

OPINION To forbid schools and care facilities from making profit would wreck numerous operations, hurting the entrepreneurs as well as the pupils and patients who have chosen them, writes Urban Bäckström, head of the Confederation of Swedish Enterprise.



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The Swedish system of independent schools is unusual in an international perspective and has attracted interest from European and American education experts. The system is special because – thanks to the school allowances scheme – it combines free and universally accessible education with freedom of choice and a large variety of providers.

The independent school sector has grown quickly; large and expanding independent school companies now exist side by side with small-scale operators. Sweden’s independent schools are different, with varying pedagogical focus, size and profile, etc. But they share one thing: they exist thanks to the enterprise, creativity and hard work of their founders and owners, just like all other companies.

The same goes for privately owned care companies. The variety of focus and size is enormous but their entrepreneurship and enterprise unite them. They represent a large potential export item for Sweden, as virtually all politicians agree.

The argument against entrepreneurs in the welfare sector – recently manifested in a print article by leading social democrat Carin Jämtin and a speech by Left Party leader Lars Ohly [currently in opposition to the centre-right government; editor's note] – takes another tack: it is defined as principally wrong for those who have invested time and money in this type of business to make a profit. The logic is that the money paid for such services comes from taxpayers.

“Allow schools and care facilities to make profit”

Written by Urban Bäckström

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It sounds fishy that ‘taxpayer money’ can be used to profit private companies, but on reflection, there seems little wrong with it. Much of Swedish business operates to a large or small extent on commissions from the public sector. This is axiomatic in a country with a public sector as large as Sweden’s.

A considerable part of what we perceive as ‘public sector’ is in fact private. Take hospitals. Even hospitals run by regional government are using medicines and medical technology delivered by private companies. And that’s not all: most peripheral services – cleaning, catering, transport, laundry, property maintenance, postal services, security, IT operation and more – are supplied by private businesses in a tough bidding environment. Any other way would produce far higher costs – and less money over for care.

That’s the paradox in the drive for profit: with no profit incentive, an operation loses efficiency and the nucleus of our welfare works less well. Yet Jämtin, Ohly and others want to limit the possibilities for profit. Out of principle.

So what is that principle exactly? What kind of principle forbids health care run for profit at the same time as it is self-evident in the pharmaceuticals industry? School canteens can be run for profit but not teaching? That the company whose equipment is used to examine patients can be run for profit but absolutely not the company whose employees operate the equipment?

I cannot find that principle, only a destructive ideological need to make things difficult for business; to make it hard for companies running independent schools that perform better (financially as well as in terms of quality) than municipal schools to get some small return for their investment; to make it harder for care companies that have improved care for seniors to get something back from their success.

Politicians who claim to represent the Swedish people should know better than to put obstacles in the way of businesses that improve Swedish welfare. A few decades back, it was seriously suggested that the pharmaceuticals industry should be nationalized. Today we’re probably all happy it didn’t happen. When will recognition be given to businesses operating in education and care?

Urban Bäckström,

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Director General of [Confederation of Swedish Enterprise](#)

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