

The Three Exit, Three Voice and Loyalty Framework: A Test with Survey Data on Local Services

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The article presents a modified Hirschman framework with three types of exit: moving location; moving from the public to a private sector provider; and moving between public sector providers; and three types of voice: private voice (complaining about private goods); voting; and collective action. Seven hypotheses are generated from this framework. The article then presents evidence from the first round of an online survey examining citizen satisfaction with public services and the relationship between exit and voice opportunities. We find dissatisfied people are more likely to complain privately, vote and engage in other forms of collective participation; but only a weak relationship exists between dissatisfaction and geographical exit. We find some evidence that the exit–voice trade-off might exist as more alert consumers are more likely to move from the public to the private sector and those ‘locked in’ are more likely to complain than those who have outside options. Overall the results tend to corroborate the hypotheses drawn from the modified Hirschman framework.

If ‘competition’ was the mantra for public service reform of the Thatcher governments, then ‘choice’ had the same function for Blair’s. The two terms cover much the same territory, though each emphasises different aspects of a process supposed to provide efficiency in public services. The idea, of course, is that the private sector is more efficient than the public sector because of the discipline of competition. Firms that do not produce the products people want at the price they want are driven out of business by those that do. Competition provides the incentives to cut costs in order to drive down prices, and to produce the products people want: so both productive and allocative efficiency are driven by market competition. Consumer choice is the motor that drives competition, along with free entry into the industry which is supposed to ensure that multiple firms compete. Shifting the emphasis away from the competitive aspects of the process to the choice features softens the driving edge and concentrates attention on to the consumer side. It emphasises that people can be in control of their public services rather than being serviced as clients by a rule-driven bureaucracy. Choice also fits nicely with the idea of freedom as control which has greater modern resonance than the terms equality or welfare.

There has always been some tension in the idea of introducing market competition into public service provision. The reason we have public provision for some



goods is either (a) that there is market failure and hence allocative inefficiency due to the non-excludable jointly supplied nature of public goods; or (b) because of the inequitable distribution associated with the market provision of some goods such as education or health care. With the former the market system does not produce signals that provide true demand; democratic processes of preference aggregation are thought to provide better signals. With the second, equality of rights for certain fundamental aspects of human welfare underpin social rather than market demand. The fact that markets fail to allocate such goods as society wishes prompted government to get into the public good supply business in the first place. However, it is simplistic thereby to assume that there is no place for competition or market production for public goods. Dowding and Dunleavy (1996; see also Ostrom *et al.*, 1961) made a distinction between production, disbursement and consumption. Each of these three can be private or collective. A good might be produced by a private company or by public officials or workers, or some mix. Disbursement might be private, paid for at the point of delivery, or public (or indeed some mix). And consumption can be private in the sense that the good is rival and excludable; or collective being non-rival or excludable. Again most goods are some mix. For our argument here, the important aspect is disbursement. Where this is partially or fully public then the relationship between the producer and consumer is either direct – where the producer is the public organisation, or where the subsidy is paid to the consumer who then directly contracts with the private body – or it is indirect. The public organisation contracts with the private producer on behalf of consumers who then must make their representations to the public body. We can see that competition and choice can thus enter at least two stages. Competition between producers can be generated as public bodies – such as local authorities or health care trusts – open up production of some of their services to competitive tendering. Such competition does not in itself entail any form of consumer choice. A process that leads a local authority to hire one particular company to collect household waste rather than another does not imply that consumers have a choice of producers. The public provider chooses the producer. The public provider also decides on the nature and quality of the good or service. Such provision of the good might be decided by specific rules, perhaps governed by cost and equity. So the local authority decides that each household will have its refuse collected once a week, along with secondary rules that might govern how much, say, garden waste can be left out for collection. The provider also decides the amount to be spent on refuse collection.¹ Consumer input into the decision process occurs through the traditional democratic processes – or what Albert Hirschman (1970) calls ‘voice’.

Competition might also be promoted through the public providers themselves. Individuals can be given a choice of which public provider they go to for a given service. In health care, for example, a patient might have a choice of which surgeon they want to carry out their operation at a given hospital, or which hospital they wish to attend for their outpatient care. In the case of the surgeon,

the surgeon 'produces' the operation. In the case of the choice between hospitals' consumers may not in fact have the same producers, for two different hospitals may use the same private contractor for their nursing staff, cleaners and so on. For local authorities two different authorities might use the same company to collect household waste. In other words, choice of public provider does not necessarily imply choice of producer; and choice of producer does not necessarily imply choice of public provider.

The Conservative governments of Margaret Thatcher and John Major pushed for greater competition for public services without necessarily providing greater choice for consumers. Tony Blair's government increased choice (6, 2003). A number of aspects of the choice-driven public services may be queried. The relationship between choice and competition might be considered. Does greater choice always drive greater competition? Might greater competition be promoted with no consumer choice (where, for example, providers choose producers but end-consumers get no choice over providers or producers)? Do people want more choice? In order to choose rationally as opposed to merely 'pick' services, consumers must have relevant information. Is that information readily available? And does it come in a form that consumers can actually process to make rational choices? These are all good questions that might be addressed to the choice process.² But so far one big question has not been addressed: does increasing choice for consumers affect democratic processes which have hitherto driven the efficiency of public service provision? Following Hirschman, the democratic processes we refer to may collectively be termed 'voice'. In order to explore the relationship, we draw on theory and test out the ideas on survey data.

Exit and Voice

The relationship between democratic processes of demand – so-called voice – and choice-driven process – so-called exit – was first examined by Hirschman in a short classic monograph, *Exit, Voice and Loyalty* in 1970. Hirschman's concerns were that increasing the availability of exit through choice might lead to a decline of voice activities. This could occur through one or both of two processes. Choice may tend to 'atrophy the development of the art of voice' (Hirschman, 1970, p. 43), either because citizens do not learn how to use the political process to make demands, since they always utilise exit strategies; or because the 'alert' consumers exit, leaving behind the 'inert' ones who are unable either to exit or to voice. This second process assumes that some types of people are more capable both of using the political processes to make their demands and of choosing the right options and so they exit from poor providers. If the second option is not available they will voice demands for improving quality for all. Once exit possibilities are available they will not voice but choose to exit, leaving poor services for the inert who do not (or cannot) exit. It might be claimed that choice and voice processes reinforce each other as greater choice encourages people to voice their complaints to their current provider. No evidence has been

offered on this idea, however. Thus Hirschman's ideas have been much discussed theoretically and have been used casually to illustrate empirical case studies but there has been little that systematically empirically tests the relationships he discusses. One reason for this lacuna is that teasing out how these relationships might pan out is extremely difficult to test empirically (Dowding *et al.*, 2000). Nevertheless, this article takes a step in that direction.

The Three Exit, Three Voice Model

We argue in Dowding *et al.* (2000) that Hirschman's original framework is too simple in two ways. Both as Hirschman explains it, and how it has been tested, it has (a) ignored the complicating factors of public goods on the exit–voice relationship; and (b) ignored the dynamic aspect of the process. The latter requires us to examine the effects upon political participation of past voice and exit opportunities. If voice is relatively costless and seems to work, then we would not expect the exit option to be taken up. However, if voice has proved to be unsuccessful then we should expect greater exit. Similarly, if exit does not lead to greater satisfaction over time, then exit might be rejected on future occasions in favour of voice. Longitudinal studies are required in order to examine this dynamic aspect. The panel nature of our empirical research will eventually allow us to examine this dynamic aspect but the results we present here are generated only from the first round of our survey.³ Here we examine the exit–voice relationship given the complicating factors of the public good aspect of public service.

We propose a 'three exit, three voice' framework that captures the public goods aspect (which builds on the 'two exit, two voice' model in Dowding *et al.* [2000]). Empirically there are two ways that citizens may exit from a public service.⁴ First, they might physically move away from the catchment area of one provider to that of another. Thus parents move to the catchment area of a good school and away from that of one with a poor reputation. Citizens may move from the locality of one health authority to that of another. Or households may relocate themselves from one local government jurisdiction to another. Physical relocation from one school catchment area to another is well known and has a large capitalisation effect upon house prices (Bogart and Cromwell, 1997; Cheshire and Sheppard, 1998; Jud and Watts, 1981; Ogwa and Dutton, 1997; Teske *et al.*, 1993). Relocation in order to take advantage of the 'postcode' lottery in health provision has not been empirically demonstrated though anecdote suggests that it happens occasionally.⁵ Household relocation across jurisdiction boundaries also takes place (Aronson, 1974; Davies, 1982; Dowding and John, 1996; Dowding and John, 1997; Dowding and Mergoupis, 2003; Dowding *et al.*, 1994; John *et al.*, 1995; Percy and Hawkins, 1992; Percy *et al.*, 1995). The second exit behaviour might occur as consumers exit from public provision to private provision. Parents may take their children out of state

schools for private education. Patients may remove themselves from National Health Service provision to private health care. The third exit behaviour occurs where choice is available through different public providers. We do not empirically examine the third exit possibility in this article.

There are also three relevant ways in which people might use voice.⁶ They might voice complaints about a good or service they have received. For example, they might complain to a local housing officer about some problem with their house; they might complain to a council official about a problem with street lighting, or a hole in the road, or about the quality of refuse collection; or they might make such a private complaint to an elected councillor or their local MP. We call these 'individual voice'. However, they might also engage in collective voice activity. There are two broad forms of such collective voice activity. Voting is one form. Another is a more obviously collective or joint action such as joining and campaigning through a pressure group, or signing a petition, going on a march and so on; the latter, though not necessarily the former, involves horizontal voice. An important difference between individual and collective voice activity is that we would ordinarily only expect to see the former occur if there were a problem that a consumer wished to see put right. However, collective voice activity might occur to defend the nature or level of services as well as to try to improve them. Citizens might be motivated to vote to maintain the level of services if one party or set of politicians were standing on a tax-cutting ticket promising to remove, scale down or reduce spending on some services. Campaigning is also often directed at keeping the status quo rather than changing the current arrangements.⁷

Loyalty or Social Capital

Another aspect of Hirschman's original framework was to include the concept of loyalty. Hirschman argued that if customers were loyal to a given product they might be more motivated to voice complaints than to leave for another provider. We have altered the subject of loyalty from a product to an area. We suggest that households are less likely to exit from one local authority jurisdiction if they have social ties to that area. If they were born and brought up in the area or have family and friends there, they are less inclined to move. One form of exiting is thus made less likely by such loyalty. Similarly someone might be more motivated to try to defend their local school rather than exit if they or their older children had attended that school and thus felt tied to it for sentimental reasons. We hypothesise that this form of loyalty can lead to social investment – of which voice activity would be an important component. Hence we argue that local networks or ties (a form of social capital) will lead to greater voice activity relative to exit.⁸ We also argue that past voice activity is a form of social investment and will also lead to greater future voice activity (though we do not test that dynamic aspect in this article).⁹

Our conception of loyalty here is thus behavioural (it affects the exit–voice trade–off) and institutional (its effects can be expected to vary across institutional settings) and not psychological. Loyalty in our framework is supposed to do the job of loyalty as in Hirschman’s original framework – to increase the probability of voice relative to exit. There are other possible ways of examining loyalty in psychological terms. The most relevant in public policy contexts appears in W. E. Lyons *et al.*, (1992), built on the work of Caryl Russett *et al.* (1982) (see Dowding *et al.*, 2000 for a review). While useful within their own contexts we are not convinced that a psychological approach to loyalty is useful in certain contexts, and psychological variables in our empirical work constitute unobservables. Thus we stick to a simple account of loyalty in behavioural terms.

Satisfaction

A key variable that affects any potential exit–voice trade–off is satisfaction. As we have argued, private voice activity is only likely to occur if citizens are dissatisfied with the services they receive. However, they may use collective voice even if they are perfectly satisfied with services but fear they may deteriorate if another party gains control at an election. The relationship between satisfaction and the two exit strategies is also complex. All things being equal, dissatisfaction with public services should be correlated with higher intentions to exit, and with higher exiting itself. People are more likely to shift to the private sector if they are dissatisfied with the services provided in the public sector than if they are satisfied. However, they might still exit even if they state they are satisfied with those services. For example they might feel that the local school provides a good education and be satisfied with the service it provides, but, if they can afford it, still send their children to a private school if they believe that this would bring extra advantages to their child.¹⁰ One might be satisfied with a public service but still think the private sector is superior. Nevertheless, we should still expect to see dissatisfaction correlated with exit.

Similarly, while households rarely geographically exit purely because they are dissatisfied with the services provided by their local authority, it has been shown that once a household has taken the decision to move they will compare the tax–service packages on offer from different local authorities within the same metropolitan area (Dowding and John, 1996; John *et al.*, 1995). However, comparison between the relative packages on offer shows that, strictly speaking, exit does not depend upon *dissatisfaction* with public services. Dissatisfaction thus has a complex relationship with both voice and exit, though the general expectation is that dissatisfaction spurs both voice and exit. What must be borne in mind, however, is that satisfaction is a relative concept. One might exit from state provision even though one is satisfied with that provision, given the constraints on government expenditure, if one thinks that better provision might be found in the private sector. Thus exit from state provision can occur even when people say they are satisfied with that provision.

From where do people's satisfaction levels arise? This is not an easy question to answer. People become dissatisfied with a service when it does not meet their expectations. But from where do these expectations arise? What sorts of comparisons do people make? Do people compare public sector provision with the private sector? Do they compare services provided in their local authority with those provided in neighbouring ones? Do people compare the services they receive with some national standard, gleaned perhaps from information gained from family, friends, government and the media? Or perhaps they compare today's provision with what they have received in the past. In other words, satisfaction with any given service is not necessarily correlated with any 'objective' indicators of the efficiency of that service. In other work we try to examine how satisfaction with services is generated and compare this with objective measures. Whether people are 'rationally' dissatisfied or not is irrelevant to the exit-voice trade-off. All that matters to our analysis is what the nature of that trade-off is, given people's level of satisfaction.

It should also be noted that it is known that the level of satisfaction with services varies with social class, educational attainment and employment status. Those in employment, with higher education and higher social class tend to be less satisfied with services. This higher level of dissatisfaction is probably due to higher expectations. It is also the case that, independent of the level of satisfaction, the better educated and more wealthy are also more likely to voice and exit, as both activities are lower cost for them.

Generally speaking, individual voice activity has a lower cost than relocation or exit to private providers with the private costs that the latter holds. However, collective voice might be more expensive (especially given its expected result) than moving to the private sector or even moving across jurisdictions for the relatively wealthy. Exit across providers within the public sector might be relatively costless.

Hypotheses

The discussion thus far yields the following hypotheses:

- H1: Individual voice (for any service) will increase as dissatisfaction increases (for that service).
- H2: Collective voice may show any relationship to general levels of satisfaction.
- H3: Each type of exit will increase with dissatisfaction.

We test this implication with the variant:

- H3': Current dissatisfaction will increase the intention to exit.
- H4: Where exit is impossible or expensive, then voice activity will increase.
- H5: Greater voice activity will be associated with higher social class.

H6: Greater social investment/social capital increases voice activity.

H7: Intentions to exit will decrease collective voice activity.

We might note that H4 and H5 work in opposite directions. The educated and richer are more likely to have exit options available and hence this may decrease their propensity to voice. On the other hand, voice activity is cheaper for them, so they are less likely to exit. While a dynamic model tested over time might be required in order to examine fully these complex relationships, we can only report our preliminary findings from the first wave of the survey here. The methods and instruments are described in the Appendix.

Describing the Data on Exit and Voice

Hypothesis H1 posits that individual voice has a negative relationship to satisfaction, which exists between a score that aggregates records of complaints across the different services and service satisfaction (Pearson's correlation = -0.248 , $p = 0.0$): in other words, as we should expect, higher dissatisfaction leads to more complaints. There is the same relationship between complaints to and satisfaction with secondary schools. There is a similar – less strong but statistically significant – relationship between education complaints and satisfaction with primary schools (-0.042 , $p = 0.02$); and there is also a strong relationship between complaints and satisfaction with respect to rubbish collection ($p = 0.0$).

Hypothesis H2 concerns the relationship between satisfaction and collective voice. We suggested that the relationship might go either way. Dissatisfaction could lead to more collective voice; on the other hand if people are satisfied they might also use voice to defend what they have – this would particularly be expected with the voting variables. We find there is negative correlation between a score that aggregates different acts of participation and satisfaction (-0.088 , $p = 0.0$); that is, lower satisfaction tends to increase participation. Table 1a shows the same relationship between satisfaction and voting in local elections. The relationship also exists, though less strongly, for voting in national elections. Taking each item of participation, a statistically significant relationship exists

Table 1a: Voting in Local Elections by Satisfaction with Services

	1. Very dissatisfied	2.	3.	4.	5. Very satisfied	Total
No	20.6	21.2	26.8	23.4	21.2	24.4
Yes	79.4	78.8	73.2	76.6	78.8	75.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
N	170	463	1,637	1,177	179	3,626

Pearson $\chi^2 = 10.6891$, $p = 0.030$.

between dissatisfaction and voting and dissatisfaction and 'taken part in a public demonstration or protest', 'met with neighbours to complain or lobby', but not for 'signed a petition'. We also asked questions about what people liked about their area, and included service questions, local schools and local tax. Here we observe the same relationship of these variables to the local vote outcomes for the council tax variable. Table 1b shows that dissatisfaction increases the probability that a respondent votes, evidence that also emerges at the aggregate level between high local taxes and turnout (Gibson, 1988; 1994). The tax-dissatisfaction variable does not generate other forms of collective voice, except for 'met with neighbours to complain or lobby' ($p = 0.045$). The other service-liking factors work in the expected direction between dissatisfaction with local schools for local and national voting, and between school dissatisfaction and individual voice; that is, complaints about specific services, but not for any form of collective voice. There is a similar set of relationships for approval of council services, with a negative relationship to complaints and to the non-voting dimension of collective voice. But there is no relationship between voting and approval of services. Hence we conclude that dissatisfaction is associated with all forms of voice activity.

Hypothesis H3 concerns the relationship between satisfaction and exit. One of the most straightforward links is between service satisfaction and intentions to move. Although we find some support, the results (not reported here) are not strong. In particular there is no relationship between moving within a local authority jurisdiction and satisfaction – which might be expected – but the relationship is also indeterminate between exiting the local authority and satisfaction. This is consistent with our earlier findings that dissatisfaction is only marginally related to the push side of moving (where to move from), though it is related to the pull side (where to move to) (John *et al.*, 1995; Dowding and John, 1996). However, if we look at the intended distance of the move in Table 2 the predicted relationship weakly emerges: greater dissatisfaction is associated with larger intended moving distances, thus suggesting that the greater one's dissatisfaction with current services – both for education and health as well as the general local authority services – the more likely one will contemplate moving further away.

Table 1b: Voting in Local Elections by Attitudes to Local Taxation

	1. Do not like at all	2.	3.	4.	5. Like very much	Total
Did not vote	26.7	25.0	21.2	22.6	29.1	24.55
Voted	73.3	75.0	78.8	77.4	70.9	75.45
Total	100.0	100.0	100.0	100.0	100.0	100.00
<i>N</i>	1,316	944	930	243	86	3,519

Pearson $\chi^2 = 10.4236$, $p = 0.034$.

Table 2: Intended Distance of Moving by Dissatisfaction

	1. <i>Very Dissatisfied</i>	2.	3.	4.	5. <i>Very satisfied</i>	Total
Less than 1 mile	5.50	6.5	7.9	10.0	14.0	8.6
1–5 miles	36.7	34.5	38.5	37.2	38.5	37.5
5–20 miles	24.2	29.5	27.6	29.6	28.0	28.4
20–60 miles	11.71	13.00	10.0	8.8	11.9	10.2
Over 60 miles	21.88	16.5	16.0	14.3	7.7	15.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>N</i>	128	339	1,202	850	143	2,662

Pearson chi2 = 28.5935, p = 0.027.

The other types of exit also demonstrate the expected relationships. We find that dissatisfaction with secondary schools is associated with the use of private schools though this relationship is not strong (0.059, $p = 0.003$). The same relationship exists with satisfaction with primary schools (0.06, $p = 0.003$) and also exists when respondents report sending their children to private schools in the past (0.055, $p = 0.006$). We likewise find this association for the health questions, such as lack of confidence in receiving timely treatment at a local GP surgery (0.037, $p = 0.0$) or NHS hospital (0.062, $p = 0.013$) and paying for private treatment. Here we find similar relationships between private exit and the perception that the respondent will be given the correct treatment by the GP (0.031, $p = 0.038$), with the same relationship for hospitals (0.045, $p = 0.003$). In other words, dissatisfaction with public health and education services is associated with exit activity to the private sector.

The exit–voice trade–off in hypothesis H4 demonstrates a variety of relationships between exit opportunities/constraints and voice activity. We measured people who are locked in to services by a series of questions about how much extra income it would take to use the private sector. For education, we asked parents who did not have children at a private school whether they would send them to one if their income increased. (We estimated the cost of a private school at £10,000 per annum and asked if they would send a child to a private school if their annual income increased by £20,000.) If they choose the private sector with this new income, we assume they are dissatisfied but locked in to schools, in contrast to the people who still opt for the public sector and choose to spend the extra income on other things.¹¹ Hirschman suggests that people who are locked in are more likely to voice than those who could exit. However, we found choosing to exit to the private sector for schooling had no impact on local or national voting turnout. There is a relationship with the number of times a person participates, as is shown by Table 3, but it works the opposite way from that expected for lower values of participation and in the expected direction as participation increases.

Table 3: Number of Participation Items by Locked in to Education

	<i>Locked in</i>	<i>Not locked in</i>	<i>Total</i>
0	63.4	62.1	62.6
1	22.0	27.1	25.3
2	10.4	8.1	8.9
3	3.2	2.1	2.5
4	0.9	0.6	0.7
Total	100.0	100.0	100.00
<i>N</i>	651	1,278	1,929

Pearson chi = 9.9939, *p* = 0.041.

Table 4: Locked in to NHS by Vote in Local Elections

	<i>Very likely</i>	<i>Fairly likely</i>	<i>Neither</i>	<i>Fairly unlikely</i>	<i>Very unlikely</i>	<i>Total</i>
Did not vote	23.7	27.6	27.7	24.6	22.1	25.0
Vote	76.0	72.4	72.3	75.4	77.9	75.0
Total	100.0	100.0	100.0	100.0	100.0	100.00
<i>N</i>	384	660	682	752	1,026	3,504

*Pearson chi*² = 9.8275, *p* = 0.043.

We also find a relationship with individual voice. Those who choose the private sector option are more likely to voice. There is a negative correlation (0.061, $p = 0.06$) between the aggregated complaint score and the lock-in variable. But there is no relationship between complaining about education services and the private–state variable, possibly because numbers in these cells are low. Overall, we find good support for the idea that people who are locked in to education voice more, but they do so through individual rather than collective voice. This implies Hirschman was correct that those locked in to a public service such as education will try to improve it for themselves with private voice. However, exiting to the private sector for educational services does not make one less likely to indulge in public political activity. We asked similar questions for health. Here we asked respondents to indicate their private and public sector choices if they had an extra £1,000 added to their salary. As shown in Table 4, we find no relationship to local and national voting.¹² Overall, there is little evidence that lock-in increases voice in health care.

Turning to hypotheses H5 and H6, we find the expected relationship between voice and social class. There is a correlation (0.06, $p = 0.002$) between personal

income and the aggregated participation score, with the same scores for household income (0.06, $p = 0.0002$). There is also the expected relationship between a score that aggregates the different elements of social capital and aggregated voice – a high correlation (0.40, $p = 0.0$) – and the individual measures, and also with the aggregated complaint scores (0.24, $p = 0.0$). There are also significant correlations with the other dimension to social capital, social trust, with correlations of 0.11 ($p = 0.0$), but a negative correlation with the complaint score of -0.05 ($p = 0.0008$), which indicates that those who trust complain more (possibly because they expect a response when they complain?).

The final hypothesis H7 concerns intentions to exit and this is captured here by another two dimensions of exit: moves within and across jurisdictions. Here the idea is that those who intend to move will withdraw from participation. There are some tables that can be drawn with the key voice items. Table 5 shows a strong relationship between intentions to move and voting in local elections: the moving intention appears to cause a reduction in voting. And there is a similar relationship with voting in general elections. But there is no relationship to the aggregated collective voice item, though there are expected relationships with the individual collective voice items, with signing a petition being significant ($p = 0.04$) and taking part in a public demonstration or protest borderline significant ($p = 0.053$). There is no relationship between aggregated complaining and intentions to move, which supports the three voice framework. It appears that those who have decided to move out of the area are less likely to indulge in public activity and less likely to bother to complain individually about services themselves: as they are moving away they rationally do not see the point of the investment of their time and energy.

However, the intention to move needs to be broken down as implied by the three exit framework. In the Tiebout model it should be jurisdiction that is the key aspect of the moving decision, making the decision to move outside a jurisdiction a factor that affects voice. It is possible to rerun the tables above with a smaller number of respondents who are moving, dividing them into intra- and inter-jurisdictional movers. But there is no relationship between jurisdictional moving and voting in local or general elections. There is a relationship between inter-

Table 5: Voted in Local Elections by Intentions to Move

	<i>Very likely</i>	<i>Fairly likely</i>	<i>Neither</i>	<i>Fairly unlikely</i>	<i>Very unlikely</i>	<i>Total</i>
Not vote	36.6	29.7	27.4	20.6	18.6	24.9
Vote	63.4	70.3	72.6	79.4	81.4	75.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>N</i>	678	475	441	495	1,474	3,563

Pearson chi2 = 93.1374, p = 0.000.

jurisdictional moves and the aggregated participation measure shown in Table 6. Although parts of this table have the hypothesised relationship to voice at the lower end of the participation scale, at the higher ends the relationship is reversed, possibly because the high-level participators are geographically mobile. The relationships are clearer for the individual items. For attending a public meeting or rally, there is a positive relationship between voice and crossing a jurisdiction ($p = 0.03$) – inter-borough movers voice more in this case. This is also the case for taking part in a public demonstration or protest ($p = 0.004$). There is no relationship for ‘met with neighbours to complain or lobby’ or for ‘signed a petition’. Interestingly, there is a positive relationship between the aggregated complaint variable and jurisdictional move (0.069 , $p = 0.006$), which shows that the people who complain more tend to be the inter-jurisdictional movers. This might suggest that exit and voice could enhance each other on some dimensions, or it may simply reflect some unobservable in our data, such as the ‘active’ citizens discussed in the Lyons *et al.* (1992, esp. ch. 3) ‘Exit, Voice, Loyalty and Neglect’ model. We are unable to investigate these possibilities until we have the data to explore the dynamic aspects through time.

Tiebout exit will impact on future voice if people move across local jurisdictional boundaries and hence are not available to impact on the public providers in the future. But many geographical exits will not have that effect as people may not move so far, though they may shift schools, doctors or hospitals as a result. For that reason it might be better, as above, to represent the moving variable as one of distance of move; however, we find there is no relationship with the aggregated participation variable. Nor is there a relationship with voting intention, either local or national, or a relationship with the individual participation items or the complaint score.

Again, from a service perspective, it may be incorrect to examine all moves, and it makes sense to exclude moves whereby people can retain their package of

Table 6: Aggregated Participation by Jurisdictional Move

	<i>Within council</i>	<i>To a new council</i>	<i>Total</i>
0	62.2	60.8	61.7
1	26.9	24.9	26.2
2	7.6	8.3	7.8
3	2.2	4.3	3.0
4	1.1	1.56	1.24
Total	100.0	100.0	100.0
<i>N</i>	1,599	898	2,497

*Pearson chi*² = 10.9873, $p = 0.027$.

services, including schools, hospitals and GPs, such as those moving within a five-mile radius. In the other variable – which creates two kinds of move, one within and one outside this distance – we find again that most relationships to voice are non-significant, except for the relationship to signing a petition (-0.03 , $p = 0.033$). Overall, it is intention to move that has the impact on voice rather than any other factors captured in our survey.

Multivariate Relationships

In this section, we develop a multivariate model to control for some of the powerful determinants of voice. Table 7 sets out a probit model to examine the

Table 7: Probit on the Determinants of the Local Voting Decision

	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>
Gender	-0.082 (0.054)	-0.095 (0.064)	-0.083 (0.055)
Race	-0.247** (0.086)	-0.203* (0.104)	-0.2.53* (0.089)
Age	0.031*** (0.002)	0.036*** (0.003)	0.029*** (0.002)
Household income	0.083** (0.015)	0.078*** (0.018)	0.077*** (0.016)
Age completed education	0.127*** (0.023)	0.156*** (0.027)	0.108*** (0.024)
Intention to move	0.081***	0.070*** (0.070)	0.066*** (0.018)
Like local schools	–	0.062* (0.028)	–
Group membership	–	–	0.079*** (0.016)
Know names of neighbours	–	–	0.137** (0.056)
Social trust	–	–	0.121* (0.056)
Constant	-1.81 (0.229)	-1.419 (0.182)	-0.919 (0.241)
Log likelihood	-1,456.27	-1,044.13	-1,397.49
Pseudo R2	0.10	0.12	0.11
N	2,858	2,136	2,795

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Note: With trust and knowing neighbours here and in the following tables we reverse the signs of the codes in the original data to encourage an intuitive reading of the table.

effects of various factors on the probability of voting. These include a number of personal variables, well known in the literature on participation, that predict turnout, including the basic socio-demographic relationships of gender, race, age, household income, car ownership and age of leaving education.¹³ In the baseline models and in the models with the non-baseline terms, all these relationships are as expected and, with the exception of gender, are statistically significant. As a result, the models below control for these impacts on voice.

Model 1 in Table 7 shows that those who have the intention of moving are less likely to vote (the variable is coded from 1 = very likely to 5 = very unlikely). In other models not reported here we also examine the impact of private exit on health care and education, but in this case it does not predict voting; nor does being locked in to services. In a separate model, intentions to exit from public health care also do not predict individual voice complaints. We do find, however, that 'intention to move' remains a predictor of voting. In other models not reported here, we show that other measures of service satisfaction and satisfaction with taxation do not affect the vote decision. Model 2 in Table 7 shows that the only service variable affecting turnout is the response that liking of local schools is a reason for liking the neighbourhood, with more satisfaction leading to higher voter turnout. Model 3 tests whether the exit-voice trade-off is moderated by social investment. For social capital we use variables indicating whether the respondent knows the names of neighbours and trusts others, and the number of voluntary groups the person is a member of. These are statistically significant and show that social investment does indeed increase the probability of voting. Overall, the results confirm the hypothesis that geographical exit intentions reduce the probability of voting; social capital increases the probability of voting; but exit from public to private service providers has no impact on voting.

Table 8 presents a regression of the aggregated level of participation, that is, the summed table of participation mentioned above.¹⁴ The results are similar to those found in the voting case. Model 1 introduces the intentions to move as the exit variable, but there is no relationship; nor do other exit variables have any predictive force. Model 2 uses council satisfaction as a predictor of collective voice and, as with the bivariate models, we find that dissatisfaction predicts collective voice. Model 3 introduces the social capital variables and these have a major impact on the model, perhaps because some of the collective acts of participation are closely linked to the group membership variable.

Next we analyse individual voice in the form of complaints about specific problems respondents have had with public services. To capture the picture across services, we analyse the aggregated variable of complaints across all services, but reduce it to the value of zero for those who have made no complaints and one for those who have made any complaint. The aggregated variable was too skewed to permit analysis by ordinary least squares. Here the covariates have been differently conceptualised, partly because there is less of an

Table 8: Ordinary Least Squares (OLS) on the Determinants of Aggregated Participation

	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>
Gender	-0.052 (0.032)	-0.039 (0.032)	-0.047 (0.030)
Race	0.137** (0.052)	0.116* (0.052)	0.145** (0.050)
Age	0.004** (0.001)	0.004** (0.001)	0.001 (0.001)
Household income	0.011 (0.009)	0.014 (0.009)	-0.000 (0.008)
Age completed education	0.080*** (0.013)	0.082*** (0.013)	0.033*** (0.012)
Intention to move	-0.005 (0.011)	-	
Council satisfaction	-	-0.085*** (0.017)	-0.091*** (0.017)
Group membership	-	-	0.169*** (0.008)
Know names of neighbours	-	-	0.052 (0.028)
Social trust	-	-	0.020 (0.030)
Constant	0.173 (0.103)	0.408 (0.113)	0.611 (0.140)
R2	0.02	0.03	0.18
N	2,926	2,930	2,804

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

automatic connection between complaining and socio-economic status than in the voting or general participation cases (Thomas and Melkers, 1999). While higher socio-economic status groups might be more able to complain, they use fewer public services, and those they tend to use are less likely to generate problems. Females and older people are hypothesised to complain more because they are in the front line of service provision to a greater extent. We use those who are employed, which is hypothesised to be negative, and council tenants, who have more to complain about because of their housing services. The aggregated-use variable is created by summing all the users across nine service heads. The resulting regression is presented in Table 9, Model 1, where the terms show all the expected relationships, with dissatisfaction with the local council driving complaints. Model 2 reports the significant result from a series of tests of exit. In regressions not reported here we find that intentions to move

Table 9: Probit Model of the Determinants of Complaining

	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>
Gender	0.129** (0.045)	0.127** (0.046)	0.125** (0.048)
Age	0.008*** (0.002)	0.007*** (0.002)	0.009*** (0.002)
In full-time work	-0.102* (0.047)	-0.100* (0.050)	-0.098 (0.050)
Council tenant	0.207** (0.075)	0.237** (0.781)	0.257** (0.080)
Service user	0.170*** (0.015)	0.172*** (0.016)	0.150*** (0.017)
Council satisfaction	-0.341*** (0.025)	-0.246*** (0.205)	-0.340*** (0.026)
Locked in to NHS	-	0.044** (0.016)	0.041* (0.017)
Group membership	-	-	0.073*** (0.013)
Know names of neighbours	-	-	0.015 (0.025)
Social trust	-	-	-0.256*** (0.048)
Constant	-0.330 (0.146)	-0.173 (0.162)	-0.632 (0.204)
Log likelihood	-2,253.94	-2,149.99	-2,057.57
Pseudo R2	0.07	0.08	0.09
<i>N</i>	3,699	3,500	3,397

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Note: Along with trust and knowing names of neighbours, we reverse the sign on locked in to the NHS to encourage an intuitive reading of the table.

do not predict levels of complaining, nor does exit from public to private providers. One might think that exiters are people who have had the most problems with public services, which is why they exit. However, we find no evidence of that. It may well be that exiters are those who complain more and are able to afford to exit. We have tried to establish whether this is true by examining those who are locked in to services. We examined 'lock-in' to state education but found no relationship with complaints; though with lock-in to health there is. Here we asked if those whose annual income rose by £1,000 annually would buy private health care insurance and found those who would are more likely to complain overall about services (see Model 2). Model 3 reports the social investment variables as predictor and similar results are found,

though knowing one's neighbours has no effect. Social trust, however, works in the opposite direction from what we found to be the case with participation. People are less likely to complain if they have higher degrees of trust. This may be because those who trust others are less likely to feel that difficulties they experience with services are exceptional or unreasonable.

Finally, we seek to model voice and exit in the same equation. A bivariate probit allows for the simultaneous estimation of the covariates for both exit and voice. For this equation presented in Table 10, we have recoded intentions to move: so 1 = likely to move and 0 = unlikely to move (which is the opposite way round from its coding when used as an independent variable, but which makes interpretation easier). The estimation takes the form of a seemingly unrelated regression because we allow for different covariates to predict, respectively, exit and voice. We use the same equation for voice, but vary the covariates for exit by

Table 10: Seemingly Unrelated Bivariate Probit on Intention to Move and Having Voted (Robust Standard Errors in Parentheses)

	<i>Voted</i>	<i>Intention to move</i>
Gender	-0.071 (0.056)	
Race	-0.224* (0.090)	0.114 (0.087)
Age	0.032*** (0.002)	-9.97*** (0.002)
Household income	0.081*** (0.016)	
Home owner		-0.631*** (0.054)
Age completed education	0.099*** (0.024)	0.108*** (0.029)
Council satisfaction	-0.046* (0.030)	-0.065* (0.029)
Group membership	0.078*** (0.016)	
Know names of neighbours	0.129* (0.052)	0.081 (0.052)
Social trust	0.166** (0.057)	
Constant	-0.589 (0.262)	0.887 (0.193)

$N = 2,746$, $Rho = -0.094$ (0.036), $p = 0.011$.

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

including home ownership as a constraint on moving. We then inspect the rho and its standard error to find that there is a negative significant relationship between vote and intentions to move, which confirms the exit–voice negative trade-off. That is, controlling for satisfaction, those who intend to exit are also less likely to voice. This seems to confirm Hirschman’s claim that exit dampens voice in the sense that those who are intending to exit are less likely to use voice. It should also be noted that council satisfaction negatively predicts both voice and exit, and that age is also a negative constraint. Whereas we deploy the full range of social capital variables for voice, we only use ‘knowing neighbours’ to capture attachment to the area. We ran another bivariate probit model for participation as a binary variable, but found there was no significant rho for this equation ($\rho = 0.024$, $se = 0.033$, $p = 0.47$).

Conclusions

Our online survey considered citizen satisfaction with public services. It also asked questions about individual exit decisions both from catchment areas of public provision and from public to private provision. We also asked a host of questions about participation in politics, private complaints and about the social investment made by respondents and the social capital they enjoyed. Our survey is able to answer a series of questions about satisfaction with public services. This article has addressed some of the fundamental issues raised nearly 40 years ago by Albert Hirschman which have never properly been addressed by empirical research.

Some of our findings are intuitive. People are more likely to complain privately about a service when they are dissatisfied. We find that dissatisfied people are more likely to vote and to engage in other forms of collective participation. We find only a weak relationship between geographical exit and dissatisfaction, which fits with earlier studies we have conducted. Exit from the public to private sectors in education especially, and health, is correlated with dissatisfaction with those services. We attempted to discover whether some dissatisfied people are locked in to public services because they cannot afford exit to the private sector and whether Hirschman is correct that such people are more likely to voice. We found no specific relationship in that regard with general complaining but certainly those locked in to education are more likely to complain about local schools than those who are not locked in. Those who choose the private sector are also more likely overall to voice than those who do not, which suggests that the exit–voice trade-off might exist as the more alert consumers move out of the public to the private sector; and locking in such people will ensure that voice activity will remain. We did not replicate these findings in health, however. We also found that those who are intending to move are less likely to engage in all forms of local participatory and political activity as well as private voice. This is understandable since once people are

moving out of an area the investment of their time will not bring benefits directly to themselves.

Overall our results tend to corroborate some of the hypotheses that might be drawn from a modified Hirschman framework. We have certainly demonstrated that there are exit–voice trade-offs and that making exit opportunities greater will have an effect upon expected private complaints about public services and some forms of political activity. As such we have demonstrated the use of this neglected framework in political science for the analysis of voice and exit, as linked to public services and political participation. One attraction of the model is its simplicity, which can be confirmed by finding the negative relationships between exit and voice; the other attraction is that it can be used to model the more complex trade-offs that exist between satisfaction, exit, voice and social capital, each of which relates and modifies each other. Further, we are able to take account of the different kinds of exit and voice by examining different trade-offs with their three respective kinds, which adds extra nuance to the analysis given the choices among different kinds of participation and different forms of exit that exist.

So does increasing choice in the form of increasing the number of exit opportunities have a deleterious effect upon voice activity, particularly political activity voice mechanisms? Our finding that geographical exiters are also more likely to engage in all forms of voice might suggest that increasing exit possibilities will leave behind ‘inert’ consumers, thus reducing voice in poor service areas. But our finding that those who are ‘locked in’ are also more vocal suggests otherwise. However, these results, while statistically significant are not large and so the lesson for public policy is not that increasing choice through exit mechanisms is inequalitarian or inefficient, but rather the inefficiencies and inequities that might slowly emerge need to be monitored. Monitoring allows government and regulators to intervene where competitive pressures fail: the traditional role of government in the welfare state.

Appendix: Methods and Instruments

Our method is a survey of UK internet users, randomly selected from a representative bank of internet users. Internet panels are increasingly used in survey research, such as the ESRC-funded 2005 British Election Study. Survey companies can have large banks of users which are weighted to be representative of the population. The findings from the 2005 BES show little or no difference – depending on question – between the results gained from an internet poll and a conventional random probability door-to-door survey (Sanders *et al.*, 2007). We sampled 9,500 from the bank of over 100,000 YouGov users yielding 4,067 responses, a response rate of 42 per cent. Table A1 compares the distribution of our survey to the general population and Table A2 describes key variables.

Table A1: Characteristics of the Survey

	% <i>Survey</i>	<i>Population</i>
Men	50.3	48.6
Age (average)	42.9	38.6
Home ownership	61.5	70
Wales	5.4	4.9
Scotland	8.3	8.5

Source: Office of National Statistics.

Table A2: Descriptive Statistics of Key Variables

<i>Variable</i>	<i>Mean</i>	<i>SD</i>	<i>Min</i>	<i>Max</i>	<i>N</i>
Social investment					
Know names of neighbours	2.19	0.57	1	3	4,077
Social trust	1.51	0.50	1	2	3,902
Group membership	1.79	1.88	0	16	3,823
Satisfaction					
Service satisfaction	3.20	0.89	1	5	3,710
Secondary school satisfaction	4.214	1.501	1	6	4,026
Primary school satisfaction	4.547	1.283	1	6	4,026
Quality of primary schools	3.92	1.03	1	5	2,813
Quality of secondary schools	3.49	1.16	1	5	2,860
Exit					
Private health	0.19	0.39	0	1	3,768
Intention to move	3.4	1.58	0	5	3,887
Voice					
Aggregated complaining	0.733	1.311	0	13	3,823
Aggregated participation	0.544	0.843	0	4	3,823
Voted in local election	0.748	0.434	0	1	3,717
Voted in general election	0.804	0.397	0	1	3,776

We have listed the variables in four groups: social investment, satisfaction, exit and voice. Most of the variables are self-explanatory. The group membership variable was created from a set of questions asking whether people belonged to, took part in, supported or helped organisations or activities including schools, sports clubs, trade unions, churches and so on. Each of these variables could score 0 or 1 and the items are summarised in our group membership variable by adding up the scores on our specific variable, so the group variable ranges from 0 to 16.¹⁵ The satisfaction variables all score between 1 and 7; the intention to move between 0

and 6; and whether or not the person has private health insurance 0 or 1. Aggregated complaining and aggregated participation were also created from individual responses to complaints and participation questions. For the complaining variable we add together all the individual complaints, a term that has a mean of 0.7 and a standard deviation of 1.31. The participation variable was created from whether people had attended public meetings or rallies, taken part in demonstrations or protests, signed petitions or met with neighbours to complain or lobby.¹⁶ The data set is available from the authors or from the University of Essex data archive.

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Notes

- 1 In fact local authority providers in the UK have strictly contained powers given the rules and targets set for them by central government.
- 2 See, for example, Le Grand (2003); Le Grand (forthcoming); Dowding and John (2008); Williams and Rossiter (2004); Prime Minister's Strategy Unit (2006); Farrington-Douglas and Allen (2005) for some examination of these questions.
- 3 Eventually we will have data from five annual surveys.
- 4 Like Hirschman, we ignore exiting from the good or service altogether.
- 5 Such as the man moving from Durham to Scotland to obtain cancer drugs (*The Independent*, 15 January 2007).
- 6 O'Donnell (1986) makes a distinction between 'vertical' and 'horizontal' voice. The former is voicing to the provider; the latter is discussing the good or service with family, friends or neighbours, or perhaps through the mass media. This is an interesting distinction and is especially relevant for our discussion of the relationship between voice and social investment. However, we do not analyse this useful distinction in this article.
- 7 There are other suggestions to subdivide exit, voice and loyalty extant in the literature. We review these in Dowding *et al.* (2000).
- 8 We thus use a broader concept of social capital than simply 'trust' which has come to dominate the social capital literature – much to its detriment.
- 9 Lyons *et al.* (1992) similarly suggest that voice can be seen as a form of social investment, though they modify Hirschman in ways incompatible with our modified framework. See Dowding *et al.* (2000, pp. 480–6) for a critique of the EVLN framework adopted by Lyons *et al.*
- 10 One might believe that the educational standards at a local state school are superior to a private school (as regulations governing, for example, teaching qualifications are higher in the state sector) but believe there are social advantages to sending one's child to a private school. Or one might have certain religious views that mean one exits from state provision without being dissatisfied with that provision on its own terms.
- 11 We trust responses to this hypothetical question because we were able to observe what happened to respondents who said they choose the private sector for their children in a second wave of the survey a year later: they showed more inclination to make a choice for private education than those who indicated state schools ($p = 0.016$); presumably some of them are now able to afford private schools.
- 12 Nor did we find any relationships with other kinds of voice activity not reported here.
- 13 Model specifications using age squared to catch the possible non-linear relationship were not as efficacious.

- 14 We chose ordinary least squares as the estimator because each act can be regarded as an interval. An alternative estimator could be ordered probit, measuring the impact of ordinal variables. The ordered probit makes little difference to the size of the standard errors, to the signs of the coefficients or on the overall impact of the model.
- 15 This score has an average of 1.8 and a standard deviation of 1.8. The individual variables also scale well having a Cronbach alpha of 0.62.
- 16 This has an alpha value of 0.53.

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