

Co-production and Third Sector Social Services in Europe: Some Concepts and Evidence

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Abstract The third sector is poised to play a leading role in public sector innovations in the twenty-first century. The third sector can enhance, facilitate, and promote greater citizen participation in the determination, provision, and governance of social services through co-production. This article explores some crucial conceptual issues related to the co-production of public services and the role of the third sector. It also provides some brief empirical evidence of the potential of the third sector, not merely as a service provider, but also as a facilitator of the re-democratization of the European welfare state. Here, collective action and third sector provision are crucial for distinguishing between co-production heavy and light. The conclusion focuses on the ability of the public, third, and for-profit sectors to embrace greater citizen participation and co-production.

Résumé Le troisième secteur est prête à jouer un rôle de premier plan dans le secteur public innovations au XXIe siècle. Le troisième secteur peut améliorer, faciliter et promouvoir une plus grande participation des citoyens à la détermination, la disposition et la gouvernance des services sociaux par le biais de coproduction. Cet article explore certaines questions cruciales conceptuelles liées à la co-production de services publics et le rôle du tiers secteur. Il prévoit également certaines preuves empiriques bref du potentiel du tiers secteur, non pas simplement comme un fournisseur de services, mais aussi comme un facilitateur de la redémocratisation de l'État-providence européen. Ici une action collective et le troisième secteur en termes sont cruciales pour distinguer entre la lumière et lourds de coproduction. La conclusion met l'accent sur la capacité du public, secteurs à but lucratif et de la troisième à embrasser une plus grande participation des citoyens et coproduction.

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Zusammenfassung Der dritte Sektor ist bereit, um im öffentlichen Sektor Innovationen im 21. Jahrhundert eine führende Rolle. Der dritte Sektor kann verbessern, erleichtern und fördern größere Beteiligung der Bürger an der Festlegung, Bereitstellung und Staatsführung sozialer Dienstleistungen durch Koproduktion. Dieser Artikel untersucht einige wichtigen konzeptionellen Fragen im Zusammenhang mit der Koproduktion von öffentlichen Dienstleistungen und die Rolle des dritten Sektors. Es bietet auch einige kurze empirische Beweise für das Potenzial des dritten Sektors, nicht nur als Dienstleister, sondern auch als Vermittler von der Wiederherstellung des Europäischen Sozialstaates. Kollektives Handeln und dritten Sektor Bestimmung sind hier entscheidend für die Unterscheidung zwischen Koproduktion schwer und Licht. Der Abschluss konzentriert sich auf die Fähigkeit der Öffentlichkeit, dritte und gewinnorientierten Sektoren, mehr Bürgerbeteiligung und Koproduktion zu umarmen.

Resumen El tercer sector está preparado para desempeñar un papel líder en el sector público las innovaciones en el siglo XXI. El tercer sector puede mejorar, facilitar y promover una mayor participación ciudadana en la determinación, provisión y gestión de servicios sociales a través de la coproducción. Este artículo explora algunas cuestiones conceptuales cruciales relacionadas con la coproducción de los servicios públicos y el papel del tercer sector. También proporciona algunas breve evidencia empírica del potencial del tercer sector, no sólo como un proveedor de servicios, sino también como un facilitador de la redemocratización del estado de bienestar europeo. Aquí la acción colectiva y la disposición tercera del sector son cruciales para distinguir entre la luz y pesados de coproducción. La conclusión se centra en la capacidad del público, los sectores terceros y con ánimo de lucro para abarcar una mayor participación ciudadana y la coproducción.

Keywords Co-production · Third sector · Public services · Governance · Innovation

Background

The relationship between the state and citizens is continually changing in post-modern societies.¹ New forms of providing services, including public services, are emerging that challenge traditional patterns of production. The third sector is poised to play a leading role in major public sector innovations in the twenty-first century. It can enhance, facilitate, and even promote greater citizen participation in the determination, provision, and governance of public services through the co-production of such services. Co-production is based on a synergy between the activities of citizens and the government and it implies a partnership between the users and financiers, or the clients and professional providers of public services.

¹ This is a revised and shortened version that combines parts of chapters 2 and 19 in *New public governance, the third sector and co-production* (Pestoff et al. 2012)

Peer production is a way to produce goods and services that relies on self-organizing communities of individuals who come together to produce a shared outcome, i.e., the production of content by the general public rather than by paid professionals and experts in the field. In these communities, the efforts of a large number of people are coordinated to create meaningful projects. The information age, especially the internet, has provided the peer production process with new collaborative possibilities and has become a dominant and important mode of producing information. Free and open source software provides an example of this. Peer production is often used interchangeably with the term “social production” or “P-2-P” production (Wikipedia, 16/3-2012). It implies both a more horizontal and egalitarian, if not a more democratic, way of producing goods and services (Botero et al. 2012).

In the changing relations between the government and citizens the former sometimes attempt to involve the latter in the provision of goods and services. This is motivated either by reasons of improving the efficiency of public services, the effectiveness of public policies, or to promote other important social goals, like citizen empowerment, participation, and democracy. Here, we can speak of Government-to-citizen, G-2-C, co-production more generally or Municipality-to-inhabitant, M-2-I, co-production at the local level. Alford compares the use of postal codes on letters and filing individual income tax returns as classical examples of co-production in the Anglo-Saxon countries (2010). Greater citizen involvement in the provision and governance of public services can be seen as an innovation in public service provision. The role of information technology in co-producing public services plays an important role in promoting greater interaction between some public agencies and the citizens (Bauwens 2005; Meijer 2012 and included in this special issue); however, this article does not consider it.

Moreover, innovations in public services are not just new ideas, techniques or methods, but also new practices, and they do not only involve physical artifacts, but can also include changes in the relationships between the service providers. Therefore, Hartley (2005) distinguishes between several different types of innovations in the public sector, including (a) products, (b) services, (c) processes, (d) positions, (e) strategy, (f) governance, and (g) rhetoric. Governance innovation is central for this paper since it includes new forms of citizen engagement and possibilities for expanding democratic institutions in public services. Forty years ago Nobel Laureate Elinor Ostrom and her colleagues analyzed the role of citizens in the provision of public services in terms of co-production (Parks et al. 1981 and 1999). Today citizens in European welfare states have several different roles that represent diverse aspects of post-modern life. To name just a few, they are voters, taxpayers, employees, members of a family, consumers, and often belong to two or more voluntary associations, etc. Sometimes these roles complement each other, but sometimes they can come into conflict with each other. Moreover, sometimes citizens play these roles as individuals, but other times they do so in close collaboration with others, i.e., in informal groups or in voluntary organizations.

Equally important, given major social and political changes in Europe and Scandinavia, particularly with the growth of the welfare state at the end of WW II, the very state they interact with has also changed significantly. In the immediate

post-WW II period they faced a rapidly expanding, yet basically traditional public administration, with its hierarchical chain of command, where citizens were primarily viewed as passive clients of mostly public services. Later, with the spread of neo-liberalism and introduction of New Public Management (NPM), they were expected to become active consumers and exercise more choice between various providers of public financed services, be they public, private for-profit or nonprofit. Here, the market replaced the state as the main governing mechanism for the expression of citizens' preferences. More recently, the spread of network society (Hartley 2005) and New Public Governance (NPG) (Osborne 2006, 2009) implies a more plural and pluralist model of governance and provision of welfare services, based on public-private networks, where citizens now have an even more active role as co-producers of some or many of the services they expect, demand, or even depend upon in order to fulfill a variety of their most important roles today (see Pestoff 2012). NPG can provide them with both choice and voice.

Thus, both the shifting roles that citizens play in their daily life and the changing context within which they play them place complex demands on the concepts and methods needed to study and understand such far reaching changes. It is necessary to explore both individual and collective aspects of such changing roles for citizens. However, not all third sector service providers are equally prepared to play a leading role in the development of public financed services. In particular, those third sector organizations that are democratically organized and managed can make a significant contribution to enhancing, facilitating and promoting co-production and democratic governance. Other third sector organizations will probably play a less prominent role or may even face some challenges to promoting greater democratic governance of public services.

Co-production: Some Crucial Conceptual Issues

This article focuses on co-production, particularly of long-term or enduring social services. What is co-production and what are the crucial conceptual issues for better understanding its contribution to the renewal of public services? Five such issues are explored in the first part of this article.

Definitions of Co-production and Levels of Analysis

Definitions of co-production range from “the mix of public service agents and citizens who contribute to the provision of public services” to “a partnership between citizens and public service providers”. Differences between them can express cultural differences, differences of focus or both. They can also express different levels of analysis. We will contrast a few of them below as there seems to be some notable discrepancy between the American, British, Canadian, and European usage of the term co-production. The concept of co-production was originally developed by Elinor Ostrom and the workshop in political theory and policy analysis at Indiana University during the 1970s to describe and delimit the involvement of ordinary citizens in the production of public services. Thus, they

developed the term “co-production” to describe the potential relationship that could exist between the “regular producer” (street-level police officers, schoolteachers, or health workers) and their clients who want to be transformed by the service into safer, better-educated or healthier persons (see Parks et al. 1981 and 1999). Initially co-production had a clear focus on the role of individuals or groups of citizens in the production of public services, although their involvement also had some ramifications at both the meso- and macro-levels of society. Co-production is, therefore, noted by the mix of activities that both public service agents and citizens contribute to the provision of public services. The former are involved as professionals or ‘regular producers’, while ‘citizen production’ is based on voluntary efforts of individuals or groups to enhance the quality and/or quantity of services they receive (ibid.).

Bovaird (2007) proposed a wider definition. According to him “[u]ser and community co-production is the provision of services through regular, long-term relationships between professionalized service providers (in any sector) and service users and or other members of the community, where all parties make substantial resource contributions.” (ibid: 847). This definition focuses not only on users, but also includes volunteers and community groups as co-producers, recognizing that each of these groups can have a quite different relationship to public sector organizations. Alford (2009), by contrast, distinguishes between volunteering and co-production. Citizens contribute resources when they volunteer, but do not personally consume the services provided, while co-producers both contribute resources and consume the services provided (ibid.). However, a large degree of overlap exists between volunteering and co-production in terms of the motives for such behavior and the organizational setting for such actions (Pestoff 2010). Moreover, by including a temporal aspect in his definition, Bovaird appears to exclude more mundane acts of co-production, like using postal codes, filing tax returns, etc. Furthermore, the British Cabinet Office views co-production as a partnership between citizens and public service providers to achieve a valued outcome (Horne and Shirley 2009). Co-production is essential for meeting a number of growing social challenges that neither the government nor citizens have the necessary resources to solve on their own. But, is co-production just another example of “old wine in new bottles” or perhaps more neo-liberal hype designed to roll back the state and promote more volunteering? The British Cabinet Office argued that this clearly was not the case since co-production comprises an approach that was distinct from other traditional responses like volunteerism, managerialism or paternalism (ibid.). Whether this still holds true under the Coalition Government after the 2010 Parliamentary Election, the huge budget cuts it made starting in the Fall of 2010 and its subsequent promotion of “Big Society” and “Localism” remains to be seen.

In the UK, the term co-production has also been used to analyze the role of voluntary and community organizations (VCOs) in the provision of public services (Osborne and McLaughlin 2004). Therefore, it is sometimes contrasted with co-management or co-ordination between the public and third sectors in providing some public services, and with co-governance (ibid.) or co-construction as it is often called in Canada and Latin America. Such a multi-level perspective provides a more

nuanced understanding than a singular focus on co-production at the individual level or using the same term for different levels. However, co-production in the UK context also appears to imply a direct, but limited service delivery role for VCOs, i.e., they are simply service agents or providers. By contrast, co-management refers to a broader role for VCOs in local service management, while co-governance refers to the role of VCOs in policy formulation and community governance. The latter is best illustrated by the Voluntary Sector Compact(s), at both the national and local levels and Local Strategic Partnerships designed to promote local regeneration in the UK (ibid.).

Co-production has also recently been introduced to the continental European discussion where it refers to the growing direct and organized involvement of citizens in the production of their own social services (Pestoff 1998, 2006 and, 2009; Vamstad 2007). The continental perspective seems to adhere more to the US than to UK usage of the term co-production. For example, parents participate in the co-production of their own childcare, both individually and collectively by joining a parent association or co-operative preschool that produces such services in France, Germany and Sweden. We also find ample evidence of co-management and co-governance of childcare services in some European countries.

So, the term co-production has been used in different contexts and for different phenomena, however, these differences are not always made clear (Brandsen and Pestoff 2006 and 2009). Sometimes co-production is used as a general term to cover many different types of citizen participation in public service provision, and it also includes various ways citizens and/or the third sector participate both in policy making and policy implementation. Other times, it seems to focus on a different level or phenomena that involve citizen and/or third sector participation in policy making and/or public service delivery. It is necessary to keep these differences in mind for the sake of clarity. So, co-production can refer both to direct citizen participation in the delivery of a public financed service, at the site of service delivery, as well as to group provision of such services. The growing mix and diversity of service providers not only implies greater opportunities for citizen involvement in the provision of public financed services, but it also becomes necessary to manage and govern this growing diversity. Citizen participation at the site of service provision is different from the meso-level phenomenon of co-management, where the third sector participates, alongside other public and private actors, in managing the growing complexity of delivering diverse public financed services, without any direct citizen or user participation. Co-management, therefore, refers to the growing diversity or hybridization of providers of welfare services, typically found in situations where different NPOs and/or FPOs participate in the provision of public financed services (Brandsen 2004). Elsewhere, this has been referred to as the “growing welfare mix” (Evers and Laville 2005).

It is worth noting that both co-production and co-management take place on the output or implementation side of the political system, once a public policy has been determined. Co-governance, on the other hand, is usually found on the input side, and involves the third sector and other private actors in the determination of public policy for a given sector. Co-governance refers to attempts to manage this growing diversity in a more democratic fashion, through the creation of citywide, provincial

and/or national bodies where various providers are represented and given both a voice and vote in developing and deciding the future of a sector, i.e., in its governance. The appropriate site for co-governance structures will depend, of course, on constitutional differences between various welfare states. Thus, in addition to serving as a general term for citizen and/or third sector participation in many kinds of public service, co-production can also be distinguished from co-management and co-governance. Although I will employ the above terminology to distinguish between various phenomena, it should be noted that these three concepts are not always mutually exclusive.

Co-production: Individual Acts, Collective Action, or Both?

It is often argued that the analysis of co-production needs to distinguish between individual acts and collective action and focus on one or the other. Are we mainly interested in individual or collective participation in the provision of public services? While this distinction may sometimes seem relevant or perhaps even a necessary part of a research design, in the field there is often a mix of both of them in the same service delivery. Let's look, therefore, at the options available in terms of co-production. They are:

- *Individual acts of co-production* that involve ad hoc, spontaneous or informal acts done in public or at home. However, sometimes they are perceived as a necessary part of the service or even a mandatory activity expected of all citizens. The use of postal codes on letters and filing individual tax returns illustrates this type of co-production (Alford 2002). Alford explores how to engage clients as co-producers of such public services (2009). Yet, given their low salience, few would expect them to elicit any collective action.
- *Collective acts of co-production* that involve formally organized and institutionalized activities done together with others. They often concern the provision of enduring social services discussed above. Such services produced by a small group at the micro level often imply as much collective interaction as collective action, which can promote the development of social capital, mutualism, and reciprocity (Pestoff 2006 and, 2009).
- *A mix of both individual and collective action* Many acts of co-production combine both individual and collective action(s), often in a repeated fashion for a long time. This mix of individual and collective action is highly relevant when it comes to social services, particularly enduring social services. So the relevant question is not only how to elicit greater individual client co-production, but also how to facilitate more collective action in public service provision and a greater mix of both. Numerous examples of this mix are discussed by Pestoff (2012).

Relations Between the Professional Staff and Their Clients

Co-production clearly implies different kinds of relationships between professional service providers and their clients. In some cases both parties are physically present

and the production and delivery of the service are inseparable. But, there is also a time dimension involved. Many services are based on a one time or ad hoc meeting between service professionals and their clients, while others can involve more frequent meetings and a long-term relationship between them. In particular, many social services are long-term and involve repeated interactions between the professional staff and their clients. Despite such temporal aspects, different types of relations can exist between the professional staff and their clients according to the literature on co-production, i.e., interdependence, supplementary, and complementary.

When an organization cannot produce the service without some customer input they are considered interdependent. Some public services are based on this interdependency. Examples of this are found in various types of educational or vocational training programs for the long-term unemployed (Alford 2002, 2009). Without client input no learning can take place (Porter 2012). In addition, customers or clients can supplement or substitute the professional service provider, at least in some activities. Examples of this include properly filling in postal codes on letters and accurately filing tax forms in a timely fashion. However, this depends both on the clients' willingness and ability to do so. This can be facilitated by the design of the tasks clients are expected to perform and the motives used to facilitate their co-production (ibid.).

Alternatively, client inputs can complement the tasks performed by the professional staff. Where the staff continues to perform all or most the key or core activities of the organization, while the clients perform some secondary or peripheral tasks. Parent participation in co-operative or associative preschool services provides a good example. The staff retains full pedagogical responsibility for the content and development of the preschool services, while parents are normally in charge of tasks like maintenance, management, bookkeeping, and sometimes even cooking at a preschool facility (Brandsen and Pestoff 2006 and 2009; 2008). A clear division of labor in a complementary co-production situation can help avoid or at least mitigate some potential conflicts of interest between the staff and their clients.

Why Citizens Become Involved in the Co-production of Social Services

In her seminal article on co-production, *Crossing the Great Divide* (1999), Ostrom compares the conditions for co-production in two developing countries, i.e., in condominium water systems in suburban areas in Brazil and elementary education in rural Nigeria. In the latter she notes that villagers were traditionally engaged in several community projects, including building roads and the maintenance of school buildings. However, she documents the detrimental effects of centralization and frequent changes in government policy concerning primary education. She compared four Nigerian villages, two where parents valued education highly and focused on primary education, with good results in terms of pupils passing their school exams (85 %). In two other villages parents valued education less and contributed very little to the local primary schools. Without parental support the teachers were incapacitated and demoralized and the children only obtained a

scattered education, if at all. She concludes that when co-production is discouraged by the government taking over schools that villagers had perceived as their own, by creating chaotic changes in who is responsible for financing them, by top-down command administration, etc., only the most determined citizens will persist in co-production activities (ibid., p. 357).

Alford (2009) compares the engagement of public sector clients in Australia, the UK and the USA. He notes that it is usually assumed that most individuals' cost-benefit analysis will only lead them to seek extrinsic self-interest rewards. However, he argues that different motives exist for co-production in different contexts. The more public the value consumed by clients, the more complex the motivations for them to co-produce. He notes that "...eliciting co-production is a matter of heightening the value that clients receive from the services by making more explicit their non-material aspects through intrinsic rewards, solidarity incentives or normative appeal." (ibid., p. 187). He concludes that intrinsic rewards can also be powerful motivators, since people are not solely motivated by self-interest, but also by social values. The latter includes the enjoyment associated with interacting with other people, gaining their approval or avoiding their disapproval. Normative purposes, like participation, influence and democracy, are also important for motivating co-production. Thus, he identifies three types of motivation—intrinsic, social and normative—in addition to material rewards that can elicit co-production. In order to prompt clients to co-produce an organization must offer them something of material, social or normative value (ibid.).

When exploring citizen involvement in the co-production of social services in Europe, we need to consider the two-related issues: the ease of involvement and the motivation of individuals to participate in the co-production of social services. How easy is it for citizens to become involved in the provision of social services and why do they become active participants in the service provision process? The ease or facility of citizens becoming involved will depend on several things, like the distance to the service provider, the information available to citizens about the service and its provision, etc. They are related to the time and effort required for citizens to become involved and might therefore be seen as the transaction costs of participation. If and when opportunities exist for motivated citizens to participate actively in the co-production of a social service lowering the transaction costs will make it easier for them to do so. By contrast, the greater the effort required of citizens to become involved the less likely they will do so. Citizens' motivation to become involved as a co-producer will, in turn, depend on the importance or salience of the service provided. Is it a very important service for them, their family, loved-ones, a relative, a friend, or not? This will reflect how the service affects them, their life and life chances. Does it make a direct impact on their life and/or life chances, or does it only have an indirect effect? If and when a person feels that a service is very important for them and/or their loved-ones or vital to their life chances they will be more highly motivated to become involved in the co-production of social services.

It is, therefore, necessary to make a distinction between enduring and non-enduring social services. Many social services belong to the former category and therefore, have an immediate impact on the life, life chances and quality of life of the persons and/or families receiving them. The importance and impact of such

Table 1 Citizen Involvement in social services: service providers and salience

Service provider/salience	Non-participative	Participative
Greater	Active consumer	Active co-producer
Less	Passive client	Ad hoc participant

Source: Pestoff (2010)

services guarantees high client interest in the development of such services, especially in their quality. Enduring social services include: childcare or preschool services, basic and higher education, elder care, handicap care and housing as well as preventive, and long-term health care. Users of such services are locked-into them for a long time and can therefore not normally rely on exit to provide them with influence or redress. The transaction costs of exit are often prohibitive in enduring services, so voice, rather than exit, provides clients with influence and redress (Pestoff 1998). When we combine these two dimensions it results in a classical four-fold table with the following patterns of citizen involvement in co-production seen in Table 1.

Combining these two dimensions helps us to identify two types of service providers, non-participative and participative, as well as different types of clients, who range from passive clients to active co-producers. In between, there are active consumers and ad hoc participants. In non-participatory modes of service provision, where the hurdles to participation are high or the ease of participation is low, we can either expect to find active consumers or passive clients. The former are the ideal type for New Public Management, while the latter are the typical mode associated with traditional public administration. However, in more participatory forms of service provision, where client participation is encouraged, facilitated or even required, we can expect to find both active co-producers and ad hoc participants. The former are the ideal type for New Public Governance (NPG), while the latter may participate in some important matters. Thus, by combining ease of participation with the salience of the service we get a more mixed or nuanced picture of client motivation than if we only considered one dimension at a time.

The Co-operative Gambit: Why Citizens Engage in Collective Action

The pursuit of self-interest can either be individual or collective. In the latter there is an element of common benefit, not found in the former. Collective action and even more so collective interaction have the ability to transform the pursuit of self-interest into something more than the sum of individual self-interest. It makes possible the achievement of common goals that would otherwise be impossible for isolated, unorganized individuals. Such goals can include good quality elementary education, good quality preschool services, good quality health care, elder care, etc., at a reasonable cost to individuals and society.

Collective action can help solve some social and personal dilemmas created either by the lack of some important social services on the market or by the variable quality of such services provided by the state. The lack of good quality childcare

services is a prime example in many countries today. The local authorities don't provide them, or enough of them in many countries and the market simply prices them out of reach of most citizens. Thus, many families struggle to combine their professional career demands with family needs, particularly for high quality childcare. Therefore, many of them reason that if they don't join hands with other like-minded persons to form an association and provide the service themselves, then it simply won't be available to them. If the market cannot provide an adequate amount of the service at affordable prices for most citizens or if the quality of standardized public services is not acceptable to some citizens, they can join hands to form an association to provide it for themselves and others who lack such services. Thus, without collective action a particular service would not be made readily available, or it would not be available in the quality desired by some groups. Therefore, in spite of well known hurdles to collective action (Olsen 1965 and 1971), without engaging in it no suitable childcare service will be provided for a number of concerned families. However, government understanding of this social and personal dilemma and acceptance of third sector alternatives may also prove crucial for success.

A cooperative gambit is the willingness of individuals to sacrifice their short-term personal interest for the sake of the long-term individual and group benefits stemming from collective action in order to achieve a group goal or provide a social service. A social cooperative or social enterprise can create trust that helps to surmount the limits of the short-term personal interest of group members or to curb "free-riding". This encourages them to contribute their time, effort and other resources to achieve the fruits of their collective efforts that cannot be achieved by isolated individuals. Of course not everyone is willing to participate in collective action, but there may be enough of them to make it worth considering why some do? Extensive research in experimental psychology repeatedly and clearly shows that in real world collective action situations there are two other types of norm-using players in addition to rational egoists (Ostrom 2000). The first group is comprised of "conditional cooperators", who are willing to initiate or join collective action when they estimate that others will reciprocate and they will continue such actions as long as others demonstrate similar behavior. The second group of cooperators, are called "willing punishers". They rely more heavily on social control and punishment as the basis for collective action. However, research shows that many people combine both these traits. Both groups are prone to pursue the cooperative gambit, especially when certain institutional forms exist.

Ostrom also develops six design principles for the emergence of self-organizing collective action (ibid.). Several of them are relevant for understanding collective action, but only two of them will be considered closer here. The first is setting clear group boundaries to determine who uses a resource or service and who does not. The second principle concerns the right of members to influence decisions concerning the management of a resource or service, i.e., they are self-governing groups. Thus, a social cooperative or social enterprise created to provide a particular service for its members must establish clear boundaries and they must also be able to influence decisions through internal democratic channels. These two aspects are, of course, mutually reinforcing and taken together they help to make a cooperative

gambit more viable. Thus, Ostrom's research establishes that the rate of contribution to a public good is affected by various contextual factors and that these design principles make self-organized collective action more robust.

Olsen (1965 and 1970) discusses the failure of large groups to form voluntary organizations in the pursuit of public interest. This is primarily due to the costs of collective action and problems of "free riding". However, a small scale group or organization allows individual members to survey and control the efforts and contributions of others, thereby avoiding or limiting problems of "free-riding". Olsen refers to "the privileged position of small groups" and argues that they are subject to the second logic of collective action (*ibid.*). Thus, it is easier for small groups to organize themselves than larger ones due to greater possibilities for social controls. These two phenomena, the cooperative gambit and small group control, help to explain the growth and success of co-production and third sector provision of social services in Europe.

The co-operative gambit not only represents a "quantum leap" in terms of the presumed maximization of individual short-term utilities. It also recognizes that individuals have different dispositions toward cooperation. Some persons appear more favorably disposed to cooperate than others. Moreover, it also suggests that "methodological individualism" is not only biased toward short-term utility maximizing individuals, but it also ignores, or perhaps overlooks, the existence of other dispositions, like "conditional cooperators" and "willing punishers". So, there is no longer any viable reason for maintaining this negative stance toward cooperation between rational actors, beyond ideology. Thus, collective action is not only possible when "selective incentives" are present, as Olsen once argued, but also when some institutions help remove the hurdles facing collective action by "conditional cooperators" and "willing punishers". However, Ostrom warns that external rules and monitoring can also crowd out cooperative behavior (Ostrom 2000).

Two Empirical Studies: Breaching the "Glass Ceiling"

The empirical materials briefly reviewed in this article come from two separate studies reported elsewhere: a comparative multiple case study of family policy and alternative provision of preschool services in promoting social cohesion in Europe and a comparative survey study of public, private for-profit, parent cooperative and worker cooperative preschool services in Sweden. They permit a discussion of the political value added by third sector provision of social services. Some third sector providers can facilitate greater citizen participation and thereby help to breach the "glass ceiling" found in public and for-profit social services.

Co-production: Two Comparative Studies of Parents' Participation in Preschool Services

The first of these two comparative studies of parent participation in preschool services in Europe, the TSFEPS Project permitted us to examine the relationship

between parent participation in the provision and governance of preschool services in eight EU countries (Brandsen and Pestoff 2006 and 2009).² We found different levels of parent participation in different countries and in different forms of provision, i.e., public, private for-profit and third sector preschool services. The highest levels of parent participation were found in third sector providers, like parent associations in France, parent initiatives in Germany, and parent cooperatives in Sweden (ibid.). We also noted different kinds of parent participation, i.e., economic, political, social, and service specific. Economic participation involves contributing time and materials to the running or maintenance of a facility; political participation means being involved in discussions and decision-making; while social participation implies planning and contributing to various social events, like the Christmas party, Spring party, etc. Service specific participation can range from the management and maintenance of a facility, or filling-in for the staff in case of sickness or when they attend a specialized course, to actually working on a regular basis in the childcare facility. However, regular parent participation in core activities is rarely noted. All four kinds of participation were readily evident in third sector providers of preschool services, while economic, political and service specific participation were highly restricted in municipal and private for-profit services. Thus, we found that parents participated actively in the provision of third sector preschool services at the site of delivery in France, Germany and Sweden (ibid.).

The second is a study of the Swedish welfare state that focuses on the politics of diversity, parent participation and service quality in preschool services (Vamstad 2007). It compared parent and worker co-ops, municipal services and small for-profit firms providing preschool services in Östersund and Stockholm. This study not only confirms the existence of the four dimensions of co-production noted earlier in the TSFEPS study; but it also underlines clear differences between various providers concerning the importance attributed to co-production. This study demonstrates that parent co-ops promote much greater parent participation than the other three types of preschool service providers, in terms of economic, social, political and service specific participation. This comes as no great surprise, since the essence of the parent co-operative model is parent participation. However, this study also shows that neither public nor private for-profit services allow for more than marginal or ad hoc participation by parents in the preschool services. For example, parents may be welcome to make spontaneous suggestions when leaving their child in the morning or picking her/him up in the evening from a municipal or small private for-profit preschool facility. They may also be welcome to contribute time and effort to a social event like the annual Christmas party or Spring party at the end of the year. However, more substantial participation in economic or political terms can only be achieved when parents organize themselves collectively to obtain better quality or different kinds of preschool services than either the state or market can provide.

² The TSFEPS Project, Changing Family Structures and Social Policy: Childcare Services as Sources of Social Cohesion, took place in eight European countries between 2002 and 2004. They were: Belgium, Bulgaria, England, France, Germany, Italy, Spain, and Sweden. See www.emes.net for more details and the country reports.

Thus, parent co-ops in Sweden promote all four kinds of user participation: economic, social, political, and complementary or service specific. They provide parents with unique possibilities for active participation in the management and running of their child(ren)'s preschool facility and for unique opportunities to become active co-producers of high quality preschool services for their own and others' children. It is also clear that other forms of preschool services allow for some limited avenues of co-production in public financed preschool services, but parents' possibilities for influencing the management of such services remain rather limited.

Third Sector Co-production: Breaching the "Glass Ceiling"?

Thus, we find traces of a "glass ceiling" for citizen participation in public services that limits citizens to playing a more passive role as service users who can perhaps make some demands on the public sector, but who have little influence, make few, if any, decisions and take little responsibility for implementing public policy. Thus, it might be possible to speak of two types of co-production: co-production "heavy" and co-production "light". The space allotted to citizens in the latter is too restricted to make participation very meaningful or democratic. Co-production "heavy" is only possible when citizens are engaged in organized collective groups where they can reasonably achieve some semblance of direct democratic control over the provision of public financed services via democratic decision-making as a member of such service organizations. A similar argument can be made concerning user participation in for-profit firms providing welfare services.

Perhaps this is logical from the perspective of municipal governments. They are, after all, representative institutions, chosen by the voters in elections every 4th or 5th year. They might consider direct client or user participation in the running of public services for a particular group, like parents, as a threat both to the representative democracy that they institutionalize and to their own power. It could also be argued that direct participation for a particular group, like parents, would provide the latter with a "veto right" or a "second vote" at the service level. There may also be professional resistance to parent involvement and participation, including some misunderstanding about the extent of such client involvement and responsibilities, i.e., whether it concerns core or complementary activities.

The logic of direct user participation is also foreign to private for-profit providers. Exit, rather than voice, provides the medium of communication in markets, where parents are seen as consumers. So, this logic also curtails most types of direct user participation. Only the parent cooperative services clearly fall into the bottom-up category that facilitates co-production "heavy". Here we find the clearest examples of New Public Governance, where parents are directly involved in the running of their daughter and/or son's preschool center in terms of being responsible for the maintenance, management, etc., of the preschool facility. They also participate in the decision-making of the facility, as its members and "owners". However, both these comparative studies of preschool services also illustrate the co-existence of several different layers of public administration regimes in the same sector and country. In Sweden, for example, most preschool services are provided

by municipalities in a traditional top-down public administrative fashion. Private for-profit preschool services seem inspired by ideas of greater consumer choice related to NPM.

Summary and Conclusions: Capacity to Embrace Co-production

In sum, the first part of this article explored several crucial conceptual issues related to co-production. Various definitions of co-production were considered and a generic one, stemming from the early writings of Ostrom and her colleagues was adopted. It focuses on the mix of activities that both public service agents and citizens contribute to the provision of public services. The former are involved as professionals or “regular producers”, while “citizen production” is based on voluntary efforts by individuals or groups to enhance the quality and/or quantity of services they use. It was expanded to include both individual and group participation in co-production.

Then we explored two comparative studies of parent participation childcare in Europe. We found that both public services and small for-profit firms demonstrate the existence of a “glass ceiling” for the participation of citizens as clients of enduring welfare services. Evidence also suggests similar limits for staff participation in the public and private for-profit forms of childcare services. Only social enterprises like the small consumer and worker co-ops appear to develop the necessary mechanisms to breach these limits by empowering the clients and/or staff with democratic rights and responsibilities.

Innovations in the public sector that promote greater citizen involvement in the provision of public services can include various ways to facilitate greater citizen participation through co-production. This is particularly important for TSOs and social enterprises that encourage or even require direct member participation in the provision of public financed social services. It should, however, be clearly noted that not all third sector organizations can automatically be equated with greater client participation. Whether or not they are depends primarily on their own internal decision-making rules. Many nonprofit organizations are not governed in a fashion that promotes participation by either their volunteers or clients. Most charities and foundations are run by a board of executives that is appointed by key stakeholders, rather than elected by their members or clients. However, very few such organizations can be found among providers of preschool services in Sweden. By contrast, social enterprises in Europe usually include representatives of most or all major stakeholder groups in their internal decision-making structures, and they are often governed as multi-stakeholder organizations. In fact, participation by key stakeholders and democratic decision-making are two of the core social criteria applied by the European EMES Research Network to define and delimit social enterprises.

Finally, both the empirical studies also illustrate the lack of capacity by public sector and private for-profit providers of childcare to promote greater citizen participation and client co-production. At best co-production light might be found there, while clients who want to participate more are forced to look elsewhere or to

establish their own co-op services. Moreover, this suggests that neither the public top-down nor market oriented provision of social services can readily adapt itself to the demands or resources associated with greater client participation and citizen co-production. They are both based on single stakeholder models of providing social services that excluded all other stakeholders from participation and influence in the provision of such services. In addition, they are also associated with different public administration regimes that do not embrace co-production.

Furthermore, the growth of peer production and the spread of information technology will inevitably impact the space for networked governance and alternatives to both public and private for-profit provision of public services. As more informal and nontraditional organizations enter the public domain, the demand for greater third sector provision of public services and more citizen participation in the provision of such services will probably grow. But, the government sets the rules of the game and its support and understanding for such developments will make a substantial difference.

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