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# Relation of service and mission of provider in a quasi-market

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# Outline

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- I. Field of research and analytical framework
- II. Methodology
- III. Empirical results
- IV. Conclusions

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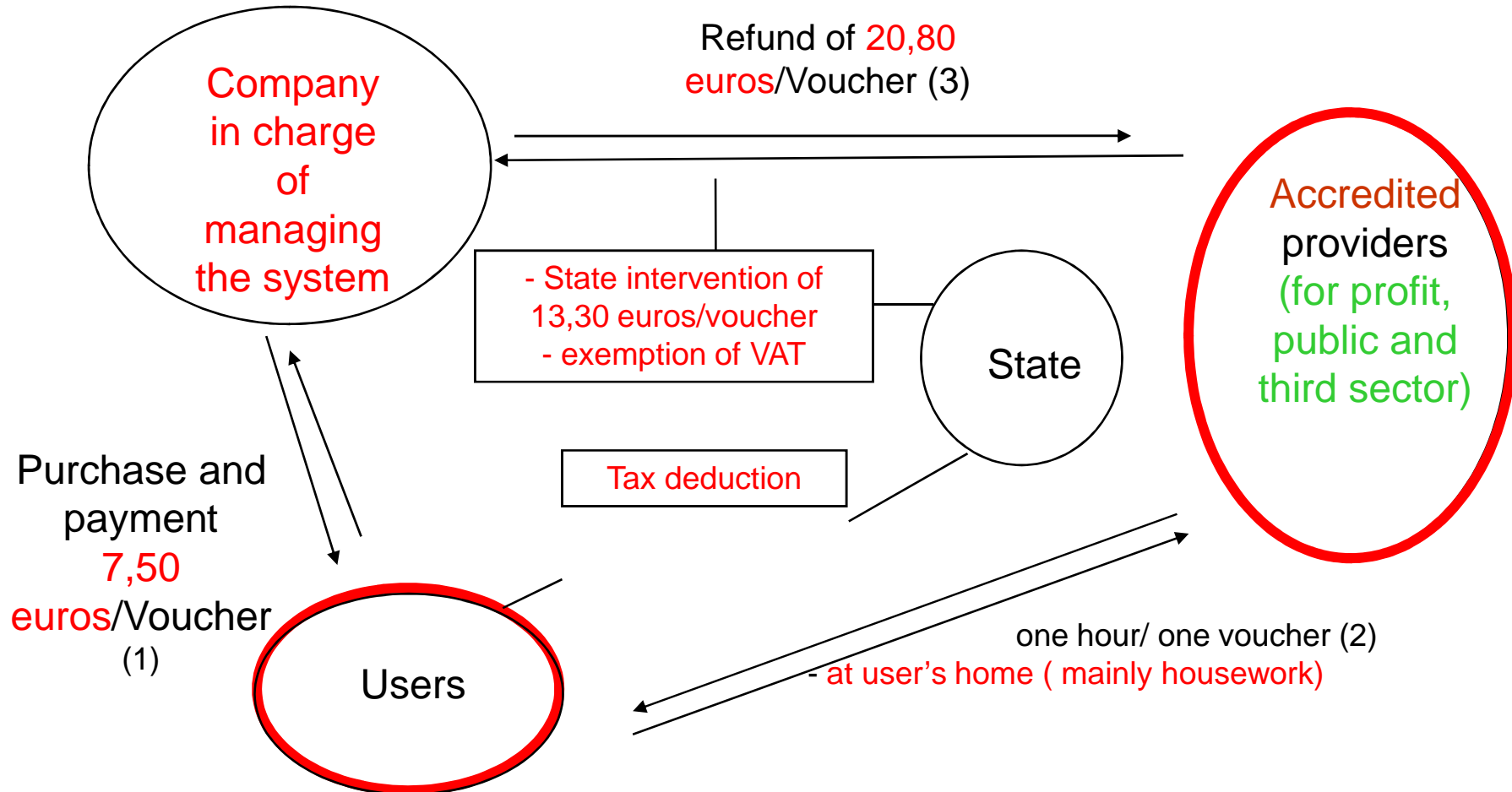
# I. Field of research and analytical framework

## Evolution of public regulation in the field of « social services »

**Why?** Increase efficiency and responsiveness of public services, to support free choice of providers, and explore new employment fields

	Tutelary regulation	Quasi-market regulation
Types of providers	Public and third sectors	All types (third, public, and for-profit sectors)
Competition	Limited	No restriction
Public financing	To the supply side	To the demand side (vouchers,..)
Example in Belgium	<ul style="list-style-type: none"><li>- Home care services for frail and elderly people</li><li>- Work Integration Social Enterprises</li></ul>	Service voucher → develop both employment and personal services (at this stage, mainly housework), for all types of users

# The voucher system



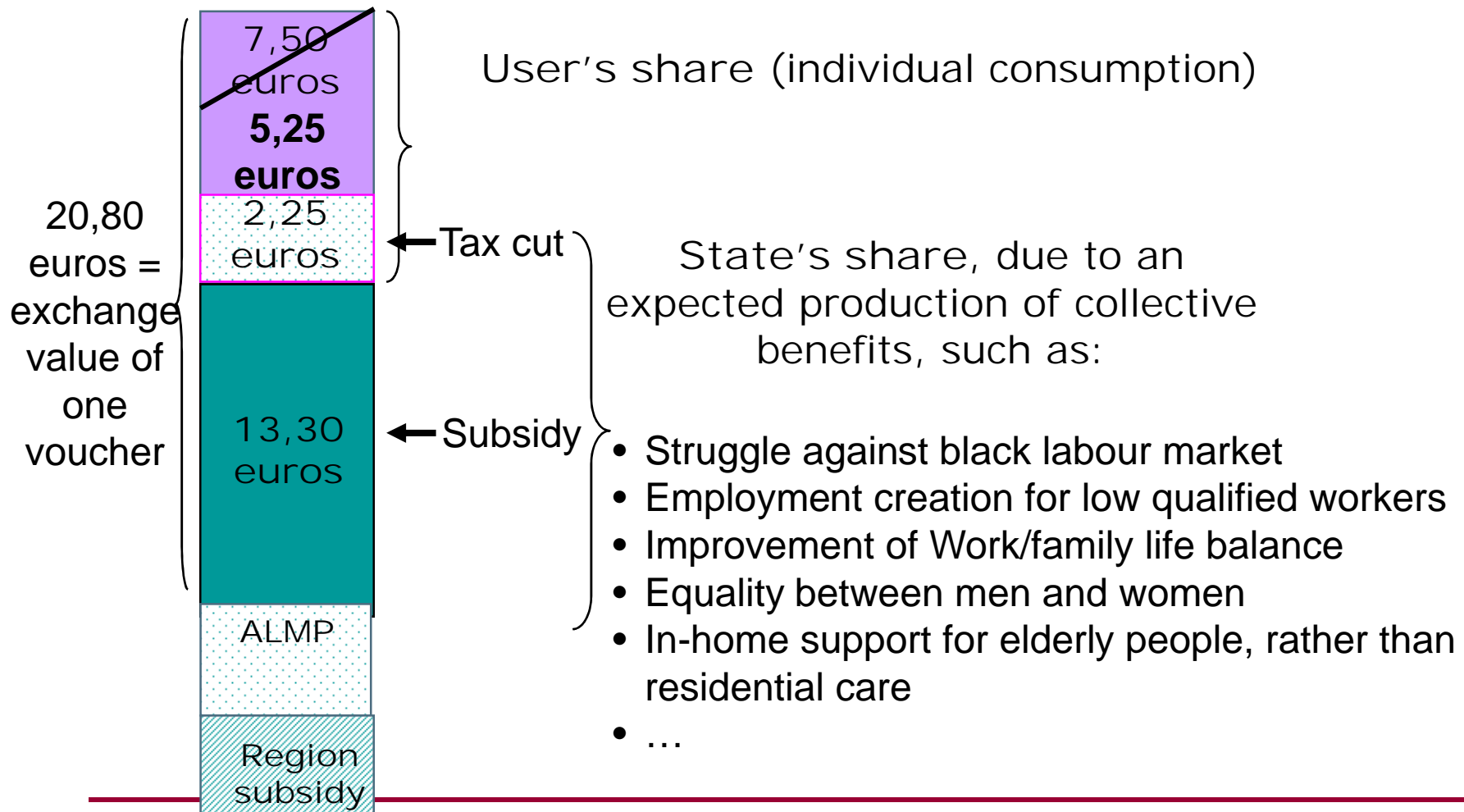
# Typology of providers, according to sector and mission

	Third sector		Public sector		For-profit sector	
Mission	Work integration	Home care	Work integration	Home care	Profit	Profit
Providers	WISE	Home care services for frail and elderly people	Welfare local social services	Home care services for frail and elderly people	Temp. Work agencies	Firms
Regulation	Service voucher quasi-market					
	Tutelary	Tutelary		Tutelary		

## The voucher system : an impressive success ...

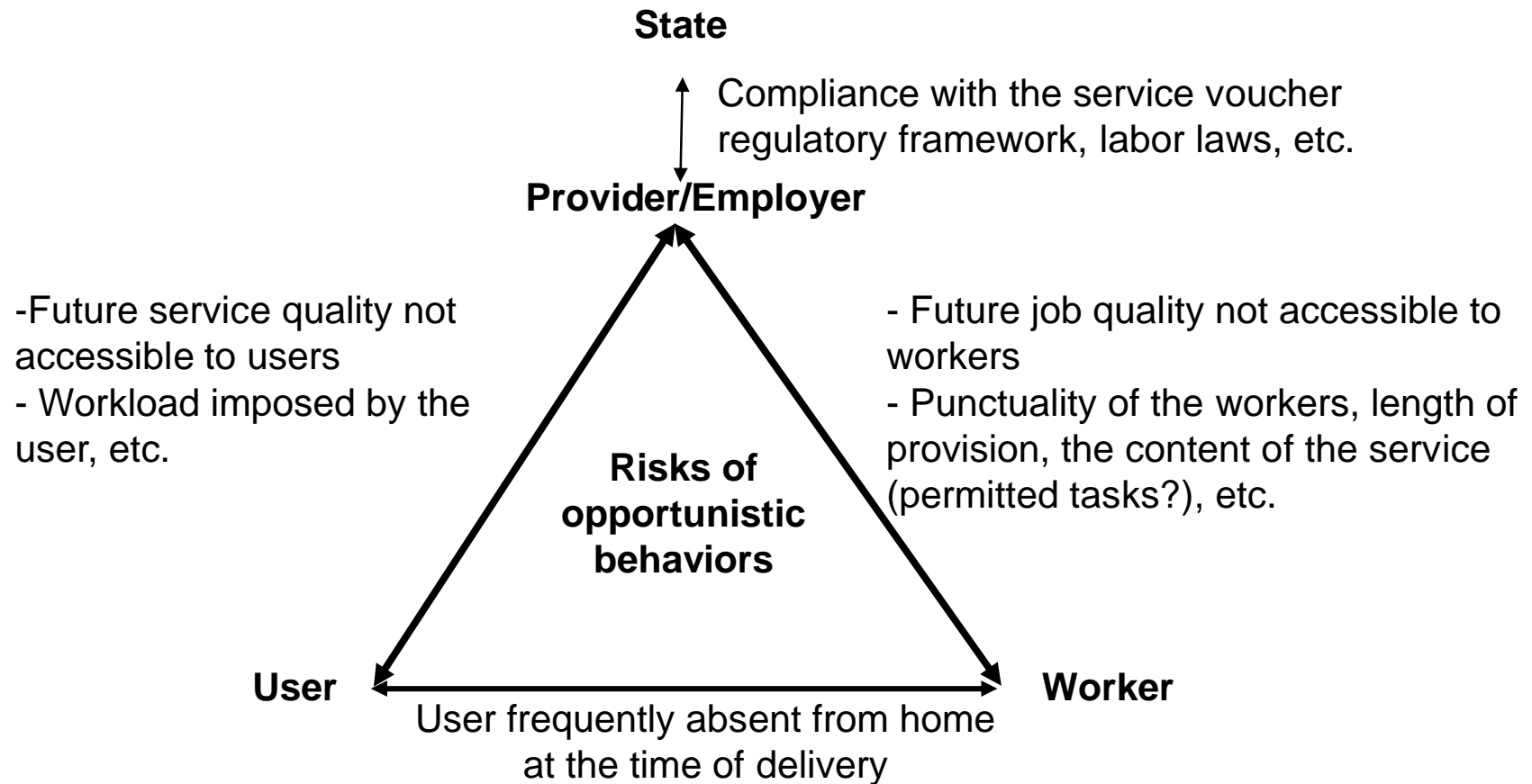
Nb accredited providers	+/- 2000
Nb users	+/- 800.000
Nbr workers	+/- 100.000

# First market failure: positive collective externalities



# Second market failure: asymmetries of information, leading to quality uncertainty

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# Research question

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- **In a context where:**
  - There are market failures
  - The system is lightly regulated (accreditation not demanding, derogations allowed to labour laws, subsidy not related to any criteria of job or service quality)
  - Workers as well as users are potentially vulnerable (mostly low qualified workers, and 30% of users above 60)
- **Does the mission and/or the sector of providers influence the quality of employment and of organization of the service?**
- Results must be related to financial resources...:
  - Service voucher subsidy
  - Active labour policies
  - Regional subsidies

# Methodology used

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- Data :
  - Surveys carried on a sample of 52 organisations located in the three Regions of Belgium
  - Two exhaustive databases from the national Belgian office for employment (“ONEM”)
- Exploited thanks to traditional statistical methods (the factor analysis and the cluster analysis)
- For the job quality analysis, data have also been exploited thanks to a Data Envelopment Analysis method

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## III. Some emblematic results

# 1) The start up of the service: **Written agreement**

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	<b>With a contact user/provider</b>	<b>Without a contact user/provider</b>
<b>At the user's home</b>		
<b>Outside of the user's home</b>		

## The start up of the service: **Written agreement**

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	<b>With a contact user/provider</b>	<b>Without a contact user/provider</b>
<b>At the user's home</b>	Visit by the provider of the user's home	
<b>Outside of the user's home</b>		

## The start up of the service: **Written agreement**

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- Functions of a visit to the user's house :
  - Regarding the quality of the service : evaluation of the profile of the user and his/her needs
  - Regarding the quality of the employment: evaluation of the salubrity, the security of the workplace, the work load

## The start up of the service: **Written agreement**

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	<b>With a contact user/provider</b>	<b>Without a contact user/provider</b>
<b>At the user's home</b>	Visit by the provider of the user's home	
<b>Outside of the user's home</b>		By mail

## The start up of the service: **Written agreement**

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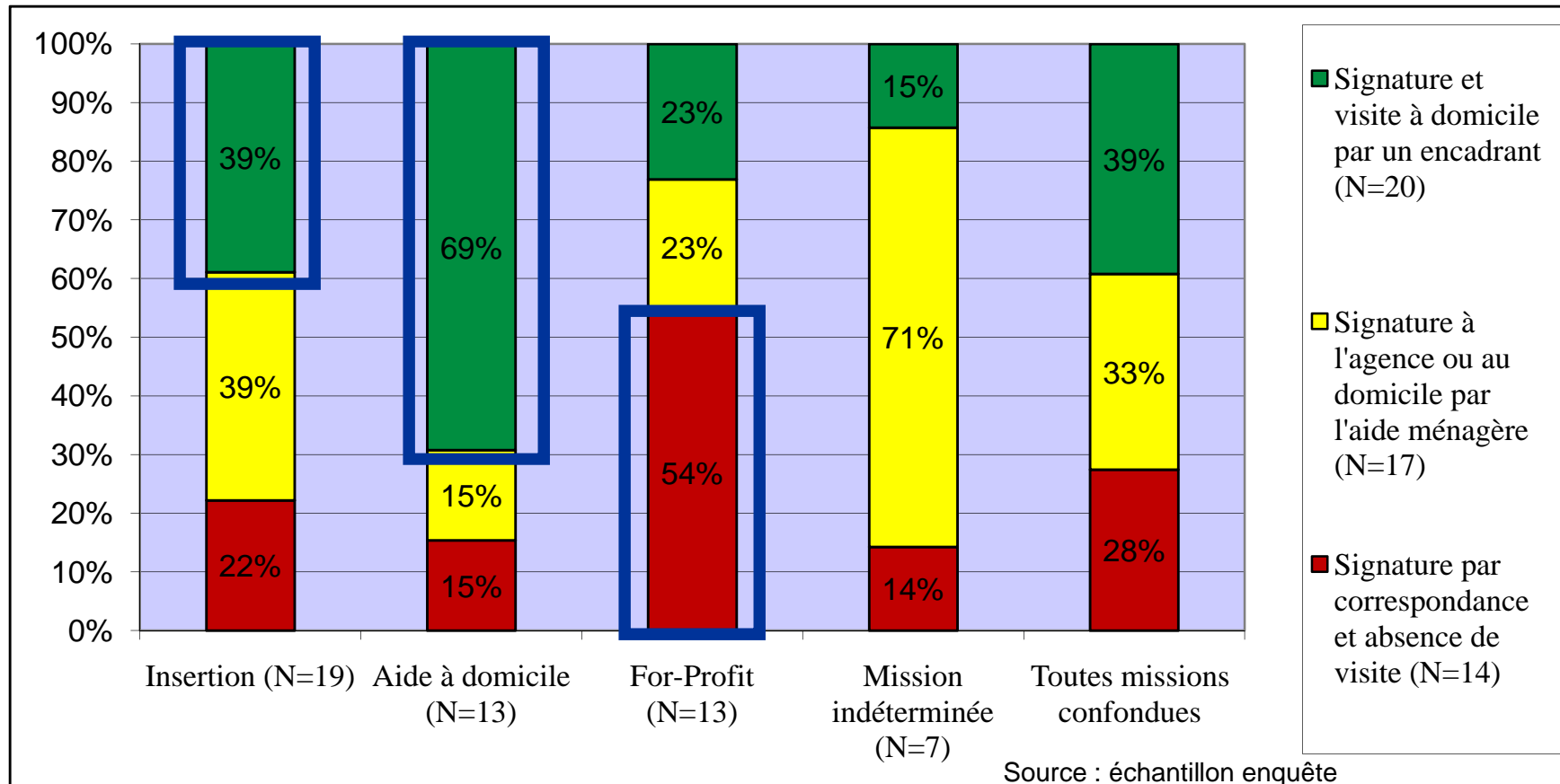
	<b>With a contact user/provider</b>	<b>Without a contact user/provider</b>
<b>At the user's home</b>	Visit by the provider of the user's home	
<b>Outside of the user's home</b>	Signature at the enterprise	By mail

## The start up of the service: **Written agreement**

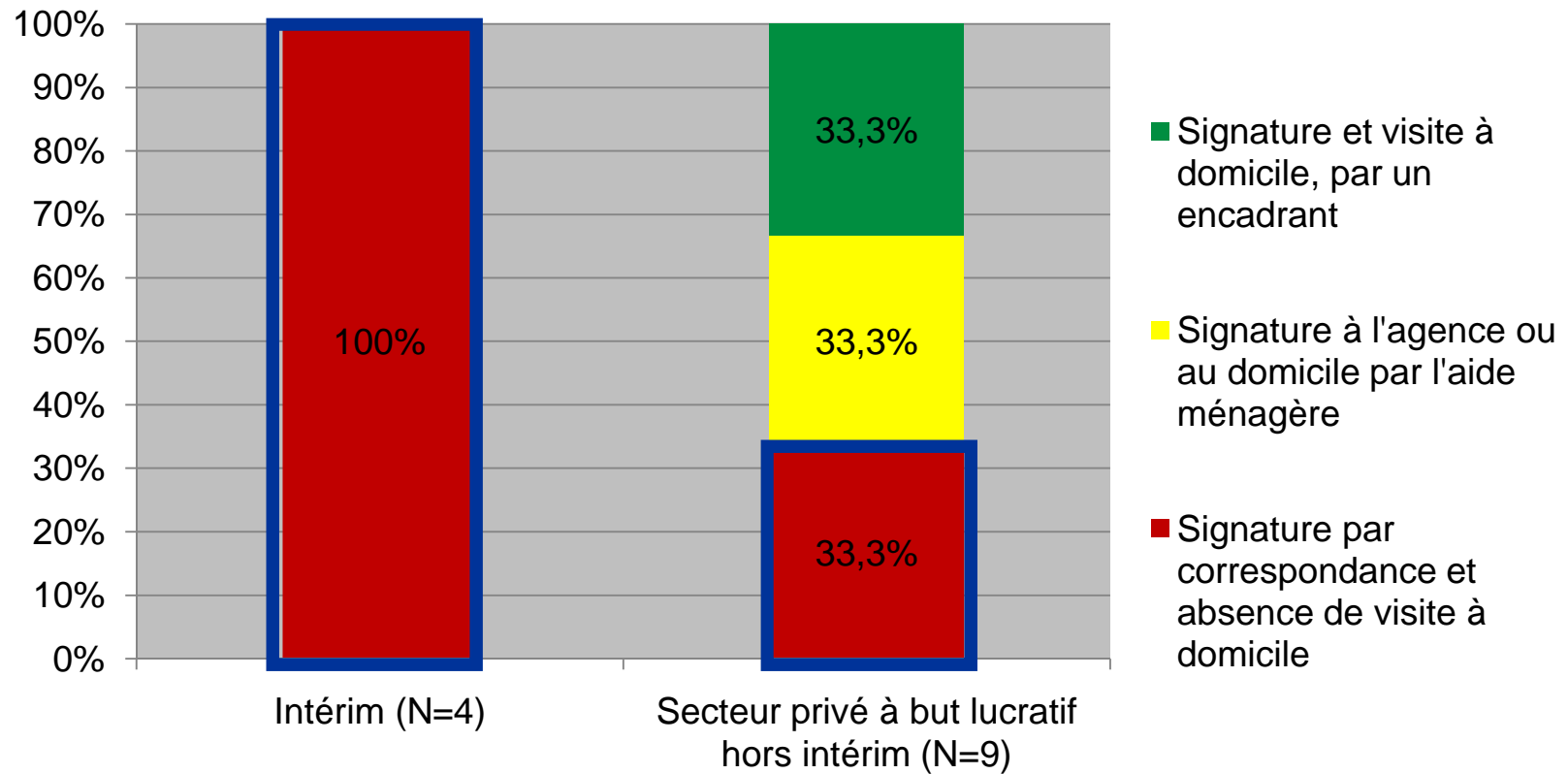
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	<b>With a contact user/provider</b>	<b>Without a contact user/provider</b>
<b>At the user's home</b>	Visit by the provider of the user's home	By the worker at the user's home
<b>Outside of the user's home</b>	Signature at the enterprise	By mail

## The start up of the service: **Written agreement**



## The start up of the service: **Written agreement**



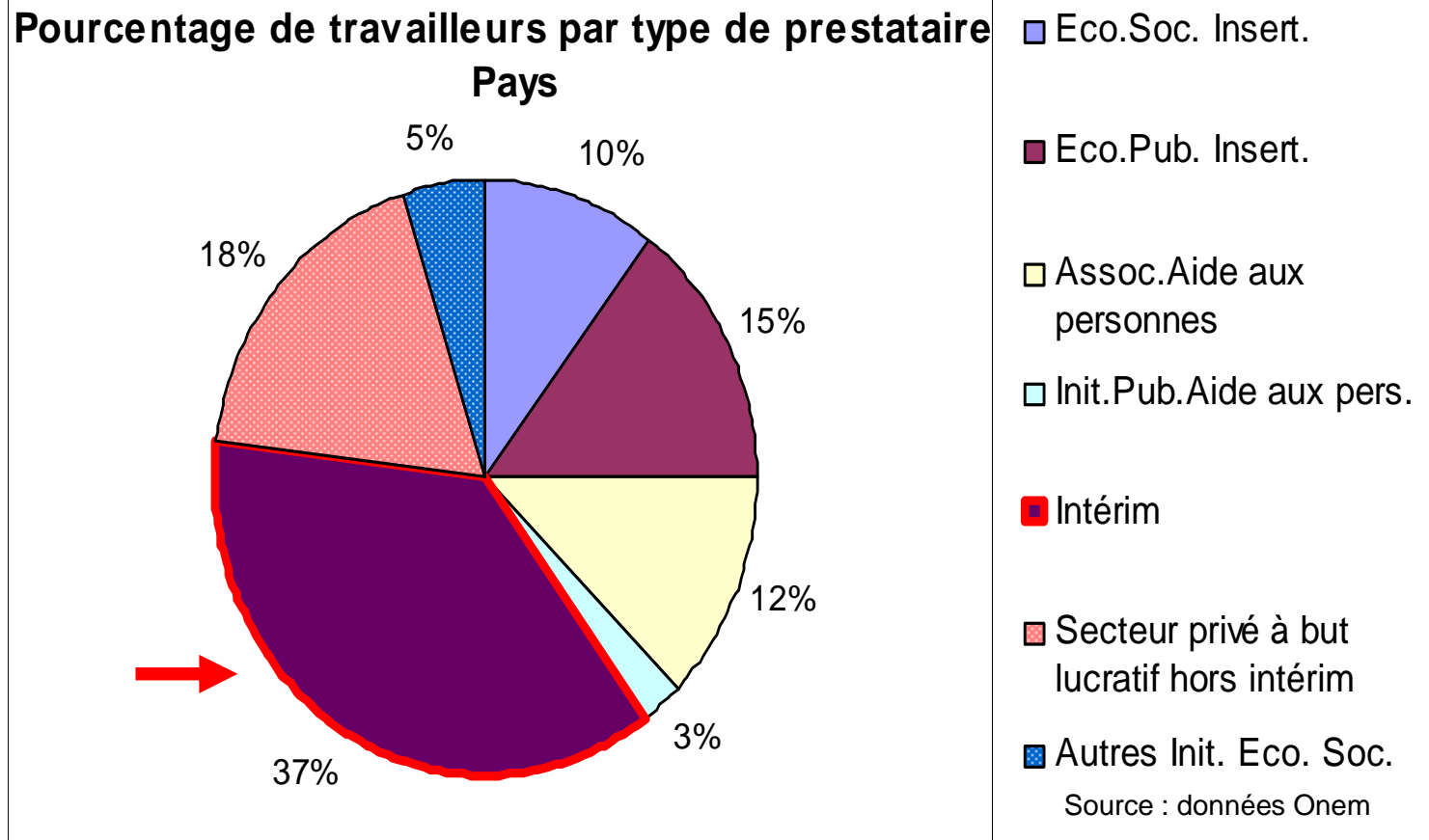
Source : échantillon enquête

## 2) Number of workers by type of provider

Secteur privé à but lucratif : 55%

Secteur économie sociale : 27%

Secteur public : 18%

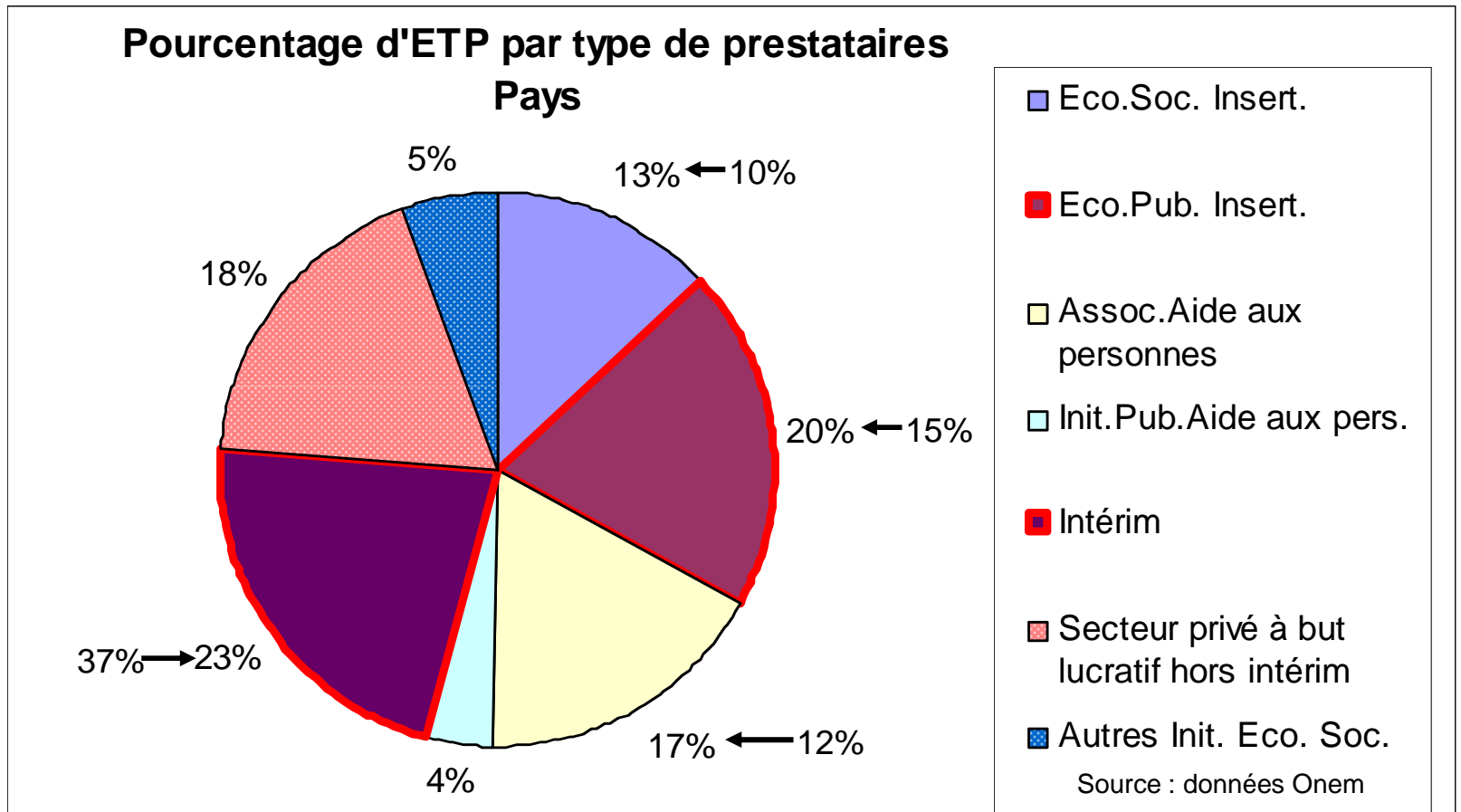


## 2) Number of FTE workers by type of provider

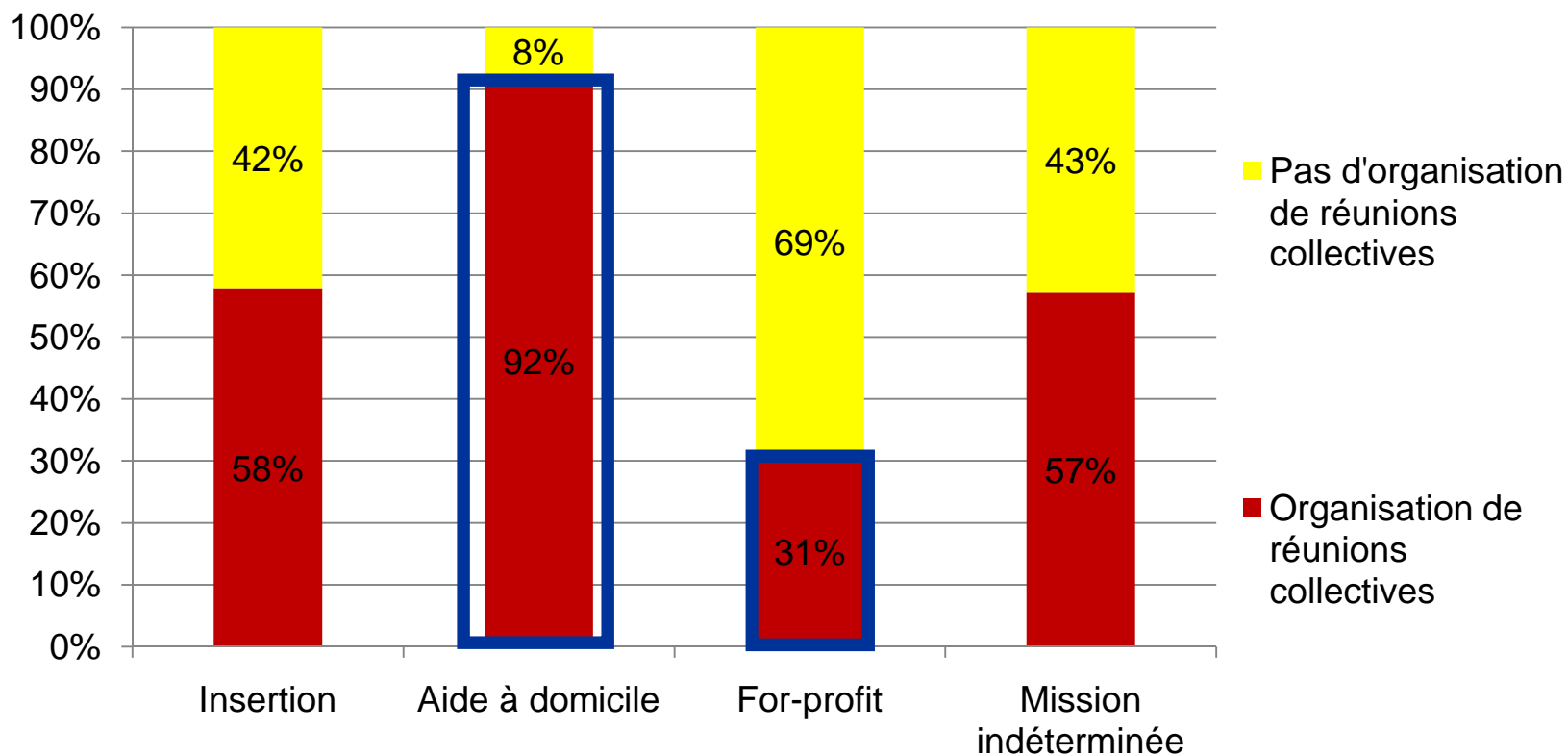
Secteur privé à but lucratif : 41%

Secteur économie sociale: 35%

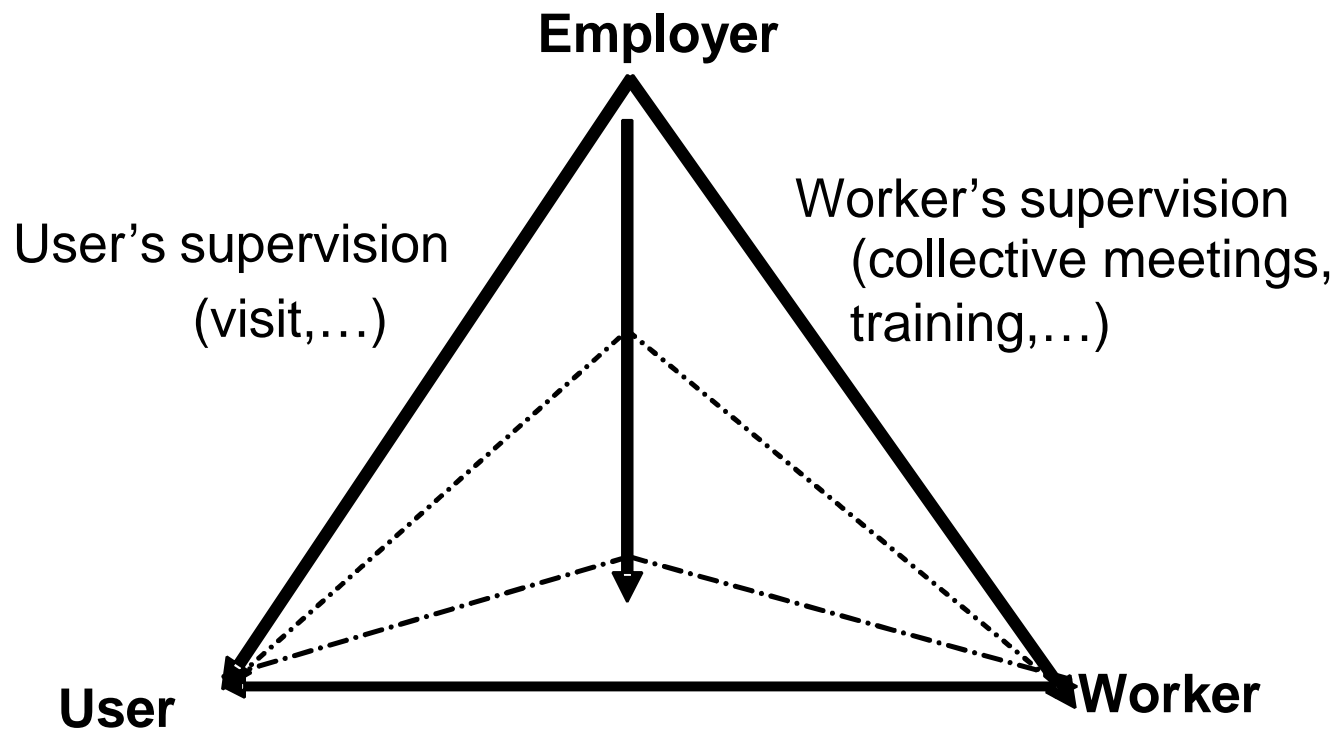
Secteur public: 24%



### 3) Organisation of collective supervision of the workers



Source : échantillon enquête



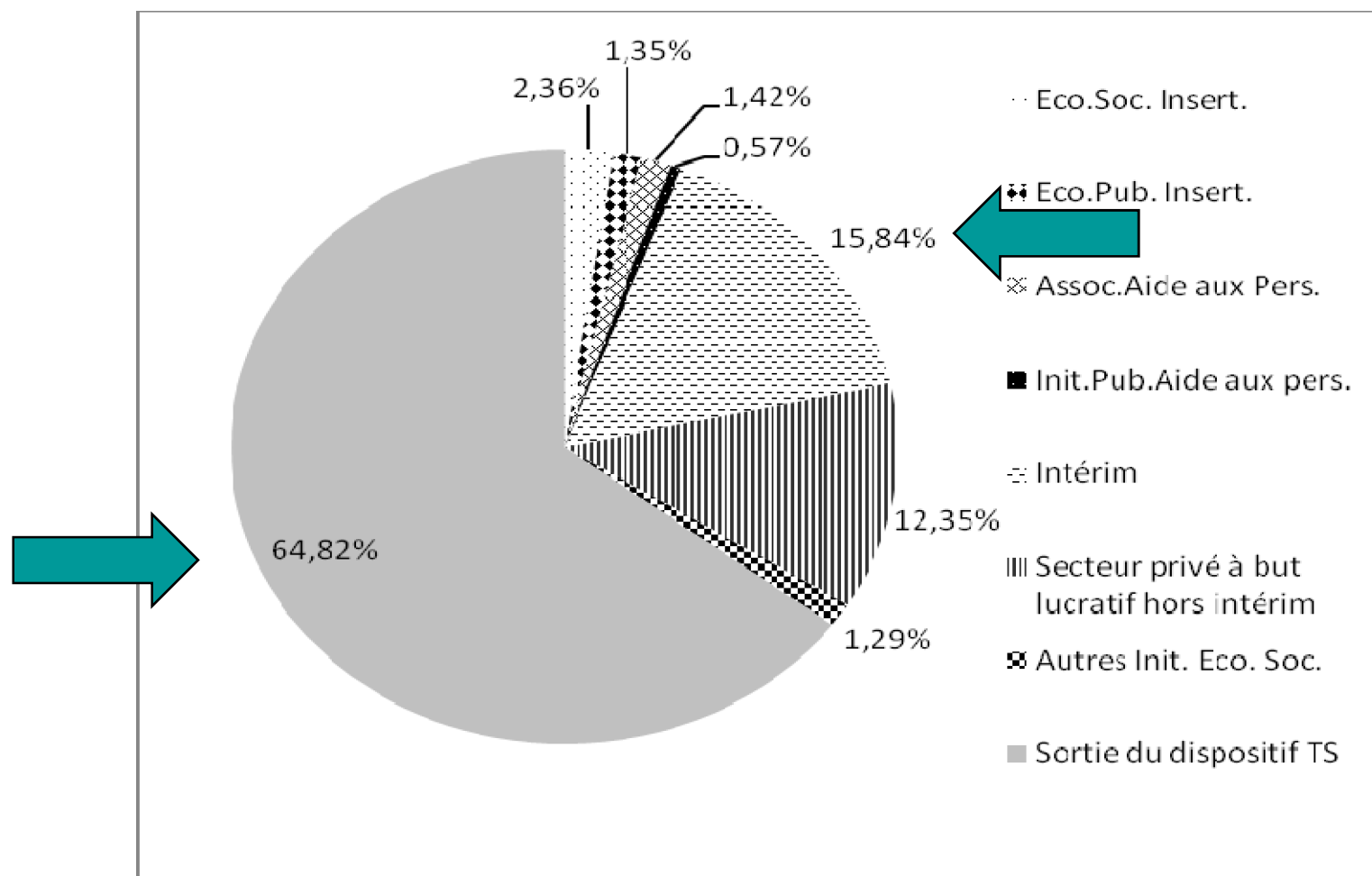
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For temporary work agencies:

The more important is the satisfaction of the client (commercial relationship)

- A (job) « interview » at a new client's home
- Long term contract if the client is satisfied
- No respect of the anti-discrimination law
- The provider is just an administrative intermediate

# Destination of the workers who left their first employer



# Conclusions

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- The *type of regulation* and the *type of mission* determines the nature of outcomes, especially regarding the collective impacts :
  - Organisations with a social mission that are still embedded in a tutelary mode of regulation take more into consideration the needs of vulnerable workers and users.
- Social mission and access to public financing...

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- The Federation of temporary work agencies : an « over-subsidiation » of public or third sectors' providers, inducing a situation of unfair competition.
  - Gadrey (2004) : in a context of quasi-market, subsidies are legitimate as long as providers contribute to the general interest.
  - Quality of employment and of the organisation of the service has a cost and therefore can legitimate additional public funding to compensate the contribution to the general interest

- Final report: [http://www.belspo.be/belspo/ta/publ\\_fr.stm](http://www.belspo.be/belspo/ta/publ_fr.stm)
- Regards économiques N°69, avril 2009  
~~Les titres-services : quelle qualité d'emploi et d'organisation du service ?~~ <http://www.uclouvain.be/285518.html>
- Defourny J., Henry A., S. Nassaut, Nyssens M., 2010, Does the mission of providers matter on a quasi-market? The case of the Belgian "service voucher" scheme, Annals of Public and Cooperative Economics (in press)
- Laurent Gardin Marthe Nyssens, 2010, Les quasi-marchés dans l'aide à domicile : une mise en perspective européenne, Annals of Public and Cooperative Economics (in press)
- Nassaut S., Nyssens M., (2009), « Civicness and service governance: the case of the Belgian quasi-market in the field of proximity services », in Evers A., Brandsen T., Dekker P., Civicness in the governance and provision of social services, NOMOS publishing house
- Nassaut, S., Nyssens, M., Vermer, M.-C., (2008) : Les effets d'une coexistence de différents modes de régulation, suite à la création d'un quasi-marché dans le secteur belge de l'aide à domicile. Le cas des Services agréés d'aide aux familles et aux personnes âgées, in : ~~Revue économie et société~~, série EGS, n°9, 2, pp. 265-292