanisms used in care policies. A working group set up by the Ministry of Social Affairs and Health suggested in February 2011 that long-term care given in old age homes and long-term health-care wards in hospitals should be reorganized so that all aged people needing 24-hour care should be living in sheltered housing (service housing) instead of institutions by 2020 (Working Group Ikähoiva, 2011). One motivation behind this reform is to speed up marketization by building up sheltered and extra-care housing for the elderly. Through the latter mechanism service users have to pay more for 'residential' care because services, medication, and housing are separate packages. This is also an avenue to move one part of the financial responsibility from the municipalities to the state. Finally, for private companies sheltered housing is a much more attractive care commodity than the traditional institutional care given in old-age homes and other similar institutions.

This major reform was to be accompanied by increases in home help, home nursing, and other home-based services, but in fact the trend has been quite the opposite since the early 1990s. For instance, the home-help service provision has been declining since the heyday of universalism. In 1999, home-help services covered only 11 per cent of the 65+ population compared to 19 per cent in 1990 (Table 1).

Table 1: Coverage of municipal home-help services, 1990-2009, Finland

	Home-help services*				Support services**	
Year	Recipients	65+ %	75+ %	85+ %	65+	65+ %
1990	125 571	18,7	31,5	42,4	103 096	15,3
1995	86 748	11,8	22,1	35,7	97 967	13,4
2005	85 604	10,2	18,3	34,4	108 249	12,9
2009	103 863	11,4	20,4	37,3	116 347	12,8

* Number of households receiving home-help services.
** Individuals receiving support services (meals-on-wheels etc.)
Source: SOTKAnet 2011.

Table 1 reveals a major change in care service provision. In addition, the decrease in home-help service provision has not been accompanied by an increase in support services such as meals-on-wheels and bathing services. On the contrary, the coverage of these services has also in fact decreased. The system of HCA has been designed to compensate some of the losses in municipal home help provision as seen in Table 2.

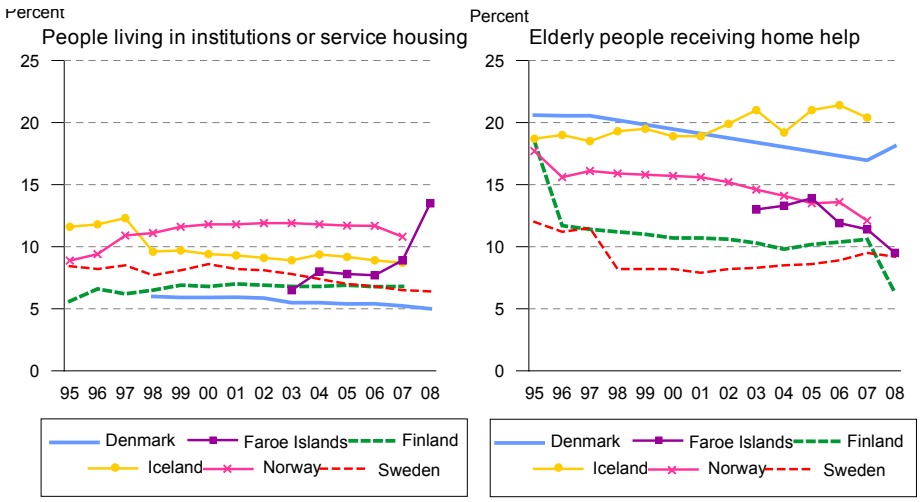
Table 2: Recipients of home-care allowance (HCA) 1990-2009, Finland

Year	Recipients 65+	65+	75+	85+
1990	13 196	2,0	3,3	6,6
1995	11 294	1,5	2,7	5,0
2000	14 355	1,8	3,0	5,3
2005	19 796	2,4	3,7	6,0
2009	23 548	2,6	4,1	5,9

Source: SOTKAnet 2011.

Declining figures in home-help coverage and the increasing significance of HCA suggest that ‘care is going private’ at least in the sense that aged persons receive fewer home-help services. This loss has been compensated only partly by paying HCAs for relatives and spouses of aged persons needing care. Compared to other Nordic countries, the development of home-help service provision in Finland resembles most closely the situation in Sweden (Figure 1).

Figure 1: People living at institutions or in service housing and people receiving home help in the Nordic countries, as percentages of the age group 65 years or more, 1995-2008



Source: NOSOSCO, Social Protection in the Nordic Countries 2007/2008, Figure 6.2.3.

Figure 1 shows that in Finland and Sweden the governments have carried out reforms that have shrunk the scope of public-service provision and have limited aged citizens' access to core social-care services by tightening the eligibility rules (Anttonen et al., 2009; Palme et al., 2002). In Finland, this has been done without any major changes in the social-welfare legislation. The law makes it possible to meet the needs of aged persons in very different ways. Even if there are national laws on social-care services, the social-care rights of aged persons are rather weak compared, for instance, to childcare rights (Kröger, Anttonen & Sipilä, 2003). This is also largely the case with home help that has turned into a municipal service. Today central-government grants cover only a minor part of local-government expenses in social and health care. The financing of public-care services is based primarily on taxation: the share of national tax-based financing is less than 20 per cent of total costs. The reminder is covered by local taxes and user fees. Customer fees vary to some extent, being in 2007 on average 16 per cent of nursing home-service expenses and 14 per cent of home-care expenses (Sjöholm, 2009).

In this section we have shown that public responsibility for social-care service provision is diminishing. As there are fewer services available than before and new mechanisms have not compensated these losses, new solutions are badly needed. The only elderly-care service that has increased since early 1990s is sheltered housing and extra-care housing. These services, however, compensate shortages in institutional rather than in home-help services. All these changes have paved the way for marketization as well as for the informalization of care.

Marketization in public policy discourse

Even today municipalities carry the main responsibility for financing and providing of social services. The introduction of legislative reforms coupled with limited financial resources since the early 1990s have contributed to the

development of new forms of governance in Finnish municipalities (Häikiö, 2010; Haveri, 2006). The municipalities have created structures based on the separation of purchasers and providers and have enabled for-profit or non-profit services, or both, to replace public services. The language of social-care policies is changing to include words such as choice, customer orientation, partnership, contracts, and the market.

Finland is, however, a 'latecomer' in the league of countries favouring market-friendly social policies. Some municipalities, like the City of Tampere, have adopted an extensive purchaser-provider model (Häikiö, 2010), with a steadily increasing presence of market mechanisms and market providers. In this section we trace market-related change from policy documents. The data used comprises 14 documents published between 2001 and 2008. Half of these documents were national ones, including those produced by the government and the Ministry of Social Affairs and Health. The other half comprised local policy documents produced by the City of Tampere. We do not present a detailed analysis of the policy documents here, since this has been done elsewhere (Anttonen & Häikiö, 2011). We briefly illustrate the role of elderly-care policy discourse in introducing markets as a policy alternative in providing elderly care.

The documents analysed confirm that the language of social-care policy is increasingly giving way to an elderly-care discourse that emphasizes personal responsibility, choice, and social-care markets (Anttonen & Häikiö, 2011; Häikiö & Anttonen, 2011). The documents of 2001-2004 referred clearly to the Constitution as the foundation of social citizenship and social security and public responsibility for social care. One cornerstone of the Finnish social policies is that the social rights of residents are guaranteed by the Constitution.

> Social protection is intended to support equal opportunities for all citizens. Section 19 of the new Constitution of Finland, which came into effect on March 1, 2000, guarantees the right to indispensable subsistence and care for those who cannot themselves obtain the means necessary for a life of dignity. The section develops this theme by guaranteeing the right to basic subsistence in the event of unemployment, illness, disability, old age, at the birth of a child or in the event of the loss of a provider. This is a general right to be provided in detail under separate legislation. The public authorities are also obliged to guarantee adequate social, health care and medical services for all and to promote the health of the population. (*Strategies for social protection 2010*, 2001.)

The discourse constructed with reference to the Constitution underlines that public authorities have the main responsibility for meeting citizens' basic needs and that citizens are entitled to social and health care as well to education and income protection. However, since 2004, policy documents make fewer and fewer references to the Constitution, citizens' rights, and public responsibilities. Instead, these documents emphasize the active position of older people themselves to take responsibility for their personal well-being. In addition, there are increasingly references to the issue of choice. It is particularly the 'freedom of choice' through which care is framed by market logic. In the documents elderly-care services were increasingly seen as commodities produced in the emerging social-care markets:

> Securing the provision of services calls for a sound financial basis and new ways of organizing and producing services. The Government promotes partnerships between the public, private and third sector in the provision of services. The adoption of the purchaser provider model will

> be encouraged. The applicability of social service vouchers and the domestic help credit will be expanded which will contribute to the emergence of working service markets. (The Government Programme. Prime Minister Matti Vanhanen's Second Cabinet, 2007)

The purchaser-provider model, social-service vouchers, and domestic-help credit are all public-policy measures designed to promote social-care markets. Care markets are constructed as means for securing universal access to services. The discourse underlines the public responsibility for creating functioning care markets and the individual's responsibility for meeting care needs (Häikiö & Anttonen, 2011). The municipality retains the legal responsibility for meeting the care needs of aged citizens and carries the responsibility for quality control of private services, but in practice most of these new market mechanisms shift these responsibilities to individuals. For example, by using tax-funded service vouchers citizens become consumers with consumer rights, and they use care services according to consumer rules and legislation (Huhtanen, 2011). Public authorities are in most cases not responsible for consumer failures or choices (Vabø, 2006). In the social-care markets individuals also act as true consumers because they bear the financial responsibility for the care and cannot make demands with reference to universal social rights.

Consumerist positions were most visible in the local policy documents where inhabitants of the municipality are framed as clients and customers with individual needs and expectations (Häikiö, 2010). Whether the aim is to create new markets for social services or to create market-like mechanisms within public-service provision, individuals were positioned as choice-makers.

> The *Kotitori* ("homemarket") programme also makes it possible for old people to be both clients and patrons. As clients they use the services arranged by the city administration and as patrons they use services paid for with their own money. (Homemarket planning and decision documents 2.6.2008)

This extract demonstrates that the City of Tampere was planning to start in 2009 the so-called *Homemarket* project, which is based on the idea of the citizen as a conscious consumer, whose care needs are negotiated together with care integrators (or care managers). The project started in 2009, and interestingly *Homemarket* is run by a private company. From this it follows that these managers first assess the social-care needs for aged persons is first assessed and then make decisions concerning the help and services needed, including publicly produced services. The project does not yet cover the whole city, but the firm aims is to extend its authority in the coming years. Thus, care managers are responsible for setting up a service package for each consumer according to their needs and personal financial resources. They will also provide access to information covering all service provision within the municipality and beyond.

An analysis of the most recent policy discourse on social care for the elderly reveals that there is a major change in the vocabulary used by politicians and administrators. Market-related change is fairly obvious when reading official policy documents produced between 2001 and 2008. A longer period would have given much more information of the change from universal social protection to mixed welfare governance. Both a change in fundamental views and a change in political vocabulary are necessary preconditions for the new politics of social care to be implemented at the local level of municipalities.

The analysis (see also Anttonen & Häikiö, 2011; Häikiö & Anttonen, 2011) supports the argument that 'old' universalist politics founded on strong centralized institutions (hierarchies), universal treatment of 'clients' or 'patients', and the professional interpretation of needs is changing towards a politics of mixed governance, including in Finland. The state-centred service production relied heavily on steering mechanisms embedded in bureaucracy, paternalism, and professionalism (Langan, 1998). The concept of mixed (welfare) governance emphasizes that local authorities are to mix different organizing principles, governing methods, and coordination mechanisms to promote diversity instead of universalism. According to Jessop (1999) the new governance of welfare is characterized by changes in the definition of welfare, changes in the institutions responsible for delivering services, and changes in the practices of service delivery. Social care has always been produced by individuals, families, third-sector organizations, and private companies, besides public authorities, but within the mixed-governance structure, the relations and power positions of these providers are altered (Burau, Theobald & Blank 2007).

Table 3. Forms of mixed welfare governance.

Organizing principle	Governing method	Coordination mechanisms	Position of service user
Hierarchies	Administrative and political power	Command and control	Client, patient
Networks	Norms	Trust and support	Service user, co-producer
Markets	Money	Competition and choice	Consumer

Source: Häikiö & Anttonen 2011.

According to Table 3 market-based service provision is based primarily on competition and choice. Competition is a new steering mechanism used by public authorities, and choice is attached to the behaviour and rights of service users. A number of European scholars have argued that at the centre of the new politics of social care lies the figure of the 'consumer' making 'free choices' on the social- and health-service market (Clarke, 2006; Kremer, 2006; Vabø, 2006).

Anttonen and Häikiö (2011) have argued that the transition from government to mixed welfare governance shapes and frames both policy discourses and operational practices taken into use in Finnish social-care policies. It is too early to speak about a major shift in fundamental views from state-friendly to market-friendly social policies. Yet the public political debate encourages municipalities to adjust their welfare systems to the new mental, economic, and social situations. In Finland, citizens or residents even today give strong support to universalism and tax-funded social and health-care service provision (Kallio, 2010). This means that the new politics of social care is favoured and promoted primarily by elites. Surprisingly, the new market-friendly social-care politics has been implemented without any extensive public debate or opposition.

Marketization of social-care service provision

Although we have paid much attention to mixed welfare governance, it is worth noting that in Finland there has always existed some kind of welfare mix in social-care service provision for aged persons (Kröger et al., 2003). Most

particularly sheltered housing has for decades been in the hands of welfare organizations extensively supported by public financing. Figure 2 presents the situation in 2008. However, in the field of sheltered housing, non-profit providers have had much influence for decades.

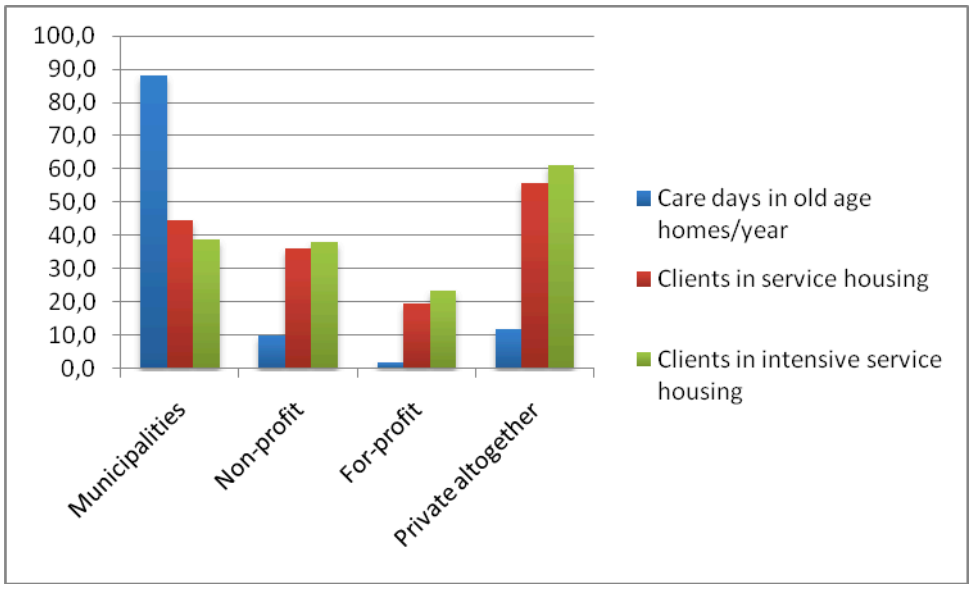


Figure 2: Public, non-profit and for profit service provision: old-age homes, service housing and intensive service housing, 2008, Finland.

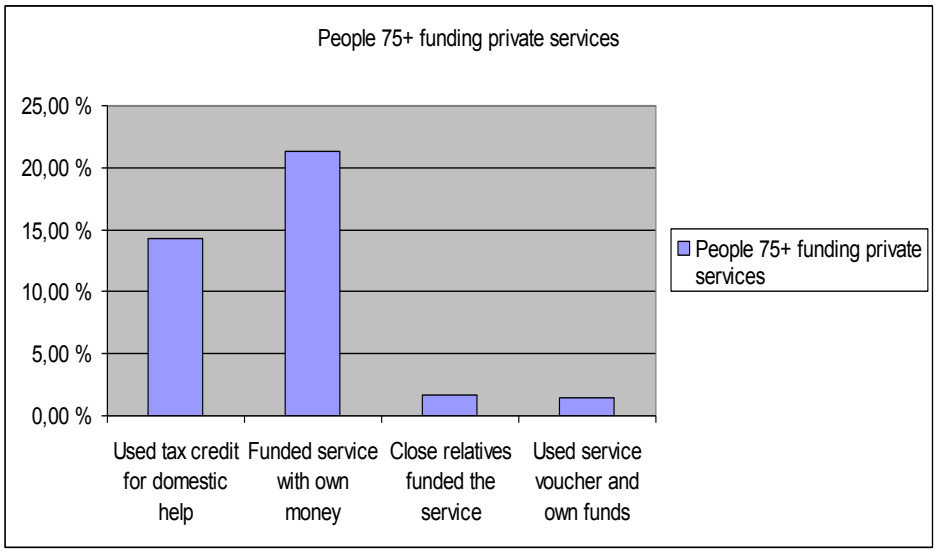
However, for first time in the history of Finnish social policies, public goods such as home help services have been transformed extensively into products that one can purchase in the emerging social- and health-service market with public money involved. At the same time it is estimated that elderly populations can afford to use more care services purchased from market with their own money. First, we shall look at the market orientation of aged persons as purchasers of purely private-care services, and, secondly, we shall consider some outcomes of the process of marketization within local governance structures.

The introduction of tax credit for domestic help in itself reflects a market-related change in social policies. According to the tax-credit system all Finnish residents with taxable income can deduct a certain amount of wage (30 per cent) and work compensation (60 per cent) when purchasing home services including, for instance, household repairs, gardening, and cleaning services. The maximum amount of deduction was €3000 in 2011. While the deduction is granted on an individual basis it favours households with two adults. The system has existed since 1997 and has expanded rapidly, particularly since 2001, when the corresponding law came into force. Yet even today the system is very little used to purchase care services for aged persons, although adult children have a right to deduct expenses of care and cleaning services purchased for their parents.

In 1998, roughly 20 000 users availed themselves of the tax credit for domestic help, in 2004 the corresponding figure was nearly 180 000 users that is 6.6 per cent of all households in Finland, and in 2009 360 000 users availed

themselves of the tax credit, which is almost ten per cent of all household.[2] In 2009, roughly one-fourth of the total amount was used for domestic (17 per cent) and care (three per cent) services and the rest to repairs to the home (81 per cent).[3] From these figures we see that the system of tax credit for domestic help has become very popular, but it is used mostly for repair work at home and not very much for the purposes of social care. A survey conducted in Tampere and Jyväskylä regions in 2010 supports these findings (Figure 3). Nearly 15 per cent of population of 75+ used the system of tax credit to purchase domestic services, mostly cleaning services. In addition, about 20 per cent of all respondents had purchased some private social- or health-care services with their own money. This means that every fifth person over 75 uses some private care-related services. We can expect that more aged persons will turn to private services in the future.

Figure 3: Use of private-care services among population 75+ in Tampere and Jyväskylä region, 2010



As already shown, marketization is a strong trend in the public political discourse. In this section we look at some outcomes of marketization at the level of policy practices. Within municipalities the market logic has become an important rationale. Municipalities have since the 1980s had the freedom to purchase services from non- and for-profit service providers. In some areas there is already a fairly long tradition of relying on non-profit service provision. This is most particularly the case in sheltered housing for aged and disabled persons. In some other service areas, such as home-help services, municipalities have dominated service provision up to the present time.

Generally speaking, we can discern a clear increase in both non- and for-profit service provision as measured by the share of personnel working in social services according to the status of the provider (see Table 4). The distinction between for- and non-profit providers is tricky, however, because most of the non-profit providers have been forced to transform themselves into business-

[2] Source: Eurofound: www.eurofound.europa.eu/areas/labourmarket/tackling/cases/fi004.htm.
[3] Source: Tax administration: http://vero.fi/?article=7558&domain=VERO_MAIN&path=5,422,412&language=FIN.85.

like providers in order to be able to take part in competitive tendering arranged by the municipalities. In addition, there are no reliable figures from social-care services separately for all social services. In fact, this is not a big problem, because care of aged persons is one of the areas in which marketization process has been an exceptionally strong trend.

Table 4: The share of personnel working in public, non-profit and for-profit social services in Finland, 1990-2007

Provider	% of total number of personnell						
	1990	1995	2000	2002	2004	2006	2007
Public providers	87.6	86.6	79.3	76.0	73.3	71.4	69.6
Non-profit providers	11.6	11.9	16.2	18.1	19.0	17.8	17.9
For-profit providers	0.5	1.6	4.5	5.9	7.7	10.8	12.5
Non- and for-profit (total)	12.1	13.4	20.7	24.0	26.7	28.6	30.4

Source: www.thl.fi/yksityinenpalvelutuotanto [11.3.2011].

The non-profit or third sector has historically been an important actor in social-service provision, particularly in old-age welfare, while the importance of private market-based social-service provision is a fairly recent phenomenon. This explains why in 1990 only one per cent of the total personnel working in social services were employed by private providers and 11 per cent by non-profit providers. In the ten years between 1990 and 2000 there was a clear increase in the share of private sector personnel. The early 2000s witnessed a rapid growth of both non- and for-profit sectors so that in 2007 the share of non- and for-profit of total personnel in social services had arisen to 30 per cent. To sum up, in the 17 years between 1990 and 2007 the role of public-sector service provision has clearly diminished. Private-service provision has been steadily increasing but has not exceeded the volume of the non-profit sector. Against this background we can speak of only a moderate marketization in the fields of social care and social services. Yet it is worth noting that the growth of private-sector enterprises in social services has been very rapid since 1990. In 2008, there were 4100 private enterprises in the field of social services in Finland, while the corresponding figure in 2000 was 2664 and in 1990 only 741 (Yksityinen palvelutuotanto, 2011).

As already mentioned, there is considerable variation between different services. Housing (sheltered and extra-care housing) is one of the social care-related services where the role of non-profit and for-profit service provision is most extensive. In 2008 (see Figure 2) more than one half of all sheltered housing for the elderly was provided by non- and for-profit providers and 65 per cent of this was provided by welfare organizations. The situation is slightly different regarding the care given in old-age homes. Of all old-age homes the share of non-public provision was only 12 per cent in 2008. Besides housing services, home-help service is of great importance for aged persons living at home. Home help also represents social-care service *par excellence*. It is estimated that one-third of home-help services was produced by non- and for-

profit providers in 2008. Roughly 56 per cent of non-public home-help service provision was for-profit and the rest non-profit provision (Yksityinen palvelutuotanto, 2011).

One of the most recent legal reforms, the law that allows the use of vouchers for buying both health- and social-care services, is of great importance from the marketization point of view. This reform certainly accelerates the process in which care becomes marketized. Before the 2009 law, service vouchers were used in home help. In 2006, the municipal authorities granted service vouchers to roughly 3000 service users and in 2009 the number had risen to nearly 7000 users. While the system of service vouchers is now extended to cover nearly all social- and health-care services, the real voucher boom is yet to come.

Conclusions

In this study we have established a framework for institutional policy analysis to evaluate if marketization has become a vocal element in Finnish elderly-care policies and practices. Drawing evidence from institutional legal changes framing mixed-care production, institutionalized responsibilities in care, elderly-care policy discourses, and policy outcomes in the field of social-care provision, we have arrived at the conclusion that market logic is intensively structuring Finnish social-care policies. All institutional aspects analysed in our study show a clear transition from universal social policies based on extensive public responsibility to market-friendly policies and the marketization of social care. However, the process of marketization is fairly strongly regulated by public authorities.

In Finland, public-sector service provision has now been redefined and reorganized so that the state and municipalities take less responsibility for producing care services-in-kind. This means that forerunners and late-comers in relation to market-related reforms are facing the same problem: how to produce care in a situation where neither family-based nor public-service provision can be the only or even major solution to meeting the increasing care needs of older people.

For historical reasons and the Finnish social-policy tradition, marketization represents a critical juncture in which to evaluate the overall pattern change. It really is time to ask if the pattern of social-care service provision is turning into something other than that of Nordic care regime. So far the Nordic social-care regime has rested firmly on the principle of universalism, meaning that services are designed for all citizens irrespective of their class, gender or ethnicity (Kröger et al., 2003). Universalism, however, is challenged by globalization, new liberalism, market-friendly social-policy doctrines, and demands to develop user-friendly service systems that make choice possible. The transformation of public administration into public management and the influence of managerialism and New Public Management (NPM) on the recent public-sector reforms in many European countries have accelerated welfare state change.

The new market-friendly language of social-care policies is closely linked to an overall change in the welfare state. A very extensive and profound reform of social-care service provision is taking place in Finland. However, the change has been most dramatic since 2007. There are so far no reliable statistics on the recent developments. These changes mean that the mixed governance

mode will be strengthened and the earlier state-centred welfare production mode is at least partly withering away. In this respect Finland is approaching the liberal welfare states.

It is possible to argue that Finnish elderly-care policies are going through a change of a magnitude similar to the change of 30–40 years ago, when the politics of universalism was breaking through. The new direction points towards the market, although the role of welfare organization and similar associations remains important. As already stated non-profit third-sector providers have also been forced to transform their service ideology and practices into a market-rational form. The demarcation between non-profit and for-profit provision is becoming blurred because non-profit providers have to compete with for-profit providers under the same rules and same expectations of effectiveness and efficiency (Karsio, 2011). This way the market-like mechanisms are becoming extremely powerful in social-care policies for the elderly. In 2011, a governmental proposal for a new law on social care for the elderly was made. This law if passed would strengthen elderly persons' rights to social care. It would also make it easier to control service providers and their possible failures (Luonnos laiksi..., 2011). This is important, because in Finland most political parties seem to celebrate the power of competition and markets. There is so far very little criticism of the new market-like mechanisms and operational practices adopted during the wave of liberalization and marketization. However, at the time of writing the True Finns political party achieved a landslide in the parliamentary election of April 2011, becoming the third biggest party in Finland after The National Coalition Party and the Social Democratic Party. The True Finns is a fairly new populist party that is very much opposed not only to migration but also to marketization, purchaser-provider models, and the decline of public-service provision.

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