Deconstructing the Motives of Constructing an Intermediary between Public Services and Private Entrepreneurs

By Lena Andersson

Intermediary organisations constructed as a link between public service providers and business entrepreneurs is a phenomena which we know very little of. Given the difficulty of relating concrete effects to investments made in business support ventures, we need to know more about the specific arguments behind this organisational construction. When deconstructing the arguments behind one particular venture, several lines of reasoning unfold, revealing motives founded on miscellaneous legitimating elements. The analysis reveals a situation where striving for legitimacy is sometimes more important than actual results and where the private entrepreneur is both the target and the role model.

Introduction

A striving local business climate is a vision of many municipal representatives and entrepreneurs alike, argue interest groups such as the Confederation of Swedish Enterprise who publishes annual rankings of the business climate in all 290 Swedish municipalities. The rhetoric and the yearly publishing of the municipality ranking contribute to the normative pressure on municipalities to engage in efforts at improving the local business climate as well as to an increase in competition between the municipalities (Persson, 2010). Swedish municipalities are benchmarking each other in searching for ways of improving their economic development policies (Persson, 2010) and business support efforts (Andersson, 2010). The support for small businesses and entrepreneurs is by and large taken for granted as

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something positive in the public debate, and when framed within the economic development or entrepreneurship policy discourses it is little questioned. There is, however, research that critically examines the effects that the support system has had and who argue that little or no effects can be traced back to the support system (for a review, see Bill et al., 2009). For instance, based on a survey of 2474 British firms, Robson and Bennett (2000) found little evidence of statistically significant relationships between government-backed business advice providers, such as Business Link, and firm performance.

If this is the case, how do the support initiators themselves argue when investing in business support ventures? What motives are used and how can we understand the motives? There is a knowledge gap regarding why new support ventures are launched when the effects created by them are little or none (c.f. Bill et al., 2009). Given this knowledge gap, this paper investigates how a Swedish municipality came to launch a business support venture. The venture, here entitled CtoC as in “Close to Companies”, was launched as a collaboration venture between a municipality and the Swedish Public Employment Service in paying visits to the local business entrepreneurs, bridging the divide of public services and private entrepreneurs. The case elaborated is discussed both as an example of public entrepreneurship and a service innovation, as well as an effort at supporting entrepreneurship.

In this paper, I discuss the CtoC venture as an intermediary organisation. What arguments are put forward as reasons for establishing the intermediary and how can these arguments be understood? Intermediary organisations are common but little problematized and understood in the context of business support. The paper aims to fill this gap.

**Outline of the Paper**

In the following section, the contextual and theoretical frames are presented. After that, some important methodological considerations are posed. Moving on, then, to focus on the
case presented in this paper, CtoC, and on describing the motives posed for launching the venture. Following that, the discussion aims at creating an understanding of the motives and of what concepts of reality that are communicated in the motives. Finally, some conclusions are drawn as to how this case furthers the knowledge of intermediary organisations.

**Theoretical and Contextual Framing**

In Sweden, economic development policy includes a large body of efforts undertaken to create and maintain an infrastructure for entrepreneurs and small and medium sized enterprises (SMEs) to work in. Economic development matters are enacted by the state, the regions and the local municipalities alike, but for the latter two on a voluntary basis. On the local level, municipalities are subjected to simultaneous jurisdictions and freedom of choices regarding possible actions. For instance, the municipalities are prohibited by Swedish law to support single businesses “unless particular reasons are at hand” (The Local Government Act, 2nd chapter). At the same time, the possibilities to engage in business support ventures are extensive. As noted by Söderholm (1991), local economic development work usually brings about a demand for collaboration with other actors, both private businesses and public service organisations. Entrepreneurship was not a primary economic development policy objective until research started to change the views on what drives economic growth, highlighting the role of new firms in job creation and the role on of business dynamics in economic growth (Stevenson & Lundström, 2001).

In this paper, the entrepreneurship concept is used in a broad sense, including actions and processes within organisations that are innovative in their particular context, such as new combinations of resources (Schumpeter, 1934/1994), or the construction of organisations (Gartner, 1988). This is important, as the public sector is easily neglected and downplayed as an arena for entrepreneurial processes using other approaches (Sundin & Tillmar, 2008).
The concept of “intermediaries” has been used in a variety of ways across many disciplines (Moss et al., 2009) and other concepts are used to describe intermediary types of organisations and functions, such as brokers (Ram et al., 2006) or boundary organisations (Guston, 2001). A review of the use of the intermediary concept referred to by Moss et al (2009) revealed that the concept of intermediary is used to denote many different types of actors, such as systemic intermediaries (van Lente et al., 2003) and commercial intermediaries (Brousseau, 2002). Benner (2003) and Bäckström (2006) uses the concept of intermediaries to discuss labour market organisations working in-between employers and employees, supporting job transition for employees and supports employers when downsizing. In regional development studies, intermediaries are discussed in terms of organisations having different functions and roles depending on their aim and place in the system (Mittilä, 2008). At the local level intermediaries can act as linkages, bridging institutions and gatekeepers. In the regional development field, intermediaries are distinguished both by their organisational forms and by their way of functioning, as well as by their stages of development (Gustedt, 2000, cited in Moss, 2009).

Intermediaries in the business support area have been described as acting out several roles. For instance, Stevenson and Lundström (2001, p. 271) describes the Dutch organisation “Dreamstart” as a platform that provides information, stimulates entrepreneurship and brings together all parties potentially relevant for increasing efficiency in start-ups. Some business intermediaries specialises in particular niches, such as ethnic minority business support intermediaries (Ram et al., 2010).

In this paper, I use the concept of intermediary organisation to denote an organisation spanning the realm between several actors and that acts as a mediator between different interests. The connecting aspect of different uses of the concept of intermediary organisation is, according to Moss et al (2009), that it concerns what the organisations do rather than the
organisation itself. The distinctive characteristics of intermediaries are thus the relational work that they perform and their positioning in-between other actors (Moss, 2009). Thus, the organisation need not be intentionally intermediary. Organisations that deliberately and exclusively perform intermediary tasks are, according to Moss et al (2009), rare.

**Methodological Considerations**

The study that forms the basis of this paper was designed as an in-depth case study of CtoC, comprising ethnographically inspired methods. Observations of more than 70 meetings in different groups, including the project team, the management team and the political board, were conducted between from 2004 and 2007. Some 26 interviews with key actors were conducted and documentation of different form was collected. The data was originally constructed for another use, as the basis of understanding joint sensemaking (Andersson, 2010). For this paper, a selection of data has been made, based on criteria relevant for the purpose of the paper. This means that data regarding how representatives of different groups described their arguments for participating in or supporting the project has been selected. Interviews conducted in 2005 comprise for the main part of the citations in the text, complemented by data constructed based on fieldwork during the entire period of 2004-2007. When selecting informants and data, the notion of contrasts has been employed to construct rich material for analysis. This idea of contrasting as a research method (Andersson, forthcoming) entails an active search for polyphony and dissonances, enabling multiple voices to share their views on organisational reality in order to bring back complexity in case based social research (Salzer-Mörling, 1998; Brown et al., 2008).

The data analysis consisted of a close re-reading of the relevant material, focusing on finding different categories of motives and on interpreting them using theories related to organising. Contrasting as a basis of analysis means highlighting that the meaning of a
concept is clarified through its contrasts and that the meaning is closely linked to what it
doesn’t mean (Ehn & Löfgren, 1982). In this respect, the analysis has some resemblance to
deconstruction and discourse analysis but does not follow these methods to a full extent.
Inspired by Ehn and Löfgren (1982), the question guiding the interpretation work has been:
“What concepts of reality are conveyed in the motives posed for arranging CtoC?”

In order for the analysis to contribute to the understanding of the construction of the
CtoC venture as an intermediary, purposes or aims has interpreted as motives. The idea relates
to motive as the driving force or reason for acting in a certain way. Of course, all underlying
reasons for establishing a venture such as CtoC cannot be uncovered using the methods
deployed in this study. For instance, it is reasonable to believe that the parties involved also
have their own, private motives and intentions for supporting or participating in the venture.

**The Close to Companies Case**

Several arguments were used by different actors to motivate the launch of CtoC. In the
case description, I have related the motives to the main advocates of the argument in order for
the diverging motives to become explicit. Although several organisational actors where
involved in the venture, this paper highlights the motives posed by representatives of the
initiating organisation only, taking the perspective of the municipality.

**Take Action to Reduce the Unemployment Rate**

The municipality, a middle sized Swedish city located on the eastern coast, is said to be
in a state of transition from being an industrial town up until the 1990’s to a town with a more
diversified trade and industry structure. During the transition process, the unemployment level
increased and has been high since then. This resulted in strong crisis awareness in the
municipal organization, argued the municipal Chief Executive Officer, and in a more strategic
way of reasoning in relation to local growth issues. In the early 2000’s, the unemployment situation was considered a big problem by representatives of the municipality and by other societal actors. Employment measures undertaken had not been successful enough, and in the year 2004 the unemployment rate was some 1900 persons more than in comparable cities. In order to take action, municipality representatives gathered the parties of a diverse set of social actors involved in trade and industry support as well as in labor market matters to join the cause of dealing with the unemployment problem. This became the starting point for closer collaboration between the municipality and the local branch of the state governed Swedish Public Employment Service.

The CtoC venture was part of a municipal growth agenda, launched under the headline “2006 more in jobs by 2006”, envisioning that the unemployment rate of the city would be reduced to the same level as in comparable cities by the time of Swedish general elections in September 2006. The main purpose of the agenda was to reduce the unemployment, argued the municipal Executive Committee chairman: “…the most important aspect of this is that as many of the citizens as possible has a job to go to every day. ... This demands resources and which makes growth-promoting efforts crucial, we need companies that employ people, it is a fundamental prerequisite.”

For the leading political party at the time, the Social Democratic Party, the issue of employment is traditionally a primary focus of political attention. According to the chairman, the unemployment focus was also the motive for collaborating with the Employment Service, as the state is responsible for the unemployed and the Employment Service is the organisation responsible for executing the labour market politics.

The growth agenda of the municipality was largely based on a previous work done in order to produce and gain support for an Economic Development Program. Part of the work done was a national scan of how other municipalities was working with business relations and
unemployment matters. The results of the scan were, among other things, the idea of increased activities aimed at contacts with established businesses, later materialized as CtoC.

In comparison to the initial idea of CtoC, which according to the chairman was to “knock on the door of the company manager and ask if they could employ one person more”, the venture was broadened to include many more aspects. To the chairman, though, the focus of the activities of CtoC was still set on getting the companies to employ more people.

**Collaboration to Increase the Output of Efforts Made**

When presenting the idea of the venture on the meeting with representatives of different societal actors in 2004, the municipal Chief Executive Officer declared that the venture entailed a new way of working on behalf of the municipality. The basic idea was that the municipality could do more to get the manpower reserve into jobs. Previously, some public actors (the Employment Service, and the municipal Labour Market Office among others) devoted their work to the manpower reserve while other actors primarily targeted companies (the municipal Trade and Industry Office, Jobs n Society, and others). Previous to this venture, no constellations for collaboration were in place. With this new way of working collaboratively should make possible an increase in efficiency. This idea was materialised in CtoC by having representatives related to the municipal Trade and Industry Office and state governed Employment Service working together and paying joint visits to local business managers. The integration of trade and industry matters and labour market matters, given its historical division in separate departments, was argued to be particularly unique and exciting.

This new way of working was widely communicated and the Secretary of State for Employment gave the venture his blessing on several occasions, stating it was “as clear as a bell” and that this was a way of working that he approved of.
Improving Business Relations and the Support for Established Businesses

A third set of motives relates to CtoC as a business development project. According to this line of reasoning, CtoC was a long term investment in a new way of working with business relations. There had been an increase in the municipality’s interest in economic development issues, moving “from an authority perspective to a customer perspective”, the manager of the Trade and Industry Office argued. Previously, the municipality had only had close contacts with the large-scale enterprises of the region but the recent development included a broader set of contacts with the smaller companies too.

In this perspective, to be supportive of companies was one of the municipality’s core tasks. More prosperous businesses would make the business demand more production recourses, including more employees. “It needs to be in that order of priority”, argued the Trade and Industry Office manager, “We can’t start by putting in more employees, thinking they will produce more. They [the companies] need a business idea that makes the company develop and that can result in a need to employ more people.” In order for the companies to develop and grow, they needed good conditions to work in, including everything from a well functioning infrastructure to access to the required competences and much more.

According to the project leader, CtoC aimed at providing better circumstances for the businesses in the city, as a form of “customer care” on behalf of the municipality. Part of this was to improve the relations between the municipality and the business sector, in order for the municipality to be better informed of how the situation of the business sector in order to be better suited to support companies in a relevant manner.

The purpose of the visits was to listen in on what growth intentions the companies had and if they had hiring demands, as well as if there were any hindrances for the company to expand. The attractiveness of the project was said to be the simultaneous offer of concrete support and a meeting with representatives of two important public organisations who, taken
together, could provide suitable support for the individual business. The offers prepared included assistance in creating networks, finding new localities, finding risk capital, assistance in change of generations as well as in-service training, and lots more.

An important aspect of the new way of working was argued to be the proactive approach; the municipal representatives were to initiate contacts, not the other way around.

CtoC was regarded a simultaneous effort at improving customer relations and supplier services. In order to be able to support the companies, the municipality needed to secure that what the “sales people” promised the company managers could actually be delivered, argued the Trade and Industry Office manager. In order to test and develop the proposed ideas, some twenty companies where visited in a pilot study preceding the project.

In order to fulfil the task of representing the municipality in the company visits, it was argued that the representatives needed a competence profile based on knowledge of the prerequisites of being an entrepreneur and on the ability to be able to “talk about company problems with managers in the managers’ own language”. The project leader supported his argument based on results of the preceding pilot study: “Sending out ‘municipality hubbies’ to the companies – that will go to pot, they said to me. And I knew it myself before they said it. It would never work.” The main motive was that if the municipal representatives where to be able to talk to the business representatives about their company’s dilemmas, they needed knowledge about how companies work. With this said, four municipal representatives were recruited based on their long and various experiences of working as managers, consultants, and entrepreneurs of private companies.

With the launch of the CtoC venture, and with the municipality represented by experts in entrepreneurship issues, municipal managers had hopes of improving the municipality’s image among local entrepreneurs. The company managers would hopefully find it positive to
be noticed by the somewhat diffuse municipality. This would be further facilitated by having business experts representing the municipality, argued the Trade and Industry Office manager.

In comparison to other efforts similar to this, two things about CtoC were unique, according to the project leader. One was that the activities where to reach all companies of the region with between five and 200 employees, and the other was the approach. Out of the 9,000 companies registered in the region, some 2,000 companies fitted the profile of being active and having between five and 200 employees. All 2,000 identified companies where targeted in order to produce information of the business sector in the area and. This inclusive image of the business sector was thus not available on beforehand but was a motive in itself. Each company visit was to be registered in a “customer database”, providing information of requests made and development issues discussed, and making future follow ups possible. The targeting of all companies were made possible by the extra recourses added, increasing the staff of the Trade and Industry Office with several hundred percent for some two years.

The uniqueness of the CtoC approach had to do with establishing relationships; identifying possible service providers and finding contact channels to them. Relevant service providers identified included different municipal offices, the Public Employment Service, the University, business financing channels, support channels, consultants, and other actors. This system of contacts and contact channels, as well as knowledge regarding what these different actors could offer, was what the project leader expected that CtoC would establish and provide for the businesses. In this way, CtoC would be a knowledge bank and a broker for mediating contacts.

The Organisation Constructed

Taken together, the motives for launching the CtoC venture does not fully clarify how and why the specific CtoC organisation came into being. The reasons for this must be sought
for in the organising process. At some point, it was argued that the venture should be included in the regular activities of the Trade and Industry Office of the municipality but a few impediments put a stop to this. Along the budgetary process, the municipal Executive Committee decided to take full control over the venture, both financially and organisationally, and thus needed to extract the activity and separate it from other municipal matters. A project was created and in order to manage the project, a separate and temporary hierarchy of both a management team and a political steering group was appointed.

**Summarizing the Motives**

The main motives of launching and supporting CtoC can be summarized as follows:

- Reducing unemployment: Supporting companies as a means of reducing unemployment
- Further collaboration: Increasing efficiency in support efforts made through an integration of trade and industry matters and labour market matters
- A long term investment in improving the local business climate and “customer care”
- A new way of working with business relations, including SMEs
- Extra recourses added to the business relations work to create leverage and enable contacts with all companies, providing both an overview and a “customer database”
- A proactive approach to business contacts instead of a passive approach
- An effort at providing argument for improving the “supplier” organisation
- Creating a system of contacts and contact channels as well as a knowledge bank
- Acting as a broker and mediating contacts relevant to the business managers
- Improving the municipality’s image among local entrepreneurs, facilitated by having business experts representing the municipality
**Discussion**

In order to provide understanding to the motives posed as reasons to launch CtoC they are deconstructed and related to existing research. The second part explicitly focuses on the motives that enable the interpretation of CtoC as an intermediary organisation.

**Deconstructing the Motives**

The primary political incentive for the establishment of the venture was the idea that growth in local companies would entail more job opportunities. The link between SME support and employment is common when explaining the interest in supporting SMEs, that is, the importance of SMEs as a major source of job creation (Hjalmarsson & Johansson, 2003) and is supported by research on what drives economic growth (Stevenson & Lundström, 2001). However, there are major difficulties in measuring effects as well as in establishing causality between support services such as business advice and firm growth (Robson & Bennett, 2000). In the CtoC case, it is argued that the venture will not create growth or jobs, only the companies can. The slogan and notion of “2006 more in jobs by 2006” is thus only loosely linked to the actual activities of the project. The activities were mainly directed towards improved business support and relationship building, demonstrated firmly in the recruitment argument. Thus the goal of decreasing unemployment can be interpreted as a “tag” added to the venture to create a preferable image.

Embedded in the legitimating growth discourse (Friman, 2002), the launch of a “growth agenda” seems to need no further motivation. Few arguments in the political world serve to legitimize decisions to the same degree as the promise of greater economic growth (Friman, 2002). In this case though, the prospects of actually bringing about growth as a result of the project were limited. The situation is one where the organisation needs to simultaneously handle conflicting demands, not uncommon in public organisations such as municipalities.
One solution is organisational hypocrisy (Brunsson, 2002), as a way of dealing with a problem without actually being able to do so. The basic idea is that talk, decisions and actions are separated, which allows for the handling of some demands by talk and others by decision and yet others by action. What we have in the CtoC case is a situation where the politicians needs to act on the unemployment situation but has no real means to do so, as those means are mainly in control of the Public Employment Agency. Instead, activities directed towards another end is “hijacked” and labelled as labour market venture. The actions of CtoC thus become motivated by “a higher end” than “just business support”, which provides the project with legitimacy but at the same time incorporates conflicting ends. The basic idea is that organisational hypocrisy makes it easier to maintain legitimacy (Brunsson, 2002) and this was achieved through the launching of the growth agenda and of supporting the CtoC venture, but the people recruited to do the work had little possibilities of making a difference in decreasing the unemployment.

New Public Management (NPM) is a conglomerate of ideas aimed at reforming or reinventing the public sector, based on ideals prevailing in the commercial company as an ideal form (Hood, 1991; Brunsson, 1994; du Gay, 2000; Røvik, 2007). Some of the most cited proponents of NPM ideals are Osborne and Gaebler (1992), who proposes ten essential principles that together are thought to “reinvent” public sector organisations (du Gay, 2000). Accordingly, “entrepreneurial governments” promote competition, empower citizens, measure performance focusing on output, are driven by goals and missions and not by rules and regulations, redefine their clients as customers, prevent problems before they emerge, strive to earn money and not just spend it, decentralize authority, prefer market mechanisms to bureaucratic mechanisms, and strive to catalyze all sectors to engage in solving community problems (Osborne & Gaebler, 1992).
The motives described as arguments for launching CtoC has close resemblances to several of the principles proposed by Osborne and Gaebler (1992). Among the arguments, the notion of viewing companies as customers of the municipality is distinctly expressed. Viewing companies as customers brings with it a new set of expectations and consequences which is not always compatible to democratic values of the public organisations. In Sweden, a tendency to move towards stronger focus on citizens as customers can be observed as a part of the NPM trend (Christensen & Laegreid, 2001), embedding the companies as customer arguments of CtoC in a legitimating discourse of needs of reinventing public organisations. This line of arguing is protruding in the argument of improving “supplier services”, advocating changes in the municipal organisation to enable the municipality to react to the needs of “the customers” in a more efficient way.

The notion of proactivity is also linked to principles of entrepreneurial governments in that it entails the possibility to “prevent problems before they emerge”. Working proactively means attending to the situation in an active manner and trying to anticipate the future instead of passively waiting and reacting. The notion has an obvious “positive connotation” to it when viewed from within the discourse of modernity, based on the notion of predictability as an important aspect of creating a system of progress, development and growth (Furusten, 2007).

The motive of CtoC as a “sales project” implicitly entail that there is a need to put the municipal services on sale or market them. This metaphor is particularly interesting when regarding the arguments posed as to who should be recruited as the “sales persons”. They are not to be specialists on the “products” to be sold but rather on the “customers”. A paradox inherent in this argument is that the motives are provided legitimacy by NPM related norms, said to introduce values of cutting costs and doing more for less through better-quality management and different structural design (Hood, 1991), whilst in the CtoC case, the same
services are offered by at a higher cost. The addition is the sales function, motivated as a way of improving the municipality’s image among the companies.

Some of the arguments used to motivate CtoC relates to “the collaboration ideal” (Löfström, 2001), where collaboration between organisations is legitimate almost by itself (Stenberg, 2000). Collaboration has become a common way of organising public sector activities (Danermark & Kullberg, 1999) as well as in efforts linking actors from different sectors in different kinds of partnerships. In the CtoC case, collaboration is motivated by the idea of “increased output” in efforts made but it isn’t elaborated on how this would be made possible. What is increased by the new way of working is mainly the understanding of the situation of the other part. The inclusion of the Public Employment Service in the project can also be interpreted as a way for the municipality to implicitly remind and show to others that it is not only the municipality’s responsibility to decrease unemployment.

The collaboration issue is closely linked to the way the venture was organised, as a project, that is. The trend of constructing more temporary organisations is prevalent (Røvik, 2007) and the motives for using the project form of organising has been problemized in ways relevant for this analysis. One of the most common motives is that projects are constructed as a means of bringing together competences from different parts of an organisation or from different organisations (Røvik, 2007). In CtoC, the project form incorporates the paradox of simultaneous flexibility and control (Sahlin-Andersson, 2002); flexibility in terms of temporarily recruiting a staff of “business experts”, in coordinating managers of different divisions, and in tending to matters spanning the realm of several organisations. Control in terms of a strict and separate hierarchy where the municipal Executive Committee Chairman had direct control of the growth agenda. It has been argued that the attractiveness of projects as an idea lies in its simultaneous inclusion of that which is rational, goal oriented and that which is novel and unpredictable (Sahlin, 1996).
The argument of recruiting “entrepreneurs” or “business experts” to represent the municipality in visiting companies resembles the classical view of the representation model, where a person from a certain group is assumed to share opinions and experiences with the other members of the group. The Swedish approach to modernization of the welfare state has had a strong citizen participation orientation (Pollitt & Bouckaert, 2004). This trend includes a supplementation of the role of representative democracy with consultation and direct representation of citizens’ views, argues Politt and Bouckaert. Thus, the idea of “speaking to the business managers in their own language” can be understood both as a demand for representation of the business manager group and as a way to increase consultation with business managers.

The arguments calling for better relationships with businesses and for long term investments are prominent in the economic development policy discourse, where municipalities compete over companies to establish in their region and imitate (Sahlin-Andersson, 1996) each other in search of best practices (Persson, 2010). In this case, the efforts undertaken where substantial, both in terms of manpower and in terms of reach, as all companies of the region where to be contacted. In economic development policy terms, the project was both rather unique and innovative.

Understanding the Construction of an Intermediary

The previous section has illustrated the multitude of motives posed for launching CtoC but says little of the intermediary aspects of the venture. In what ways, then, is CtoC an intermediary organisation? The practitioners themselves did not use the term intermediary to talk about CtoC, rather it is used here as an analytical concept to denote a function or role that an organisation undertakes in connecting other organisations or actors.
The first set of arguments that make the CtoC venture an intermediary by the definition used here relates to the ambition of acting as the creator of a system of contacts and contact channels to make available to the businesses visited. The ambition clearly entails the creation of a network with CtoC as the focal point. This is the most explicit way that the venture expresses itself in terms of mediating. The second set of arguments relates to the idea of mediating between different divisions of the municipality and with the Public Employment Service, a construction discussed in the previous section. The third set of arguments relates to the role of acting as a broker bridging the public-private divide, where a distinct motive is the need to create better understanding of “the other”.

The construction of the intermediary is also implicitly argued for when motivating the recruitment of people represent the municipality in the company visits. When stating the need to recruit people that can talk to business managers in their own language, the idea of a middleman acting in-between the municipality and the business managers become apparent.

The intermediary function of CtoC is motivated by the idea that the current system of business support is not enough, there is a need of a middle man, an interpreter and a “sales person” to initiate contacts between the service providers and the service beneficiaries. This notion is clearly related to critique of the functioning of the public system. The notion of intermediaries is not explicitly discussed in the literature on NPM reviewed for this analysis, but some ideas described as NPM-trends, such as “one-stop” or “one-window” arrangements (Pollitt & Bouckaert, 2004), are clearly similar. The notion of “one-stop” includes an intermediary working as a node in a network of contacts, but it needs not be proactive as in the CtoC approach.
Concluding Remarks and Suggestions for Further Research

To create an understanding of the motives of launching a new venture is the same as studying the work of creating legitimacy. Organisations tend to pick up reform elements that are popular at a given time in order to provide the organisation with legitimacy (Røvik, 1996). Thus, the arguments that are used to legitimatise an event depends on the discourses available and on current trends and interpretations of what it means to be legitimate. In deconstructing the motives proposed by representatives related to CtoC, many of the arguments can be related to NPM and other megatrends and discourses of modern society. The motives used to legitimate CtoC can be interpreted as a way of reproducing an image of the city as a modern and upcoming town that has left its heritage as an industrial town behind. In deconstructing the ideas behind the launch of CtoC, contemporary and normatively charged general ideas of modernity (c.f. von Wright, 1993) are uncovered. Ideas of growth and progress, regarding what entrepreneurs can contribute with in societal development, are deeply entrenched in the modernity discourse. Given this embedding, new ideas have shown to have a good chance at being accepted as legitimate (Furusten, 2007). In deconstructing the motives for launching CtoC, the private entrepreneur turns out to be both the target of the venture and the role model of legitimate ways to organise.

The simultaneous inclusion of NPM-related ideals of how to organise and the way the venture is separated from the rest of the municipality in a project organisation implicitly display what can be interpreted as organisational hypocrisy (Brunsson, 2002). On the one hand, the NPM arguments are regarded as modern and legitimate and thus wanted in order to display a modern image, but on the other hand there is not (yet) enough support for these ideals to permeate the entire municipal organisation, and thus full control over the venture is made possible via the creation of a project organisation.
The construction of CtoC was innovative and entrepreneurial in several ways. One aspect was the construction of an organisation (Gartner, 1988). Even though it was temporary it filled a perceived gap and had the intention of connecting other actors to one another in creating a network. This interpretation of entrepreneurship is similar to Kirzners (1973, in Johannisson & Monsted, 1997) classical notion of entrepreneurship as associated with creating new network patterns through bringing together fields of activities that has been separated up until then (Johannisson & Monsted, 1997), a connection that entails a direct link between intermediary organisations and entrepreneurship.

All in all, the construction of the intermediary was a result of both direct motives, arguing for the need of a middle man, and of indirect motives, bringing about an intermediary organisation as a sort of a by-product. The latter including the decisions of organising the venture as a project, and the decision to collaborate with the Public Employment Service. Several motives were unrelated to the intermediary function. Thus the motives of constructing CtoC supports the idea that many intermediaries are only somewhat intentionally intermediary (Moss et al., 2009), which makes them even more interesting as an organisational phenomena.

This paper has shed some light on the intermediary organisation in relation to NPM but it remains to be researched whether there is reason to think that the introduction of NPM values has brought about, or will bring about, an increase in intermediary organisations.

In this paper I have mainly highlighted the motives posed by one party involved in the launch of an intermediary. As the very idea of the intermediary is to function as a connector of different actors, it limits the understanding of the complexity of intermediary organisations. Thus, in order to further the problematization of intermediaries, further analyses would benefit from an inclusion of several different perspectives.
List of References


