

**CONDITIONS INFLUENCING CONCURRENCE BETWEEN  
VOLUNTARY AND MUNICIPAL OPERATIONS\***  
**- RUDIMENTARY HYPOTHESES AND AN EMPIRICAL EXAMINATION  
THROUGH A CASE STUDY**

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The relationship between the Swedish public and voluntary sectors has been subject to debate on and off during the 20th century (Lundström & Wijkström 1995). In the past ten to fifteen years the debate has intensified. This coincides with a more general discussion on the role and function of the public sector in today's society, not only in Sweden but in most industrialised countries, which can be understood given the strained public finances and a growing lack of confidence in the centralised welfare programmes. In that connection a redistribution of responsibility is discussed, i.e. a redistribution of responsibility for the production and financing of welfare services, from the public sector monopoly, or dominance, (Gidron, Kramer & Salamon, 1992; Habermann 1995; Larsson 1996) to what is referred to as the welfare mix (Evers et al. 1994; Henriksen 1996; Lundström & Wijkström 1997; Pestoff 1995), which signifies a combination of public and non-public sector actors. In the political debate, voluntary organisations, in addition to private for-profit organisations, are put forward as either alternatives or co-operative partners to public, especially local government, welfare producers (Greve 1998; Ingelstam 1995; Micheletti 1994; SOU 1987:33; SOU 1991:12; Wijkström 1994).

The arguments for a larger involvement of voluntary organisations suggest that there exist considerable slumbering resources of not yet active voluntary workers. Some studies confirm this assumption (Grassman 1993; Lorentzen 1996) while others point to the contrary (Thomas 1995), indicating that voluntary engagement in Swedish welfare services already is of such extent that further expansion may prove difficult.

Thus, the phenomenon of utilising voluntary activities in public production has received increased attention in the public debate. The theoretical and empirical knowledge of the subject is, however, of limited scope, as indicated by the contradictory results from the few investigations of the subject conducted in Sweden.

In this paper we present the first results from a research project designed to develop theory and increase empirical knowledge about voluntary activities. In order to understand the utilisation of voluntary activities there is clearly a need of a theory that focus on the conditions that impede or stimulate voluntary activities. Among other things, such a theory could reduce the contradictory results from the Swedish studies since it is conceivable that there exists a pool of potential voluntary activities and at the same time severe impediments for the utilisation of the pool. The theory has to be confronted with empirical data about the utilisation of voluntary activities. We have chosen municipal operations and their utilisation of voluntary activities as the empirical object, since the local government is the major welfare producer in Sweden. Thus, the purpose of the project is to explain the presence of voluntary activities in public sector operations through the construction of a model that identifies conditions that promote or impede the concurrence of voluntary activity and municipal operations. The model will be abductively developed from combined theory deduction and theory induction, in the later case using data collected from Swedish municipalities.

The present paper is a snapshot of the project as the first phase of theory deduction and empirical evaluation through a pilot case has been completed. In the following part of the paper we introduce a rudimentary theory predicting the utilisation of voluntary activities with stimulating or impeding factors. The next section presents the first empirical confrontation of the theory; a case study of Lund, our own university

dominated municipality located in the south of Sweden. The case is used to evaluate the hypotheses we have deduced from theory. No induced hypotheses are presented since induction belongs to the next, not yet performed phase of the research project. The paper concludes with the most important observations and some speculations about their implications.

### IMPEDIMENTS AND PROSPECTS OF UTILISING VOLUNTARY ACTIVITIES

The deductive indication of factors that stimulate or impede the use of voluntary activities in municipalities are presented in the following section. In the first part we specify basic concepts and in the second part we present our model and the deduced hypotheses.

#### Basic Concepts

##### Relationships in the voluntary chain of production

The relationship between voluntary actors and the municipality can be described as a chain of production revealing the set of possible relations between the ultimate producer of the voluntary utility, the voluntary worker, and the ultimate consumer of the utility, the receiving individual.

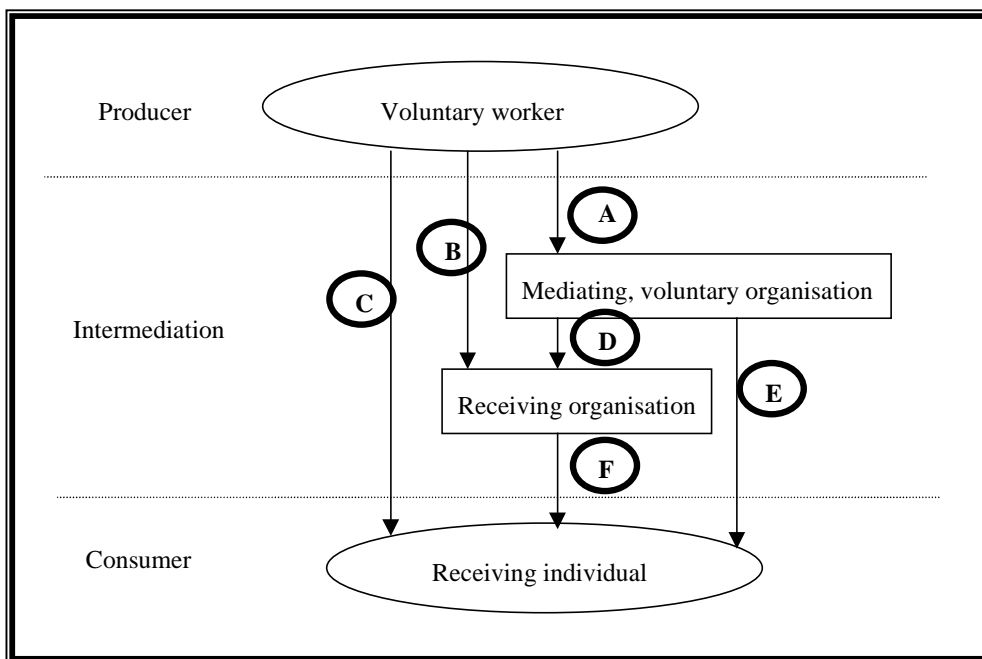


Figure 1. Relations in the chain of production

The chain of production includes the producing voluntary worker who contributes with her labour directly (C) to a receiving individual, or indirectly (A & B) through intermediating organisations. The focal organisation in this project is the receiving organisation, in this case the municipality. It may receive voluntary activities from two sources, supply from voluntary workers directly (B), or supply from the voluntary worker

mediated by a voluntary organisation (D). The receiving organisation delivers voluntary activities to receiving individuals (F). The question to be examined in this project is: What are the promotive and the preventive conditions for concurrence between municipal action and voluntary direct engagement (B) or voluntary indirect engagement (D)?

The focus should not, however, obscure the fact that the municipality could affect the other relations (E & C). It is conceivable that shrinking municipal operations stimulate voluntary action, and through a decrease in municipal legitimacy as a serving organisation, the voluntary activities are increasingly canalised outside the municipality. Thus, municipal operations can indirectly influence the level and direction of voluntary activity. The focus here is, however, on the direct influence on voluntary activity.

### **Type of Voluntary Production**

The voluntary activity mediated through the municipality adds utility to the municipality through offering either similar production of an utility or dissimilar production. Similar production performed by voluntary workers is service or products that are similar to the ones produced by the municipality. Day-care for children could, for example, be produced by the municipality or by voluntary workers mediated by the church, i.e. a voluntary organisation. Similar production can be subdivided into categories indicating whether the voluntary production influences the volume of the service or products. In the case of additive production the voluntary operation increases the level produced, for example with companions for elderly people unable to go outside by themselves. In the case of substitutive production, the municipal operation decreases when voluntary operations are introduced, for example when the church assumes the management of a kindergarten. The second main type of production is dissimilar production, which implies a service or a product not produced by the municipality. Thus, dissimilar production is by definition complementary, adding to the breadth of services and products offered by the municipality. In Sweden many sport activities for children are of this character.

### **Incentives for Voluntary Activity**

A theory, or a system of hypotheses, explaining the concurrence between voluntary and municipal activities has to recognise that persons and organisations have to be stimulated to perform voluntary activities, i.e., it has to consider the incentives for the production and intermediation of voluntary activities.

Voluntary activity is mainly defined as a negation of reciprocal, contracted labour with financial incentives. Thus, an activity is voluntary when there is no correlation between rewards of any economic kind and the effort of the person, when the exchange is unilateral, and when the person cannot be bound by a contract. This definition rules out all activities that have financial rewards tied to them. Some examples of excluded incentives are wages and utilities which substitute economic utilities, such as being given the right to use a cottage one day for one days work. The definition of voluntary activity also excludes work that is imposed upon a person, such as having to be engaged

in municipal operations in order to receive social security money. Thus, the incentives of the voluntary individual are non-financial and non-imperative, the exchange is unilateral, and the contract is absent.

Personal incentives to engage in voluntary activities have been categorised as external and internal (Grassman, 1997). External incentives are of two kinds. One of these has to do with circumstances in a person's life that in a general sense foster voluntary activity. Studies have shown that circumstances of importance are age and education as well as the degree of exposure on different "social arenas", such as having a professional occupation and being parent of children who are in school or day-care (Grassman 1993). The other kind of external incentives has to do with circumstances in a person's life that have a triggering effect, i.e. specific situations or incidents that create a need for activity (Grassman 1997). As an illustration can be mentioned the discontent caused by an actual lack of some service or the traumatic experience of a life crisis. We do not agree, however, with the Grassman terminology since what is termed external incentives are not incentives, but situations inducing voluntary action through internal incentives. The internal incentives, those factors that trigger voluntary action, are claimed to be the need of self-accomplishment, that is, the need of getting something done, to help others and to create oneself as a gestalt. Since we have defined voluntary action as excluding financial incentives, the self-accomplishment is not gained through property accumulation. This very fact does not, however, rule out the possibility of using simple economic models of human behaviour since individual engagement in voluntary activity may be induced by utility seeking, such as status. Conspicuous charity, where the effort is of no financial value for the donator, is conspicuous since the incentive is to gain status.

The difficulty in predicting voluntary activity compared to paid work is, however, that financial incentives and the imperative to work is more easily predicted than activities triggered by self-accomplishment. This difference has important effects on the utilisation of voluntary actions and the structuring of it, as will be hypothesised later.

Concluding this part, we argue that situations induce and incentives trigger voluntary actions where the incentives are oriented towards self-accomplishment beyond property accumulation.

Mediating voluntary organisations consist of voluntary individuals, and in many cases of paid workers. While these persons individually have incentives of the nature of self-accomplishment or they are financial in nature, they cannot be summarised into an organisational incentive. As most organisational theorists argue (Perrow, 1993) the logic of an organisation is not the sum of the persons engaged in the organisation. An incentive on the organisational level, which cannot be deduced from the involved individuals, is the survival of the organisation. Institutional theory (Scott, 1987), argue that an organisation is capable of trying to reposition itself, to accommodate to changing circumstances and even to change its goals and missions in order to survive. Thus, as with the person, the organisation and its behaviour can be influenced because it has incentives that ties it to the situation and the environment.

The municipal organisation has three important objectives; to create good service to the citizens, to be democratic in procedures and to economise on tax-money. Thus, the set of municipal incentives have three dimensions: substance, democracy and economy,

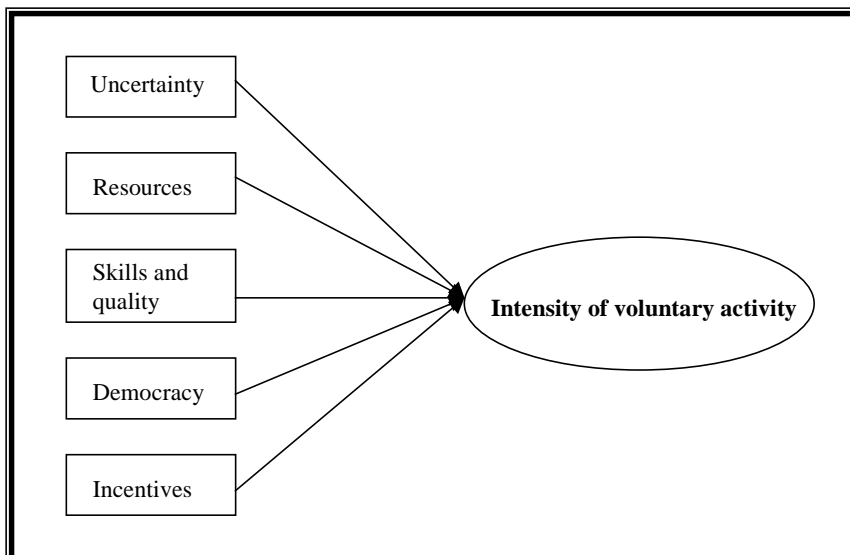
which makes the incentives of the municipality rather complex. Thereby the actions of the municipality are hard to predict or to explain. It is, nevertheless, important when considering conditions for concurrence to acknowledge that a municipality is for sure not only an organisation devoted to resource optimization, as indeed today's actions indicate, but it has also to fulfil service production and democracy.

We have argued that the municipality receives voluntary activities directly from volunteers and indirectly from mediating voluntary organisations. The individuals are engaged due to their experience of certain situations that through their individual incentives trigger them to voluntary action. The organisations are engaged due to their inherent will to survive, and the municipal organisation has to accomplish service production, democracy and tax-money economizing. All these factors are conditions that influence the concurrence between voluntary and municipal actions. The next section will show how these factors influence the concurrence.

### **A model of the conditions for concurrence between voluntary and municipal activities**

Municipalities are not engaging voluntary workers and organisations in all their operations. We believe that the utilisation of voluntary action is structured according to some implications of the nature of voluntary action. This section is devoted to the deduction of testable hypotheses based on the most important characteristics of voluntary activities.

An overview of the hypotheses is presented in figure 2. The intensity of voluntary activity, i.e. the utilisation of voluntary activities in a municipality, is influenced by uncertainty considerations by the municipality, by the resource situation experienced by the municipality, by the skills and quality demands put on the municipal operations, by democracy considerations and by the incentives for voluntary activity.



*Figure 2 Hypotheses predicting the intensity of voluntary activity in municipalities.*

## **Uncertainty impedes the use of voluntary activity, but voluntary organisations create certainty**

One point of departure for the deduction of the voluntary intensity hypotheses is the idea that the cause for the firm is the need of controlling labour to be able to cope with uncertainty. Since writing detailed labour contract is hard and very expensive (Coase, 1937), and because the operating core in an operation is in need of certainty (Thompson, 1967), the firm needs authority over the labour, i.e. control. Thus, firms are constructed in order to create operating certainty through labour control (Hart, 1995).

The need of labour control contrasts sharply with the characteristics of voluntary activity, since according to the definition, voluntary activity is of a non-contractual nature. In an ordinary labour contract, the seller of labour agrees to transfer some authority to the buyer, i.e. the seller accepts a certain level and scope of command. The voluntary worker, on the other hand, has no contract and since there has been no transfer of authority, the voluntary worker cannot be subject to command. Additionally, the voluntary worker can at any time withdraw his effort, without being subject to any penalty. Thus, the supply of voluntary labour is uncertain and cannot be used in core operations where uncertainty reduction is of vital importance. This implies that:

$H_{U1}$ . An operation's distance to the operating core of the municipality is positively correlated with the intensity of voluntary activity in municipal operations.

The hypothesis can be qualified with the terms used previously. We divided the production by voluntary activity into additive, substitutive and complementary dependent upon its relation to the existing municipal operations. Hypothesis  $H_{U1}$  indicates that operations of central importance for the municipality tend not to use voluntary activities. This is true in the sense that the operations cannot afford the uncertainty of the voluntary activities. If, however, the activities do not influence the core operations, they do not introduce any risk of production failure or even unpredictable variation in the production. The category of voluntary activities that can be assumed to influence core operations the least is the dissimilar production, i.e., the complementary production. Thus, we hypothesise that complementary production moderates our first hypothesis. This can be expressed in different ways, but we prefer the general statement as follows:

$H_{U2}$ . Complementary production is positively correlated with the intensity of voluntary activity.

The relationship between the intensity of voluntary activity and the municipality can, however, be moderated by the existence of a voluntary organisation. A voluntary organisation can create a more predictable supply of voluntary activity, thus inducing the municipality to utilise the organisation instead of individual volunteers. There are several reasons why a voluntary organisation can create certainty in supply. One reason is that the voluntary organisation can attract and rebundle voluntary labour. As an intermediate organisation, voluntary organisations perform a function similar to the intermediate function performed by wholesalers, collecting a diverse supply and distributing it in different bundles of services dependent upon the demands of the

retailer (Stern & El-Ansary, 1992), which in this case is the municipality. Since it is basically impossible to create a predictable supply of voluntary labour, the organisation need to have access to more labour than needed, i.e., it needs to store voluntary slack which can be canalised when demand arises.

A municipality could perform the same function, since it is quite possible for a retailer to act as a wholesaler. The municipality has, however, cost incentives to avoid additional operations, assuming that a voluntary organisation can administer the voluntary slack cheaper. Another reason, which presumably is of more importance, is that the voluntary organisation can attract more voluntary activity since it can grant the status of being a volunteer to a person, which could be regarded as a utility.

Additionally, it can be assumed that a voluntary organisation has the capacity to create an incentive that stimulates the volunteer to higher efforts. This incentive is the feeling of loyalty towards the organisation and the demands put on the organisation. A voluntary organisation can do the same as the municipality, both organisations can appeal to persons with the argument that the labour is needed in society. The voluntary organisation can add another appeal, that the labour is needed in the organisation. Since it can be assumed that the sense of loyalty is higher towards an organisation which the member has chosen freely, the voluntary organisation can make use of a higher degree of loyalty, and thus create a larger voluntary slack.

The last reason we can find is that the voluntary organisation, in contrast with the volunteers, could have financial incentives for supplying voluntary activity. The municipality could subsidise the organisation through assuming their rents, giving them financial aid, or assist with other economic resources. The organisation consumes the resources and thus becomes dependent on them, which induces the organisation to supply the municipality with voluntary labour. Thus, the organisation could be dependent upon offering a certain level of voluntary activity to the municipality in order to survive.

The reasons why voluntary organisations can create a predictable supply of voluntary labour adds up to the following hypothesis:

H<sub>U3</sub>. The mediation of voluntary activity through voluntary organisations is positively correlated with the intensity of voluntary activity in municipal operations.

We state that, due to the uncertain character of voluntary activity, municipalities tend to use it in complementary production, away from the operating core, but that the existence of a voluntary organisation can moderate this relationship.

### **Resource scarcity stimulates the utilisation of voluntary activity but creates an uneven distribution of welfare**

Voluntary activity is by definition work that does not receive financial rewards. It constitutes thereby a resource that has no direct costs such as wages, but only indirect costs associated with the administration and the quality of the resource, such as costs due to its uncertain character and costs due to quality and skill problems, which is

mentioned in the subsequent section. As with all free, or in this case, almost free resources, they tend to be utilised, even over-utilised. Municipalities facing budget deficits would then think about voluntary activity as an offer they cannot refuse. Thus, we hypothesise that:

$H_{R1}$ . The presence of severe resource scarcity is positively correlated with the intensity of voluntary activity in municipal operations.

Reformulating the hypothesis with the terminology previously presented, resource scarcity could lead to municipalities using voluntary activity in operations that are close to its operating core, if it only implies addition to already present operations. Thus, voluntary activity could be additive:

$H_{R2}$ . Additive production is positively correlated with intensity of voluntary activity.

There are, however, impediments to the use of voluntary activity even in the case of resource scarcity. Reflecting and speculating on the Swedish municipal development creates a hypothesis that contradicts the two former hypotheses.

The Swedish municipalities have experienced an expansion of tasks to perform. One of the latest reforms was the transfer of responsibility for the public comprehensive schools from the state to the local government. At the same time, the municipalities have experienced a budget crisis resulting in budget deficits and strong demands on efficiency improvements. The combined effect of these two developments has been an increase in organisational innovation and development.

The development has included such models as buyer-and-seller systems, profit centres and other market oriented models. Most of the development has, however, been focused on the interior of the organisation. Corporatization, i.e. to incorporate but fully own a municipal operation and even privatization has been largely neglected as a method of efficiency enhancement. Methods that make the border fuzzy between the municipality and the surrounding society have not been seriously considered. One under-utilised method is Public-Private Partnerships (Collin & Hansson, 1998). Another method, most likely under-utilised, is extensive use of voluntary labour. The general prediction, according to the previously formulated hypothesis, is that the utilisation of voluntary activity would increase in Sweden. Since this does not appear to be the case, we have to produce a hypothesis that points towards an impediment.

One impediment towards the utilisation of voluntary activity could be that the volunteers are not evenly distributed in interest, due to class, traditions and even self-interest. It is probable that parents of young people are more easily stimulated to voluntary activity if it has a small, maybe insignificant influence upon their own children, for example, night street walking. But to recruit volunteers to a borstal would presumably be more difficult. Tradition implies that persons are more inclined to engage in activities that traditionally have been utilising voluntary activity, such as sport activities. To help poor people in Sweden is no tradition, since it is charity, which can be regarded as unworthy of a civilised society. Poverty is a governmental mission to annihilate. Finally, certain groups of people, maybe associated with social class, are

more inclined to voluntary activity than others. These groups of people, and their interests, direct the supply of voluntary activity, thus covering certain areas of societal needs, but disregarding other areas. The resulting vector of these factors is that volunteers are engaging in certain sectors of the municipalities production of welfare, leaving other sectors unaffected. Thus, the reliance on volunteers creates an uneven distribution of welfare in content as well as in geographical terms, which in a society hailing equality, becomes an impediment. Thus, we hypothesise that:

$H_{R3}$ . Voluntary activity induced by severe resource scarcity is positively correlated with uneven distribution of welfare.

Thus, we believe that resource scarcity creates incentives for increased utilisation of voluntary labour, but that uneven welfare distribution impedes the utilisation.

### **Voluntary work tends to be unskilled but produces high quality service**

Voluntary labour cannot be extracted with help of regular incentives. Thus, the common way of fitting skills and competence with work positions is not accessible for receiving organisations. They get what they get, due to the person's incentives to engage in voluntary activity. This creates a situation where there is an undifferentiated labour supply. A rational response is to allocate the undifferentiated labour to work positions where there is no demand of specialised skills and competencies. Thus, we hypothesise that:

$H_{S1}$ . Unskilled work is positively correlated with the intensity of voluntary activity in municipal operations.

On the other hand, the quality and intensity in the activity performed by a volunteer can be presumed to be very high. A voluntary worker is according to the definition absent any reward sensitivity. Thus, one cannot assume that there is a variation of effort. Additionally, if one recognise that the volunteer has the right to withdraw unilaterally from the work, one can expect that the person will not shirk, and when the effort is decreasing, the volunteer withdraws. Thus, volunteer workers have high levels of efforts spent in the activity. This will presumably create high quality since the worker is devoted to the task and spend a huge effort in accomplishing the aims of the activity. Thus, we expect to find that:

$H_{S2}$ . Voluntary activity tends to produce high quality service

We expect to find that volunteers are used in unskilled work positions, but that they put a lot of effort into the activity and produce high quality service.

### **Demand of equality is an impediment to voluntary activity**

We have earlier argued that voluntary activity can produce an uneven distribution of welfare. In a society were equality is hailed, this creates an impediment towards voluntary activity. As was found in a study of voluntary social work in Norway (Lorentzen et al 1995) voluntary efforts were disliked and even avoided by receivers,

who felt that mere gratitude on their part was not enough to restore the balance between the producing and receiving individuals. Thus, since humans tend to have a sense of reciprocity, voluntary activity, which according to definition is unilateral, is avoided in situations where individuals may experience debt. Thus, we believe that:

H<sub>D1</sub>. Operations where voluntary activity tend to be treated as alms is negatively correlated with the intensity of voluntary activity.

The core operations of the municipality are the ones given by law and strong traditions. These are regarded as utilities that belong to all citizens of the municipality. Thus, these services are rights belonging to the citizen. If these rights are offered by volunteers it creates an image of the service as a privilege given freely by one person to another. Thus, it is not a right but an alms. In consequence, the character of alms restricts the use of volunteers in operations that would be substitutive in character, especially in the core operations of the local government organisation. We therefore hypothesise that:

H<sub>D2</sub>. Substitutive production is not correlated with the intensity of voluntary activity in municipal operations.

We expect to find that democracy, especially concerns about equal treatment, is an impediment towards the use of voluntary activity.

### **Personal utility increases voluntary activity**

The incentives for performing voluntary activity are a combination of external factors, such as life situation and internal factors. We have defined voluntary activity as the case when there is no correlation between effort and economic rewards. This is not, of course, to disregard the very fact that the individual is a utility seeker, and that the utility could be status or the feeling of well-being in doing a favour for another person. But there are also personal motives of less 'intangible' sort. Persons can engage in voluntary action quite selfishly, that is, when a gain can be distributed to the person or to a person close to the volunteer. This is diluted distribution of a utility. For example, parents-on-the-town (POTT), where parents walk the streets at night in order to create social control on the youths partying in the streets. They can experience the overall need of elderly people in the streets since they have youths of their own. So one explanation why parents tend to be engaged in POTT is that they are in a life situation that expose them for the problem and for the societal needs. Another factor driving parents engagement could be that their own youths are walking the streets, and the parents are thus producing an utility that is to the direct benefit of their own children. The effort is, however, very much diluted and the utility is distributed to a nameless mass of young people. Therefore one can expect to find that POTT has all the problems associated with collective action. There is, nevertheless, an expectation that when a person can experience a gain of her own, however diluted it may be, it creates an additional incentive to engage in voluntary activity. Thus, we expect to find that:

H<sub>I1</sub>. Operations where the voluntary worker can experience individual utility are positively correlated with the intensity of voluntary activity.

In this section we have found conditions that impede or promote concurrence between volunteers, their organisations and the municipality. Stating that voluntary activity is non-correlated to economic rewards, unilateral and non-contractible, we found that the municipal organisation would prefer volunteers, preferably through voluntary organisations, in complementary production, where uneven distribution of welfare is not a crucial issue. The service offered would be expected to be of a rather unskilled nature, but with high intensity and quality. Volunteers are expected to be stimulated, not only by external circumstances and internal life realisation motives, but of simple individual utility where there are rewards, although of a very diluted character.

### **THE EMPIRICAL CASE OF THE LUND MUNICIPALITY**

In this section we present the first case study in the project and the results of its confrontation with the hypotheses. The section starts with some methodological remarks, and ends with the analysis.

#### **Methodological remarks**

The empirical data needed for the study will be collected through case studies of a descriptive, or instrumental, nature, the purpose of them being to develop the model. Presumably, on the basis of the data collected it will be possible to refine and enhance the explanatory power of the model. The first case study performed will be analysed in this section

It should be noted that the data collected reflects the perspective of local government officials. Objections could be made to such a one-sided approach to a problem of interaction between two parties. All the same, we argue that it is this perspective which is in accordance with the study's focus on the possibilities and ability of the receiving organisation, i.e. the municipality, to utilise voluntary activity in the production of welfare services.

The case study was designed to gather data on voluntary activity in all varieties of local government operations in a single municipality. The data was collected through either personal interviews or interviews by telephone. In all 26 local government employees were interviewed, of which 14 work in managerial, administrative positions while the other twelve are more directly involved in the production of services. Each interviewee was asked to state all cases of contact with voluntary organisations and individuals that occur within his or her field of operations. In addition several aspects of municipal and voluntary concurrence (in accordance with the hypotheses) were brought up as open-ended questions.

Apart from the aim of evaluating the hypotheses the study served as a pilot study in the sense that it made it possible to try different ways of asking questions as well as defining the key concept, i.e. local government and voluntary co-operation. One important conclusion to be drawn from the case is the one that applies to the method for collecting data. In an initial phase of the project the idea was to test the hypotheses on a data set collected through a mail questionnaire to all or at least a large number of Swedish

municipalities. But, as the exploratory case has proved, that would be an impracticable way to handle it. On the contrary, it is evident that if the outcome of the data collection is to be satisfactory it must rest on personal dialogue. The main reason for this is the lack of an established, unambiguous terminology. Personal interviews, whether they are conducted face to face or by telephone, allow of further questions, explanations and comments. Without doubt, some kind of case method is the most appropriate when collecting data in a not fully explored research area.

The choice of the case study method for collecting data will permit theoretical, but not statistical, generalisation based on the findings (Yin, 1989). Nevertheless, the data will be analysed using quantitative as well as qualitative techniques. The qualitative analysis will be based on identifying concepts and comparing the data with previous research. The plan is to collect data from eight municipalities, conducting approximately twenty-five interviews in each, and consequently the amount of data will be rather vast. The use of multivariate techniques that are designed to handle large quantities of data is therefore a measure taken to enhance the quality of the results.

### **Empirical evaluation - the case of Lund**

So far in the process of the project, our hypotheses have been confronted only with a limited amount of data that has been collected in a single municipality. The data collection has resulted in 193 observations of municipal and voluntary concurrence. Among these observations three types of concurrence are represented - exchange of manpower, exchange of information and monetary exchange. Table 1, below, shows the distribution of the observations between the different exchange types and areas of local government operations.

In the municipality studied the most frequent exchange relation is exchange of manpower. We have defined this type of relation as one in which some kind of work is performed and where the active participation of both parties is necessary for the realisation of the operation. Typical operations are joint management, joint projects and joint arrangements. Nearly half of the observations have been classified as belonging to this group. The second type of relation is exchange of information, which includes activities such as councils and spreading of information. The third type is exchange of monetary resources, which is subdivided into municipally financed subsidies and business relations.

As can be noted the majority of the observations belong either to the social sector, that is care for the elderly, day-care for children, social welfare and immigration service - in all 75 observations, or to the sector of culture and recreation, which is represented in 71 observations.

*Table 1 The distribution between exchange types of 193 observations of municipal and voluntary concurrence in different areas of local government operations in the municipality of Lund, Sweden. Absolute numbers and percentages.*

	Type of exchange relation									
	Exchange of manpower		Exchange of information		Exchange of monetary resources				<i>Total</i>	
					Subsidies		Business rel.			
Local government operation										
Social sector	28	14,6%	31	16,1%	0	0,0%	16	8,3%	75	38,9%
Care for the elderly	5	2,6%	16	8,3%	0	0,0%	4	2,1%	25	13,0%
Day-care for children	3	1,6%	3	1,6%	0	0,0%	12	6,2%	18	9,3%
Social welfare	16	8,3%	11	5,7%	0	0,0%	0	0,0%	27	14,0%
Immigration service	4	2,1%	1	0,5%	0	0,0%	0	0,0%	5	2,6%
Education	3	1,6%	7	3,6%	0	0,0%	3	1,6%	13	6,7%
Technical sector	7	3,6%	13	6,7%	0	0,0%	0	0,0%	20	10,3%
Park maintenance	6	3,1%	4	2,1%	0	0,0%	0	0,0%	10	5,2%
Drainage & water supply	1	0,5%	1	0,5%	0	0,0%	0	0,0%	2	1,0%
Streets & traffic	0	0,0%	5	2,6%	0	0,0%	0	0,0%	5	2,6%
Physical planning	0	0,0%	2	1,0%	0	0,0%	0	0,0%	2	1,0%
Public transport	0	0,0%	1	0,5%	0	0,0%	0	0,0%	1	0,5%
Rescue service	4	2,1%	2	1,0%	0	0,0%	0	0,0%	6	3,1%
Fire-brigade	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Civil defence	4	2,1%	2	1,0%	0	0,0%	0	0,0%	6	3,1%
Health & environment	2	1,0%	1	0,5%	2	1,0%	0	0,0%	5	2,6%
Health & environm. control	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Agenda 21	2	1,0%	1	0,5%	2	1,0%	0	0,0%	5	2,6%
Culture & recreation	41	21,2%	10	5,2%	15	7,8%	5	2,6%	71	36,8%
Public libraries	4	2,1%	0	0,0%	0	0,0%	0	0,0%	4	2,1%
Other culture & recreation	37	19,2%	10	5,2%	15	7,8%	5	2,6%	67	34,7%
Administration	0	0,0%	3	1,6%	0	0,0%	0	0,0%	3	1,6%
<i>Total</i>	85	44,0%	67	34,7%	17	8,8%	24	12,4%	193	100,0%

### **The data vs. three hypotheses on uncertainty**

The first set of hypotheses deals with different aspects of uncertainty.

The focus of  $H_{U1}$  is on the correlation between an operation's proximity to the operating core and the presence of voluntary activity in it. The operating core of the municipality is defined as the statutory areas of operation. According to Swedish law these areas are care for children, disabled and elderly people; schools for children and youth; public libraries; physical planning; health and environmental control; public cleansing and refuse collection; rescue service; drainage and water supply; public order and safety. Even if the majority of the 289 municipalities in Sweden also engage in other

operations, such as culture and recreation, housing and energy supply, all operations apart from the statutory ones are optional.

The implication of the hypothesis ( $H_{U1}$ ) is that voluntary activity is more frequent in optional local government operations than in statutory ones. This assumption is not supported by the results of the exploratory case. In fact, and as is shown in table 2 below, the data contains an almost equal number of observations in statutory as in optional operations.

The second hypothesis ( $H_{U2}$ ) states that voluntary activity is more frequent in cases of complementary production than in additive or substitutive production. Out of the 193 observations 80 percent have fallen into the complementary production category (see table 2). Even though more than half of the observations of complementary production are to be found in statutory operations it appears that the data confirms the hypothesis.

*Table 2 The distribution between statutory and optional operations and different types of voluntary production of 193 observations of municipal and voluntary concurrence in the municipality of Lund, Sweden. Absolute numbers and percentages.*

	Total		Type of voluntary production					
			Additive		Substitutive		Complementary	
<b>Local government operation</b>								
Statutory operations	97	50,2%	9	4,7%	6	3,1%	82	42,4%
Care for the elderly	25	13,0%	0	0,0%	1	0,5%	24	12,4%
Day-care for children	18	9,3%	2	1,0%	2	1,0%	13	6,7%
Social welfare	27	14,0%	7	3,6%	0	0,0%	20	10,4%
Education	13	6,7%	0	0,0%	2	1,0%	12	6,2%
Public libraries	4	2,1%	0	0,0%	0	0,0%	4	2,1%
Physical planning	2	1,0%	0	0,0%	0	0,0%	2	1,0%
Health & environm. control	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Public cleansing & refuse collection	----- no data collected -----							
Rescue service	6	3,1%	0	0,0%	1	0,5%	5	2,6%
Drainage & water supply	2	1,0%	0	0,0%	0	0,0%	2	1,0%
Public order & safety	----- no data collected -----							
Optional operations	96	49,8%	5	2,6%	19	9,8%	72	37,4%
Immigration service	5	2,6%	0	0,0%	0	0,0%	5	2,6%
Park maintenance	10	5,2%	4	2,1%	2	1,0%	4	2,1%
Streets & traffic	5	2,6%	0	0,0%	0	0,0%	5	2,6%
Public transport	1	0,5%	0	0,0%	0	0,0%	1	0,5%
Agenda 21	5	2,6%	0	0,0%	0	0,0%	5	2,6%
Culture & recreation	67	34,7%	1	0,5%	17	8,8%	49	25,4%
Administration	3	1,6%	0	0,0%	0	0,0%	3	1,6%
<b>Total</b>	<b>193</b>	<b>100,0%</b>	<b>14</b>	<b>7,2%</b>	<b>25</b>	<b>13,0%</b>	<b>154</b>	<b>79,8%</b>

The results in relation to the  $H_{U1}$  hypothesis is not satisfactory, especially not when comparing to the  $H_{U2}$  hypothesis. The  $H_{U2}$  made us believe that there could be a possibility of voluntary activities in the operating core but the  $H_{U1}$  would imply that the presence would not be as extensive as it turned out to be. One explanation to this puzzle

could be that our operationalization of the concept of the operating core is too simplistic. Indeed, as one of the interviewed local government officials put it: "the core of the operating core", by which he referred to optional activities within the range of statutory operations. In other words, even though a certain operation, such as social welfare for instance, is laid down by law, not all activities performed as local government produced or co-produced social welfare need to be compulsory. Perhaps a more suited definition should start from a distinction between primary and supportive activities instead of legal restrictions or production type.

The third hypothesis on uncertainty ( $H_{U3}$ ) deals with voluntary organisations as mediators in municipal and voluntary concurrence. We expect a positive correlation between the occurrence of the mediating function and the intensity of voluntary activity. Out of 193 observations, 179 (92,7%) are described as interaction between municipal operations and voluntary organisations. The data confirms our assumption that local governments prefer organisational to individual counterparts when interacting with voluntary entities.

### **The data vs. three hypotheses on resources**

The hypotheses related to resource scarcity are formulated as to investigate whether or not there exists a relationship between the supply of resources and the presence of voluntary activity in local government operations. Furthermore the compatibility of the democratic aspect of equal treatment and voluntary provision is put in focus.

The testing of hypothesis  $H_{R1}$  offers some methodical complications as none of the data that relates directly to the observations is applicable to the hypothesis. Instead we have chosen to confront the statement with the more discussion-oriented data collected in the interviews. First of all, the meaning of the phrase "severe resource scarcity" had to be clarified. Obviously, resource scarcity is a most relative concept, so in order to agree on a definite meaning it was restricted to the operational context of the person interviewed. Given that definition all of those interviewed described the development of the resource supply in their respective areas of operation as having become more and more restricted, i.e. an increasing resource scarcity.

The correlation between the resource situation and the intensity of voluntary activity is, however, not as linear as could be expected. Instead, it differs depending on the type of exchange relation. The general view expressed in the interviews is that the exchange of manpower has increased. The majority of these exchange relations was observed in the social sector, 28 out of 85, and in the sector of culture and recreation, 41 out of 85 (see table 1). Within social sector operations such exchange is predominantly made in the form of joint projects, while it is joint management and joint arrangements that are the most frequent in the cultural and recreational area of operations. The second type of relation, exchange of information, has also become more frequent within the same time frame. According to several of the interviewees this increase is not so much due to resource scarcity as to a more general societal trend towards increased direct democracy. The third type of relation is called monetary exchange. It includes two quite separate types of exchange, one which is based on the voluntary organisation receiving subsidies

from the local government and one which is best described as a business relation, where a voluntary organisation runs an operation on contract. Exchange in form of subsidies exists almost solely in the sector of culture and recreation and it is the only type of exchange relation that has not increased. One of the persons interviewed states that subsidies will decrease in the future and since "the hope for financial assistance is the only reason that voluntary organisations want to interact with the local authorities" so will municipal and voluntary concurrence.

As to the second hypothesis on resources it proposes a positive relationship between additive production and voluntary activity in municipal operations. With reference to the results exposed in table 2 above there is hardly any support for this hypothesis. In fact, the additive type of production is the one which is embraced by the fewest number of observations, in all no more than 14 or 7,3% of the total.

Hypothesis  $H_{R3}$  rests on the assumption that voluntary welfare production is unevenly distributed. Although this may be relevant to all areas of local government operation, it is mainly the effect an uneven distribution would have on the operations of the social sector that generally is regarded as a problem. The results from this case study are no exception. In particular it is interviewees connected to the care of the elderly that express the greatest apprehensions about relying on voluntary activity.

### **The data vs. two hypotheses on skills and quality**

A volunteer, whether she acts on her own or on behalf of a voluntary organisation, cannot be expected to meet the same requirements as an employee. Instead it is up to the managers of the municipal operation to decide if to accept voluntary activity or not within the operational domain. The following two hypotheses seek to examine the relation between skill, voluntary activity and quality of the service produced.

In hypothesis  $H_{S1}$  a relation between skill and intensity is expressed. Although there are exceptions, the data gathered in the interviews supports this hypothesis when it comes to voluntary activity performed by volunteers. (The matter is somewhat complicated since several of the observations represent co-operation between municipal entities and voluntary organisations with professional employees.) The exceptions mentioned typically consist of retired professionals, teachers for instance, who make new use of their skills in a voluntary setting. However, for the majority of observations the lack of professional skill is a common feature. Perhaps it should be noted that many of the observed exchanges include tasks of such character that it is probable that the most appropriate qualification is sheer interest or personal experience.

$H_{S2}$  is formulated as to investigate the quality of voluntary activity. Judging from the interview data, there are both positive and negative effects connected with the presence of volunteers in municipal operations. The positive effects mentioned are that the activity is performed out of interest and devotion, which contribute to increase the quality of the output. It is also considered an enrichment of the municipal operation that work is performed by people of varying backgrounds, with different skills and training. Furthermore, voluntary activities may have the effect that needs are satisfied faster and sometimes even better than if the local authorities themselves were to handle it. The

negative aspects expressed by the interviewees deal more specifically with skill and quality. It is a rather widespread opinion among them that the local government organisation is the guarantor of professionalism and quality in welfare services. According to several of those interviewed, such standards cannot be met by voluntary workers, as they, for one, lack adequate professional training and, second, are driven by motives that may be contradictory to the desired professional attitude.

### **The data vs. two hypotheses on democracy**

In hypothesis  $H_{D1}$  it is expected that in such municipal operations where voluntary activity could be regarded as alms the intensity of voluntary activity is low. Historically as well as in the contemporary debate, alms is generally associated with voluntary activity within the social sector, especially social welfare. If  $H_{D1}$  is correct it would imply that voluntary activity is less frequent in the social field of operation than in others. However, the distribution of observations, as exposed in table 1 above, contradicts this as the social sector is the most represented in the material. Quite contrary to the assumption, several of the observations that add to or complement operations within the social welfare area are described as being joint projects out of necessity. The necessity is explained by the receivers' lack of confidence in the local authorities. Through the co-operation with a voluntary organisation the activity gains acceptance.

Hypothesis  $H_{D2}$  states that there is no correlation between substitutive production and voluntary activity. This is supported by the collected data as it is not very frequent in occurrence (see table 2). At the same time, the hypothesis is somewhat contradicted as substitutive production occurs solely in municipal operations that also harbour other types of voluntary production, i.e. a positive correlation.

### **The data vs. one hypothesis on incentives**

In the last hypothesis ( $H_{I1}$ ) we express the assumption that the prospect of personal utility is a driving force for engagement in voluntary activity.

The concept of personal utility has been operationalised as an effort done to the benefit of family members. As no first hand data from volunteers has been gathered the analysis is limited to obvious observations of individual utility motives. These observations include parents' councils in schools and day-care centers as well as the aforementioned parents on the town-activities, in all twelve observations. To conclude, the data supports the hypothesis.

## SUMMARY AND CONCLUSIONS

Voluntary activity is a resource that could be used by municipalities to satisfy the needs of the population. It is a special resource when regarded from an economist viewpoint. According to the definition of voluntary activity its incentives are non-financial and non-imperative, the exchange is unilateral and there is no contractual commitment. These characteristics imply a high degree of uncertainty for every operation utilising voluntary activities. From the viewpoint of the intermediating organisation, in our case the municipality, the volunteer may offer her services directly or through a voluntary organisation, the latter having properties that reduce the uncertainty of voluntary activities. The activities can add to, substitute or complement the municipal operations. On these distinctions, including some main stream propositions about organisations, we formulated a model predicting the level of voluntary activity intensity. It was hypothesised that the utilisation of voluntary activities in a municipality was influenced by uncertainty considerations by the municipality, by the resource situation experienced by the municipality, by the skills and quality demands put on the municipal operations, by democracy considerations and by the incentives for voluntary action.

The model was empirically evaluated through one case study. Overall, mixed support for the model was found. The need to shelter the municipal operations from the uncertainty inherent in voluntary activities was not present, perhaps because the activities were of complementary nature, thus not influencing the operations, or because the main part of voluntary activities were carried out by volunteers mediated by a voluntary organisation. It did not appear as volunteers were used in order to compensate budget decreases. The democratic side of volunteer activities did not appear to be considered as important, and in fact, most activities were performed in the social part of the municipality. Most activities were unskilled, but there were skilled activities too, thus indicating a capacity to manage a division of labour. The quality produced was not entirely high, but dependent on the skill demands, indicating a negative correlation between quality and skill demands. Finally it was noted that volunteer activities were positively correlated with personal, though diluted, utility.

The overall impression is that there are many areas in which voluntary activities are not yet used. This could be explained through our model in which we listed several impediments towards the use of voluntary activities, most of them connected with its uncertain nature. We found, however, indications of at least two strategies for the circumvention of these impediments. One strategy was to utilise voluntary activities in complementary production. Thereby the municipal operations were not affected by the uncertain voluntary activity. Unfortunately this is probably true also on the cost side, i.e. not reducing the costs of municipal production, which may explain why resource scarcity was not a major motive for utilising volunteers. The other strategy was to use voluntary organisations, since they appear to have the capacity of controlling the supply of volunteers.

We have presented some results from a research project that has made its first model and its first case study. Our results indicate some avenues of improvements. The model was unable to make proper predictions about the democratic side of volunteer activities,

presumably because the development has been focused on the economic and controlling aspects of voluntary activities. One dimension not even observed in the model is the political dimension. The extensive use of complementary production was mainly explained with the uncertain character of voluntary activities. The same prediction could, however, be reached if one observes that additive production and especially substitutive production could be hampered by municipal employees. Resistance against utilising volunteers could come from labour unions defending their members' employment, from municipal officials defending their control of employed, skilled workers, and from the esprit de corps of the municipal employees defending their unique and skilled labour. Regarding the empirical method, the operationalisation of several concepts were clearly not satisfactory, the operating core of the municipality being the most obvious deficient variable.

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