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Licence to Care – Licensing Terms for For-Profit Residential Care for Children in Four Nordic Countries

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Abstract

Licensing is a public instrument used to control welfare services. One such service is residential care for children, which is targeted at children who experience maltreatment in their home environment and/or have behavioural problems and have been separated from their parents by the authorities. In Sweden, Finland, Norway and Denmark, residential care may be provided by public or private (not-for-profit or for-profit) providers. The aim of this article is to explore and compare how public authorities in Sweden, Finland, Norway, and Denmark, license residential care for children. The data consist of application forms and instructions for how to apply for a licence as well as interviews with key staff responsible for licensing. The findings show differences in how national agencies license residential care providers. Licensing models may be centralised/general (Sweden, Finland) or regionalised/specialised towards residential care (Norway, Denmark). The process can be more investigative (Sweden, Norway) or consultative (Finland, Denmark), and the review of standards formality-oriented (Sweden, Finland, Norway) or content-oriented (Denmark). Finally, the models of supervision post-licence vary in terms of being non-intervening (Finland), semi-intervening (Sweden, Norway) or intervening (Denmark). The discussion centres on the possible contribution of the different models to the regulation of the residential care markets.

Keywords
Residential care for children, out-of-home care, licensing, privatisation, Nordic countries

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Introduction

Licensing is an instrument increasingly used to control the quality of welfare service provision. The focus on public control has increased in the wake of New Public Management (NPM) reforms including the outsourcing of welfare services (Pollitt & Bouckaert, 2017). In the Nordic countries, privatisation has not only affected broad services like healthcare and care for the elderly, but also residual services targeting smaller groups of the population. One example is residential care for children – that is, group-based institutions providing round-the-clock care and/or treatment. A placement in residential care implies that public authorities assume an important responsibility for a child's life. As residential care in the Nordic countries can also be delivered by private (non-profit or for-profit) providers (as will be described in more detail in the next section), public authorities share the responsibility for children more or less frequently with for-profit service providers.

In recent decades, attempts have increasingly been made to control welfare services in many contexts (Dahler-Larsen, 2020). There is a greater reliance on municipal procurement and state inspections, but also on licensing. Licensing is an ex-ante control that private (and sometimes public) organisations undergo in order to be allowed to offer services (Pålsson & Shanks, 2021). Usually, licensing entails an assessment of whether certain quality standards are met. How public agencies carry out licensing is important for one's understanding of how social care markets are formed. According to Andersson, Erlandsson and Sundström (2017), the agencies issuing licences are *market agencies* that may use different organisational elements to regulate markets. However, studies about the licensing of welfare services are limited, and to our knowledge no studies comparing licensing in different national contexts exist.

Therefore, our aim is to examine how market agencies regulate residential care in a Nordic context. In more concrete terms, we explore and compare how public authorities in Sweden, Finland, Norway, and Denmark, license residential care for children in their respective countries. We ask the following research questions: What are the licensing policies and procedures; what standards are used to review applicants; are there conditions attached to an issued license? On these grounds, the ambition is also to discuss what the potential impact of different models might be on the regulation of the markets. Our study contributes with knowledge regarding models of licensing of a special and intrusive service targeting a vulnerable group of the population.

The article, a product of a research network on the marketisation of social services in the Nordic countries (except Iceland), begins with a description of child welfare and residential care in the Nordic welfare states. Thereafter, we review research on the monitoring of child welfare services. We subsequently outline concepts relating to market agencies as well as our methodology. This is followed by a presentation of our findings according to four dimensions. The article ends with a discussion about licensing as a control mechanism of residential care markets.

Child Welfare and Residential Care

The Nordic countries are usually considered archetypical social democratic welfare states, with many welfare services used by broad groups (Esping-Andersen, 1990). Child welfare – within which residential care is a service – deviates by being a local welfare institution targeting a socially selected population (Burns, Pösö & Skivenes, 2017). The main function of child welfare is to protect children from harmful living conditions and to prevent an adverse development. In addition, child welfare authorities have a central responsibility for

the handling of juvenile delinquents (ibid.). There is a clear legal preference for in-home services in all the four countries, and placements in out-of-home care (foster and residential care) are intended to be few in number, and temporary, as children should when possible return to their family of origin. Nevertheless, there were approximately 9.2–15.4 children per 1,000 children in out-of-home care in Denmark, Finland, Norway and Sweden in 2019 (Nordic Health & Welfare Statistics, 2021).

Together with foster care (placements in "normal" families), residential care is the most intrusive child welfare service and may be implemented without the consent of either children or parents. Residential care is mainly provided to teenagers and importantly consists of young people with mental health, behavioural, and drug-related problems (Pösö, Skivenes & Hestbaek, 2014). Policies in the Nordic countries underline that residential care should be the last placement option which should consequently be used much less frequently than foster care. On a particular day in 2019, between approximately one-third and one-fourth of children in out-of-home care (foster and residential care) in Sweden, Finland[1] and Denmark were placed in residential care (Socialstyrelsen, 2020; Lastensuojelu 2019; Lausten & Andreasen, 2019). Norway differs in that residential care is significantly less common, amounting to slightly less than one in ten (Shanks et al., 2021).

In the four countries, for-profit residential care providers have become common, but the prevalence varies (Shanks et al., 2021). In Sweden and Finland, approximately 80 per cent of residential care units consist of for-profit providers, and in Norway they provide almost half. In Denmark, 22 per cent of the units are for-profit companies, while non-profit organisations hold the strongest position (46 per cent). Thus, for-profit residential care for children, depending on how you do the calculation, provides one-third to four-fifths of residential care.

Behind the label "residential care for children" there are heterogenic practices (Ainsworth & Thoburn, 2014). In the Nordic countries, they span from therapeutic institutions to homes that mainly provide support, but there is a variation in how services are profiled (Shanks et al., 2021). In Sweden and Finland, treatment philosophies and staff qualifications vary significantly between residential homes (Lundström, Sallnäs & Shanks, 2020; Timonen-Kallio, Yliruka & Närhi 2017), while Norway has a more centralised system defining different "functions" of residential care. In Denmark, a tradition of socio-pedagogical thinking and more experimental social work have resulted in a plethora of small units (Lausten & Frederiksen, 2016).

In recent decades, residential care in the Nordic countries, like in many other countries, has gained a negative image and the focus has homed in on the responsibility of the public authorities. For instance, the Nordic countries have conducted state inquiries revealing historical abuse in the child welfare systems (Sköld & Markkola, 2020) and privatisation has incited debates concerning high profits (Shanks et al., 2021). Also, research has questioned the benefits of residential care. Studies indicate elevated risks for children in residential care in comparison with the majority population and children in family foster care, due to adversities in adulthood as well as unstable situations while in care (Kääriälä & Hiilamo, 2017). This is to some extent related to the fact that children in residential care are a selected group in terms of behavioural and mental health problems, but it has been suggested that these are the result of shortcomings in care quality as well.

1. In Finland, this measure pertains to children in care according to a care order.

Research and Theory on Public Control

Research on the licensing of service provision is surprisingly limited, and studies on the monitoring of child welfare mainly focuses on ex-post controls such as inspections (e.g. Hood, Grant, Jones & Goldacre, 2016; Pålsson, 2018a; Wilkins & Antonopoulou, 2020). Theoretically, public monitoring (e.g. licensing, inspection, and procurement) may be viewed as "transaction costs" used to enhance the functionality of markets. These monitoring strategies may, in practice, be either more supportive and dialogue-based or controlling and legalistic (Braithwaite, 2011; Hämberg, 2013). Research also highlights the difficulties involved in elaborating valid standards for services where quality is multifaceted (cf. Hämberg, 2013; Forrester, 2017) and that client outcomes are seldom evaluated (Hood et al., 2016; Pålsson, 2018a). There are also studies indicating that major companies cope better with bureaucratic requirements coupled to gaining access to the market, such as procurement and licensing, than smaller companies (Pålsson, 2018a; Pålsson & Shanks, 2021; Porko, Heino & Eriksson, 2018). Prior research on licensing mainly comes from a Swedish context and shows that treatment methods and quality criteria identified as important in research (e.g. school/ health support, leaving care support) are scarcely reviewed at all (Pålsson & Shanks, 2021).

In this study, the theoretical assumption is that public agencies are crucial in structuring markets. Policies and regulations, as well as the lack of the same, affect how markets develop (Ahrne, Aspers & Brunsson, 2015). According to this strand of research, *market agencies* (Andersson et al., 2017) are mediators of public control. Market agencies are typically inspectorates whose function it is to intervene in markets. They may employ different organisational elements to affect markets:

- Deciding the *membership* of markets, such as the type of organisations (for-profit/not-for-profit) that are entitled to gain access.
- Providing applicants with relevant *information* (regarding the licensing process, requirements).
- *Standard-setting* by establishing quality standards that providers must meet.
- *Surveillance,* such as inspections and other quality reviews.
- Issuing *sanctions* (e.g. fines, revoking licences) if rules are violated.

We use the concept of market agency to analyse the function of the agencies, and the different organisational elements, in order to compare and analyse the models of our countries.

Data and Method

The study is based on *document* and *interview* data collected during the autumn of 2020 and spring of 2021. In each country, we collected licence application forms and instructions, publicly available on the websites of the agencies. The applications/instructions for applying declared and specified to various degrees the issues that applicants need to account for during the licensing procedure. Since we wanted further information about the procedures, we also contacted the management at the agencies, who put us in touch with employees responsible for licensing. We thereby identified key informants who possessed comprehensive and credible knowledge about licensing. These informants were subject to structured interviews, email questions or a combination of both. The number of interviews differed between the countries, from one to five. This was due to the fact that the different systems are centralised/decentralised to varying degrees, and additional interviews were sometimes deemed necessary to cover potential regional differences.

In *Sweden*, where licensing is centralised, an interview was conducted with an inspector at the national inspectorate appointed by the management. The transcribed interview was checked by the agency. In *Finland*, four inspectors from regional agencies were interviewed either face-to-face or by email, to also cover potential regional differences in addition to the interview at the national agency. In *Denmark*, the head of the team of inspectors in one of the five regional supervisory authorities was interviewed and also provided additional information in email correspondence with the National Board of Social Services. Since the regional supervisory authorities are obliged to work in the same way, instructed and supervised by the National Board of Social Services, additional interviews were not considered necessary. In *Norway,* the questions were emailed to the Directorate for Children, Youth and Family Affairs after contact by phone, and answered in writing by the relevant officials in four of the five regions and Oslo (which is a separate unit) as well as the central director of the Directorate. This procedure ensured reliable data as the questions were answered by those responsible for the activities.

We used the same document/interview protocol for all countries to ensure that similar data were collected. The material consisted of questions concerning a) the overall tasks of the agencies (e.g. working tasks, staff, who may apply), b) the licensing process (e.g. steps and measures taken by inspectors), c) the main quality standards used and d) monitoring post-licensing. The document/interview data complemented each other. For instance, data that could not be obtained from the documentation could sometimes be obtained from interviews, and vice versa. The material is outlined in Table 1.

Table 1. Empirical material of the study

	Sweden	**Finland**	**Norway**	**Denmark**
Application forms	1	1	1	1
Interviews/written answers	1 (staff at the centralised licensing unit)	5 (4 regional and 1 national members of staff in leading positions)	5 (regional staff and in Oslo in leading positions)	1 (the head of 1 of 5 corresponding licensing agencies)

The documents and interview synopses (which have been translated into English when required) were shared between the authors. The analytical work commenced with a discussion on our findings at recurring webinars. The first webinar was devoted to a discussion about the validity of our data and how to make comparisons. During subsequent webinars, we performed a theory-driven thematic analysis (Braun & Clarke, 2006). This meant that we used the concept of market agency with its different organisational elements to structure the thematisation. Thus, we identified and extracted information that related to the different organisational elements, and elaborated analytical traits of the market agency models in our respective countries. The first author was responsible for in-text summarising of the data collected by the other authors. The text was checked by the other authors. The findings relating to each analytical theme were based on information from both documents and interview data.

Regarding result representativity, licensing in the countries under study is fairly centralised and the research mainly focused on factual, and not discursive, questions regarding how it is executed. Further, the key informants were carefully selected on the grounds of possessing credible information. However, it must be underlined that the study mainly

maps formal rules as represented in the interviews and documents, and not actual practices. Bearing this in mind, we consider it substantiated to assume that our findings are generally likely to hold true for each national context, not only for the cases specific to this study.

Findings

The presentation of the results starts with a country-by-country description of the market agencies and their work divided into different organisational elements intended to function as market regulators (cf. Andersson et al., 2017). In Table 2, the analysis is summarised, pinpointing the main differences between the licensing of residential care for children in our respective countries. The analysis shows clear intra-Nordic differences in terms of formal rules and intended practices of the licensing of residential care.

Table 2. Main analytical differences between market agencies in Sweden, Finland, Norway, and Denmark

	Sweden	**Finland**	**Norway**	**Denmark**
Market agencies	Centralised-general	Centralised-general	Regionalised-specialised	Regionalised-specialised
Licensing processes	Investigative	Consultative	Investigative	Consultative
Standards	Formality-oriented	Formality-oriented	Formality-oriented	Content-oriented
Surveillance and sanctions	Semi-intervening	Non-intervening	Semi-intervening	Intervening

Market Agencies Issuing Licences – General or Specialised?

The analyses show that market agencies issuing licences differ as to whether they are *centralised-general* (managing health and social care overall) or *regional-specialised* (managing social services/child welfare in particular with regional responsibilities). In *Sweden*, the market agency is *centralised-general*. The market agency is the Inspectorate of Health and Welfare (IVO) which supervises both health and social care. Apart from issuing licences, the IVO conducts inspections, investigates care complaints and reports on maltreatment/irregularities. The IVO has six regional offices, but the licensing unit is centralised to one unit. According to the informant, the staff issuing licences often hold a degree in social work and have experience from the social service sector, but there are also members of staff with forensic qualifications. Private providers need to go through the licensing process, while public providers need only to register. A licence is issued at the unit level of the establishment and a company, which runs several units, thus needs several licences. There is an application fee amounting to approximately 2,000 euros.

In *Finland*, the model can also be characterised as being mainly *centralised-general*, although there are two types of market agencies: national and regional. The National Supervisory Authority for Welfare and Health (Valvira) issues licences if services are to be provided in more than one municipality. The Regional State Administrative Agencies (6) and the Regional State Administrative Agency for the self-governing province of the *Åland* Islands license services operating in one municipality. Both authorities have a range of duties to monitor social and health care, provide guidance to the regional authorities, and investigate complaints. Like in Sweden, the inspectors hold university degrees, public providers do not need a licence, and a licence is issued at the unit level. The application fee varies from 3,500 to 4,200 euros.

In *Norway*, the market agency model is more *regionalised-specialised*, as the agency manages only child welfare issues. The Directorate for Children, Youth and Family Affairs (Barne-, ungdoms og familjedirektoratet/Bufdir) is the central agency for child welfare and has the overall responsibility for all five Norwegian regions apart from Oslo. The regions are responsible for monitoring activities including licensing, which is based on the Directorate's instructions. Oslo uses parts of the same licensing system. Again, as in Sweden and Finland, public institutions do not need to be licensed. A licence is issued for one unit, but one unit may sometimes encompass several different smaller units, which in turn have more limited licences. In contrast to the other countries, there is no application fee.

In *Denmark*, the market agency can be said to be *regionalised-specialised*. The responsible agency is the Social Supervisory Authority (Socialtilsynet) which is divided into five regional independent offices, each affiliated with a municipality in their region. The five authorities issue licences and conduct supervision of social services (not healthcare) within their own region[2]. The National Board of Social Services has an audit function. The approval team typically consists of three people, and the leader has a degree in social work and several years' work experience. In Denmark, in contrast to the other countries, both public and private providers require a licence. As in Sweden, a licence is issued at the unit level and companies with several units need several licences. There is an application fee ranging from 3,200 to 15,200 euros in 2021 (depending on the number of beds).

The Licensing Process – Investigative or Consultative?

In terms of interactions with applicants, the analysis shows that the licensing process can be *investigative* (distant and formal) or *consultative* (close and guiding). In *Sweden*, the licensing process is *investigative*. The licensing process is a "desk review" that, according to the informant, mainly consists of a review of documents and telephone contact if an application is incomplete. However, it is not necessary to interact with an applicant to arrive at a decision, and thus the contact with the applicant is formal. The IVO has an information service which may provide general guidance regarding the process, but inspectors do not help individual applicants. According to prior studies, applicants sometimes hire consultants to complete the application (Pålsson, 2018a). In 2019, 109 licence decisions regarding residential care for children were made. Of these, 61 were approved and 48 were rejected. However, the applicants who are rejected may re-apply.

In *Finland*, the licensing process is *consultative*. Applicants often contact the licensing agency before submitting their application and, unlike their Swedish colleagues, the informants emphasised the duty to provide guidance. Sometimes the guidance may last for months or an application might be withdrawn if the applicant realises that they may not fulfil the criteria. The inspectors mostly audit written documents, but it is mandatory to pay a visit to the institutions. According to the informant, the regional authorities meet the national authority regularly to discuss their practices. In 2018, 65 licence applications for residential care for children were handled through these four regional authorities and all were approved.

In *Norway*, as in Sweden, the licensing process can mainly be characterised as being *investigative*. Most of the process consists of reading documents and requesting supplementary information from the applicants. Usually, inspectors will visit the applicant in order to see the premises and to meet the manager and staff if the application concerns issuing a

2. However, this principle does not apply regarding applicants who reside in the municipality affiliated with the regional office. In this case, one of the other regional offices issues the licence.

licence for a new unit. The aim is to investigate whether there is a common understanding corresponding to the plan for the residential home. In four out of five regions there were 68 decisions concerning new units in 2018–2019, and only one decision concerned an entirely new institution. There were 13 decisions concerning licences for new units in Oslo. According to the informants, almost all of them were approved.

In *Denmark*, the model is clearly *consultative* as the process includes close interaction with an applicant. The applicant usually contacts the authority before submitting the application and is offered a consultation meeting where they receive information about the process and requirements for running a residential care home. The approval team reviews the application, then invites the applicant to a second interview, where it examines unclear aspects of the application and pays a visit to the institution. This is followed up by several interviews where the team crosschecks the application and sets up scenarios that the applicant must respond to. If the answers are not satisfactory, the application may be rejected. However, applications are hardly ever rejected. According to the informant, the number of interviews, tests, and visits either lead to a satisfactory application or a withdrawal. In 2019, the five regional authorities issued a licence for 31 new residential care units.

Standards – Formality-oriented or Content-oriented?

The analysis also shows differences regarding whether the assessment of quality is *formality-oriented* (focusing on formal requirements) or *content-oriented* (conducting closer investigation of care content). In *Sweden*, the review can be characterised as *formality-oriented*, particularly focusing on target group descriptions. The applicant must demonstrate knowledge about the social care legislation, have no criminal record and have sound finances in order for an application to be reviewed. The application form includes questions based on the current regulations and covers many care aspects. However, the main standards employed refer to target group descriptions[3] (not including too disparate risk behaviour/ages), the qualifications of the manager (relevant university diploma/work experience) and certain aspects of the working methods (e.g. no physical restrictions) (Pålsson, 2018a; Pålsson & Shanks, 2021). Furthermore, the premises (e.g. fire protection strategies, the number of toilets/rooms, and staff overview) are important. Remaining issues (e.g. staff qualifications, the children's education/participation, violence prevention) should be described in simple terms, but are, according to the informant, not reviewed in detail.

In *Finland*, the review is also *formality-oriented*, but the standards are less specific to residential care than in Sweden. The documents needed are the same for all social and healthcare services. The applicant must provide information on, for example, financial independence and the premises, but is not required to include specific information about target groups or care content. However, additional attachments should be provided and, according to the informants, action plans and staff profiles are the most important documents. If an applicant claims to have a specific treatment philosophy, the inspectors check that this is reflected in the qualifications of the staff and staff numbers. The inspectors also collect information during their visits. But since the units have not yet opened at this stage, the visits seldom include staff interviews, let alone speaking to the children.

In *Norway*, the review is likewise *formality-oriented*, but with more focus on professional methods than in Sweden and in Finland. The five regions issue licences based on the application form (drawn up by the Directorate), which in itself is brief, but requires that attach-

3. The application contains the following predefined categories: a) Children who reside in inappropriate environments, b) Children with substance abuse problems, c) Families where the parents neglect their children, d) Unaccompanied minors.

ments are added including the applicants' financial situation, safety procedures, target group, treatment approach, and internal control systems. According to the informant, the most important standards concern the target group, the institution's professional activity and methodology. The applicant needs to be able to show that these things "hang together" at an acceptable level. The licensing body in Oslo does not use the Directorate's quality model, but focuses mainly on the same care aspects.

In *Denmark,* the process is more *content-oriented*. The application form is based on the Quality Model (Socialstyrelsen, 2017) and covers seven themes with in total 180 questions on how the applicants intend to support the children concerning their education, relationships, health and well-being as well as information about target groups and methods, management, staff qualifications, and the physical framework. The application has predefined categories concerning, for example, age range, problems and needs of the children. The documentation that is required includes rental contract, testimonials, criminal records, fire protection documentation, etc. According to the informant, all the sections of the application are reviewed with the same level of scrutiny.

Surveillance and Sanctions – Intervening or Non-intervening?

The licensing models also differ as regards *intervention* post-licensing (whether licences are permanent/non-permanent and inspections are regular or more sporadic). In *Sweden*, the model can be identified as *semi-intervening*. Licences are issued permanently with no probation period, but private and public providers are as a minimum subject to one (announced or unannounced) annual inspection. The inspections are "risk-based" focusing on particular deficiencies in a residential care unit. Inspections of new residential units are made within the first year following their establishment. According to the informants, this first inspection is said to be more comprehensive than regular inspections. The IVO has the possibility to request an amendment if an institution does not comply with the standards. There is a formal procedure for the revoking of a licence, which must be held in court. According to registration officers, six residential units had their licence revoked in 2019.

In *Finland*, the post-licence supervision can instead be characterised as *non-intervening*. As in Sweden, licences are issued on a permanent basis. However, there are no regular inspections carried out by these agencies. According to the informants, the necessary impetus is often an official complaint against the provider, submitted by a social worker, a child or other involved parties. The legislation provides that the inspections may be announced or unannounced, and both private and public providers are targeted. However, the licensed service providers send annual reports and the municipalities have monitoring responsibilities. The licensing authorities receive information about these reports. The inspection units have the formal option of issuing fines and revoking licences. In 2019, not one licence was revoked nor any fines issued.

In *Norway*, the model can be viewed as *semi-intervening*. As in Sweden, there is no probationary period. The five regions and Oslo are responsible for monitoring care units in their region, through statutory annual inspections. Visits may be made in between if there is a suspicion that something is amiss. Public and private homes are subject to the same supervision. Amongst other things, institutions are measured according to specifications in the documents reviewed during the licensing process. An inspection concludes with a risk assessment detailing areas which have to be amended. In addition, the Directorate of Health is responsible for monitoring adherence to legal procedures (e.g. the use of coercion, children's participation, etc.). The regions and Oslo are responsible for revoking licences. During 2018–2019, 16 licences were revoked in the four regions studied, while in Oslo none were revoked.

In *Denmark*, post-licence supervision can be defined as *intervening.* A licence is permanent as long as the conditions based on the quality model are fulfilled at every inspection. The social supervisory authority inspects all establishments, public as well as private, at least once a year and there is an existing whistle-blower system that the authority is obliged to act upon. The visits may be either announced or unannounced, and may occur at any time of the day (i.e. also at night). The number of visits a year is based on a risk assessment made by the supervisory authority. If the conditions are not fulfilled, the visits may lead to a warning and the unit must correct any deficiencies. A licence may be revoked if the conditions are not approved. The annual report on social supervision from the National Board of Social Services documents that approvals were revoked for five residential care units in 2019.

Concluding Discussion

In the wake of the trend of the outsourcing of welfare services which has been developing in the Nordic countries over the last two to three decades, the use of public control has become more widespread. In this context, licensing is an important instrument. One type of service which is licensed in all four countries studied is residential care for children, a residual child welfare service providing (sometimes compulsory) out-of-home care and/or treatment for children in vulnerable life situations. The aim of the current article has been to explore and compare how public authorities in Sweden, Finland, Norway, and Denmark licence residential care for children in their respective countries. We have analysed the agencies issuing licences as *market agencies* (Andersson et al., 2017), which through different organisational elements contribute to the regulation of markets (Ahrne, Aspers & Brunsson, 2015; Andersson et al., 2017). The study is based on data documentation and interviews with key informants at market agencies, and analyses the main traits of the systems. The findings indicate that there are differences between the countries regarding how for-profit residential care providers enter the market and how the market agencies supervise the care quality. In the following section, we will discuss what the findings may tell us in terms of approaches towards for-profit provision and how the different models may contribute to the shaping of care markets.

Firstly, we have shown that the models differ as regards how specific the licence controls are. The market agencies can be more general (Sweden, Finland) or service-specialised (Norway, Denmark), and the review of standards more formality-oriented (Sweden, Finland, Norway) or content-oriented (Denmark). Based on the assumption that licensing is a mechanism that to some extent regulates care markets (cf. Andersson et al., 2017), what may these differences between the models entail? One conjecture is that the more specialised care content-oriented process identified in Denmark, which also requires that public providers have a licence, may entail greater opportunities to have an impact on the professional ethos of applicants, possibly in the service they provide, while the more formality-oriented and general process identified in Finland with little attention to the particularities of residential care gives fewer possibilities. In Norway, the process is generally formality-oriented, but the guidelines are quite far-reaching in regulating the professional methods of the institutions. The Swedish model has a minor impact on professional care content, but may have a practical impact on care providers concerning certain standards (e.g. defined target groups, managerial qualifications) (cf. Pålsson & Shanks, 2021). However, in all our countries, there is still a lack of precise standards relating to professional care content, which is consistent with research showing that it is difficult to establish valid quality stand-

ards for child welfare services (cf. Tilbury, 2007; Forrester, 2017; Pålsson, 2018b).

Secondly, the findings show that the different models relate differently to for-profit providers. Market agency models may involve licensing procedures that are investigative like in Sweden and Norway or consultative like in Finland and Denmark. The consultative process may be interpreted as a more partner-oriented policy vis-à-vis for-profit providers than the investigative equivalent. This arguably means that for-profit providers may have diverse experiences of institutional acceptance in a comparison between the Nordic countries. Different attitudes towards for-profit providers are also visible in that in Sweden, Norway and Finland public residential homes are exempt from the licensing process and hence are trusted to act according the rules without prior controls. What the different procedures more concretely imply for the moulding of the sector is not immediately evident, but a more consultative process potentially gives administrators at market agencies more insight into the professional motives and skills of the applicants entering care. However, it should be underlined that none of the licensing systems in any of the countries in this study, regardless of whether they are investigative or consultative, focuses on profit levels or closely examines the potential economic motives of the applicants entering the market.

Thirdly, the models also differ in terms of how much they intervene after a licence has been granted and whether there are conditions related to a licence. In all four countries, a licence is permanent as long as it is not revoked (which is rare). This means that the central state authorities transfer a significant part of the responsibility for care quality to the private care sector and other public agencies (e.g. municipalities placing children). However, the different models still maintain different degrees of conditions, which affect the actual leeway of private providers. Finland has the least intervening system in that once a licence is issued, the monitoring obligation is mainly decentralised to the municipalities. The central and regional agencies in Sweden, Norway and Denmark maintain a stronger monitoring function as they inspect residential care units on an annual basis. Norway and Denmark appear as the countries that intervene most in the care market, since they inspect care providers more than once a year, and in Denmark, a licence should be reconsidered every year and is thus more provisional.

To sum up, as a placement in residential care implies that society assumes an important responsibility over the lives of vulnerable children, it is crucial how care providers are licensed. The study shows that there is no universal Nordic way of dealing with licensing, as there are different policies, procedures, standards and supervision intended to regulate residential care markets. However, it is important to note that licensing is not conducted in a vacuum as it is only one of several control mechanisms aimed at regulating markets. For future comparative Nordic research, studies on complementary public control activities (e.g. procurement procedures and local follow-ups) and the extent to which they pay attention to the needs and rights of children when judging care quality are needed, as well as further studies on the licensing processes of other welfare services. The latter is not least desirable owing to the central function that policymakers assign to licensing as a means to secure the quality of for-profit care provision.

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