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Private and public welfare providers: what are the implications for citizenship roles?

Universal social services have been, and are, a hallmark of the Scandinavian welfare model. This includes public financing as well as public provision of the services. Public financing of universal services is still an undisputed part of the model, but the provision of the services is becoming more diversified (Sivesind, 2013). In Sweden for-profit provision has over the last 20 years continuously expanded its share of the welfare sector, in Denmark non-profits have over time played an important role within certain welfare sectors, whilst in Norway the public is still the dominant actor, but important political actors want to expand the scope for especially nonprofit actors, but also for for-profit actors.

These developments invites to studies that can deepen our understanding of the importance of the provider, given that the universal character of the funding of services remains intact. This project will seek to understand how these changes can influence the room for active citizenship roles. The research question is: *How are private and public welfare providers differently associated with active citizenship?*

In spite of being a salient political issue, limited research has been done in the Norwegian context and the results are inconclusive. Empirically, lack of knowledge is to a large degree caused by lack of experience; the Norwegian non-profit sector is relatively small and the for-profit sector in for some services non-existent. In recent literature reviews where different teams of researchers examines studies of marketization of care for the elderly they find no conclusive evidence when it comes to costs and quality, but a fierce battle between stake holders trying to define reality (Gautun, Bogen, & Grødem, 2013; Vabø, Christensen, Jacobsen et al., 2013). Likewise, when Bogen (2011) looks at the literature for the whole social sector she finds no clear pattern.

For empirical work both stake holders and to a certain degree academics turn to the Scandinavian neighbors who have more experience with non-public provision. Sweden has seen two decades of rapid for-profit expansion at the cost of the public as provider. Here the most comprehensive literature review revealed two streaking features; first, that the big hopes for marketization had not been fulfilled and, second, that there was a striking lack of systemized research on the topic (Hartman, 2011). Denmark has traditionally had an important non-profit sector, but has also experienced a modest opening to for-profit actors. A recent literature review, which also examines international cases, gave about the same results for Denmark as in Sweden (Petersen, Hjelm, Vrangbæk et al., 2011).

Interestingly, as much of the debate about providers has focused on different forms to measure costs and quality, a different perspective has gained prominence. In various reports and policy documents the Norwegian government has emphasized the relation between provider, their distinctiveness and citizenship roles. In a policy document from 2006 the government argued that non-profits in the care sector have a smaller and less complex structure than the public sector, something that makes it easier to be innovative (Helse &

omsorgsdepartementet, 2006, p. 108). In a more recently published Official Norwegian Report (Hagen, 2011) it is pointed out that as society becomes more heterogenic, the welfare sectors suffers from an increasing lack of labor and citizens become more demanding, more diversity in the services is needed, also when it comes to providers. The report goes all the way to suggest that 25 % of the care sector should be run by non-profit actors by 2025. The government followed up by declaring that user influence, active citizenship and local democracy will be key features for the future care sector (Helse & omsorgsdepartementet, 2013, p. 12). In these reports the connection between service provider, citizenship roles and the service are assumed. The mechanisms that supposedly produce the desired outcome are, however, not given attention.

To answer the research questions I want to design a project that will study the mechanisms that lead to active citizenship, but also how different context trigger these mechanisms in distinct manners (George & Bennett, 2005, pp. 146-147). The project will seek to make contingent generalizations based on case studies of schools and nursing homes. Given the limited amount of for profit provision in these sectors in Norway I will primarily focus on the difference between nonprofit and municipal provision.

As is often the case in social science (Ragin, 2004, p. 43) there is no fully fledged theory for addressing this particular puzzle. There are, however, different traditions that can enlighten the subject. In the following I will elaborate about the central part of the literature when it comes to citizenship and the welfare state and democracy respectively.

My work as an integral part of a bigger project

My PhD-project is part of a bigger, comparative Scandinavian project called “outsourcing of Scandinavian welfare society”. The project includes efforts to draw descriptive inferences about the scope different kinds of providers have in the Scandinavian countries, and also what mechanisms are used to decide which provider may run which institution. My case studies will be used together with case studies in Sweden and Denmark to make comparisons between the countries. Case studies from Denmark and Sweden will give extra data and leverage to do the inferences I intend to make. A consequence of this is that the “Scandinavian dimension” will also be taken into account when choosing cases.

Both in the context of this bigger project and in relation to the general research literature my work can be regarded as a “building block” study to use the case study terminology of George and Bennett (2005, p. 76). This implies that the ambition of the work is to contribute to making judgment about how type of provider can influence citizenship roles. Seen together with other research it will help map where and how type of provider plays a role.

1.1 Citizenship and the welfare state

There is broad agreement that the organization of welfare services affects the citizenship role of the citizens. The nature of this connection is on the other hand a subject of much debate. A prominent contribution by Habermas (1994, p. 31) states that extensive individual welfare rights can make citizens passive and is thus contra productive in promoting active citizens. Rather, citizens are pushed into a role as clients.

This view is based on the fact that the struggle for social rights is collective, whereas the consumption of these rights is individual and private. Studies suggest that Norwegians see local government foremost as a service provider, and less as a place to exercise political citizenship (Rose, 1999). Another way to frame this is that citizens are collectively oriented

on the politics of welfare services, but are individualized on the policy side. This kind of reasoning has made way to the idea that there is a contradiction between active citizenship and an active state (Óskarsdóttir, 2007, p. 27).

Yet, one of the important findings in Scandinavian third sector research is that the notion that a big public sector crowds out the voluntary sector has been proven wrong (Selle, 2008, p. 615). Quite the opposite is true; a big public sector combines perfectly with volunteerism. Part of the reason for this can be found in the considerable literature that documents that citizens gain autonomy through a large welfare state as their economic and educational resources are enhanced (Goul Andersen, 2003; Rothstein, 1998).

An important effect of the development of a big public sector is that citizens are liberated from dependencies that earlier defined their lives. As the welfare state expands, ever larger portions of the population are made economically independent of family and charities. This is the basis for what Trägårdh (2008, pp. 587-588) has labeled the Scandinavian “state individualism”, where an alliance between individual and state make the individual less dependent on competing ties. This is contrary to what holds true in the Anglo-Saxon countries where distrust of the state and its agencies invite the citizens to seek other collectives such as family and volunteer organizations.

The development of the public sector the last couple of decades, with the incorporation of so called new public management principles, has led to a growing debate of whether extensive use of market mechanisms has created a new kind of citizen role: the consumer citizen (Clarke, Newman, Vidler et al., 2007). A major point of contestation is if this development alters the citizenship role to that of a passive consumers, or if consumer power is an expansion of the citizenship role that can also be used to pursue collective goals (Newman & Tonkens, 2011, p. 13).

2.2 Micro democracy, choice and voice

The relationship between public sector and citizenship roles is important for how democracy functions. Democracy can be understood through the lenses of one of two main models: macro democracy and micro democracy (Pettersson, Westholm, & Blomberg, 1989, p. 84; Sartori, 1987). Macro democracy’s point of departure is the state and how the people control it. The most basic feature is the connection between the votes cast in elections and the resulting policies adopted by elected officials.

Micro democracy complements the picture by focus on how a person or a group of persons can influence their daily lives. Particularly central is how much a person can control his or her working day and the relations with public services (Jørgensen, Togeby, Goul Andersen et al., 2003, p. 56).

Where macro democracy invites to studies of the input side of the political process, the micro democracy approach will typically study the room for maneuver on the output side. The importance of the output side is stressed when Blomqvist and Rothstein (2008) discuss the relationship between citizenship, welfare and democracy. Here they identify what they label “the black hole of democracy”, which simply put consists of the distance from the decisions taken by citizens in elections to the services they receive as a product of the democratic process. The autonomy of the public servant to make decisions contrary to the wishes of the citizens can only be solved in the policy part of democracy. Blomqvist and Rothstein (2008, p. 16) suggest that a possible solution to this is to expand the possibilities for user choice and thus give exit power to the citizen.

Blomqvist and Rothstein (2008) discuss which mechanisms are needed for citizens to influence public services on the policy side. How different contexts trigger these mechanisms is the centerpiece of this study. The mechanisms suggested by Blomqvist and Rothstein to understand potential for change in a public service organization is found within the framework of *voice*, *exit* and *loyalty* (Hirschman, 1970). An individual can demand change in the operation of an organization through exit, leaving it, or through voice, stay in the organization, but demand changes. The two approaches have respectively an economic and a political logic (Hirschman, 1970, pp. 15-20). Exit belongs to the economic arena and is based on competition where competing units must struggle to stay attractive to keep and attract members. Voice belongs to the political sphere and consists of using the membership to demand changes.

1.2 Private providers and in-house provision: is there a differentiator?

An important part of the research literature on nonprofit organizations is the three failure literature that uses economic theory to explain how each sector complements the failures of the others (Steinberger, 2006). Free markets produce services efficiently, but the downside is under provisions (of what is needed, but have insufficient demand), over exclusions (lack of access for the poor) and contract failure (information asymmetry). Government can deal with these failures, but will find it unable to cater to niches placed too long from the median citizen, and the production can be too inefficient. These failures can be amended by non-profit actors who offer low-cost production, innovation and attention to costumers demand (Steinberger, 2006, p. 127). Yet, non-profit providers can themselves fall victims to inability to foster enough resources, particularism and favoritism of the wealthy and a tendency to become too paternalistic (Salamon, 1987, p. 42). Taken together this is an argument for a service sector where the three sectors exist side by side complimenting each other.

In this particular case I am, however, mostly focused on the nonprofit actors. The literature suggests a number of features that differentiates the nonprofit sector from the alternative providers. First, since they are often small organization willing to take more risk than the government they can also be expected to have an edge in organizational innovation (Rathgeb Smith & Grønbjerg, 2006, p. 224).

Second, Rose-Ackerman (1996) focuses on the ability of nonprofits to respond to particular demand structures and thus cater to niches that would otherwise not been served. This is relevant when taste and preferences of individuals do not constitute a large enough group to get attention from the market or the government.

Third, unlike their for-profit counterparts nonprofits actors are trusted when citizens are unable to make informed decisions. When citizens do not know the quality of the service the incentives underpinning their existence can make nonprofits the preferred option (Steinberger, 2006). Nonprofits are typically based on certain religious or ideological beliefs and citizens may perceive this as a sounder logic for quality development than the profit maximizing that guides the operations of for-profits.

Fourth, the government will sometimes of political reasons decide not to offer certain services. The government is ruled by the majority and nonprofit actors can therefore address what minorities see as holes in the public service (Rathgeb Smith & Grønbjerg, 2006, p. 224).

In addition there are some more general arguments regarding the effects of having a strong nonprofit sector. Some liberal scholars like Hayek (1960) argue that the growth of the welfare state is a threat to the freedom of people. The conclusion must thus be that private

organizations should replace the public in the provision of welfare. A Norwegian model, which to a large extent also is Western-European model (Anheimer & Salomon, 2006, p. 98), where the activities of the nonprofits are financed by the public, makes this argument less relevant.

A communitarian approach looks for ways to enhance individual responsibility and obligation to the community. Nonprofit organizations are seen as instrumental in making this happen, and government efforts are encouraged (Etzioni, 1993). A part of this process has an affinity with the social capital concept. Putnam and Leonardi (1993) have argued that nonprofit organizations are vital for social capital, but makes a crucial distinction between member based organizations and more professional ones where paid labor is the core of the activity.

Finally there is a vein in the literature that discusses the ability to mobilize extra resources. For the last 20 years the question of public service motivation has expanded as a research agenda (Perry, Hondeghem, & Wise, 2010). A premise, and sometimes the object of study, is that unique motives are found among public employees that differ from their counterparts in the for-profit sector. This literature deals, however, very little with the nonprofit sector.

When Kendall, Knapp, and Forder (2006, p. 423) explain the development of nonprofit social care, one factor they emphasize is that a specific ideology or philosophy can mobilize volunteers based on progressive values and beliefs. Indeed some scholars find that care workers' altruisms can be part of the explanation of their relatively low pay (England, 2005, p. 390). Another example is the "warm glow effect" that supposedly motivates employees in nonprofits in ways not seen in other sectors (Galle, 2010, p. 1223). Indeed, empirically there are examples that nonprofits can have access resources based not on the possibility for personal financial benefit, but for moral motives like religious (Chaves, 1998) or ideological (Young, 1983). To mobilize these resources it is thought that nonprofits must address particular, identified constituencies who share a common vision for society or the relevant service (Rathgeb Smith & Grønbyjerg, 2006, p. 225).

Much of the debate is, however, centered on the difference between volunteer efforts and paid labor. This distinction is less relevant in a Norwegian debate as also the nonprofit providers base their activities on paid employees. Still, non-profit actors in Norway are founded on certain religious or ideological criteria that are important to a wider constituency. It can therefore be expected that even if the core tasks of the operations are carried out by paid employees, volunteers can get involved in the service adding an extra element that goes beyond what you see in public institution. There have also been intents by for-profit actors to collaborate with non-profit organization as the Red Cross.

1.3 Or will public money discipline the private alternatives?

When the government try to engineer certain types of social outcomes through the use of nonprofits it is an open question if this represents a victory in the struggle for recognition and participation fought by social movements behind the nonprofit organization, or if it will be a tool for the authorities to coopt these movements and discipline them for the good of the government (Newman & Tonkens, 2011, pp. 9-10). Empirical studies of the voluntary sector indicate that voluntary organizations feel the disciplinary effects of their relationship with the government (Gulbrandsen & Ødegård, 2011, p. 51).

As long as providers are funded by the public there are rules and procedures attached to the funding. These may give the private organization incentives to organize in certain ways to

facilitate its relations with the municipality. This can undermine the particular organizational logic of the provider and thus make its services less different from municipal ones.

Another aspect of the provider-municipality relationship is that it alters the connection between politics and policy. Citizens can affect public services on the policy side, but the traditional legitimacy is based on the influence citizens have through the ballot box. When private providers are in a contractual relationship with a municipality this complicates changes to services based on elections. This is not to say that democratic control is lost, but the distance from elections to service outcome arguably becomes longer. It thus raises questions of how citizens perceive the connection between voting and services received.

1.4) The rival hypotheses

From the literature cited above I develop a hypothesis that predicts that type of provider is associated with citizenship roles. Non-profits are expected to cater to niches, mobilize extra resources, and have extra room for choice. The possibility of exit will make private institution more responsive to demands from users than the municipal institutions.

An alternative hypothesis is that there are no systematic differences between private and municipal providers given that the private options are financed and regulated by the public. These are the overall hypotheses for the project. Below I will single out how these two hypotheses will take shape for each of the three sub questions that the investigation will center around.

2. What kind of difference?

The central object of study in this work is how the difference between providers spells out when it comes to active citizenship. Ever since Marshall (1964), debates about citizenship roles have centered on the division of rights and duties for respectively civil, political and social citizenship. In his seminal lecture Marshall traces the historic development for each set of rights that together constitute citizenship. With rights follow obligations, but these have received far less both popular and scholarly attention, with most westerners unable to point out what constitutes the obligations of their citizenship role (Janoski, 1998, p. 54).

Citizenship is thus about the rights and obligations citizens have to the political unit they belong to and the society they live in. The nature of these rights and obligations will spell out vertically, as a relationship between the state and the citizen, and horizontally as a relationship between citizens (J. Andersen, Christensen, Langberg et al., 1993, p. 18). The latter can be formulated as obligations and rights toward society. It is what Petersson et al. (1989, p. 25) refers to as solidarity with members of society as a collective. In other words, to feel that one belongs as a member of a unit is a component of citizenship - it is a matter of identity.

The “active” component of the basic level (Goertz, 2006) of this concept refers to what degree a citizen exercise and fulfill its rights and obligation and adheres to a shared identity. The negative pole of active citizenship is thus passive citizenship where a citizen makes a minimum use of her rights, does not share an identity and does not fulfill its obligation.

The secondary dimension of the concept is thus threefold: rights, participation and identities (J. G. Andersen, 2004, pp. 15-17). The three dimensions are intertwined, but separate, and each will make up a separate sub question when dealing with the overarching puzzle.

2.1 Identities

Identities answers two the mentioned “solidarity with members of society as a collective”. Generally, identities encompass how citizens see themselves and their role in relations to many aspects of society. In this particular context it is most relevant to focus on the particular values or ideology that underpins their relationship with the institution. Private providers are established with a distinctive mission than the government as they are based on an explicit commercial, religious or ideological logic. This distinctiveness must be understood. A research question is therefore:

How do the values underpinning the provider make it different from the in-house provision of the municipality?

From the discussion above two opposing hypotheses can be formulated. First, a strong one, that the institutional distinctiveness will manifest itself through a reflection of the particular values that underpin the provider. The most fundamental parts of the service are regulated by laws and contracts, but there is still room for maneuver for the providers. In many ways this room is the whole *raison d'être* for the providers so how it is exploited is of interest. Here differences between schools and nursing home will be particularly interesting as more diversity is generally accepted related to nursing homes that are considered less important for social integration.

In turn this particularity should also be in the form of ability to mobilize other stakeholders than what you find at a public institution. This can typically be from the congregation that runs the school or from groups with the same ideological conviction. If different institutions address different constituencies, this is also of interest. Assumedly a faith based school will get interest mostly from citizens sharing the faith, but in addition there might be people who seek the institution due to more pragmatic reasons related to geography or perceived quality.

The second, weaker, hypothesis is that the dependence of public funding makes the private provider lose its distinctiveness. The contractual relationship with the municipality undermines activities based on the core values and makes the provider no different than the public options. This will mean that the public in reality coopts the commitment of the private institution when it seeks to fulfill its own goals.

If private providers are no different from the municipal ones this does not mean that there is no variation between institutions of the same kind. Both municipal and private institution will differ based on features such as size, level of competition, etc.

Indicators:

These are relevant indicators for organizational distinctiveness:

1. A shared belief in the funding values between leadership, staff and care recipients.
2. Ability to offer additional services based on these values.
3. A strategy to cater for a defined constituency.
4. Ability to mobilize other resources than the municipality. This includes both staff and volunteers.

2.2 Rights

Rights are about the institutionalized rights to action within what is labeled micro democracy. This goes beyond participation in users' board and local politics, and is a matter of the

influence a user has over the care situation in the direct relation with the care worker. These rights can be formal in the form of a policy for the institution, but are also exercised in informal contact between carers and users. Only two municipalities, Bergen and Oslo, have user choice for nursing homes in Norway (Service, 2012). For schools on the other hand, private schools are by definition supplemental to the public school and are thus an alternative pupils and parents must actively choose. This makes exit an alternative to voice, and can increase the leverage of the use of voice.

Comparisons of the dynamics of schools and nursing homes is therefore interesting to see the effects of exit as a way to enhance the control each citizen have over the care they receive.

Decisions regarding the life of service users are not taken only at a formalized level. Many of the decisions are part of the day to day interaction with care workers. For most citizens the way to address condition they want changed is not through formalized institution, but by directly approaching the relevant public servant or employee of the private provider. Empowerment of service users have in Scandinavia the last decades been sought after by moving decisions regarding public service ever closer to the citizen (J. G. Andersen, 2004, p. 165). On the national level this means giving responsibility to the municipalities and on the local level the natural consequence would be to move decision making power to the welfare institution and the employees. This leads to the research question:

How are citizens empowered differently at private and public service providers?

Hypothesis 1: The relative autonomy of private institution can make them more able to take decisions in the meeting with the citizen. Likewise, private institutions are more entrepreneurial due to their smaller organization and willingness to take risks. Since they have more room for local decisions they may give more voice to citizens.

Hypothesis 2: Private providers are disciplined by contracts with the public funder, making them unable to differ in their service. The professional training of staff is what steers their behavior, not the organizational freedom the institution gives them.

Indicators

1. The perception of staff, leadership and users of the possibility to exit the institution.
2. How staff, leadership and users see the room to make changes based on informal contact.
3. The freedom staff experience to make decisions about their work and how to perform care service.

2.3 Participation

Participation consists of the influence a citizen gain through involvement in formal decision-making processes, either directly at the institution or inspired by experiences with the institution. Individually a citizen has no obligation to take part in these processes, but at an aggregated level democracy depends on it. A contractual relationship between the municipality and a provider extends the loop from vote cast to service received. With other words, the service is moved one step away from elected officials, something that arguably will weaken the impact of the electoral results. Citizens are, however, also able to influence the services on the policy side through institutions such as user councils.

Involvement of parents in school operations is a stated goal in Norwegian school policies. The parent's council (foreldreutvalg) is compulsory in all schools and many municipalities have

also established councils at the municipal level, even if this is not mandated by law. Schools must also have cooperation councils (samarbeidsutvalg) where different stakeholders like employees, parents, the principal and representatives from the municipality meet. How much influence is delegated to the cooperation council is to a certain degree decided by the school owner. Investigations have suggested that influence over how schools are run is an important reason for why parents choose private schools (Helgesen, 2003).

It is determined by law that all municipalities must have an elder council (eldreråd). The function of the council is to give advice to the municipal authorities.

User councils are also a growing phenomenon in the public sector. In the 2007 Fornyingsstrategi (modernization strategy) from the government it is stated that my translation): “All state agencies and organizations that have a large amount of direct contact with citizens, shall as a main rule establish user councils or user panels. Municipalities are encouraged to do the same” (Fornyings & administrasjonsdepartementet, 2007, p. 18).

User involvement through formal structures has therefore at least three functions, all related to giving voice to citizens. First, they shall give influence over the institution to the users. Second, it shall give the municipality information and steering signals from the users. And third, the users shall get information about the policies of the municipality. Some of the user structures are centered around the care institutions while others are more general, leaving room for questions if users of private providers have different influence on the policy side than users of public institution. The second research question is therefore:

How can participation in user institution impact services differently for users of private providers compared to users of public providers?

Two hypotheses can be formulated. First, one can expect user of private provisions to be more involved in the operation of their institution, but less involved in matters at the municipal level. These users have distanced themselves from the municipality and can therefore be expected to be less inclined to seek influence on the politics side.

Alternatively, one can expect users of private provision to be more involved on the politics side as their relationship with the provider underlines the importance of politics that have enabled the provider to operate with public funding.

Indicators:

1. Distribution of influence between the municipalities, users/relatives and the institution leadership on how the institution is run:
 - a. Based on formal cooperation in organs local to the school/nursing home.
2. Influence on the relevant policies of the municipality
 - a. Based on patterns of cooperation in formal structures across the private-public divide.
3. Willingness and ability of representatives of the municipality to involve themselves through formal councils at the institutions.
4. The relation between the welfare institution and independent, volunteer organization influencing municipal policy.

Mechanisms for change

Of the three dimensions of active citizenship, the first deals with actions that can be explained by the identities held and developed by individuals. The latter two, rights and participation, are expressions of which possibilities people have to provoke change and how they use these possibilities.

Our understanding of the opportunity for change can be structured through the framework of exit and voice that I presented earlier (Hirschman, 1970). An individual can pursue the strategies of exit and voice individually or through collective channels. At the individual level the right to personal autonomy dictates a room for decision making for the individual in the day to day care situation. If a user chooses to exit an institution this is also a powerful use of individual rights. Voice can be used individually both in interaction with care workers and when individuals seek influence higher up in the decision making chain.

Yet, it is the use of collective voice that is arguably more prominent in the Norwegian model. Organizations established by users (e.g. eldresaken) and initiated by the authorities (e.g. the municipal eldreråd) have as their most prominent task to give voice to stake holders. This way the voice of users is channeled into the political system and also in the public debate. At the same time it can bring users together with other stake holders, and give them a shared public arena for voice. To a certain degree rights can also be claimed collectively even if they are enjoyed individually. Municipalities have much freedom on how they fulfill their legal obligation to the elderly (Vabo, 2012), giving importance to collective voice on the nature of the fulfillment of the individual rights.

Exit and voice is therefore two mechanisms that must be studied to understand how a citizen from her position as a user of a private or municipal institution can provoke change in the service. And this can happen in a collective or individual manner. In the following table I show a two by two table that can be used to map how these mechanisms work.

Table 2.1: How to produce change

	Voice	Exit
Individual	<ul style="list-style-type: none"> - Day to day care - Approach leaders 	<ul style="list-style-type: none"> - Change institution - Threat of change
Collective	<ul style="list-style-type: none"> - User council - Sector organization 	Not applicable

3. Alternative explanations of outcome

My research objective is to understand which type of provider constitutes a context that best will trigger mechanisms that produce active citizenship.

The dependent variable is active citizenship. I elaborated this concept above.

The explanatory variable is type of provider. Here there are three groups: municipal, for-profit and non-profit. Given the status of the field in Norway I will focus on non-profit and municipal providers. Data from my colleagues in Sweden and Denmark can help expand the scope to infer about for-profit actors at a later stage.

Four scenarios can be imagined: (1) That I find no systematic differences between private and municipal providers, in which case my hypothesis is falsified. (2) That I find a difference and

that this can be explained by institution – this will confirm my hypothesis. (3) That I find a difference, but that other variables explain it. (4) That I find a difference, but that this is due to random variation. In the latter two scenarios my hypothesis is falsified.

The task is thus to develop a strategy that will give me enough evidence to call which is correct of the four scenarios. In order to do this I will combine comparison across units and functional issue areas with within case analysis.

To differentiate between scenario two and the others I will in my analysis look at certain aspects of the different cases in order to assess what causes the observed variation. This means looking at which independent variables cause the effect. All variables that are shown to have causal power, but are not associated with type of institution, will undermine scenario two. These are the ones to look out for:

- a) The market situation, e.g. if there are other institutions nearby or if an institution is the de facto only choice, different institutions operate in can effect these issues. In a situation with fierce competition, actors can broaden the space for users to make decisions affecting the nature of their care can be done in order to gain a comparative edge. Market situation can thus be more important than type of provider. Indicators of this are:
 - Institutions competing in the same market (municipality) experience the same variance, but different from institutions in different markets.
 - The market situation is mentioned by informants as a driver for action.
 - The importance of exit co-varies with the level of competition.
- b) Attributes of the individual, not the institution, can explanation for variance in active citizenship roles. This explanation will look at how resources such as e.g. education and income affects citizenship (Hoff, 1993). Indicators of this are:
 - Differences between institutions in different socioeconomic areas.
 - Different between persons with different socioeconomic status.
 - That skill is mentioned directly or indirectly as a reason for (lack of) involvement.
- c) It can also be differences between different sectors such as health and education. This can possible dictate what kind of contingent generalizations I can make. My hypothesis can be correct for one sector and wrong for another.
- d) Any other variable that I have not foreseen. In this case it will hopefully reveal itself during the field study, but there is always a risk of omitted variable bias.

To confirm scenario (2) some of the intervening variables suggested under section 1.2. should be present at non-profit institution, but not in other institutions:

- e) Values or ideology driving the actions of stake holders.
- f) A systematic difference in how different providers cater to different niches.
- g) A “warm glow effect”.
- h) Trust levels that differ.

There is also another scenario (5) that might be more challenging to deal with. If I find a correlation between type of provider and active citizenship it can be difficult to be clear about the direction of causation. This involves differentiating between a socialization effect where people involved with an institution get socialized to develop certain citizenship roles or a self-selection effect where individual with certain citizenship roles are drawn to certain institution. It can be that people who are drawn to work in non-profit organization are systematically different from the ones working in public institutions. The public sector motivation literature

suggests that such a relationship exists (Perry et al., 2010, p. 683). The policy relevance of my conclusion is dependent on the ability to differentiate between these two effects.

4. Selection of cases

My research question involves inferring about “welfare services”. I will not be able to investigate all services and will therefore choose schools and nursing homes as my cases. The two sectors are chosen because they both fit within a class of universal services that are funded by the public and are the responsibility of municipalities. At the same time they make for useful comparisons as education can be seen as social investment while care for the elderly can be consider an “expense” to the public. For nursing homes user pay is the same without regards for type of provider while private schools are expected to charge parents 15 % of the costs as the public will only fund 85 % of the expenses per pupil. It must be noted that private schools are not allowed to charge more than 15 %. Another interesting difference is that for nursing homes a company can make a profit, while for schools this is forbidden by law. In nursing homes the provider can also charge for services that comes as “extra” to the basic care everyone are entitled to.

To answer my research question I want to combine cross case comparison with within case studies. I’d like to make comparisons between different schools, different nursing homes and between schools and nursing homes. That makes up four different types of institutions, and I will make comparisons on two dimensions. Table 4.1 illustrates how the two dimensions make up four groups of institutions for comparison.

Table 4.1

		Type of provider	
		Private	Municipal
Sector	School	S1	S2
	Nursing home	N1	N2

As mentioned much of the existing empirical work on this issue has been inconclusive. Part of this can be explained by the many factors that contribute to citizenship roles and the complexity of the context where the institutions operate. As I have a qualitative approach there are natural limits to the number of cases I can study. I will therefore make a strategic choice primarily based on two criteria. First, I select cases so that I can keep certain variables constant in my comparison and, second, I will use what Gerring (2008, p. 184) refers to diverse cases selection so that I have diversity among the independent variables. Of course the exploratory variable is dichotomous, something that makes limited room for variation on this variable. The diversity must thus be in the contextual factors.

Based on this I will choose pairs of private and municipal schools and nursing homes from the same municipality. With other words I will do case studies in municipalities where all the four different types of institutions shown in table 4.1 are present. This makes room for comparisons between institutions where the contextual factors – alternative explanatory variables - changes as little as possible. I find that three different municipalities, and thus 12 institutions - is a realistic ambition for this work. These three municipalities should then represent a diversity based on the following criteria:

- The municipality must have both private and municipal schools and nursing homes. The private providers should be based on different logic, e.g. religious and ideological.
- Both urban centers and rural towns should be included. Size and distance to large city is of relevance
- More and less affluent municipalities should be included.

There are 429 municipalities in Norway. 55 per cent of which have less than 5000 inhabitants. Spread on these municipalities we have about 70 non-profit, 15 for-profit and 1000 municipal nursing homes. Half of the non-profit and 10 of the for-profit nursing homes are situated in one of the four biggest cities. There are 210 private schools out of 2957 schools in total. The private schools are spread all over the country.

I have no information about the value on the dependent variable. All selections are therefore based on control or variance on the independent variables. My universe consist of all schools and nursing homes in Norway, but given the criteria set out above I have a limited number of municipals that have both private and public providers in both sectors. The biggest cities are obvious cases, but they are generally more heterogenic when it comes to factors such as class and ethnicity, so the control effect of comparing institutions in the same municipality will be severely reduces. The smaller municipalities will normally have only one nursing home and thus not the variation I seek. I am therefore left with a handful of big (more than 50 000) and medium size (about 20 000) municipalities to choose from.

5) Data

The data collection will be uniform in all three municipalities based on a field guide. The field guide specifies what documents needs to be studied, who must be interviewed and guides for semi structured interviews. Relevant document are municipal strategy document for the relevant sectors and for the volunteer sector, and strategy documents developed at the different institutions. In addition the views of the political parties are of interest. I want to interview the political and administrative leadership of the municipality, the leadership, staff, users and their relatives at the institutions and, if any, volunteers contributing in the institutions. In the interviews I will ask “grand tour questions” and then narrow the questions as the interview goes on (Leech, 2002). All documents will be examined before I start with the interviews.

The approach has been approved by the Norwegian “Data Protection Official for Research” that has scrutinized some of the ethical aspects of the research. The data collected will be coded in order make comparisons between the different cases and in order to assess the different independent variables.

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