

## **Freedom of Choice in the Provision of Public Services**

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### *Abstract*

Monopolist public service provision by state agencies may undermine the government's legitimacy and may result in inefficient delivery of services. To solve these problems Bo Rothstein advocated freedom of choice (FoC) in the provision of public services. He suggested that private sector parties should be introduced in service provision. The idea of FoC then already had been reflected in the policies of various governments; the 'Third Way' politics in UK being a typical example. A variety of scholars have addressed the FoC concept, both theoretically and empirically. A major issue of FoC, as Rothstein already sensed, is the regulatory issues that rises between the state and private sector providers of public services. Rothstein introduced the idea of regulated competition to overcome unwanted impacts of FoC. At question is: how does FoC result in more adequate service provision than monopolist public service provision? And, whether and how does a regulated form of competition overcome unwanted impacts of FoC? Based on a review of theoretical and empirical studies on FoC in the public services this paper aims at shedding some new light on these questions.

*Key words:* regulation and governance, public service delivery, privatization

### **Introduction**

In *Just Institutions Matter* Bo Rothstein found the increasing individualization in society as one of the major challenges the universal welfare state faces. 'How would the increased demand for self-determination fit the standardized services provided by such a welfare state?', he wondered (1998: 188). The traditional choice for public production and deliverance of services, as was and still is the case in many countries and policy areas, was considered 'a "black hole" in the democratic process' (ibid: 196). In short, people can choose amongst various parties and individuals to form their government, but cannot choose between different providers to get public services, such as schooling, healthcare and public housing. On the one hand this situation undermines the legitimacy of public power, as people

are 'forced to accept' that what is offered by the central administration. On the other hand this situation undermines people's capacity to express criticism. They lack the possibility to exit, which weakens their voice (ibid). As people cannot fully express their criticism, the producers of these services lack signals on doing 'the right' or 'the wrong' thing (ibid:201), for instance on the efficiency of service provision.

As a solution to such issues Rothstein proposes the idea of 'variation and freedom of choice in the public services' (ibid: 192). Choice here works in two ways. It undoes the forced relationship between citizens and the government as service provider; and by providing exit possibilities citizens can, by choosing another provider, send a signal to service providers on the services provided. The question however is: who should be involved as alternative service provider? The government could choose to supply a single service by different public suppliers, but the more logic answer is: the private sector.

As Rothstein recognizes, at least three comments could be made to such privatization (ibid: 207). First, in order to get the desired service, one should be able to precisely indicate what it is one desires. Second, in order to ensure the quality of the services provided these should be evaluated. The state appears the right party to do so. Third, a certain relationship will arise between the various service providers. Rothstein looks upon this relationship as competition – either between public and private service providers, or amongst exclusively public or exclusively private providers (ibid). In its pure form, however, competition might result in unwanted impacts. For instance, private service providers might cream the market for profitable jobs leaving the non-profitable jobs to public service providers; or, those using private services might be unwilling to pay taxes that fund the public services, which they do not use any longer. The danger of segregation lies ahead: 'that a society would be created in which the strong could utilize all the advantages of freedom of choice at the expense of the weak, and that the principle of universalism would be undermined thereby' (ibid: 209).

To overcome the potential rise of this social segregation, Rothstein introduces the idea of 'controlled competition' (ibid: 210ff). This implies that private parties might only be involved in public services under certain conditions. Yet, these conditions also limit the freedom of service delivery as private providers are bound to this regulated competition. At least two questions arise. First, whether and how does variation and freedom of choice result in more adequate service provision than monopolist public service provision? And second, whether and how does a regulated form of competition overcome unwanted impacts of variation and freedom of choice?

This study proceeds in three parts. First, to comprehend the freedom of choice (FoC) concept a brief discussion of literature is presented. Second, FoC policy has gained increasing attention in traditional FoC areas such as education, housing and healthcare. Many of these studies are comparative in nature – for instance cross-national or cross-sectoral. However, Rothstein's critical argument that the relationship between public and private sector providers

matters is not addressed in these studies. Based on an empirical analysis of FoC in the enforcement of building codes and related services, this specific issue is taken up by comparing regulated competition in Australia with a complementary relationship between public and private sector service providers in Canada. Third and final, based on the previous sections conclusions are drawn.

### **Origins and application of FoC**

The concept of FoC has a central place in the work of Nobel Prize laureate Amartya Sen (1988, 1991). Sen traces the idea of FoC as being 'quite central to leading a good life' back to the work of Aristotle (Sen, 1988: 269). Sen argues that the 'living standard we can enjoy must depend, at least partly, on how free we are to choose one bundle of commodities rather than another' (ibid: 270). At question is however: 'Choice of *what?*' (ibid: 278 – original emphasis). With regards to the subject of this paper the answer to that question should not so much be answered in terms of: this or that service provider; but in terms of what FoC permits the one choosing to achieve. Choice is more than a mere instrument or tool. It has intrinsic importance as well (ibid: 270). This focus on the intrinsic importance, or value, of FoC brings us to a potential solution of what Rothstein refers to as a "black hole" in the democratic process. By providing choice the legitimacy of public power is strengthened as people might feel less powerless (cf. Habermas, 1976: 96), or might strengthen the feeling that this form of governance aids to individual and common welfare (cf. Offe, 1984: 135).

A typical example of application of FoC as value or 'ideology' can be found in UK 'Third Way' politics as described by Anthony Giddens (2000). Third Way politics is a reaction to the problems of traditional command and control politics and later neo-liberal politics (ibid: 1-7). Where command and control traditionally is found to be ineffective and inefficient in aiding to individual and common welfare (e.g. Osborne and Gaebler, 1992), neo-liberal politics with a strong focus on privatization is sometimes found to result in accountability and legitimacy shortfalls (e.g. May, 2007, Haines et al., 2008). Third Way politics does not pose the question: should services be delivered through state *or* market agencies? But poses the question: 'will a marginal increase of the scope of the state improve access of citizens to basic social and economic goods, or would a decrease actually serve these ends better?' (Giddens, 2000: 57). A second key characteristic of Third Way politics is its focus on the needs of service receivers (ibid: 59-60). Third Way politics, in other words, seems to address service delivery not only from a supply point of view, but also from a demand point of view – partly resonating the consumer sovereignty doctrine (cf. Lodge, 2004: 131). A careful consideration is made when introducing alternative forms of service delivery: sometimes by contracting out services, sometimes by privatizing state agencies, and sometimes by introducing choice

between public and private sector service providers. By so Third Way politics aims to 'guarantee access for all to a decent minimum quality of life and fair life chances, while permitting greater individual freedom of choice' (Mandelson and Liddle, 1996: 143). Nevertheless, in regulatory practice FoC is often implemented as a tool to increase a regulatory regime's transparency and accountability – in the UK and other countries as well (Lodge, 2004). It may be argued that only through its instrumental side FoC has value. But then this value should come from an increase in the access and quality of services delivered.

From analyzing the effects of application of FoC in public policy, however, it becomes clear that FoC often does not fulfill its expectations. Various scholars report no or trivial increases in the quality of services or the efficiency of service delivery. Even more, FoC seems likely to increase costs of services delivered and is frequently reported to increase inequalities between service receivers (for excellent overviews of literature, see Fotaki et al., 2005, Fotaki et al., 2008). Causes of these downsides of FoC are sought in the determinants of choice; the role of information on choice; the actual availability of choice; the differences between service providers; and, ideological debates on FoC.

My argument here is that many of these studies do not pay attention to an essential part of FoC policy: the relationship between public and private sector service providers. Generally it is assumed this relationship is competitive. But a close look at existing studies on FoC learns us that this is not really the case. Often there is no real competition but a regulated or "muted" form of competition (Merrifield, 2008: 4-5). For example: in practice there are different entry criteria for different service providers, different payment systems for delivering services to different groups of service receivers, and non-discrimination in funding regardless achieved results. FoC in Italian healthcare provides an excellent example of this "muted" competition. Here competition was introduced by adding private hospitals to the existing regime of public hospitals. Competition is however limited: there is little ability for opting out, the co-existence of public and private hospitals results in an uneven playing field, and many physicians work in both public and private hospitals and as such compete with themselves (Cellini et al., 2000:506). An example of regulated competition comes from the Netherlands (Priemus, 2003, p. 341) where a hybrid regime of public sector and private sector housing is present. Under this regime competition exists between the public and private sector providers. This competition is however "muted" since public housing and the lowest-income groups are supported by state funding.

As we have seen, this relationship is the central argument in Rothstein's reasoning on FoC as a solution to the efficiency-legitimacy tradeoff that is often present in public policy making. As discussed, according to Rothstein the relationship between different service providers under FoC policy should be a regulated form of competition (Rothstein, 1998: 215). Under regulated competition the advantages of competition can flourish, whilst at the same time the disadvantages of competition can be controlled. But more relationships might exist

between and amongst service providers. Scholars such as Barnard (1938: 101-3) and Jordan *et al* (2005: 481) distinguish in a number of possible relationships. Organizations can complement one and other without merging into a new. Organizations can complement one and other by merging into a new organization – as such the relationship disappears. Organizations can compete for clientele without aiming at taking each others place. And, organizations can compete for clientele aiming at taking each others place – in which the relationship might disappear once one organization takes over the place of the other. These relationships shall be addressed as four types: complementary, merging, competitive, and rivalry.

The mere possibility that more relationships might exist makes one wonder if different relationships have a different impact on FoC. To date however, to my understanding, no research has been carried out comparing different relationships. Many studies of FoC are comparative in nature – i.e. cross-sectoral or cross-national (e.g. Davidson, 1999, Greener and Powell, 2008, Ham and Brommels, 1994). But these studies typically focus on the topics mentioned before. The relationship between public and private sector service providers is left aside in literature. It might be that in traditional areas of FoC such as education, healthcare and housing only competition, in whatever form, is implemented. This would fit traditional reasoning that competition is the preferable relationship (Becker and Stigler, 1974, Landes and Posner, 1975), but does not provide insight into the tenability of Rothstein's argument. The next section presents a comparative analysis of different relationships between public and private sector service providers in the enforcement of building codes and related services in Australia and Canada.

### **Different relationships: regulated competition and complementing sectors**

To date scholars have addressed the impacts of FoC in public service delivery mostly in "classic" FoC areas: public health, education and public housing. This section presents an empirical study into a non-classic FoC area: the enforcement of building codes and related services. The context of the study is Australia and Canada. This context was chosen as in Australia and Canada certain public services, certain tasks, with regard to the enforcement of building codes can be taken up by public and private sector agencies. These countries and the particular sector were chosen for their high comparability in regulatory regime environment and structure: the countries have a comparable government and judicial system (Dickerson and Flanagan, 1998, Jackson and Jackson, 2003); have comparable building codes (ABCB, 2004, NRCC, 2005); have similarly divided task and responsibilities with regard to building code enforcement amongst national, regional and local governments (Hansen, 1985,

Lovegrove, 1991) and private sector agencies; and finally, have an analogous approach towards privatization of public services (Özkaya and Askari, 1999).

There is however one major difference in building code enforcement between the countries: in Australia a regulated competitive relationship was implemented between the public and private sector service providers (PC, 2004). The relationship is regulated competition as public sector service providers, municipal building control departments, are partly funded through general means and have to charge regulated fees. Fees for small construction work such as house additions is often loss making, whereas fees for large construction work has to cover for these losses. In Canada no particular relationship was chosen. Private sector agencies were allowed to take up building code enforcement tasks where public sector agencies could not, or would not take these up. Over time a complementary relationship has risen between the public and private sector service providers (Van der Heijden, 2010 [forthcoming]).

The services provided are the assessment of building plans against the building codes; the issuance of building permits when plan-assessment makes a reasonable case for compliance; the assessment of work under construction; and, the issuance of occupancy permits when construction work-assessment makes a reasonable case for compliance.

The study presented in this section has exploratory status. The research questions posed had a strong focus on the 'hows' and 'whys' of the impacts of FoC in building code enforcement and related services. The main source of data collection was through semi structured in-depth elite interviews (McCracken, 1988, Richards, 1996) with over a hundred representatives of local, provincial and state governments; service providers such as public and private sector building code inspectors; and, service receivers such as architects, engineers, developers and contractors (for an extensive discussion of methodology and research approach, see Van der Heijden, 2009: chapter 5).

#### *Australian findings*

Interview accounts outline a number of effects to origin from the regulated competitive relationship between Australian building control departments and private sector building inspectors. These are: building control departments face a loss of revenue and resources; a 'natural split' in clientele; an unequal delivery of services; rivalry between municipal officials and private sector agents; and, professionalization of building control departments.

Contrary to their private sector counterparts, municipal building control departments face regulated fees. Interviewees indicated that fees for assessing small construction works such house alternations or fences are often not cost-effective; whereas assessment of major construction works is. Profit gained from assessing major works has to make up for the losses of the minor works. Private sector inspectors were unanimously said to prefer the profitable jobs and 'cream' the market by charging lower fees for the major jobs than building control

departments, and charge higher fees for the minor jobs. A state official summarized: 'The process got faster, but also prices [set by private sector inspectors] for larger projects went down, whereas the prices of the smaller domestic jobs went up.' Furthermore, building control departments have to accept all work provided, whereas private sector inspectors can reject works. As Wilson (1989: 169) already noted: municipal agencies often 'must cope with a clientele not of their own choosing'.

It thus appears that municipalities lose the profitable jobs to private sector inspectors and have to process the loss-making works. Since different types of clients are involved in the different types of construction work this situation appears to have resulted in a 'natural split' in clientele: ordinary citizens – often referred to as 'moms-and-pops' – who are incidentally and often personally involved in minor construction works involve building control departments; and professionals in the building industry – architects, contractors, developers – involve private sector inspectors in their, often, complex construction works and do so on a regular basis. Note that this broad distinction resembles Marc Galanter's typology of regulatees in legal systems: 'one-shotters' and 'repeat players' (Galanter, 1974: 97).

That such a 'natural split' would occur, could have been foreseen. When asked for reasons that underlay the introduction of the FoC in building code enforcement and related services, interviewees generally referred to this as a 'top-down' government initiative. However, also 'bottom-up' initiatives were mentioned. Interviewees made clear that prior to the introduction of private sector inspectors, building control departments were experienced as cumbersome, non-proactive, monopolistic, and sometimes having a bad name due to slow application processing times and dictatorial employees. Building control departments were furthermore said to be insufficiently qualified to carry out specialized assessment and the repeat players demanded a better and faster service (see also, PC, 2004). Private sector actors started to carry out building-plan assessment, which building control departments started to accept. Nevertheless, regulations had to be amended in order to allow private sector inspectors to issue building permits, carry out on-site inspections and issue occupancy permits. Through regulatory amendments this was supported. A director of a development company explained: 'probably a developer's mindset is that [building control departments] are more bureaucratic and suspicious and they act like policemen and think we are all bad. (...) The public sector is still more reactive than proactive. (...) private sector inspectors would still be perceived as finding solutions to problems; municipal building surveyors would be perceived as identifying problems.'

Notably, some interviewees explained, also the one-shotters appear to have a certain 'mindset' towards who to involve in building code enforcement and related services. This is best illustrated by notions from a private sector inspector: 'There's a perception amongst [one-shotters] that the government always does things better (...) and most people out there

in the community, especially the home owners, are convinced it is still a government function.'

Interview accounts indicate that the sectors' credibility is interpreted differently by the respective groups of clients. One-shotters have more trust in building control departments than in private sector inspectors; repeat players have more trust in private sector inspectors than building control departments. This different perception of credibility might be related to exactly the plural meaning of the concept itself. Sometimes it is argued that credibility consists of 'trustworthiness' and 'expertise' (e.g. DeZoord et al., 2003, Nesler et al., 2006). In the Australian regimes it appears that one-shotters value the trustworthiness of municipal building control departments, while at the same time repeat players value the expertise of private sector inspectors. The creaming attitude of private sector inspectors here may strengthen the ordinary citizens' distrust in private sector inspectors, whilst the 'stigma', built up in the past, of municipal building control departments being cumbersome and having an almost dictatorial attitude may strengthen the professionals' distrust in these departments

A result of this 'natural split' is an unequal service delivery amongst the different groups of clients. Compared to municipal building control departments, private sector inspectors are generally considered to be more available and better specialized, to provide speedier assessment, and are better able to understand a client's wishes and needs. Those involving private sector inspectors were therefore regarded as getting better service delivery than those involving building control departments. Yet, as some interviewees indicated, one-shotters have less access to private sector inspectors than repeat players. Furthermore, building control departments were said to lose well trained staff to private sector agencies as these appear to provide better terms of employment: 'building control departments have become the breeding grounds of cadets', a municipal official mentioned. As a result building control departments are less able to provide a level of service that meets the level of service provided by private sector inspectors. This all affects the level of service available to one-shotters; a decline of equity. Also, the one-shotters may have little possibility to oppose against this situation since their possibilities to do so are little. The frequent-players have larger 'voice', but have no incentive to use it since they have moved to the private sector (cf. Hirschman, 1970: 45-46). Yet, 'voice', as Hirschman argues, only is effective when the possibility of 'exit' is present (ibid.: 80). Finally, the losses of income at the municipal level have to be made up somehow. This somehow in practice means: supporting building control departments through general means. These general means are paid for by taxpayers. One could argue that the benefits of private sector involvement go to the building sector and the private sector inspectors, whereas the burden comes to one-shotters and general taxpayers.

Finally, the competitive relationship between building control departments and private sector inspectors was sometimes experienced to have resulted in rivalry between the sectors. Some interviewees even mentioned a 'rebellious' attitude of building control department staff.

A Sydney based architect said: 'You've got to remember that Council employees see private sector inspectors as obstructing their jobs.' One of the results is that building control departments try to stretch their authority by introducing building code requirements in other parts of built environment legislation – such as regulations concerning zoning or aesthetics.

Nevertheless, municipal building control departments not only seem to protect and reclaim their turf by stretching their authority. Case evidence also suggests professionalization of building control departments. In order to keep up with private sector inspectors, building control departments were said to adopt the qualities that are ascribed to private sector inspectors: most interviewees perceived a move towards a better provision of services by building control departments since the introduction of the new regimes (see also, PC, 2004: 221). This strengthens an assumption by Price (2007), who notes that 'the threat of privatization may be an impetus for improved government performance'. This improvement was, in the Australian regimes, nevertheless said to be hindered by the introduction of private certification as well. In order to provide a better service, municipal departments need better trained and experienced staff. Yet, as already illustrated private sector inspector agencies are able to provide better terms of employment, especially higher wages, than building control departments can.

#### *Canadian findings*

With exemption of the final finding on a professionalization of municipal building control departments, all traced impacts resulting from the Australian competitive relationship may be typified negative and unintended (for a discussion on intended and unintended impacts, see Giddens, 1984: 1-14). Similar impacts were traced in Canada, but some were experienced differently.

To start, compared to the Australian municipal building control departments, their Canadian counterparts face less loss of revenue and resources. Where service receivers in Australia have full choice between public and private sector agents, service receivers in Canada have not. Not all Canadian municipalities provide building control services and some municipalities only provide limited services. An illustrative example is the City of Vancouver. The City of Vancouver (population over 2 million) was one of the first to introduce FoC in building code enforcement and related services. Choice is however limited as the City of Vancouver has decided to focus their attention to minor construction work and leave the assessment of complex construction work to private sector inspection agencies. In practice this implies that City officials advise clients with complex works to involve a private sector agency. As a result, so explained interviewees, the City does not have to hold a large and specialized staff. The City now holds a limited staff, consisting mostly of generalists who are perfectly able to deal with a single type of clientele: one-shotters. Repeat players can choose from a range of private sector inspection agencies. The City of Vancouver's building control

service can thus be regarded as fitting a trend of 'lean government' (Haschold and von Otter, 1996). A relative small and non-specialist staff is less expensive to maintain than a somewhat too large and somewhat too specialist staff. As a former chief of the Vancouver building control authority explained: 'If it wasn't for the [private sector inspectors] City Hall would have to double staff now and lay them off during slower times. It should be noted however, that the Vancouver trimmed down building control agency is not fully self supportive. A building permit fee is charged for administrative procedures concerning complex construction work – issuing permits and archiving building plans and assessment reports.

Canadian interview accounts, like the Australian, indicate that over time a 'natural split' has occurred: repeat players by and large involve private sector agents; one-shotters involve municipal agencies – if available. Yet, contrary to the Australian experience the natural split was valued positively. Municipalities were regarded as the place for one-shotters to go to. Municipalities were furthermore regarded as agencies which generally lack specialized or experienced staff to deal with the often highly complex works of repeat players. An Albertan provincial official told: 'These days you get all new developers coming to the small towns. Doing things they have never seen before. So the local authority is just out of its league. And [the developers] have no place to turn, other than get a [private] engineer.' However, private sector agencies were not experienced as opponents. As a former chief of the Vancouver building control department explained: 'It's not competition, it's working side by side.'

This does however not imply that no rivalry exists amongst public and private sector service providers. When introducing private sector involvement in building code enforcement and related services in the province of Ontario (Short, 2005), the provincial government faced enormous resistance from organized local building control officials. A representative of a Building Officials Association explained: 'We were concerned an independent builder could have someone working for him, he's paying him, they review his plans, and bring them in rolled up and we have to issue a permit without opening them up. We were concerned that that's the fox looking after the henhouse scenario. And we lobbied to have that removed.' In the province of Alberta and the City of Vancouver, so explained interviewees, similar fear was expressed by building control officials. Over time however, the fear did not materialize: 'The municipal building inspectors themselves feared that [private sector inspectors] would take their jobs. Now there is confidence in [their] work and it is found that there is still enough work for everyone involved' a Vancouver based architect explained.

It could be argued here that over time service suppliers and service receivers have reached a certain equilibrium. An equilibrium that seems to follow from a simple philosophy: gear service supply down to service demand.

## Discussion and conclusions

This paper discussed variance and freedom of choice (FoC) in public service delivery. In the introduction of this chapter I posed two questions. First, whether and how does variation and freedom of choice result in more adequate service provision than monopolist public service provision? And second, whether and how does a regulated form of competition overcome unwanted impacts of variation and freedom of choice?

I briefly discussed existing literature from classic FoC areas and introduced an exploratory research on a non-classic FoC area to come to an answer to these questions. There is a notion to be made, before answering the questions. The analysis is based on secondary and interview data. Both datasets are inherently qualitative. The strength of such datasets is their ability to provide answers to the “how” questions posed (see a variety of discussions in Brady and Collier 2004). No quantitative data was available to cross-check the validity of these datasets, or to answer “how much” or “how often” questions.

From analyzing existing literature it might be concluded that FoC often does not fulfill its expectations. FoC is repeatedly found to, at best, only have limited impact on the quality of services or the efficiency of services delivery – note however that the introduced study on FoC in building code enforcement and related services reports an increase in the quality of services and the efficiency of service delivery due to private sector inspector’s expertise and specialization. At the same time FoC is repeatedly found to increase inequalities between services receivers. As such FoC appear to result in Bo Rothstein’s so much feared social segregation. As we have seen, Rothstein proposes a regulated form of competition as solution to inequalities between service receivers. However, many FoC studies discuss a regulated or “muted” form of competition and still find a strengthening of social segregation resulting from FoC. Yet, as we have also seen, to date little attention has been paid to exactly this relationship between public and private sector service providers.

By discussing an exploratory research into FoC in building code enforcement and related services I aimed at targeting that knowledge gap. The research focused on two relationships: regulated competition in Australia and a complementary relationship in Canada. We have seen that in Australia regulated competition was experienced as increasing inequalities in service delivery between one-shotters and repeat players. This finding stresses literature from more classic FoC areas, such as housing, education and healthcare policy. Over time a ‘natural split’ in service delivery has occurred in which repeat players can be considered winners, and one-shotters losers. In Canada a comparable progression of events came to the front: over time a ‘natural split’ occurred between one-shotters and repeat players. However, in Canada the divide between one-shotters and repeat players appear to follow a simple philosophy: gear service supply down to service demand. Interview accounts stressed the logical relationship between a lean municipal building control agency and one-

shotters, and specialized private sector agencies and repeat players. By linking type specific supply of service delivery to type specific demand of service delivery it appears that in Canada some of the negative unintended impacts of FoC have been overcome. It may be argued that Canadian private sector inspectors could not cream the market at the expense of municipal agencies and their respective clients – one-shotters. Nevertheless, at the same time this implies that only limited choice exists for the respective groups of service receivers. It appears that in the specific case now so much regulated competition, “muted” competition or any other form of competition worked out, but a limited form of choice with full competition amongst private sector service suppliers.

To draw all this to a conclusion: relationships between public and private service providers seem to matter. When introducing FoC between public and private sector service providers, governments should not aim at creating a ‘level playing field’ for all service providers involved. The public and private sector simply have different characteristics which gives them different strengths and weaknesses. A regulated or “muted” form of competition appears to aim too much at creating a level playing field, and by so not playing out the respective strengths of the sectors. A different, non competitive relationship might provide better results.

I once more stress that the answers provided in this part have by no means theory status. I introduced the explorative research to target a gap in current knowledge. It remains at question whether, how and what different relationships between public and private service providers might overcome social segregation amongst service receivers. The answers to such questions are ultimately a matter for further empirical inquiry. This paper only seeks to put them on the research agenda.

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