



# Costly Choices?



**Keith Dowding**  
Australia National University



**Peter John**  
University of Manchester

## Background

In its attempts at public service reform in England, the current Government has made 'choice and voice' its mantra. Both are expected to improve public services: choice forces public service providers to compete for 'customers' and voice enables service users to pressurize providers into action. But, what if there's a trade-off between choice and voice? Others have suggested that choice may negatively impact upon voice, as choice provides people with exits, so dissatisfied people choose to exit rather than voice their dissatisfaction.

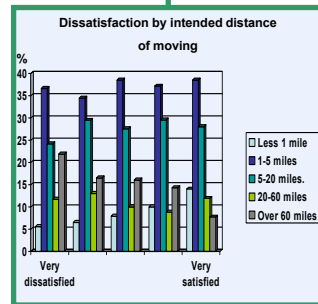


Figure 1

## What We Did

- ◆ We designed a "three exit – three voice" model and also controlled for loyalty, (operationalised as social investment). The three exits were: moving catchment area, switching from public to private sector, and switching public sector providers. The three voices were: private complaints, voting, and participation in public forums.
- ◆ We used an online panel survey (a group of the same individuals polled on five successive occasions) of more than 8000 households on their attitudes to public service provision to examine the statistical relationships between social investment and the various forms of exit and voice identified above (see Figures 1 and 2)

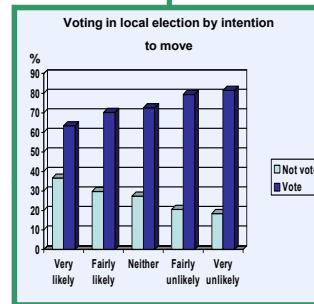


Figure 2

## Aims

We aimed to:

- ◆ find out about people's attitudes to public service provision, for instance, the likelihood they would switch service provider, or buy private provision if they could afford to, and whether they would complain if they received poor service;
- ◆ use this information to systematically test a famous theory, originally put forward by the economist Albert Hirschman over 30 years ago that increasing choice in public service provision will lead people to less frequently exert their voice.

### HYPOTHESES - RESULTS

- H1: Individual Voice (for any service) will increase as dissatisfaction increases (for that service). **YES**
- H2: Collective Voice may show any relationship to general levels of satisfaction **YES, NEGATIVE**
- H3: Both types of Exit will increase with dissatisfaction. **YES**
- H3a: Current dissatisfaction will increase the intention to Exit. **YES**
- H3b: Past dissatisfaction will increase Exit. **YES**
- H4: Where Exit is impossible or expensive, then Voice activity will increase **PARTIAL YES**
- H5: Higher social class = higher Voice activity. **YES**
- H6: Social investment/social capital increases Voice activity. **YES**
- H7: Intentions to Exit will decrease Collective Voice activity **YES**

Figure 3

## Findings

- ◆ Early results suggest Hirschman was right to posit a trade-off between exit and voice and argue that social investment, or loyalty, lowers exit and increases voice.
- ◆ Those intending to move catchment area are less likely to voice, especially through voting and participation in public forums.
- ◆ Those locked in to public education because they could not afford to switch to the private sector were more likely to complain about schools and those who switch to private education were more likely to voice overall, suggesting that alert people are more likely to exit than voice, as long as they can afford to.

Find out more...



For more information contact Keith Dowding  
(Keith.Dowding@anu.edu.au)

