
Impact of Service Procurement and Competition on Quality and Standards in Homeless Service Provision

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› **Abstract** *This article aims to examine the consequences of various public procurement approaches on standards in the provision of services to the homeless. In particular, the article considers the effect of competitive tendering since the public procurement guidance of the EC requires transparency and equality in awarding service contracts. The drive in the new public management ethos to achieve value for money and the imposition of performance standards can have both beneficial and negative impacts. The concept of competition is controversial and ambiguous, reflecting a variety of meanings. The article focuses on how competition takes place in homeless service provision, utilising France and Norway as case studies, two nation states with divergent constitutions, welfare systems and approaches to the procurement of homeless services. A variety of competitive forms are identified and examined in the article. The article highlights different types of problems associated with competition and public funding of homeless services and suggests how to measure quality and standards in homeless service provision.*

› **Key words** *homeless services, competition, rivalry, standard, quality, comparison*

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Introduction: Competition in Welfare Services

This article aims to examine the consequences of various public procurement approaches, and in particular competitive tendering, on standards in the provision of services to the homeless. The article focuses on how competition takes place in homeless service provision, utilising France and Norway as case studies, two nation states with divergent constitutions, welfare systems and approaches to the procurement of homeless services. The paper is divided into three main sections. This first section introduces the central terms and defines the issue in question and briefly presents different types of competition, which might be identified within welfare services in general. Following a brief description of homeless services in the two case study countries, the second main section describes examples of competition in homeless service provision in France and Norway and how competition is implemented. The third part discusses whether competition drives up standards or not in homeless service provision and presents suggestion of how standards should be measured.

Competition in the delivery of welfare services is associated with new public management ideas to improve efficiency and increase customers or users freedom of choice. In this context, competition is understood in terms of a public market and involves tendering for the provision of welfare services. However, this understanding of competition is only partial. Competition may also occur in more subtle and variegated forms and is often context specific. In some cases for example, particularly France, the term 'rivalry' more accurately defines relations between the various service providers than does the term 'competition' Furthermore, the term competition is often narrowly understood, particularly in the Anglo-Saxon countries as referring only to forms of economic competition and unfettered market provision, whereas a broader less reductionist interpretation is evident in other EU member states.

The framework of EU regulations is an important contextual element for the discussion in this paper and provides the framework here for the definition of public procurement and competition in relation to welfare services (including homeless services). Although freedom of establishment and competition belong to the basic principles of the EU agreement (i. e. the Treaty article 81-89), the member states acknowledge that not all types of services are suited nor should be left solely to the market and free competition. The services in question are recognised in the terms of services of general interest, perceived and defined by the member states as being subject to specific public obligations. The ongoing debate about services of general interest deals with the basis for increased competition within the service sector in general, including the service sector, which traditionally has been delivered by the authorities:

Services of general interest are at the core of the political debate. Indeed, they touch on the central question of the role public authorities play in the market economy, in ensuring, on the one hand, the smooth functioning of the market and compliance with the rules of the game by all actors and, on the other hand, safeguarding the general interest, in particular the satisfaction of citizens' essential needs and the preservation of public goods where the market fails. (COM [2003]).

In 2006, the Commission issued a Communication on Social Services of general interest in the European Union (COM [2006]). The Commission emphasises that, except for the basic social security schemes, these services are not in strict terms considered to be a part of public administration, but public policy and public funding play a major role and may be decisive for the provision of the services. The conclusion about what sectors and types of social services of general interest should be subject to competition is to-date unclear. The member states are nevertheless obliged to follow EU legislation and directives, in particular if the services encompass financial activity. On the other hand, what should be considered financial activity in social services is yet to be clarified.

As noted above, competition is a wide and not very well defined or universally understood concept. Oxley *et al* (2007) emphasise that competition in public services is to a large degree driven by new public management ideology and is thus rooted in public choice theory. In this context, the terms choice, efficiency and quality become keywords; public choice theory argues that public organisations need to be competitive in order to be efficient and deliver high quality services. Le Grand (2007) describes four means of delivering services of high quality:

- trust, where professionals, managers and others working in public services are trusted to deliver a high-quality service;
- targets and performance management, a version of what is often termed command-and-control, where those workers are instructed or in other ways directed to deliver a good service by a higher authority;
- voice, where users of public services communicate their views directly to service providers; and
- the 'invisible hand' of choice and competition, where users choose the service they want from those offered by competing providers.

He argues that, properly designed, systems that incorporate substantial elements of choice and competition will deliver services that are of higher quality, more responsive and more efficient than ones that rely primarily upon trust, command-and-control or voice. According to Le Grand, competition is simply the presence in

the public service of a number of providers, each of which is motivated to attract users. This is in contrast to a unitary or monopoly service where one provider dominates. In the public arena the term is often associated with the 'quasi-market' which differs from a normal market to the extent that services are paid for by the state rather than the user of the service but "with the money following users' choices through the form of a voucher, an earmarked budget or a funding formula" (2007, p. 41). Le Grand argues that there are three principal arguments in favour of competition as a model for service delivery: "It fulfils the principle of autonomy and promotes responsiveness to users' needs and wants; it provides incentives for providers to provide higher quality and greater efficiency; and it is likely to be more equitable than the alternatives" (2007, p. 42). However, he admits that to achieve this outcome provider competition relies upon user choice.

There is an academic tradition that reacts strongly against the arguments in favour of choice and competition. Lipsey (2005) is representative of this tradition drawing attention to three characteristics of public services which distinguish them from the private for profit sector: "they generate 'externalities' (that is, they benefit people other than the immediate user) and they have agency and information problems for users" (quoted by Le Grand, 2007, p. 57). All forms of competition identified within homeless service provision involve financial activity, although profit or surplus is not at all a driving force. One important contention in this paper is that competition in welfare services takes place in quasi markets; the services are mainly publicly funded, purchasing power does not come directly from the consumer but from the state or another authority, decisions are made on the basis of market criteria of price, quality and delivery time, competition exists between providers, but they are not necessarily profit-driven (Struyven & Steurs, 2005). Other examples of what is called competition, and which is frequently found in homeless service provision in both France and Norway, may be named as rivalry without a "real market". As described in the next section, rivalry influences service performance and thus is likely to affect the quality of the services.

Tendering

Tendering is recognised as the purest form of competition in a market in that, ideally, all competitors have equal chances of attaining a contract. In connection to tendering arrangements in welfare services, there are generally two major types of private enterprise defined as block purchase and spot purchase. Block purchase is based on a fixed contract between statutory authorities and a company or organisation. The contract defines a certain amount of services to be delivered, as well as the quality of the services, in exchange for an agreed price.

The principle of spot purchase is based on payment per client. This may be based on individual voucher-system or alternatively "unit price financing". The point of

intersection between the two modes of financing services is that the money follows the client or user. The individual voucher-system provides the client or user with a certain amount of money and allows the client to choose both service provider and type of services. This may be organised either as a pay-check to every citizen who is eligible to a specific service or, more commonly, the clients choose the provider and the authorities pay the bill. The services may be financed both by the authorities and sometimes by additional payment from customers or service users. However service provision for homeless people and other destitute groups are largely, or entirely, reliant upon public funding.

Competition for public funding

Other types of competition in this field, which might have as much influence on service provision, are the purer forms of market-based competition, for example competition among providers for public funding. One type of public funding is allocated through experimental schemes (for example to develop services), and another type through time limited programs. Such funding may lead to competition among voluntary associations and between associations and other public parties (for example municipalities and associations competing for governmental funding). Governmental funding is also assigned to specific projects or organisations and is not necessarily linked to experimental schemes.

Donations

Associations working with the homeless also compete for donations. Increased competition for donations has led to a professionalized process of branding within the voluntary sector. In some countries, large associations increasingly employ professional fund-raisers and undertake extensive advertising. An illustration of this is the marketing of the Salvation Army. The Salvation Army has a tradition of almost 150 years in working among the most socially excluded people under the slogan “Soup, Soap, Salvation”. Branding is a necessity for any association aiming to remain visible in the complex and overwhelming body of actors demanding attention and funding from the general public (Rieunier *et al*, 2005). We can thus say that there is a “donation market” from an economic point of view. As demonstrated in the next section of the article, rivalry between associations is a very dominant form of competition in the field of homeless service provision in France.

Rivalry concerning the “customer”

The last type of competition presented in this section of the paper, is rivalry about the service users; the “customers”. Contrary to other welfare sectors, where one might find affluent customers both willing and able to pay for extra services on top of public provision, the homeless are by definition poor, and therefore characterised by lack of purchasing power. However, as will be further discussed below, rivalry

between service providers for service users or clients may be intense and a strong competitive driving force. The service users are, at the end of the day, the justification for the existence of any service provider.

The Provision of Homeless Services in France and Norway

The provision of homeless services, as well as welfare services in general, differs widely among the EU member states (Edgar *et al*, 2003). Rather than attempting to cover all welfare regimes and homeless service arrangements within the European Union, the article highlights focuses on the cases of France and Norway. It is necessary to give an outline, albeit briefly, of the constitutional systems within which services for homeless people are implemented and service delivery takes place. France, as Blanc (2004, p. 283) points out “is often identified as the centralized nation state *par excellence*”. Blanc further emphasises that the role of the French state after 1945 may be divided into three distinct phases. The first phase lasting till the 1960s is clearly rooted in the French revolution and recognised by a highly centralised form of government in which even decisions on minor local issues “were taken ‘in Paris’ by central government officers following bureaucratic procedures”. Local specific interests, when presented, were often defined as going against “general interests”. Another specific feature of government in this first phase, recognised by Blanc, is a distinct distrust in the ability of civil society in solving problems such as housing shortage. During the 1960s, the role of the state gradually changed from “provider” to “enabler”. The third phase, dating from the 1980s, is influenced by EU policies and recognised by the implementation of decentralisation laws and transfer of power to the regions. However, “central government in France has been and continues to be reluctant to accede power and decision making to local authorities and the debate on ‘more’ or ‘less’ decentralization is a never-ending process” (Blanc 2004, p. 284). In the comparative welfare regime literature, France is generally seen as a member of the corporatist world of welfare.

In contrast to France, Norway is a highly decentralised nation state and the right to welfare services is increasingly established as a statutory individual right and not as a duty to perform imposed by statute on local authorities (Østerud *et al*, 2003). Local authorities are responsible for providing the services and they hold a strong autonomous position and largely choose their own models of organizing, developing and modernising services, but within the framework of certain statutory standards. Norway is, together with Sweden, Finland and Denmark, considered a prime example of a social democratic welfare regime. As part of the EEA Agreement² between EU and non-members, Norway is committed to implement directives and

² European Economic Area Agreement

regulations issued by the European Commission. These structural differences between France and Norway, as well as the difference in population size (60 million versus 4.5 million people), do have an impact on the homelessness question. The scope of this paper does not allow pursuing these issues. However, they indeed influence the topic in question and the comparative discussion.

Comparing competition in homeless service provision

The differences between the two case studies selected help shape how homeless services are organised, how competition is played out and how the notion of competition is conceptualised. It is rare to talk about competition within the voluntary sector in France and indeed the very concept of “competition in welfare services” is perceived as being in opposition to the spirit of welfare provision. Although the term competition in respect of welfare services is also controversial in Norway, a debate is taking place on the basis that competition in welfare service provision is in place and likely to expand, albeit that many are uncomfortable with these developments.

The provision of services to the homeless can be conceptualised in two broad ways: services specifically designed for homeless people, and mainstream services used by homeless people. This article focuses primarily on services specifically designed to meet the needs of homeless households, but without excluding services not delimited to homeless persons (for example services targeted at people with addiction problems) but where the majority of the users may be homeless. Services specified for homeless people range from soup kitchens and other street services to shelters and health services and intervention for (re)settlement in temporary lodging or permanent housing.

Structures of homeless service provision

In France, public action for homeless people comes up against a complex bureaucratic machinery of institutions, measures, procedures and legislation. At first sight, the field seems to be dominated by the associations and local authorities, with central government largely absent. However, Damon has stressed, that given “the increasing segmentation of policies, it would be wrong to deduce that public action is disintegrating and the State is withdrawing” (2002, p. 179). Damon goes on to suggest that “it seems more plausible that the current movement in policies, appreciated in terms of caring for the homeless, should be seen as a stepped up effort of actors, resources and representations around the state” (2002, p. 179). The State henceforth out-sources to the local authorities and associations certain responsibilities that formerly fell under its exclusive purview. Because of the implementation of the EU decentralisation law, the abilities and the financing of homeless service provision are ascribed to the State, the Regions and the Departments.

We can broadly identify two types of intervention in France (Damon, 2002): emergency actions geared to persons in serious difficulty, and integration actions for those deemed with “potential for reintegration”. Paradoxically, the people in serious difficulties are cared for by the more precarious (i. e. emergency) sector, which has more financial difficulties, and in which professionals and volunteers have a more insecure status. Homeless people “in less difficulty” are cared for by associations better endowed with resources (i. e. integration sector), which are staffed by professionals who tend to be better educated and better paid. Thus, humanitarian associations are present in the emergency sector, and associations that manage shelter and social rehabilitation centres are more involved in the integration sector. A similar, although less pronounced division of labour and responsibilities is evident in Norway.

Actors in homeless services provision

Non-profit groups dominate the field of homeless service provision in France. Public providers have a minor role and are represented by local authorities and public undertakings like the railway services (RATP and SNCF), which also provide support to homeless people. Although the state has the political responsibility for homelessness, homeless services are financed by the state, local authorities (regions, departments, municipalities), social bodies (such as the CNAF; the family allowance department) and partnerships with undertakings (SNCF, RATP). In Norway, on the other hand, the local authorities dominate service provision for the homeless. Traditionally the non-profit sector plays a minor role in welfare provision in the Nordic countries compared to other European countries. However, precisely in services aiming at those most in need, including homeless persons, non-profit associations are significant actors. One important distinction between France and Norway is that in the first case the associations are the most significant service providers, whereas in the latter case they are supplementary to public services.

We can distinguish the various types of associations involved in caring for the homeless, according to four variables: expertise; dependence upon public funding; governance structure; and dependence upon voluntary or activist support. We can identify a wide associative diversity that forms a heterogeneous whole (Damon, 2002). On the one hand, one finds associations that are administrative divisions and operate in line with policy orientations, relying on public budgets (e. g. Secours Catholique, Salvation Army, ATD Quart-Monde). On the other hand, there are activist associations that manage services with less connection to the public authorities (Restaurants du cœur), or who take action to notify the public authorities (DAL which concerns people who are not only homeless but also in insecure and inadequate accommodation). Most associations are concentrated on certain homeless categories: addicts, young people, women, etc.

Table 1_ The associations involved in caring for homeless people. (F)=France, (N)=Norway

<i>Type</i>	<i>Expertise</i>	<i>Dependence on public funding</i>	<i>Service providers</i>	<i>Militantisme</i>	<i>Examples</i>
<i>Type 1: Administrative</i>					
<i>(1/a) Private</i>	***	**	***	*	<i>Secours catholique (F)</i> <i>Salvation Army (N)</i> <i>ATD Quart-Monde (F)</i> <i>City Mission (N)</i>
<i>(1/b) Public</i>	***	***	***	**	<i>Associations of FNARS (F)</i>
<i>Type 2: Humanitarian and militant</i>					
<i>(2/a) Interpellation</i>	*	*	***	***	<i>Restaurants du coeur (F)</i>
<i>(2/b) Denunciation</i>	*	*	*	***	<i>DAL (F)</i>

(source: adapted from Damon 2002)

A similar diversity may also be found in the larger cities in Norway. The non-profit or associative sector is dominated by long-established associations (such as the Salvation Army and City Mission operating a wide range of activities including homeless services provision), but also includes smaller scale religious organisations and informal groups. Beside the non-profit sector, there is a significant branch of private for-profit actors in the largest cities. These are operating in the temporary accommodation market, which developed in the wake of closure of the large-scale municipal shelters in the 1980s. Changes in the private temporary accommodation market are discussed below as an example of competition in service provision for homeless persons. Outside of the larger cities, municipalities responses to homelessness are ad hoc, comprising a mix of municipal services, provision from associations and private for profit suppliers (like shelters, B&B, and cabins) (Solheim 2000; Drøpping 2005).

Tendering in alcohol and drug treatment services

An example of the “purest” kind of market related competition can be found in the municipal Alcohol and Drug Addiction Service (RME) operating in Oslo. Since 1994, RME has accomplished tendering before entering into contracts with private

providers. Of the 34 units within the Department, private providers run eleven on contract to the authorities, and the authorities run the other 23. The eleven units, which are out-sourced, represent very different types of services; a complex of dwellings with tenancies, home/settlement services to former homeless persons, emergency services, health services and rehabilitation/treatment services. With the exception of rehabilitation and treatment institutions, which receive people in tenancies, the majority of users of these services are homeless or former homeless people. Resettlement services (dwelling with care/service) encompass contracts of both block purchase and spot purchase; a fixed price paid by Oslo central authorities (RME) and in addition, a "unit price" paid by Oslo district authorities. The district authorities may choose between different providers the municipality already have entered into contract with.

Apart from two rehabilitation institutions owned and run by foundations, the services are owned by Salvation Army, City Mission and Blue Cross. No private for profit companies are running the services, though such undertakings have tendered for services. The results of the competitions so far are that the providers have been chosen to continue to run "their own" services (i. e. the services they traditionally have run on contracts with Oslo municipality prior to competition). Competitive tendering has not brought forward any changes in choice of providers.

Irregular and insecure funding

Tendering is just one, and until now a rather limited, type of competition in the area of homeless service provision. In particular in France financial subvention, limited in scale and infrequently renewed, just as much as calls for tender, results in competition amongst the associations. As Bertrand et al (2006) have observed:

"The associations have positioned themselves in the field of accommodation services for homeless people during the 1980s and have participated in bringing forward a public policy. Recognised as experts in the field, they nevertheless depend on the authorities and public contribution for funding [...]"

The regulation of the activities of these associations is exercised by funding per project and exercising control following the budgets. For Bertrand et al (2006) "[I]f the associations have to extract funding by public plea for private donations, they remain dependent on public money". The funding of these associations rests upon the definition of their mission and not on their structure. However, some associations worry about the changes in their activities in the way their activity is funded, in that they are increasingly dependent on the public market. The transition to the public market is rationalised by the local authorities who fear that they will be subject to

juridical sanctions if they do not respect the legal system of the public market. The associations within FNARS have experienced this new type of contract during the last couple of years.

According to the associations, this type of competition has generally resulted in negative repercussions for those who are homeless, in addition to conflicting with the ethos of the associations. For example, associations are “forced” to select the “public” in ways which are likely to give a positive outcome in order to reach the quantitative target fixed. They are no longer obligations of means, but rather obligations of results.

Short term public funding of specific homelessness projects is also evident in the Nordic countries. The overt aim is to establish projects that may become part of the regular services in the municipalities and within the associations. Both associations and local authorities apply for governmental funding, sometimes in competition with each other. Sahlin (2004) has described project funding as a new way of governing the homeless and controlling how to address policy responses to homelessness. The origin of, and arguments for increased short term project funding may differ in France and Scandinavia, however the associations, far more than the municipalities, experience insecurity in relation to the sustainability of their services. Thus, increased competition may exacerbate the insecurity because it adds another unpredictable element³.

Competition about defining the needs

Since October 2006, the field of homelessness services in France, particularly in the larger cities, has been subject to renewed debate. Less funding and other difficulties facing the associations have contributed to tensions in the field. One particular incident, initiated by the association Enfants de Don Quichotte released existing, but not hitherto articulated, conflicts with the voluntary associations. Enfants de Don Quichotte attracted attention from both the media and the public in relation to the situation for homeless people. Enfants de Don Quichotte articulated a “civil rights” analysis of homelessness was “difficult to digest” for the majority of actors working with homeless people, because it expresses a long term need for improvement of services for homeless people. Enfants de Don Quichotte has also placed on the agenda that competition exists in relation to the nature of assistance and services that homeless people require.

³ Competition and tendering renders the actors involved to the risks of income losses thus creating insecurity among employees and even job losses. It is frequently questioned whether increased insecurity may cause qualified staff to leave services exposed to such risks, but there are so far no empirical evidence that this is the case. This side of competition, affecting the working conditions, is important but nevertheless has to be considered beyond the scope of this article.

Competition among the associations has increased the battle between the providers of services illustrated by the following example quoted in *Le Monde* (January 2nd 2007):

“The association Notre Dame Des Sans Abri, running the major emergency centres for homeless people on Greater Lyon, deemed Tuesday afternoon that the establishment of the Enfants de Don Quichotte as “indecent”, because it “denies the work of the associations” already present in the field, which know the needs of homeless people for continuous attendance to deal with their daily needs and problems. “This is a media hype which is disturbing and urged me to speak”, declared the president of Notre Dame Des Sans Abri, Yves Perret and called upon an action against the “bobo parisien” (Bourgeois bohemians).”

This example illustrates the “schizophrenia of the associations”. The term encompasses several contradictions. The first contradiction may be explained by the tug of war between militants and activists on one side and, on the other side, the demand for improved quality in the services. The second contradiction, closely linked to the first, are illustrated by the ongoing manoeuvres by the associations, between the urge to expose themselves to competition with other associations to obtain donations and their mission of public service to homeless and other excluded people (Hély, 2006). As the state has only partial knowledge of the needs of homeless people, it turns to the associations, not only to provide direct services, but also to evaluate the need for services and to tender for funding to provide the required services. The associations need competence to legitimate themselves in relation to the authorities. Institutionalisation of the associations has given them knowledge and competence about how to get in position to obtain public funding (Lochard *et al*, 2003). Professionalisation may further lead to the associations losing their distinctive features.

Competition about service users

Competition between the actors working with homeless people emerges at the level of service provision and frequently in the streets. On this level, the competition about service users is significant and conspicuous. Damon (2002, P. 187) noted that since the 1990s:

“flotillas of vehicles have been assigned to criss-crossing the streets of the capital to spot homeless people, offer them aid, and if necessary, to refer them to an accommodation centre, a meal-dispensing facility or a hospital. In addition to the police cars of the homeless assistance brigade (known by the French acronym “BAPSA”), there is also the minibus of the social emergency medical services, but also the “Camions du cœur” [lorries of the heart] (made available by the “Restos du Cœur”), the vans of the Paris

Mayorality from operation “Cœur de Paris” [Heart of Paris], and the minibus of the association Médecins du Monde. Each of these mobile measures was created to target a particular period, sub-population or sub-problem. ”

A similar competition was noted in the case of distribution of meals a decade earlier. At the beginning of the 1980s, soup kitchens and the distribution of food and warm meals multiplied. Large associations such as the “Restaurants du Cœur” prepared and served numerous meals to the homeless people in or near train stations, in the street, in front of churches or at squares.

“Thus, in the winter up to four or five different associations can be found round large stations on certain evenings, a few dozen metres from each other, offering meals, food parcels or coffee. Tensions are high between these associations, which at times have a different view of the problem. This coexistence is unstable and leads, rarely but spectacularly, to confrontations, albeit only verbal, between volunteers or permanent staff members of these organisations, eliciting the surprise or consternation of passers by or the homeless. ” (Damon, 2002, p. 188)

According to Mélanie King, in charge of emergency sector at FNARS in Ile de France, “*maraude*” (cruising or prowling minibus) is a reoccurring problem in France and particularly in Paris. Although not covering every part of Paris, the concentration is quite high in certain areas, like the Halles (1st district of Paris) and close to the railway stations. Certain places are also visited repeatedly during one day or night (and homeless persons are wakened several times for a cup of coffee, in spite of their need to sleep).

One distinguishes between two types of *Maraudes* on the basis of their competence: those who intervene “rapidly on the basis of judgement of the health and social needs in a given situation and act on the available measures” (RATP, Samu Social de Paris, BAPSA) and the *Maraudes* of social intervention “which work on longer terms with the objective to establish a social link with the homeless persons they meet and to offer shelters and/or social support” (Samu Social de Paris, Emmaüs, Restaurant du Cœur, Cœur des Haltes). Some of those services might be considered complementary to each other; but at the same time, they are competing about offering services.

Unregulated field

In Paris, many of the large associations, like Emmaüs, Les Restaurant du Cœur, Cœur des Haltes and Red Cross constitute the *maraudes*, and so does Samu Social de Paris, Paris municipality, and BAPSA (which constitutes the main element of the homeless services in the Préfecture de Police) and even the railway services RATP and SNCF. All these institutions are supported and/or funded by the state for their

maraude activity. In addition, there are other associations, religious and/or “*caritative*”, e. g. a student association or a small group of parishioners may spontaneously and independently decide to go out and distribute coffee and sandwiches to homeless persons in their neighbourhood.

A similar picture, but in a small scale, may be observed in the largest cities and in a few towns in Norway. In Oslo the authorities have taken an initiative to regulate the actors’ access to the streets and their activity. In the cities of France the diversity of actors, the scale of the areas and homeless persons create a complex situation. The main problem identified in this area relates to the coordination of the different services. The absence of coordination evokes competition between the actors and rivalry between the leaders of the services. Everyone aims to become known, to be valued for his or her efforts, but without trying to link one’s own work with the other actor’s work.

The complexity opens up the possibility for provocative activity towards persons living in the streets. The most quoted example is the “pig soup”. In the winter of 2006, a group of extreme right wing political activists distributed soup containing pork to rough sleepers. Their slogan “Ours before the others” clearly indicates hostility towards Muslims who are homeless. In 2006 the Ministry responsible for social inclusion instructed the “*prefet de Paris*”, in cooperation with the associations and other actors involved, to report on how to coordinate the services of the *maraudes* in Paris, “with the aim of reaching an agreement about the exhaustive coverage in Paris”. This charter of good practices and measures was signed in May 2007 aiming at avoiding discriminating practices (like “pig soup”) but also to organise and coordinate the services in the streets of Paris.

Competition and quality agreement

Finally, an example of call for tenders in shelter services may illustrate some of the difficulties in achieving competition in relation to homeless services. The provision of temporary accommodation in Norway is unregulated in relation to controlling delivery of services, standards of the services and standards of buildings. There are no statutory imposed minimum standards for services (i. e. minimum number of employees or professionals trained in social work or health care). Pricing is on an overnight basis and more on a level with hotel and B&B costs than with shelter costs. All studies of the hostels showed that it was an extremely low standard service, very expensive and it did not function as short-term accommodation.

Criticisms from workers in detoxification services, together with repeatedly negative publicity led to intervention from authorities. Oslo, the far biggest user of the private hostels, initiated a ‘hostel project’ in 2000 and over a period of two years achieved a 50% reduction in the number of persons staying in hostels, which accounts for the total reduction in homelessness figures in the period (Ulfrstad, 1997; Hansen

et al, 2004; Hansen *et al*, 2006). Although a hostel was considered temporary accommodation, some people were living in the same hostel for ten years or more and others circulating between different hostels for years (Dyb, 2005b; Hermansdottir, 2002).

Oslo also initiated another important improvement in this type of accommodation. Quality agreement between private contractors and the authorities was introduced securing a certain standard and a minimum of services in the hostels. Quality agreements have been put forward by the government and are adopted by other local authorities. Hostel providers were selected on the basis, firstly, that the authorities approval of the facilities and, secondly, the providers were willing to sign the quality agreement. The main elements of the quality agreement are to secure basic standards with respect to room equipment, cleaning, minimum staff and ensure privacy and safety of the clients. In addition, single room provision was introduced as standard.

The authorities in the two largest cities, Oslo and Bergen have within the last year completed tendering for contracts in temporary accommodation. Authorities in Oslo launched the first call for bids for the provision of temporary accommodation in August 2006, however no bids were submitted. Of the four providers who had already entered into quality agreements, one did not want to renew the contract stating that hostel services had become less rentable than ordinary hotel operation (Dagsavisen August 30th 2006). None of the voluntary actors who are running services for homeless people tendered for the contracts on temporary accommodation. The City Mission and Salvation Army are very explicit that they did not want to run temporary accommodation without being able to offer professional and sufficient services. Improvements of standard and quality in this case resulted from political action.

Competition and Impact on Standards in Services

There are at least two opposite positions concerning the term “competition”. One is that applying the concept of competition in the field of welfare services is inappropriate because it introduces the commodification of services for marginal individuals (Lipse, 2006). The second, more liberal position, argues that competition has favourable effects and this position, which is described by Le Grand (2007), is briefly discussed above. This part of the paper examines whether competition has an effect on the quality and standards of homelessness service provision. This question leads to another; how should quality and standards be measured? As demonstrated above, services for homeless persons embrace a wide range of providers and types of services. However, some common measures should be applicable to all:

- User satisfaction; does the user experience that their needs are met and how does the user evaluate the quality of the services?
- Coherence between ends and means; does competition affect the results whether these are shelter provision, meal distribution in the streets or more extensive integration measures?
- Rivalry; is the quality and standards of services affected by tensions and rivalry among providers?
- Efficiency; does competition improve efficiency in service delivery?
- Value for money; is public funding spent in justifiable ways?

A subordinate question is whether competition leads to increased professionalisation and qualifications among associative providers, a question particularly important in France and other countries where associations and the voluntary sector are major providers of homeless services. Answering all the questions is beyond the scope of this article. Indeed, it is doubtful if there are available evaluations or assessments of homelessness services to allow consideration of all these questions. Nonetheless, the examples presented above do however allow some reflections to be made.

User satisfaction

In both countries, there is little investigation of user satisfaction. In France, there is no published study of user satisfaction with homeless services. BVA conducted a survey among user of the emergency centres run by the association Emmaüs involving a representative sample consisting of 401 users above 18 years were interviewed by the staff in the centres. The questionnaire covered questions about lodging, health, daily problems, social support, “solidarity” and the future. Except for a question about the utility of the centres, there were no questions covering the user (dis)satisfaction with the services.

Since Oslo introduced quality agreements with private shelters in 2003/2004 regular user surveys have been conducted. In all three surveys, the majority of service users reported their satisfaction with conditions. However, these surveys do not provide figures from the period before quality agreements were introduced. Improvements are resulting from political actions. Introducing tendering within the Alcohol and Drug Addiction Service (RME) in Oslo was accompanied by the development of tools to measure (among others) user satisfaction. User satisfaction was not conducted before the introduction of competition and thus do not allow the measurement of the impact of competition.

Competition and results

In France, the NGO sector is at a turning point between two models of work. Each association presents their needs, mainly financed by the State and the State has no general policy for intervention, coordination and guidance for supplying services for homeless persons. However, by introducing public contracting (“commande publique”), the service providers see themselves forced into competition on a public market to obtain the necessary funding of their activities. The challenge for the sector is to obtain knowledge about how to fit these two models to evaluate the objectives and needs and to propose a form of cooperation between the associations and the other suppliers of homelessness services, which allows coordination and guidance of the associations on national level.

According to the Oslo authorities, competition brings forth an urge to specify standards and be very specific about what is expected from providers. Thus, competition represents a driving force to improve quality and standard. Nevertheless it may be questioned whether competition has led to improved services by introducing tendering in alcohol and addiction treatment services (RME). Two of the services, one owned by the City Mission and another by Salvation Army, were established as part of Project Homeless, a national development scheme partly funded by the government. Generally, services and housing brought forth by Project Homeless hold high standards (Dyb, 2005a). These services were also the ones most entailed with conflicts during the project period because the Oslo authority had decided to call for tenders.

Tension among providers

In France, “competition” is not connected to improvement of services per se. Rather, competition is founded in personalised conflicts attached to the legitimacy of the head of different associations, competition for obtaining funding for the services and in rivalry about the areas of operation. Competition in this case may also be presented as lack of cooperation. The tensions are numerous both between the associations and equally between association sector and other actors in the field of social services. According to Damon (2002, p. 110):

“If the social problem of homelessness is entered in the policy agenda, without conflicts between the actors of the care system, more conflicting relations may arise between associations and/or the policy entrepreneurs. Within this “coalition for a cause, ” that brings together associations, competition may arise between interests and beliefs. Competition between the representations is easily spotted. Conflicts, in particular for recognition and access to public funds, may emerge. Behind a strong public unanimity, which is not merely a façade, oppositions take shape in the corridors and offices of the administrative authorities, ” and we could add, in the corridors of the associations.

In Norway, competition within alcohol and addiction treatment services has so far not created any particular tension among the organisations. They have tendered for the services they traditionally ran and stayed out of each other's fields. However, the large providers, City Mission, Salvation Army and the Church Social Services foresee that more extensive tendering may lead to increased competition and tensions if they come to a point where they are tendering for each other services. Thus, the outcome of increased competition is likely to be less cooperation.

Efficiency and value for money

Advocates for competition in welfare services claim that service will be more effective, be better value for money and achieve higher quality. The extent to which this is the case is highly contested. Expenses involving tendering are often high and efficiency is not always in accordance with the aims of the services. The associations in Norway make a distinction between treatment services, which are more limited in time, and housing and reintegration services which may encompass long-term follow up of the recipient. NGOs in Norway claim that competition is not very fruitful in the development processes and that voucher financing (spot purchase) applied in some of the re-housing services creates an unpredictable situation because every change in the user's needs is subject to negotiation between the authority and the service provider. Placed in a situation where continuous negotiation with the authorities over each service user is vital for obtaining funding, the associations are forced into role as a neutral partner in order to maintain credibility, which results in a discontinuance of their role as advocates for the marginalised.⁴ In addition, competition among providers might be counter productive. As demonstrated in the French case, associations are working in the same field and although some types of provision are complementary, the competition about the users is more striking. Public funding as donations from the public is spent on the same users and often leads to duplication of services.

In Norway, the large associations professionalised their health and social services at an earlier stage and competition has probably not contributed to this. The major changes occurred in the 1990s. Today the wage level, tariffs and other conditions are similar to those in public services. Employees are highly qualified. The associations believe they are competitive because they offer high standards on services. However, they also question whether they are becoming too similar to public services and increased tendering, encompassing specified and detailed demands, accelerate the process.

⁴ Sources: City Mission and Salvation Army, oral presentations at an open seminar arranged by Norwegian Institute for Urban and Regional Research, Oslo, September 19th 2007.

Conclusion

This paper has attempted to disentangle the meaning of the term competition in welfare, in both policy and practice, utilising a case study approach, which focused on the provision of services for the homeless in France and Norway. The two countries selected, while having different administrative structures, different actors taking primary responsibility for homeless services and different levels of homelessness, are nonetheless experiencing pressures to remodel existing services under the broad rubric of competition. However, perceptions of what competition entails varies considerably by country and what is clear is that competition in welfare services and more particularly, homelessness services is a contested and problematic concept in both theory and practice. Competition as we highlight in the paper is very broad and reflects strategies that range from various administrative techniques for the achievement of greater transparency in the allocation of public funding to the full commodification of welfare services. While some evidence can be found of a greater or creeping 'marketisation' of homeless welfare services, the overall impact is relatively slight to-date in both countries. This is not to deny that changes are occurring and that, certainly in the case of France, are creating certain unease amongst existing NGO service providers in relation to recent changes. However, this unease in part reflects the fact that existing arrangements between statutory agencies and certain voluntary agencies are under review and this unease is a consequence of the fragmentation of these arrangements rather than as a consequence of competition per se. In France, competition is not only an economic question affecting the way organisations function and the quality of service they can provide, it also affects and constrains cooperation between voluntary associations. This lack of cooperation and of the political choice it implies (private interest instead of general interest) has direct consequences for homeless people. As we point out, rivalry rather than competition between services may more accurately reflect the current situation. We are not in a position to offer any evidence about whether this creeping marketisation of homeless services has improved the quality of service provision for the homeless people. This reflects both the relative novelty of some of these changes and the lack of detailed data evaluating the changes, particularly from the viewpoint of the homeless themselves. In conclusion, the article highlights that competition in welfare services is a multi-faceted phenomena, with multiple layers and a range of actors. In particular, competition should not be reduced to a narrow economic understanding of the term. Homeless service providers compete for not only finance, but also compete for status, power and influence.

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