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Masculinisation of the Public Sector: Local-Level Studies of Public Sector Outsourcing in Elder Care

Introduction

This paper explores the consequences of New Public Management (NPM) inspired reforms in general and outsourcing of traditional public sector responsibilities in Sweden to private organizations in particular. Although the gendered consequences of changes in the public sector have been analysed previously (Johansson, 1997, 1998), this paper focuses on the role of entrepreneurs, women owned SMEs, and socially constructed paradigms of gender in this process. Further, there remains a lack of local-level studies following the change process through qualitative research methods. Our study is conducted in a relatively large municipality to accomplish these purposes.

The Swedish context is of particular interest for studies in public sector reorganization and institutional change since it has, using Esping-Andersen's (1996) term, a Scandinavian Welfare Model. Sweden has a relatively large public sector responsible for the care and welfare of all ages of the population. Health and medical care are the responsibility of the county councils which number 20 in total. Other important parts of the welfare state are childcare, care of the elderly, and education up to and including upper secondary school. These areas are controlled by the Swedish municipalities, which number around 300. The majority of the employees in Swedish municipalities and county councils are women, and a majority of employed Swedish women work in the public sector. Given these employment patterns and the fact that the large welfare sector handles obligations that are traditionally considered female responsibilities, women are believed to be disproportionately affected by the large scale sector levels changes now in force.

Background

The Swedish public sector has been subject to many changes over the last 20 years. Its vigorous expansion after the Second World War and, significantly, the economic consequences of this growth led to the purpose, boundaries and implementation methods of the public sector being called to question. The changes discussed and implemented are often presented as a Swedish version of NPM (Christensen & Laegreid, 2001; Hood, 1991). Market orientation, devolution, managerialism and use of contracts are main characteristics of NPM (Dixon et al., 1998; Forssell & Jansson, 2000). Since the election victory of the liberal/conservative parties in 2006, the political agenda is now strongly geared towards competition in the public sector, with market orientation of social services now present in many municipalities around the country.

The political vision is that there should be a multitude of service providers and freedom of choice. As women constitute a majority of public sector employees, the changes were expected to encourage many women to start enterprises in their own areas of work. Compared to other components of NPM, privatization has been explored surprisingly little (cf. Ferlie et al., 2003). Here, we focus on indirect privatization (see Bilbao Ubillos, 2005, for an elaboration of definitions, objectives and approaches to privatization) of municipalities, resulting from outsourcing to external, so called alternative, providers.

The municipalities' costs for purchasing services from alternative care providers increased by 5% from 2004 to 2005 and by 10% from 2005 to 2006 (SCB, 2007). As our earlier research

has shown, despite aspirations to the contrary, the first wave of privatization in the 1990s did not always result in improved prerequisites for entrepreneurship (Sundin & Rapp, 2006; Tillmar, 2004). SMEs had great difficulties competing in a system where large units were outsourced with short contract periods and with very tough price competition (Tillmar, 2004). Currently, the second wave of privatization is taking place. This time, the implementation of customer-choice models of organizing public services is expanding exponentially in Swedish municipalities, and a new law regulating this market was introduced January 1, 2009. One of the municipalities in the forefront of this development is our case municipality.

Currently, this municipality is implementing a customer-choice system in home-based elder care. The political intentions of the system are in line with that expressed by Osborne and Gaebler (1992), namely that the entrepreneurial spirit should renew the public sector. Customer-choice systems have previously been explored from medical and care-related perspectives, as well as in education research (see McEwan, 2000, for an international example and Norén, 2003, and Forsell & Norén, 2006, for Sweden). Our empirical focus from the fields of business administration and organization emphasizing gender and entrepreneurship is new.

The aim of this paper is to explore, through a local-level case study, the currently ongoing process of gendering and regendering in a female-dominated sector. This is done by a qualitative real-time study of the introduction of a customer-choice system in elder care in a Swedish municipality.

More specifically, the questions to be explored are the following:

- ☐ Do we find better opportunities for women entrepreneurs?
- ☐ What are the gendering effects of the public service reforms?
- ☐ What are the intended and unintended consequences regarding gendered effects?

The remainder of this paper is structured fairly traditionally. First we describe the methodology used before presenting previous studies on related subjects acting as our frame of reference. This is followed by our description of the empirical case, which is then discussed in the light of our frame of reference. Finally, we present our conclusions.

Methodology

Ontologically, this paper builds on a constructionist view in the sense that, for example, gender and gendered roles are social constructions, varying in time and place. Nevertheless, although reality is thus a social construction, it is real in its consequences. More concretely, this implies that people born with female bodies are disadvantaged in a society where work that is labelled female is given a lower value than work that is labelled male.

Epistemologically, it is our view that knowledge about gendering processes is preferably obtained through qualitative real-time studies, by means of informal conversations, dialogues, unstructured interviews, focus groups and participant observations. Although they have general traits, processes are always embedded in time and place. It is for this reason that we have conducted a local-level qualitative case-study.

Set-up of the study

The formal decision in 2007 to introduce a “customer-choice model” into home-based elder care in the municipality can also be seen as the formal starting point of our research. The key actors responsible, both politicians and civil servants, were eager to find out whether their intentions --to give the elderly a genuine possibility to make “informed choices” and to give small suppliers a chance to take part of the market constructed for that purpose -- could be realized in practice. We were therefore given full access to all relevant information and interviewees.

The investigation

Due to this extraordinary situation of full access, we have been able to use multiple data-collection strategies. Our three main sources have been documents, interviews and observations.

Documents

The strong Swedish legal principle of free access to public records has been important in our work. The principle implies that the record of contact with the public sector can be accessed by any citizen who wishes to do so. The documents underlying this article are:

- Calls for tender for blocks of service flats
- The bidding offers of all private and public organizations
- The municipal requirements for authorization
- All applications for authorization
- Minutes and records of the decisions taken by the municipal committee for the elderly.
- Minutes and records of the decisions taken by the municipal committee for care-services

In addition to the above, we have studied the brochures and information material distributed to the elderly. The changes taking place also received considerable interest in the local media, both in journal articles and in letters to the editor. That information has primarily been used as input to interviews.

Interviews

This article reports from an ongoing longitudinal case study. To date, we have conducted 33 interviews. The actor groups in focus have been the following:

- Owner-managers of small businesses/organizations
- Local managers of large organizations
- Heads of purchaser and provider departments of the municipality
- Heads of elder-care provision in the municipality
- First-line managers in municipal elder-care
- So called “elder-guides” employed by the municipality
- Local politicians

Seven of the interviewees can be regarded as key informants, in that we returned to them on several occasions to confirm our interpretations as well as to get an understanding of developments over time.

Observations

Since spring 2008 we have also participated and observed a number of meetings held by both the municipality and the larger corporations. As examples can be mentioned:

- Meeting at the purchasing department with all providers held because of a change of providers in the blocks of service flats
- Information meetings for the elderly and their relatives held by large corporations
- Meetings in the relevant committees of the municipality

Altogether, we have been able to access rich data by contrasting and comparing the different data-sources with each other. The research group has also had continuing dialogue as well as feed-back seminars with the contact people at the purchasing department of the municipality.

Theoretical approach

To grasp the change processes at hand, we must in our view combine the knowledge and insights of several research traditions. The change processes are, of course, an interplay of the actors/agents and the structure/institutions in which they are embedded (Giddens, 1984; Granovetter, 1985). Actors intend some of the consequences of the process that occur, and not others. (Giddens, *ibid*). To grasp the important dimensions of the changes taking place, we need insight both from new institutionalism within organization studies and from public outsourcing and entrepreneurship. The gender dimensions are relevant to all these research traditions. This section is structured accordingly.

New institutionalism within organization studies

We take as a point of departure previous studies on change processes in public organizations at the national (Christensen & Lægreid, 2001) and local level (Sundin & Tillmar, 2008). Such studies link ongoing changes to what is termed New Public Management (NPM). NPM is built from four megatrends, namely the slowdown of government growth, privatization and quasi-privatization, automation, and the international agenda (Hood, 1991). NPM is being spread worldwide through a converging discourse mediated and edited not only by the media, consultants and researchers, but also by organizations such as the OECD's public management committee, PUMA (Sahlin-Andersson, 2001). The outsourcing of public services to SMEs and other private organizations studied here can thus be regarded as part of the NPM movement.

A study carried out in the UK, US, Australia, New Zealand, Canada, the Netherlands and Japan concluded that the NPM wave has been reversed in many of the leading countries (Dunleavy et al., 2006). Among the reversed trends are, according to the authors, quasi-markets and voucher schemes. However, the often-linked phenomena of customer-tagged financing and user control are categorized as still spreading. Perhaps, then, NPM is not dead, but the debate about NPM is middle aging (Hood & Peters, 2004).

Some reverse effects noted by Hood & Peters (*ibid.*) are a blurring rather than a clarification of responsibilities and an increase rather than a reduction of rules-based and process-driven activity. Public management reforms have also been criticized for “throwing out the baby with the bathwater”, in the sense that they overlook the basic values of bureaucracy (Du Gay, 2004), even opening the door to corruption and hence to violations of democracy. From an employee perspective, it can be argued that NPM implies new forms of control, leading to loss of trust in the organizations, and thus the approach does not foster creative and entrepreneurial individuals, rather the contrary (Dibben & Higgins, 2004).

According to Dent et al, (2007) and Borghi & Van Berkel, (2007), some of the organizational mechanisms that mediate the progressive convergence of NPM practices may be studied in the light of a neo/new institutionalist framework. As stated above, we adopt such a framework

here. New institutional theory provides us with concepts such as de-coupling (Meyer & Rowan, 1991) and organizational hypocrisy (Brunsson, 1989), relevant to understanding and analysing public sector reform processes (cf. also Dent et al, 2007).

Drawing on the work of, for example, Meyer and Rowan (1977) and Zucker (1977), DiMaggio and Powell (1983) have argued that managerial decisions are strongly influenced by three institutional mechanisms – coercive, mimetic and normative isomorphism – that create and diffuse a common set of values, norms and rules to produce similar practices and structures across organizations that share a common organizational field (DiMaggio and Powell, 1983).

Scandinavian institutionalism in its various forms represents a middle position as it discusses the national and local translations (Sahlin-Andersson, 2000) of global ideas, or transformation of reforms (Christensen & Lagreid, 2001), to contextual conditions. Later in this paper, we will describe our understanding of such a local transformation process. Although there have been previous studies of such local transformations, to our knowledge no studies have focused on the gendered consequences on entrepreneurship.

Public outsourcing and entrepreneurship

The concepts "entrepreneurship" and "entrepreneurs" are used in contradictory ways both in entrepreneurship studies in general and within the field of public administration. When introduced by Osborne & Gaebler (1992), the spirit of entrepreneurship was supposed to reinvent government. Since then, an increasing amount of literature has examined public sector entrepreneurs (Zebrenati & Souitaris, 2005; Bartlett & Dibben, 2002) and entrepreneurial processes (Morris & Jones, 1992; Sundin & Tillmar, 2008). Others have analysed the construction of quasi-markets and the process of outsourcing (Norén, 2003; Tillmar, 2009).

The general definition of entrepreneurship applied by the authors of this paper is in line with that of Schumpeter (1934/1994), i.e. a broad definition including the creation of new combinations and acting to implement such new combinations, regardless of the organizational context. In this paper, however, we focus on SMEs. Thus, although we are aware of its wider definition, we will for the sake of simplicity and readability equate an entrepreneur with an SME owner. In doing so, we are far from alone. On the contrary, we are in fact merely doing what mainstream entrepreneurship researchers commonly do (GEM, 2006). Furthermore, we adopt a process view of entrepreneurship, centering on what entrepreneurs do rather than their personality traits, since we agree with Gartner (1988) that this is a better way of achieving an understanding of entrepreneurship. We will now look at entrepreneurship from a gender-perspective.

Doing gender in organizations and entrepreneurship

It is a well-documented fact that gender constructs organizations and organizations constructs gender (Acker, 1992; Kvande, 2007). Organizational change, like the change described in this paper, is therefore introduced in gendered organizational landscapes. The process and outcome of NPM reforms from a gender perspective has been a topic of research for a number of scholars. The main findings can be summarized by the words of Thomas and Davies (2002, p. 389) that "the 'new' discourses promote new forms of masculinities, serving to reinforce the gendered substructures of the organization" (see also Connell 2006). "New" management values have also been summarized as representing "traditional masculinist behaviour such as competitiveness, risk taking, and the domination of territory and other individuals" (Hopton, 1999, p. 71).

These international findings also seem to be relevant to the Swedish context. Ten years ago, the Swedish researcher Ulla Johansson (1997, 1998) noted that a paradoxical masculinization of the public sector seemed to be taking place. Inspired by Acker (1992), Johansson's contribution has three components: a gap between the number of women participating and the inclusion of female perspectives on public sector development; the idea that the management discourse implies a masculinization; and the deeply institutionalized patriarchal devaluation of the logics of care and responsibility. Put differently, Johansson (ibid) argued that although efforts were made to increase the proportion of women in areas of the public sector where they were underrepresented, the economic and traditionally male mindset and logics were incorporated into the culture. These arguments are based on historical examples of public sector development, where "female bodies" have been more easily established than what Johansson labels "female mindsets". Part of Johansson's argument is the increase in various forms of business modelling into the sector, in other words, New Public Management.

A key concept in Johansson's arguments is "logics" of care. Logics can be discussed in terms of rationalities. That rationalities are gendered in the labour market was described by the Norwegian sociologist Kari Waerness more than twenty years ago (1984). It has also been supported by recent findings in other contexts (Ross-Smith & Kornberger, 2004; Sundin, 2008). Entrepreneurship and owner-management do not seem to be exceptions. Helen Ahl (2002, 2006) has produced convincing evidence for the male label of entrepreneurship. Whether these findings are challenged by the female label of health and care will be indicated in the changes presented here.

Thus, there are similarities between the Scandinavian and the Anglo-Saxon (Connell 2006, Arndt & Bigelow, 2005) debates on masculinisation. For our purposes in this article, we take a two step approach to masculinisation of the eldercare sector. First, we agree with Acker (1992) that we have to start by counting the number of organizations in the sector owned and managed by men and women respectively. That is – a basic "body count" strategy. Secondly however, we agree with Johansson (ibid) that we should not be content with such an analysis. In order to understand the gendering of a sector, we need to look into the gendered perspectives, rationalities and logics governing actions.

Customer-choice in elder care: Background

In this first empirical section, we share some background relevant to understanding the customer choice system examined. .

The first wave of outsourcing in Swedish elder care took place after the conservative/liberal victory in the 1992 elections. As municipalities have a large degree of autonomy, outsourcing was applied to varying degrees in around one-fourth of the 290 municipalities. The market construction models introduced were "purchaser-provider" models, with competitive tendering. That is, providing organizations placed bids at given points in time which were evaluated by municipal staff. The winning organizations were then contracted as providers of the services for three to five years. The system implied a competition *for* the market, rather than *on* the market. The outcome of these changes was to some extent disappointing for advocates as small firms were absent – either they were not interested or they did not succeed (Tillmar, 2004). Research showed that this outcome occurred all over the country. Small firms were disadvantaged and/or could not cope with the processes or deliver the required services. One of the shortcomings of small firms concerned the quantities demanded: no small firm was

capable of bidding for home-based elder care in a municipality, and possibly not even in part of a municipality.

Currently, since the new conservative/liberal election victory in 2006, there is a second wave of privatization and outsourcing. The arguments often made in favour of outsourcing are freedom of choice for users and user involvement. The market construction model advocated this time is the customer-choice model. On January 1st, 2009, a new Law of Customer Choice (LOV, SFS no. 2008:962) was passed as an amendment to the Public Procurement Act (LOU, SFS no. 2007:1091). Some of the municipalities are thus moving directly from having no private providers to outsourcing through the customer-choice system. Other municipalities are moving from a competitive bidding system to a customer-choice system. Our case municipality belongs in the latter category.

Intentions with the new system

Hope that the new system will be more favourable to small businesses in general and to female entrepreneurs in particular are high. In the report preceding the new law, the report authors' summary reads as follows: *"In those municipalities and county councils that introduce customer choice, small businesses and in particular female entrepreneurship will be favoured...The proposed regulations governing customer choice are less stringent than those of the Public Procurement Act, meaning that all who fulfil the requirements will be allowed to sign contracts with the authorities."* (SOU 2008:15, LOV att välja – *Lag Om Valfrihetssystem*).

At present, women's entrepreneurship is supported by the government in a number of ways and through different channels. Two main reasons for this position were put forward in the debate. First, there is a call for more business start-ups, and as women represent only a third of the self-employed in the country, it is argued that there is great potential for more start-ups by female entrepreneurs. Secondly, self-employment is argued to have an emancipator effect and an increase in women owned businesses is therefore argued to be a positive means to achieve gender equality. The lion's share of funds have been distributed to county councils for further distribution to a variety of projects, many of which are related to the ongoing restructuring of the public sector, chiefly the care and health sectors. Simultaneously, other programmes with other principals such as the Swedish Agency for Economic and Regional Growth (*Tillväxtverket*), municipalities, Jobs and Society, etc. are running with the same aims. It is no exaggeration to state that employees in the care and health sector are inundated with suggestions about how to establish themselves as owner-managers. As presented below, our case community of Linköping will amply illustrate this.

The set-up of "own choice" in Linköping

The procedures for the elderly who need assistance are as follows: If the person is under 75 years of age, he/she applies to the municipality for assistance. A decision is then made as to what kind and how much assistance the municipality will fund. Assistance in this case can include home-based services such as cleaning, care and food provisioning. If the elderly person is over 75 years, an application is not necessary. Each elderly person, i.e. service user, then selects from a list of authorized providers.

The municipality is organized into a purchaser-provider model. The purchasing office is responsible for the design of the system. Due to the autonomy of the Swedish municipalities, the set-ups are adjusted to local circumstances. One characteristic of care for the elderly in Linköping is a tradition to base the home-based care on local blocks of service flats (where

the elderly can live in their own flats, close to some common service and receive home help of various kinds). According to the new law (LOV), there has to be a solution for those who can not, or do not want, to make an active choice. In the system studied, this solution was that these users should be taken care of by the organization which had the basic responsibility for the block of service flats in the local territory of residence.

The implementation process of the customer-choice system was conducted in the following stages:

- Competitive bidding in accordance with the Public Procurement Act (LOU) for basic responsibility for the blocks of service-flats in pre-defined territories.
- Authorization of organizations wishing to deliver services.
- Informing users and potential users about the possibility to choose, and the range of organizations available to choose from.

In the following sections, these processes and their outcomes will be described, one at a time.

The bidding and territory process

At the outset, a majority of the approximately 30 areas were exposed to competition through the bidding process. The municipal provider (LKU) was required to bid for all the territories within its area. The bidding was carried out during winter 2007/2008. As the bidding process unfolded, the municipal purchasing office was very surprised by the bids. One of the international companies, Carema, submitted zero-cost bids in the city-centre territories; i.e. they were prepared to assume basic responsibility for these blocks of service flats free of charge. Nine of the blocks were then given to Carema and seven to the municipal provider (Dnr 2007 0015). The other large corporation Attendo Care got no blocks. In the rural area of Ulrika in the very south of Linköping, one female owned small business called Ulrika Home Help retained the responsibility for a block with ten homes for the elderly. The owner was an auxiliary nurse who became self-employed during the first wave of privatization in the 90s. Only she and the municipality (as required) bid in this remote territory and the municipal bid was much more expensive. For an overview of the total Linköping territory, please refer to appendix 1.

For the international corporation Carema, the decision to submit the zero-sum bids was an easy one. The former regional head states:

“...the strategy we had back then --that we wished to cover Linköping, especially the city centre where we have a lot of operations--...that was why we placed the zero-sum bids. ... We did not know what our competitors were thinking. I thought – they’re stupid if they don’t do the same. I can still not understand their line of thinking”.

For Ulrika Home Help, a small local company, the decision to bid was also an easy one, though for other reasons. The owner of Ulrika Home Help stated that her opportunity and most significant advantage was her remote location, making it unprofitable for the larger corporations to bid. According to the owner, even the municipality might not be interested in running operations in Ulrika due to operational challenges. The remote location causes difficulties in connection with the municipality. Internet and email are problematic, and when there is a power cut neither land lines nor mobile phones work. For central heating in winter, Ulrika Home Help maintained generators for the production of electricity. Both the elderly residents and employees are used to disruptions, but this is not the case for the municipality. When asked how they manage, the owner states:

“Well, I work a lot myself, I really do. That saves one person in the morning [...] But, then it’s the girls, that’s everything really – to have good staff. They can help out almost anywhere, all of them, and that’s worth a lot. They help each other if needed”.

The authorization process

The next step was the authorization of potential service providers. To become a certified provider, organizations had to demonstrate the viability of their organization and show how they would fulfil the services for which the municipality would pay. Stipulations concerned the product, process, employees and managers, economic conditions and ethical considerations. In order to facilitate for smaller organizations, organizations could choose to become authorized to deliver one or more of the following services:

- Care
- Domestic services (such as cleaning)
- Meals

Around 30 organizations contacted the responsible civil servants at the municipality for more information; eight applied for authorization in care, fifteen for domestic services and six for meals (Dnr 2007 0015). Among these were the relevant production units of the municipality, as they had ultimate responsibility. The three dominant players in the care and health sector all applied, with the remainder small and medium-sized firms. Some applied for accreditation for just one kind of assistance. The large organizations, including the municipality production units (LKU), applied for authorization to provide all three types of services¹.

Many of the (few) small firms that originally expressed an interest in participating in the “own-choice” model pulled out before the accreditation process. The decision makers were disappointed and asked themselves why – a question that can be answered with the help of the owner of Ulrika Home Help. She found the accreditation procedure more cumbersome than the usual procurement procedure; she also disliked the division between services, which for her are interlinked:

“I think that these procedures now..everything is so messy. . I’ve submitted several bids but this time it was extremely difficult to know. Since it was split, I mean. Small operations are dependent on all parts – food, care and the home service itself. You depend on having everything. Perhaps it would have been different if we had been a large corporation. But we’re on our own out here and I have to be able to use the girls for all areas, for flexibility.”

Although the owner of Ulrika Home Help thought that hardly any elderly residents would make an active choice against her business’ services, she had to give notice to all employees in case she had to downsize or close.

“Previously the bid documentation stated that if a new provider were appointed, they would take over the staff. I couldn’t get the municipality to say that this time.”

Since the end users did not move from Ulrika Home Help, and since there were no other home-help providers in this rural area, the company’s employees remained relatively secure. On the other hand, the owner was required to make some savings for other uncertainties:

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¹ Continuously, more providers have applied for and also got authorization. Some has also asked for being released – especially for meals as that service seem hard to make profitable.

“If some of the really old residents who receive a lot of help pass away – many are over 90 – then...I have to have a buffer to handle that situation. The municipality and the large companies aren’t as vulnerable to such things, since they can organize their staffing in another way. So there are differences.”

The choices and their outcomes

Prior to the launching of the customer-choice system, the 4000 relevant households were mailed an information brochure and four senior citizen advisors were employed by the municipality to assist. It is worth noting that the large corporations included in this brochure portrayed themselves as not so large, as smallness carried a positive image. Under the headline “number of employees”, for example, they presented employees at a particular workplace rather than the full corporation number.

At the beginning of the process, some elderly residents phoned the senior citizen advisors expressing a wish to choose a specific person to provide their services:

“They want to choose a person ... They know very little about companies, but they’ve heard that Greta or Kerstin is very good.”

However, that is not the way it worked. The senior citizen advisors could identify only one provider in the cleaning services area, for example, that committed that a particular individual would come to the elderly person’s home each time. When the system had been operating in half a year, the four senior citizen advisors believed that they may have helped altogether 9 users out of 4000 to switch to a new service provider: an overwhelming majority of the elderly had not made an active choice. This means that the corporation that won the ‘basic responsibility’ contract also gained the greater market share for home help. Thus, the market shares were claimed by the large corporations, most often owned and managed by men. The chart below illustrates the distribution of market shares (measured by service hours) taken by male owned versus female owned businesses.

Figure 1: Home service hours awarded to women-owned versus male owned businesses in percentage of total home service hours awarded to private organizations

Appendix 2 shows the authorized provider organizations divided into large, medium-sized and small organizations, including an indication of whether the owner is male or female. In sum, four of the five small organizations applying for accreditation were managed and owned by women. The exception is a family firm driven by a husband and wife. Some of the small companies did not have any customers at all in the first year. The predominance of women is similar among the four medium-sized firms. However, in the third group, the large companies, the picture seems to be the reverse. One of the new providers is headed by a woman. It is the local branch of a national franchiser working with senior citizens as employees and does not yet have any customers. The others are companies managed by a majority of men. In other words, out of 14 authorized private businesses within the system, eight are owned by women, five by men and one company by a man and a woman in common. However, the five businesses managed by men account for about 97% of the service hours provided by non-public organizations (as by spring 2009).

Discussion

What kind of market?

The data show that the small and medium-sized firms hold a very small share of the created market. This could be interpreted to mean that there is little or no demand for small providers from customers. However, this interpretation is probably inadequate and likely inaccurate as well. As mentioned earlier, the customers – the elderly – want continuity and a special individual; a construction not supported by the system as designed. The importance of continuity is confirmed by the senior citizen advisors, who have received very few – less than 10 out of the population of 4000 – requests for help switching providers. Further, an evaluation of customer satisfaction with the providers gives very high percentages in the category “very satisfied” (Davidson, 2009). This then makes the new local market a ‘closed’ market in the short term. With the introduction of new customers and old ones disappearing, we then are left to ponder whether the situation could evolve to be more positive for small and medium-sized firms in general, and for women as owner-managers in particular, in the long run.

Customer choice: Opportunities for women entrepreneurs?

The municipality examined in this study considered itself progressive and modern. The conservative majority welcomed the deregulation of the public sector that began in the 1970s, and the municipality has since been an organizational pioneer of new models along the NPM line. The aim was to reduce the number of services carried out by the municipality itself by outsourcing them to private providers. Another aim was to create diversity in the supply chain that would simultaneously provide former employees, particularly women, with the opportunity to launch their own ventures. . In short, however, the outcome has not been what the decision makers expected or hoped for. Very few small firms accomplished authorization as new providers and of these only a tiny number were owned by women. This outcome made the politicians change their models to ones that would be more small-firm and women-friendly; it is still too early to tell to what extent these most recent modifications succeeded, however, some indications are at hand.

Our contention is that female entrepreneurship has been fostered to only a very tiny degree. The system wide opportunities for entrepreneurs and female entrepreneurs are constrained by a “think-big logic” and this holds true for the new customer-choice system as well. The case of the zero-cost bids speaks for itself. Taking such a loss in one area in order to increase market share and hence profit in other areas, and across the long run, is of course not an option available to small businesses, often women-owned. The design of the system as such was not SME-friendly – an example of the decoupling of rhetorics and practices (cf Meyer & Rowan, 1991). The terminology “organizational hypocrisy” used by Brunsson, (1989) is tempting to use in describing the relationship of the rhetoric on the national level and the outcomes on the local level. However, hypocrisy conveys a sense of intention. That the decoupling discussed here was unintended at local municipal level was apparent in the data as the municipal actors demonstrated a sincere interest in creating a system that would foster women-owned SMEs as providers.

Besides, the empirical situation is seldom black or white. One of the companies providing “basic responsibility” (Ulrika Home Help) is owned and managed by a woman. For the politicians and civil servants conveying the rhetoric, Ulrika Home Help could be taken as proof that customer choice really does create opportunities for women in practice. An alternative interpretation, however, is that this is the start of a polarization of the organizations in the market. The territory of Ulrika Home help is, literally, peripheral and therefore of no interest to the large providers.

Gendering effects – intended and unintended

The think-big logic is one of the ways in which the gender system is reproduced in the quasi-markets for elder care. One clear example here is the division between care, service and food provisioning. For small-scale operations, such work is interlinked and performed by the same employees. Creating these categories in the bid process did not encourage small-scale operations.

Concerning the governing logic, it is our contention that evaluations and quantitative measurements (including metrics of quality in care) are of increasing importance. Efficiency is the key word for the large private providers and this operational goal is totally accepted by the leading politicians. The municipal service-providing unit has now changed its name to LEAN Link, for example Even though LEAN is said to be an acronym for something else (the word lean has no meaning in Swedish), it at the same time conveys a message of efficiency –

of an organization without slack. Economic rationale and logic are reinforced at the expense of the logic of care. The use of information technology in elder care could be regarded as another example.

There is little doubt about the increasing hegemony of logics and rationales defined as masculine not only by Scandinavian researchers such as Johansson (1997; 1998) but also by Anglo-Saxon researchers (Hopton, 1999, Connell, 2006). Isomorphism (DiMaggio & Powell, 1983) seems to be an adequate concept describing what is happening as dominant, masculine logics are spreading even to sectors previously recognized as being strongly female, for example in elder care.

In terms of number of women versus men in the sector, care of the elderly has been dominated by women. At the lowest organizational level, the majority of the direct care workforce is still women. In leadership and ownership, a shift is taking place. In municipalities, most heads of elderly care units are women while men now dominate in senior positions in the large private organizations. This is likely to apply to the public sector at large.

To summarize, the consequences so far of the customer-choice system we have examined can be labelled as an increased masculinism (cf. Arndt & Bigelow, 2005, Johansson, 1998) or even as a masculinization of the elder care sector. Against what was intended, the way has not been opened for female owner-managers to establish ventures and compete successfully as municipal service providers. Without directed change this masculinisation can be expected to continue along two dimensions: *governing logic* and *management*. These gender consequences were not those expected or intended by the leading local actors, but were unintended consequences.

Finally, we would like to note that the real-time research design used here, focusing on what is happening in practice at the lower organizational levels of an organizational experiment of this kind, makes this study unusual.

Recommendations

With the goal of supporting women entrepreneurs and SME-owners through customer-choice systems in focus, a few lessons can be learnt from the case study results to date. First, the link that was made in provider service between “basic responsibility” for a block and service provisioning for elders who did not make a choice in service was unfortunate. This process could have been designed in ways which would have at least equalized opportunity, and perhaps even favoured SMEs. Our research reveals that such consideration is especially important for new service systems where elders (and perhaps other social welfare clients) who deeply value continuity and quality of care over active choice of service or service price. Secondly, the bidding process could have focused much more on quality of service rather than service price as small providers were economically disadvantaged as a result of scale impacts. Experience to date should direct attention to the minimum price per service hour under which an SME can manage to break-even. If large economies of scale are required, and if price for service is the leading metric, how are SMEs to ever compete?

Given these specifics, the masculinisation of logics and rationalities in the care sector is obviously the underlying problem. Avoiding such a shift is very difficult, since it is about isomorphic pressures from a global community and the world economy. Possible solutions link back to a thorough review and embrace of the values of bureaucracy. This risks

identifying that NPM is “throwing out the baby with the bathwater” (Du Gay, 2004). This is, of course, a large and complex discussion which we hope continues through lively debate.

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Appendix 1 – A map of Linköping Municipal Territory

Explanation: The grey are represents the city-centre area. The most southern territory is Ulrika.

Source: Linköping Municipality home page: <http://www.linkoping.se/sv/Stod-omsorg/Aldreomsorg/Hemtjanst/Hemtjanstomrade---karta/> 2009-10-21

Appendix 2 – Outcome of choices, the distribution of home help hours summer 2009

Non-public organizations authorized for Own Choice in Linköping, and the sex of the owner(s).			
Size	Organization	Owner	Male/Female
Large	Aleris	Private equity company EQT and others ⁱ	♂
	Attendo	Private equity company IK ⁱⁱ	♂
	Carema	Board and management of the concern-mother Ambea ⁱⁱⁱ	♂
	Veteranpoolen.se	Female franchisee	♀
	Östgöta städ	Male owner/manager	♂
Middle sized	Avesina	Female owner/manager	♀
	Kosmo	Two female owner/managers	♀
	Livskomfort	Two female owner/managers	♀
	RBL Städservice	Male owner/manager	♂
Small	Dickson Hemservice	Female owner/manager	♀
	GD Service	Female owner/manager	♀
	L&M Städservice	A couple (man and woman) owner manager	♂♀
	Rent Hem	Female owner/manager	♀
	Ulrika Hemtjänst	Female owner/manager	♀

ⁱ Owners: Aleris

EQT
Managers

92,27 %
0,56 %

Others	7,17 %

Taken together, the distribution among owners and descision-makers are 19 men and 8 women, implying that Aleris is regarded as a predominantly male owned and managed company.

ii Owners: Attendo

Industri Kapital (via Augustus International SARL)	70,4 %
Intermediate Capital Group, Varma and Attendo management and staff.	29,6 %

Members of board and top-management are in total 10 men and 5 women.

iii Owners: Carema

3i Group plc	75 %
Government of Singapore Investment Corporation	15,9 %
Board and management for Ambea	9,1 %

Members of board and top-management include 9 men and 1 woman.