

User Choice – Blessing or Curse? Exploring Democratic Participation in Swedish and Norwegian Local Governments Asbjørn Røiseland*

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Abstract

The article explores the theoretical and empirical relationship between user choice and democratic participation. Based in an individually centered perspective on democracy, the article asks to what extent user choice, a core element in marketization reforms, among citizens and local government leaders is understood as a means to realize individual preferences. Empirically, the article focuses on elderly care and primary school education in Sweden and Norway, and follows a most similar system comparison logic where the extent of user choice is a core difference between the two national contexts. Overall, the analysis shows that citizens appear to embrace user choice, while local government leaders have a more diverse and skeptical approach, focusing on outsourcing and privatization as consequences of user choice. In conclusion, the article raises questions about how the user choices citizens embrace can be de-coupled from neo-liberal reform strategies, which many local government leaders oppose. The article argues that one possible way forward is more interactive forms of service delivery, such as co-production or co-creation.

Keywords:
Democracy
User choice
Exit
Voice
Elderly care
Primary school education

Introduction¹

A lively discussion is currently being waged concerning the sources of legitimacy in democratic systems, and it is commonly argued that both *input*, *throughput* and *output* need to be considered equal and important dimensions of legitimacy (Heinelt, Sweeting & Getimis, 2006). From this perspective, the quality of services and the effectiveness of public problem solving represent possible sources of legitimacy in addition to the classic modes of democratic participation like voting and public discussions about political ends and means (see for example Bang, 2007; Crozier, 2010; Rhodes, 1997). It also means that research on democracy could and should expand into public policy and governance research, and vice versa. The goal of this article is to focus on one aspect of service delivery that has the potential to link democracy and policy together: user choice. This reform element has been high on the rhetorical reform agenda, offering a potential way to strengthen citizens' participation at a time when many observers argue that classic representative democracy is struggling (Barber, 2003; Rhodes, 1997). However, we know little about what user choice means in practical terms in the context of democratic participation. Few scholars have systematically mapped the actual means of influence citizens are exposed to in the Scandinavian countries, and putting user choice and democracy together is not one of the most common topics in contemporary political science.

Although it has been loudly praised by neo-liberalists, user choice is a reform element or idea that can be implemented in various ways, depending on for instance the ideological position among the actors involved. Following the neo-liberal or managerial agenda, user choice is mostly associated with an ability to choose among a set of public and private providers, and is thereby related to

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outsourcing and privatization. However, user choice can also refer to choosing a specific type of service from a given provider. In this case, user choice has some linkages to ideas about empowering clients, a core element in the reform agenda of “New Public Service” (Denhardt & Denhardt, 2000). Some scholars have also argued that choice among a fixed set of providers or services is not sufficient to give citizens greater influence. In this argument, citizens’ needs can only be fully satisfied by an interactive relationship with professionals, an idea commonly conceptualized as co-production or co-creation (Pestoff, 2009; Voorberg, Bekkers & Tummers, 2015; Fotaki, 2010; Torfing et.al. 2017).

User choice, or in a more classic scholarly vocabulary “exit,” allows citizens to influence public service delivery by choosing among alternative providers or alternative deliveries. Applying various mechanisms of exit in addition to voice may have the potential to increase legitimacy and strengthen democracy. Over the last twenty to thirty years, exit has mainly become part of the wider neoliberal wave of reforms associated with New Public Management or “marketization.” The latter is a concept used by Salamon and others to describe the New Public Management-inspired transformation of social welfare systems in the 1980s, when “nonprofit organization have been sucked increasingly into market-type relations and for-profit firms have steadily expanded their market niche” (Salamon, 1993:36). Marketization is generally understood to mean the use of market mechanisms to allocate public resources and to measure how and with what effect those resources are spent. Marketization will often include developing a market-like delivery system that allows citizens to choose between alternative service suppliers (Pierre, 1995:56; Petersen & Hjelmar, 2013; Salamon, 1993).

If we see democracy as a mechanism that primarily aims to ensure that individual preferences are recognized and, as far as possible, realized, user choice has an obvious potential to strengthen democracy. This definition of democracy, which has been conceptualized as “an individually centered democratic perspective” (Olsen, 1990:28), is central to this study. Specifically, this article aims to explore the empirical relationship between user choice and democratic participation: How do citizens evaluate user choice compared to alternative means of influence? To what extent is citizens’ evaluation of user choice a direct reflection of the availability of exit options? And how does the delivery side, the local government leaders, understand user choice in the context of participation and democracy?

The empirical context for these questions will be Swedish and Norwegian local governments and two service sectors that are important in the Nordic welfare model: Elderly care and primary school education. Though the two countries are similar in many respects, there is considerable difference in the implementation of neoliberal reforms (Klausen & Ståhlberg, 1998; Haveri, 2015). The following section on the policy contexts is based on research reports and policy documents and provides a more detailed overview of the extent and type of user choice in the two sectors.

The data for this article was collected in two steps: first, a large number of citizens were asked to rank a set of ways available to them to influence the services delivered by their local government. Second, the article uses data from a case study of four municipalities, including in-depth interviews with a set of political and administrative leaders.

In the next section, I will discuss user choice, democracy, and marketization in more depth, and this is followed by a section explaining the national contexts for user choice in the two policy sectors. The research strategy will be explained further in a section on data and methods. The analysis is presented in section five, which is followed by a concluding discussion.

The section on context shows that user choice is on the rise in both elderly care and primary school education. However, it is more important in primary school education than in elderly care, and is considerably more developed in Sweden than in Norway. The analysis is largely based on data from citizen surveys which show that citizens' assessments of available means of influencing policies reflect the availability of exit options in the two countries and sectors. However, the analysis also demonstrates that citizens like user choice even when legal regulations or political priorities significantly limit this option. The case studies, which aim to show how local government leaders understand user choice in the context of democracy, clearly illustrate the significant variation among individual actors and municipalities in the interpretation of user choice. This analysis also demonstrates that for most actors, user choice is strongly linked to the neoliberal agenda of outsourcing and private alternatives, and thereby taps into one of the strongest political divides in Nordic politics. In conclusion, the article argues that more interactive forms of service delivery, for example by co-production or co-creation, could be one possible way to decouple user choice from privatization. This alternative reform agenda has the potential to realize a type of citizen-initiated user choice, while at the same time avoiding the controversial effects of managerialism expressed by the majority of local government leaders in the study.

Marketization, choice, and democracy

Most local governments will, whether consciously or not, make decisions about how to provide services to their citizens. Some of the options available are classic in-house production, joint production in partnerships, contracts with other governments or outsourcing to private or civil actors (Brown & Potoski, 2003). The latter alternative is a central part of marketization, which describes a reform wave that has influenced western societies during the last thirty years. In Scandinavia, marketization has been expressed in two inter-related trends, *contracting out* and *free choice* (Petersen & Hjelmar, 2013:5; Haveri, 2015). The first trend can be defined as the transfer of the production of a service from the public to the private actor, while overall responsibility for funding and supervision is kept as a public responsibility (Savas, 1987). The second trend is free choice reforms, where citizens enjoy a choice between several providers of a given service or can

choose between types of deliveries (Dowding & John, 2012). In principle, free choice can be based on a set of public sector options only, but most commonly the options made available to citizens will consist of several private providers or will include public and private produced services (Dowding & John, 2008). In this respect, the two expressions of marketization are practically if not principally linked together, since outsourcing will typically allow governments to expand the options from which citizens can choose.

In the context of marketization, user choice can be studied from various angles. One of the important approaches departs from neoliberal thinking: it sees market-based delivery as an answer to the quest for less government and more market (Osborne & Gaebler 1991), and aims to develop new roles for government, such as “rowing” instead of “steering” (see Peters, 1997; 2011). In this approach, which is anchored in public choice theory, marketization and user choice are expected to lead to higher efficiency, better quality, greater diversity, and less bureaucracy compared to the classic type of public in-house production (see Petersen & Hjelmar, 2013:6). In contrast, critics argue against marketization based in a different interpretation of costs and benefits. For example, critics point to the significant differences between private sector and public sector values (Jørgensen & Bozeman, 2007; Peters, Pierre & Røiseland, 2014) and to the huge transaction costs related to entering contracts and monitoring contract deliveries (Petersen & Hjelmar, 2013; Frederickson, 2005; Kastberg, 2008; Røiseland, Pierre & Gustavsen, 2015).

While the above-mentioned research discusses consequences and side effects of marketization in the context of the public sector or society as a whole, a different perspective can be derived from Albert Hirschman’s widely known distinctions between “exit, loyalty and voice” (1970). One of Hirschman’s original intentions was to improve the private sector by introducing voice as a supplemental instrument to the customer strategy of exit, which had been the only strategy available. In a perfect market, customers are expected to exit (replace their provider) as soon as a second alternative is expected to better fit the customer’s need in terms of quality or cost. However, following Hirschman, it would be much more effective simply to establish a dialogue between the customer and the provider. According to Hirschman, a lack of voice makes private markets less efficient, and customer feedback will allow markets to function better in the longer run (O’Donnell, 1986).

Democracy was not an explicit dimension in Hirschman’s framework, but the conceptualization of exit and voice is relevant if we understand democracy as an institutional framework established to allow citizens to, as far as possible, realize their individual preferences. Johan P. Olsen refers to this model as the “individually-centered perspective,” as opposed to a “societally-centered perspective” (Olsen, 1990:28). In this individualistic perspective, the autonomous and individual citizen is the main democratic unit. Any means of influence linking the individual citizen to policy outputs can therefore be understood as democratic participation (see also Sørensen, 2004). One example of this model of democracy is economist Charles Tiebout’s “pure theory of public expenditure,”

which describes a market-based system of local governments specializing in particular services in order to attract inhabitants (1956). Tiebout's theoretical model presupposes that people will reside in the area where local authorities offer the services that best respond to citizens' needs (Pierre & Røiseland, 2016), and in that sense they will "vote with their feet."

Still, when comparing exit and voice in democratic theory, voice has had a much more prominent position. According to Mark Warren, exit has not been considered a generic feature of democratic theory and practice, though exit-based empowerments—understood as individual rights and capacities for exit—are as central to democracy as votes and voice are (Warren, 2011:683; see also Dowding et al., 2000). Several scholars also argue that even if the dichotomy of exit and voice has an intuitive appeal to most scholars, the two are closely inter-related in the sense that a portion of citizens' exit will strengthen voice (Warren, 2011; Pierre & Røiseland, 2016).

The type of exit discussed by Tiebout in 1956 is a radical version in which citizens literally vote with their feet by moving away. In a Nordic context, until recently few citizens were likely to choose this means of influence. While Tiebout presupposes full mobility, most Nordic citizens are "locked in" in their local communities by paid work, family, and housing. In addition, the Nordic welfare systems do not generally have large differences in quality and deliveries across local government borders. However, the introduction of user choice means a radical change in the sense that exit has become far more accessible to most people. The combination of a Nordic welfare model and user choice also means that exit has become more available in the Nordic countries compared to elsewhere. Informally, some have even claimed that in terms of choice, the proponents of neoliberalism like Milton Friedman "would be more at home in Stockholm than in Washington, DC."² This is due to the funding of service deliveries. In many countries, private service deliveries may be better but still more expensive, and therefore less available to many citizens (Dowding & John, 2011), while in the Nordic countries private service deliveries are commonly funded as if they were public, for example by vouchers, and are thereby fully available to all citizens. Today, therefore, "voting with your feet" does not necessarily imply moving away: it can simply mean a short walk to a different provider.

Yet we know little about how different stakeholders in the Nordic countries understand exit in the context of democracy, and few scholars have systematized and mapped the different arrangements for user choice that exist in different countries and sectors. Based in empirical data from Swedish and Norwegian local governments, and focusing on elderly care and primary school education, I therefore will systematize the extent of user choice in these sectors. This is followed by an analysis focusing on the empirical relationship between user choice and democratic participation. The analysis is based in part on measurements of how citizens evaluate exit compared to voice, and partly on data about a limited set of local governments and their leadership.

Two neighboring contexts for user choice in elderly care and primary school education

Introduction

As I will return to in a later section on data and methods, the analysis in this article is based on a “most similar systems design” comparison, which in essence presupposes overall similarity except in a single key variable, in this case the extent of user choice. The two national contexts are Sweden and Norway, and in terms of policy context we focus on elderly care and primary education. The aim of this section is to explore and explain the way in which user choices in elderly care and primary school education have been developed in the two national contexts.

Elderly care and primary school education are the most important local government sectors in both countries, representing a large share of annual budgets. They are also *real* service sectors in the sense that they have the potential to become arenas for real choices in terms of different service providers offering similar services (e.g. choosing schools or senior homes), or choices among different kinds of deliveries (e.g. type of school or home-based elderly care versus senior homes).

Elderly care

Compared to the most eager reformists, the Scandinavian countries have been more cautious in the marketization of elderly care (Meagher & Szebehely, 2013). For a long period, user choice was limited to smaller, local initiatives. In these, choice could mean establishing a dialogue with users about different kinds of deliveries, for example home healthcare services versus residential care or various combinations of services, and to a lesser extent about the choice of provider. The pure individualized choice between clear alternatives, resembling a free market, has been rarer, and has mainly been found in home healthcare in densely populated areas. Recently this changed significantly with the introduction of user choice by law in Sweden (Kastberg, 2014).

Sweden

Marketization entered the Swedish agenda in the 1990s, but for a long period user choice was only introduced in a few municipalities, which were mainly governed by right-wing political coalitions and located in the Stockholm region. User choice was first introduced for residential care, a service which is easy to expose to competitive tendering. Since the 2000s, the introduction of choice models in home healthcare has accelerated, and today the two types of services are more or less equal in terms of private providers: 23 percent of home healthcare hours and 21 percent of residential care beds are provided by the private sector (Erlandsson et al., 2013:47).³

With the introduction and implementation of new legislation in 2009 (*Act on System of Choice in the Public Sector, LOV*), user choice models have become much more widely used. In December 2012, 133 of 290 Swedish municipalities

had implemented LOV, primarily in home healthcare services, corresponding to 45 percent of the municipalities. As a share of the total number of users, this corresponds to about 60 percent of the elderly home healthcare users. In addition, another 42 municipalities have plans to introduce choice models following the principles set out in the 2009 legislation (Erlandsson et al., 2013:52).

According to the Swedish legislation, municipalities need to have a “non-choice” option, which means the delivery system in place prior to the 2009 reform. Still, Swedish legislation does not require local authorities to provide services in-house, and about half of the Swedish municipalities that so far have implemented the 2009 legislation provide the “non-choice” part of the system through a rotation system between authorized private providers, while the remaining half base their “non-choice” option on classic in-house, public production (Meagher & Szebehely, 2013:258).

Although still limited, the introduction of user choice has altered Swedish elderly care and possibly also the role of municipalities and politicians in this field. Providing information about the choices users have has been mentioned as one important new task for municipalities (Erlandsson et al., 2013:58). The organization of competition, the role as a purchaser, and monitoring private service providers are also tasks that were rare a generation ago.

Norway

Marketization has also had some influence in Norway, but to a much lesser extent than in Sweden. The Norwegian debate has been more rhetorical and symbolic than real: the concepts of competition and user choice have been lauded by many politicians, but there are still few private for-profit providers (Vabø et al., 2013:164). That said, different kinds of purchaser-provider models are common as an organizational principle, but for many municipalities only as an organizational model for in-house production.

There are few legal rules limiting the freedom Norwegian municipalities have to organize elderly care through private service provision. Still, based on data from 2010, only four percent of Norwegian municipalities offer user choice involving private providers in residential care, while the corresponding figure for home healthcare is eight percent (Blåka, Tjerbo & Zeiner, 2012)⁴. Other data sources show that about seven percent of working hours in the care sector are in the private sector, and the private sector represents eight percent of total Norwegian care sector costs (Vabø et al., 2013). Norway has a long tradition of elderly care institutions run by civil organizations, so a large share of private institutions are non-profit. There are also a few Norwegian examples of “public for profit institutions,” which are basically public organizations functioning as if they were private. These institutions are organized by municipalities, but are given wide autonomy including authority over their own finances (Vabø et al., 2013). Finally, there is a mix of different home healthcare providers operating at arm’s length from local governments, offering various services paid by the individual customer. There is less data available about this private healthcare market, and it

is hard to quantify the number of providers or employees involved (Vabø et al., 2013).

By 2005, only two Norwegian municipalities had developed pure free choice models. Today there are a few more, mainly offering user choice in home healthcare, but the ideas and practices of user choice nevertheless remains very limited in Norway (Vabø et al., 2013:187).⁵

Primary school education

Many countries have deep and long-standing traditions of public and private schools existing alongside each other (Dronkers & Avram, 2010). In the Scandinavian countries, however, primary education has historically been a welfare service organized and funded by the state and supplied by local governments. In both Sweden and Norway, primary school education is among the oldest municipal services, dating back to the establishment of municipalities in the mid-19th century. Apart from a small number of religious schools, or schools founded on alternative pedagogical practices, primary education was one of the core public services at the time marketization and neo-liberalism first made inroads in Scandinavia in the mid-1980s. Faced with these reform trends, Sweden and Norway have followed very different paths, and the difference today in terms of marketization and user choice is almost extreme.

Sweden

Sweden carried out a school choice reform in 1991-92, enabling pupils/parents to choose between schools. Prior to this user choice reform, pupils were expected to go to their nearest (public) school, but with the new reform pupils could choose between the different public schools in the municipality as well as from private schools (called “free schools” or *friskolor*) (Bunar, 2010:53; Kastberg, 2014). The reform introduced a publicly funded voucher system, and the law stipulated that private providers had a right to establish and operate schools. The municipalities were given the task of organizing the voucher system and implementing the choices made by pupils/parents. Promoting user participation was a major argument for the 1992 reform, but there were also strong expectations that competition between schools would raise the overall quality of primary schools and primary education. Subsequent research has questioned these effects, and serious doubts have been raised about the efficiency of the reform and about the social side effects in terms of, for instance, social segregation (Bunar, 2010; Dronkers & Avram, 2010).

The 1992 reform has led to a substantial increase in private schools. Among the current 4,826 primary schools in Sweden, 635 are private (for profit), and about 10 percent of all pupils in primary schools are enrolled in private schools (Bunar, 2010:53; Skolverket, 2009). However, the choices parents and pupils enjoy are subject to some limitations, especially when demand for a specific service outstrips supply. If, for example, users are waitlisted for a particularly popular school, pupils living in nearby neighborhoods have priority over pupils

from outside the area. In these cases, the municipal school administration office will distribute the remaining places by drawing lots (Bunar, 2010:53).

Norway

Turning to Norway, the primary school sector is substantially different from that in Sweden. Even if user choice and private schools have been political issues for some years (with the right wing parties being the primary advocates for this system), Norwegian legislation does not permit private schools except for religious schools or schools founded on alternative pedagogical practices. Private schools are funded through a modified voucher system, which provides grants for private schools based on a fixed rate for each pupil. Private schools are not allowed to make a profit, and paying a dividend to their owners has been prohibited recently (Vabø et al., 2013:175). Based on this Norwegian framework, which largely defines primary education as a publicly produced service, almost all primary schools in Norway are public. Of about 3,000 primary schools in total, only 165, or less than six percent, are private, and, pursuant to Norwegian legislation, by definition non-profit (Ministry of Education, 2012).

Table 2: National Policy Contexts for Elderly Care and Primary Education

	Norway	Sweden
Elderly care	No specific legislation on choice, or limitations on privatizing. <i>Choice models are rarely used</i> (appr. 8% of municipalities in 2012). Mainly for in-home care services, but in some places also for home healthcare	Act on System of Choice in the Public Sector 2009 (not mandatory). Free establishment for providers meeting quality criteria. <i>Choice models are relatively widely used</i> (piloted since the 1990s; today used in 45% of municipalities; another 16% have decided to implement; rapid increase (2012).
Primary school education	Specific legislation to avoid private for-profit schools. <i>Choice models are restricted by legislation.</i>	Specific legislation promoting for-profit schools. <i>Choice models extensively used, and mandatory.</i>

Data based on Meagher and Szebehely (2013:262) and Bunar (2010).

The low number of private primary schools could indicate that user choice is basically absent in the Norwegian primary school sector. But even if pupils are normally expected to go to their nearest school, most municipalities allow parents to apply for other schools as well. However, that parents/pupils want to choose a different school based in expectations about, for example, pedagogical qualities or modernized school buildings, does not give the municipality grounds to deviate from the main rule that pupils shall attend their neighborhood school. Therefore, the options left to Norwegian parents/pupils are very limited and significantly different to those in Sweden.

The two policy contexts are summarized in table 2.

Data and methods

On the basis of the differences in national contexts explained above, we can conclude that two contexts are almost ideally suited for a “most similar systems design” comparison, presupposing overall inter-system similarity and variation in a single key intra-system variable, which in this context is user choice (Przeworski, 1987; Peters, 2013). In essence, user choice has been much more developed in Sweden than in Norway, though more so in primary school education than in elderly care. To some extent, one can argue that the two countries are mirror images in terms of the distribution of user choice between the two sectors, but in total, user choice in Sweden is more developed than in Norway.

The methodology chosen for this article is a combination of surveys among citizens and qualitative interviews with local government leaders. The analysis based on survey data collected among Swedish and Norwegian citizens gives us some indication about how citizens evaluate user choice in the two sectors in the context of democracy. This part of the analysis is based on questions in the questionnaire that were originally developed to study citizens’ perceptions of input versus output-based democratic legitimacy (see further explanations in Gustavsen, Røiseland & Pierre, 2014). These questions asked informants to put themselves in a hypothetical situation where they needed to influence the services offered by their municipality. The different actions or means that informants were asked to evaluate span a wide area, from classic democratic participation like voting and personal contact with political or administrative leaders, to contacting service staff, contacting media, demonstrations, and user choice. In the context of an individually centered perspective on democracy, as explained above, we see these measures as alternative ways of linking individual citizen’s preferences to policy outputs. Among the measures, we are particularly interested in how user choice is evaluated compared to other possible measures that have the potential to realize individual preferences.

That said, the data should be read with caution. To varying degrees, informants are actual users of the public services in point. When informants are asked to put themselves in a hypothetical situation, some will probably answer based in real recent experiences, while others will answer based in rather vague ideas about service delivery. We likely have a mix of answers based in actual experi-

ences and answers rooted in ideology, but we are not able to determine the exact proportions of the two types of answers. Furthermore, the question used the phrase “choosing a service,” which does not distinguish between types of user choice. “Choosing a service” can mean anything from choosing a provider of a given service, to choosing among different services from a given provider. These very different situations are relevant to the research questions, but the data does not allow us to distinguish between them. All in all, the survey should be read as a rough estimate of citizens’ views.

The qualitative part of the analysis, which focuses on four municipalities, is based on interviews with a set of local government leaders, along with information gathered from their websites. This part of the analysis aims to explore how user choice is understood in a set of local contexts, and to what extent local actors relate user choice to democratic participation. Table 1 gives a brief description of the different methods and data sources employed in the study.

Table 1: Data sources

	Norway		Sweden	
	Citizen survey	Case studies	Citizen survey	Case studies
Method	Survey by e-mail	Qualitative interviews + info from municipal websites	Survey by mail and e-mail	Qualitative interviews + info from municipal websites
N (response rate)	3014 (10%)	2 muns., 8 interviews	6289 (52%)	2 muns., 8 interviews
Collected	Spring 2012	2012-13	Fall 2012	2012-13

The two citizen surveys were organized slightly differently. The Norwegian survey was distributed by email via an external contractor (Respons Analyse). This survey was a part of a regular omnibus through which potential respondents were contacted until a satisfactory number of responses were returned. The final sample contains 3,014 responses and has been checked for representativeness in terms of age, gender distribution, and the geographical distribution of the general population in Norway. The Swedish citizen survey was conducted as part of a larger annual omnibus survey organized by the SOM-institute (Gothenburg University), and based in a traditional questionnaire. The relevant section of the survey contained exactly the same questions included in the Norwegian survey; the only difference is the language used. The Swedish omnibus survey was sent to 12,000 respondents, and 6,289 responses were returned (Vernersdotter, 2013). As indicated in table 1, the two surveys have significantly different response rates, but due to the different methods used by the two contractors, the rates

should not be compared. Given the method used by the Norwegian contractor, the low response rate would only be a concern to the extent the sample clearly differs from the population as a whole, which is not the case.

In addition to surveys, case studies with in-depth interviews were conducted in selected municipalities in Norway and Sweden. These cases were selected in order to exemplify variation in terms of the extent to which they have implemented neoliberal reforms (NPM). In order to determine whether municipalities had low or high scores on NPM we used a Delphi method, asking leading Scandinavian scholars in New Public Management research to set up a list of the “most typical NPM municipalities” in the two countries (information gathered in 2010). The cases used in this article consist of one municipality in each country where NPM has had a significant impact compared to the remaining municipalities, and one where NPM reforms have been modest or missing. Representativeness is not a grounding idea for this selection: rather, we intended to maximize the cases’ richness in information. In this respect the case studies serve as empirical illustrations and arenas that allow for a more open exploration of user choice and democracy.

In order to generate a deeper understanding of how the local elites understand user choice in the context of democracy, we conducted interviews with four political and administrative leaders in each municipality: the mayor⁶, the head of the municipal administration, the head of the elderly care services in the municipality, and a general manager for an elderly care institution. No leading actor for our second service sector, primary school education, was interviewed, a fact that may represent a bias in the analysis that follows. However, the interviews covered a broad spectrum of issues related to public service delivery, democratic innovation and development, citizen participation, satisfaction with service and inclusion in service delivery, as well as ideology and sources of legitimacy for local politics.

Analysis

The section on context made it clear that at the operational policy level, the two countries have engaged neo-liberalism and marketization very differently. In both countries, different kinds of user choice models have been developed since the 1980s, but Sweden has gone much further down this path than Norway. Given the differences in how citizens in Sweden and Norway have access to user choice, one would expect that this difference would surface when we ask citizens to evaluate different means they may have at their disposal to influence local government policies related to elderly care and primary school education. This question will be addressed in the following.

The data in this part of the analysis consists of two questions that asked citizens to rate a set of possible means they may have at their disposal in order to influence the public services delivered. As mentioned in the methodology section, this is a rough measure that should be read with caution. However, we assume that this method is able to indicate how citizens evaluate user choice as

one of several possible ways to influence the realization of citizens' individual preferences in relation to their local government deliveries. Table 3 shows how citizens in Sweden and Norway rate a set of means to influence elderly care and primary school education, respectively.

Table 3: Percentage of citizens assessing their opportunity to influence public service delivery to be “very good” and “fairly good” in relation to a variety of means of influence. N=6289 (Sweden) and 3014 (Norway).⁷

	Elderly care		Primary school education	
	Sweden	Norway	Sweden	Norway
Voting in elections	27%	32%	24%	30%
Personal contact with political leaders	20%	27%	21%	26%
Personal contact with administrative staff	29%	41%	23%	27%
Personal contact with service personnel	40%	38%	53%	51%
Contact media	45%	57%	40%	49%
Demonstrations and protests	21%	22%	24%	28%
User choice (choosing services)	40%	37%	63%	49%

Table 3 shows that all the listed ways of exerting influence are considered relevant by some or many of the citizens. Personal contact with service staff or administrative staff is assessed as relatively important in both countries and in both sectors. For primary education, direct contact with service personnel (teachers) is more important than direct contact with administrative personnel, whereas in elderly care the picture is more mixed. Use of media is also regarded as an important means in both sectors and both countries. Voting in elections, in contrast, is not among the means of exerting influence that are most highly regarded. A possible explanation may be that when citizens have a need to influence services due to a personal need, voting is a detour strategy compared to the more immediate changes one can achieve through personal contact with someone in the local government system.

The most surprising aspect of table 2 is the assessment of user choice, which is clearly considered an important means of influencing local government service production. In both sectors and in both countries, having a choice actually outweighs the classic forms of participation such as voting. In both countries, the difference between voting and choosing services is especially large for primary school education. Given the Swedish 1992 reform explained above, this is hardly a surprise. It is far less clear why Norwegians seem to let choice outweigh vot-

ing. For elderly care, about 40 percent of citizens in both countries believe they can influence services by exercising choice. Given the limited options offered by the Norwegian service delivery system compared to that of Sweden, this is surprising. A possible explanation can be sought in the lack of specificity in the questions asked, as we mention in the section on methods. The questions do not distinguish between choosing different providers versus choosing different types of services, though this is an important distinction in the context of elderly care. In recent years, empowering the elderly to stay longer in their homes has been an important trend. Choosing services may therefore mean to choose between receiving care at home versus receiving institutionalized care. Whether citizens experience this as a choice and what “choice” means in this context is far from clear from the above analysis.

A second possible explanation for the surprising Norwegian embracement of user choice is a lack of information about real opportunities to make choices. The above-mentioned political rhetoric about choice may have influenced the citizens, and made them believe that user choice is more developed than it really is. In this case, table 3 expresses citizens’ normative ideas about how to exert influence on policies, rather than an evaluation of the present system.

The data based on citizen surveys reported in table 3 is more indicative than conclusive regarding user choice and democracy. Given the individually centered perspective on democracy discussed above, the data suggests that user choice, or exit, is a type of democratic participation that a large group of citizens appreciate. However, based on the reported data it is a challenge to separate citizens’ normative ideas about democratic participation from their evaluation of participation. This survey data cannot say much about how respondents reason around user choice and democracy. A possible next step in this analysis could have been in-depth interviews with a set of citizens. As this was not an option here, instead I will shift our focus from citizens to those responsible for service delivery: the leading actors in a set of local governments. This part of the analysis will illustrate the context in which user choice is discussed and implemented and local government leaders’ thoughts about user choice and democracy.

The analysis of local government leaders is based in four municipalities selected according to the procedure explained in the section on methods. The local contexts, such as size and local priorities and how the four municipalities submit to marketization reforms, are summarized in table 4.

As I will return to later, in interviews with these leaders about user choice, questions and statements about private service provision and outsourcing soon arose. This clearly illustrates the extent to which user choice has been absorbed by neoliberalism, despite the various implementations of choice that I mentioned in the introduction. Apparently, most local leaders find it hard to discuss user choice as a separate reform element, and many of the quotes below illustrate this clearly if implicitly.

Table 4: Local policy contexts for elderly care and primary school education

Case		A	B	C	D
National context		Swedish	Norwegian	Swedish	Norwegian
Apr. population size (in 1000s)		60	180	13	120
Characteristics of elderly care	Public production	Limited	Dominating	Dominating	Dominating
	Relative importance of private provision	Very important	Less important. A few senior homes run by organizations	Less important	Less/medium importance
	User choice between providers	Extensive	Limited	Limited	Moderate
Characteristics of primary school education	Public production	Moderate, “public guarantee”	Dominating	Moderate, “public guarantee”	Dominating
	Relative importance of private provision	Important	Limited (“alternative schools”)	Moderate	Limited (“alternative schools”)
	User choice between providers	Extensive	Limited	Extensive	Limited

Municipality A is located close to a large city in a central part of Sweden. The municipality has been governed by a right-wing coalition for many years, and is strongly influenced by neo-liberalism. One expression of this is the amount of outsourcing: about 54 percent of the municipality’s total budget is spent on private contractors, involving all the different parts of municipal service production. From the Mayor’s perspective, user choice is clearly related to democracy and is even a more important means of exerting influence than classic participation by voice. The Mayor explained the marketization reforms as a melting pot of public and private values and production logics:

Before the marketization of the public sector, citizens were probably able to intellectually distinguish between the public sector and the

private sector – this is private and I behave in a certain way in relation to goods and services that I buy in a market, compared to those provided by the public services. But now the two are merging (...) From my perspective, this is a more well-functioning system, and even more democratic than having elections every fourth year (A: Mayor).

In terms of the type of local government relationships citizen are looking for, the Mayor argues that citizens' expectations for the public sector have changed considerably in recent years. Citizens have and embrace a consumer role vis-à-vis local government. For the Mayor, this leaves local government leaders with few real alternatives to marketization and user choice:

People like to secure a kindergarden spot on the internet, the way they would order a book. And they expect to give feedback and make complaints online. We need to develop a system able to fill these functions. In turn, this means that the central local government leadership needs to be more aware of what is important when we contract with external providers (A: Mayor).

While A is among the municipalities that have outsourced a large amount of service production, B is located at the opposite end. B, a Norwegian municipality, has been governed by various political coalitions, most recently a left-wing coalition. There are practically no private for-profit providers in municipality B, and only a few non-profit providers (including a few alternative primary schools established according to the strict Norwegian legislation). A leading politician in this municipality clearly stated that this situation was a conscious political choice:

We have an ideology saying that welfare is best delivered by the state. It is also a question of funding – the large private companies are seeking profit –that is basically where the problem lies. We want every cent granted to elderly care to become real care, not profit for large companies (B: Leading politician).

It is also clear that the political leadership in B does not see user choice as a strategy for strengthening democracy. When asked to compare “exit” and “voice,” the leading politician in the municipality is clear:

I think that best way one can strengthen democracy is to have people vote (B: Leading politician).

However, when we interviewed one of the administrative leaders it became clear that there is more pragmatism around these issues on the administrative side of municipal management. The administrative head of elderly care in B argued that modest reforms aiming to outsource, letting the providers compete, and allowing more user choice, would have helped develop quality in public service production:

In principle, citizens should be able to choose services independently of whether those services are public, or public combined with some private services. Furthermore, a system ensuring competition on quality within the public sector should be in place. If realized, one would develop quality in the public sector as well. So I can't really see the difference in principle as long as the same mechanisms are employed (B: Administrative head of elderly care).

Municipality C is a relatively small municipality located in central Sweden, and has been governed by a social democratic regime for many years. Service production in C is as public as possible, given the Swedish legal framework, and C has thus far not implemented the 2009 legislation introducing user choice in elderly care. When we interviewed the Mayor, it soon became clear that user choice strongly relates to private service production, which is a type of service delivery the municipality was strongly opposed to on ideological grounds:

Private delivery of elderly care services – we are strongly against that. [...] We want someone to be accountable for quality, and we do not believe or understand how we can invite tenders in elderly care, how to include the soft values like talking to the relatives and so on. No, we do not want any private initiatives in the health care service in this municipality (C: Mayor).

Having that said, the Mayor makes a distinction between elderly care and pre-school and primary school, seeing the latter two as better candidates for private delivery since these services, in his view, would be monitored more closely by the parents:

We do not want private care initiatives in this municipality. On the other hand, in primary school and child care we would consider private solutions, for example a parent cooperative that creates a pre-school. For child care in particular I believe there is a stronger guarantee that someone will alert us if the service is bad (C: Mayor).

As in municipality B, which also has strong political resistance to private service production, in C we find more pragmatic and flexible attitudes among adminis-

trative leaders. In C, the head of elderly care expresses a personal view that deviates from the political signals described above. The head stated that under certain circumstances she would welcome user choice and private initiatives:

Well, the fact is that I am employed in a political organization, and must follow and implement the decisions made by the politicians. But if I was asked to do it myself – with no political instruction – probably I would have introduced more user choice (C: Adm. head of elderly care).

When asked to dwell more on user choice, the same leader argued in favor of a moderate user choice model with only a few options, and with the municipality as the main option and provider:

I'm not that old, but I can feel it is cumbersome with all these choices between telecom and power companies. [...] If I were to have a choice it would be fine to choose between the municipality and one more. But if I had thirty, then I'm not sure I would have believed it was good for me. Probably I would have chosen the municipality, since I would then know what I got (C: Adm. head of elderly care).

Norwegian municipality D is located in central Norway, and has been governed by a right-wing coalition for many years. D is widely known as one of the most neo-liberal municipalities in Norway, but the amount of marketization and private service production is still limited, partly due to the Norwegian legal framework, but also due to local priorities. In elderly care, D has one outsourced unit run by a private for-profit company, while the municipality runs 16 institutions. As mentioned in the policy analysis, there are few restrictions on outsourcing in this field, and the potential mix of public and private service providers could have flourished. Recently, however, the municipal council agreed on outsourcing three institutions for elderly care that are under construction.

When reflecting on the main role of the municipality, the Mayor seemed to argue in a way that resembles the arguments in the marketization discourse referred to earlier in this article, highlighting the role of public sector as the servant of the citizens:

We are here for our citizens, and we have only one job – the production of services. Our goal is to develop conditions for mastery and quality of life from cradle to grave (D: Mayor).

Even if there is a limited amount of marketization in terms of actual private service production and user choice, the chief executive officer in D expressed a more radical view than his political counterpart, in reference to elderly care:

Well – in my view we should open up for more types of services than we have today, expanding the menu for our citizens. We must find solutions that fit the actual needs, and citizens must decide if and when they want these services. But it is important to ensure that such an expansion does not tap into the present capacity in elderly care – those who do not have a real choice shall not have a poorer service (D: Chief executive).

In the interviews above it is striking how strongly the leaders, and especially the political leaders on the left, relate user choice to private service delivery, and how they see user choice as choices among a set of private providers. In contrast, some informants, and in particular the administrative leaders of elderly care, hold the view that user choice can also mean adaptation to the individual preferences among citizens. A second striking observation is the extreme variation in the conception of user choice in the context of democracy: where some see a blessing, other see a curse.

Concluding discussion

The introduction argued that from a theoretical point of view, user choice, or more generally “exit,” can be understood as a means of influencing policies. Furthermore, in one conception of democracy, user choice is a type of democratic participation. In recent years, user choice has been framed as a core reform element in marketization reforms. However, based in the theoretical literature alone, it is hard to predict how citizens and local government leaders in the Nordic context assess user choice and how they relate this form of influence to democracy. This article has aimed to explore citizens’ evaluation of user choice, and how local government leaders understand user choice in the context of democracy.

For practical reasons the analysis is delimited to elderly care and primary school education, two policy sectors at the core of Nordic local governments that from a theoretical point of view would allow extensive use of exit in terms of user choice. These two sectors show considerable cross-national variation in the implementation of marketization and user choice. Sweden has introduced formal user choice in primary schools, and largely in elderly care, while Norway has rejected user choice in primary schools, and user choice in elderly care is limited.

When asking citizens to assess different kinds of means of exerting influence in service production, the analysis shows that user choice is highly ranked. This exit-based means of exerting influence is more important than classic democratic actions such as voting or contacting political leaders, and slightly more important than personal contact with service staff. Despite the large differences in legal and institutional frameworks, Norwegian citizens rank user choice almost as highly as their Swedish neighbors, a fact that does not correspond well

with the limited availability of user choice in Norway. The present study cannot fully explain this, and this lack of correspondence must be explored further in future research.

The final step in the analysis was to explore how local government leaders in the two countries relate marketization and choice to democracy. We chose the four cases, or municipalities, to display a variation in neoliberal orientation. This intended variation is clearly expressed in the material. There is almost an extreme variation in the degree to which the leaders in these four municipalities see a link between user choice and democracy. Where some see user choice as an important extension of democracy, others see it as a threat to democracy. In this respect, user choice is embedded in a confrontation between the two perspectives mentioned in the theoretical part: the “individually centered” versus the “society centered” perspective on democracy.

However, it is not necessarily user choice itself that is the difficult issue for the leaders, but rather the fact that for local leaders, user choice is conceptually and practically linked to privatization and outsourcing – which is one of the most controversial issues in Scandinavian politics. Even if administrative leaders appear to have a more pragmatic and flexible perspective on marketization and user choice than their political counterparts, the overall impression still is that user choice is a neo-liberal idea. In turn, this suggests that the conceptual relationship between marketization and democracy is highly influenced by ideology and political party affiliation.

Relating some of these observations to the above theoretical discussion about voice and exit, the results of the citizen survey coincide with the argument that from a democratic point of view, exit is as significant as voice in terms of promoting responsiveness among local decision makers. Citizens enjoy having a choice, and perhaps they find voting and similar classic types of democratic participation to be slower and strategies that detour more in the quest to realize their individual preferences. Given that many countries are faced with challenges regarding the legitimacy of local governments (Selle & Østerud, 2006; Amnå, 2006; Heinelt, Sweeting & Getimis, 2006), one can argue that this request for more user choice needs to be taken seriously. On the other hand, we have also seen the strong resistance among local government leaders, who tend to see privatization as an unavoidable consequence of introducing user choice. How can these different positions meet?

What is seemingly lacking in the Nordic discourse, is the option of introducing user choice among different deliveries while not, at the same time, outsourcing to private providers. Introducing more interactive forms of service delivery would be one possible way forward. One example is the fast-growing literature on co-production and co-creation, which offer a new type of interface between citizens and service providers (Torfing, Sørensen & Røiseland, 2017). The idea behind these practices is to mobilize the experiences, resources, and ideas of a plurality of public and private actors in the creation of public solutions, and to involve citizens actively in providing public welfare services and in solving social and political problems and challenges (Bovaird, 2007; Voorberg, Bekkers

& Tummers, 2015). Practical and principled explorations of how to realize the quest for user choice in a context of co-production rather than marketization therefore is a future research task with possible contributions to legitimacy and democracy (Fledderus, Brandsen & Honingh, 2014; Dunston et al., 2009).

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Note

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² “The Nordic countries – The next supermodel”, *The Economist* February 2nd 2013.

³ See also table in Meagher and Szebehely (2013:244).

⁴ These data cover about 70 percent of Norwegian municipalities.

⁵ See also table in Vabø et al. (2013:244).

⁶ I use “mayor” as a common term for the Norwegian “Ordfører” and the Swedish “Ordförande i kommunstyrelsen.” These two positions are the leading political positions in municipalities in the two countries, and are positions that are won in elections by the political majority. In one of the cases, we had to replace one mayor with a leading full-time politician from the mayor’s political party, as the mayor in question was on sick leave.

⁷ The questions were phrased as follows:

- *Imagine that you or someone in your close family need help from the municipal elderly care and support services. How would you rate your opportunities to influence services for the elderly through the following actions?*

- *Imagine that you have children in primary school, how would you rate your opportunities to influence primary school education through the following actions?*