

**PAID CARE POSTGRADUATE GROUP
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**Contestability and Service Providers in Human Services
- A Case Study of Community Aged Care**

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Abstract

A major justification for the substantial marketisation of human services that has occurred over the last thirty years has been the claim that access to government funding by service providers should be *contestable* in order to ensure quality, efficient, and responsive services. To this end, competitive mechanisms for funding have been introduced for many services and the entry of new providers encouraged. At the same time, it has also been acknowledged that the nature of human services means that there remains a need for some degree of *control* over what organisations are able to provide services, especially to people eligible for government assistance.

This paper considers how this tension between contestability and control can and does play out in human service markets. How has contestability been increased? What are the barriers to entry for new providers in these markets? What sorts of organisations have entered human services? What effect do these processes have on the capability of organisations to provide good services that are accessible on an equitable basis? What effect do they have on the broader activities of providers?

This paper will consider these issues within a broad framework applicable to all human services, with a particular focus on community aged care services and some preliminary data from my PhD research on this topic.

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**Managing the Human Service Market:
The Case of the Long-Term Care Market in Japan**

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Abstract

For the last few decades, the governments of the OECD members have gradually outsourced the provision of human services to non-government sectors in order to respond to increasing welfare needs with a limited budget. Much research has been done on this topic, presenting new governance-framework theories to fit the trend. However, the serious concern remains that competition among these non-government players has negative consequences for the quality of service. A notable example is that a great number of elderly people have suffered from unsatisfactory care for decades in long-term care market.

This paper focuses on accountability policy in the human service market using the case of long-term care provision in Japan. It aims to direct the market competition to enhance the quality of the service, not just saves costs.

The research first investigates whether an accountability policy (measuring service performance) can direct market competition to enhance the quality of service. It specifically analyses quantitative data collected from the long-term care market in Japan, where care recipients can choose a care provider based solely on quality of service. Second, the research reveals that the unsatisfactory service problem is rooted in the current governance theory that heavily weights “top-down” approach. It then suggests theoretical modifications that will results better public service provision, emphasising the element of “bottom-up,” the street-level bureaucracy.