Collective Action and the Sustainability of Co-Production

By Victor Pestoff*


*Institute for Civil Society Studies, Ersta Sköndal University College, Stockholm, Sweden; e-mail: victor.pestoff@esh.se.
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Abs.: This paper addresses the sustainability of citizen/user participation in the provision of public services, often referred to as co-production. Co-producing public services promises to limit cost, but it also requires a change in the relations and behavior of public servants and citizens/users, in order for the latter to make a long-term commitment to co-production. The paper notes that Olsen proposes two logics of collective action, not just one. Focusing on small group interaction can provide an important strategy for achieving sustainable co-production, particularly of enduring welfare services. However, Ostrom criticizes too simplistic approaches based on size alone for promoting social cooperation in collective action situations. She proposes seven structural variables of importance in resolving social dilemmas. Several of them can also be perceived as factors that facilitate sustainable citizen participation in co-production. Some additional factors are considered important for sustainable co-production, like the nature of the service itself, organizational diversity, a dialog between the staff and clients and facilitating small group interactions in large organizations. This paper concludes that governments should develop more flexible, service specific and organization specific approaches for promoting co-production, rather than looking for simple “one size fits all” solutions to the challenges facing public service delivery, particularly of enduring welfare services.

A. Background

The relationship between the state and its citizens is subject to continual change in post-modern societies. New forms of providing services, including public services, are emerging that challenge traditional patterns of production. Co-production is one such innovation that promotes a mix of public service agents and citizens/users who contribute to the provision of a public service (Parks, et al., 1981 & 1999). It is based on a synergy between the activities of citizens and the government and implies a partnership between the service users, on the one hand, and the providers on the other, or between the clients and professional staff in public services (Ostrom, 1999).

Osborne, et al. (2013) recently argued that co-production is an essential part of a broader framework to provide a new theory for public service management – a service dominant approach, in contrast to the manufacturing dominant approach of New Public Management (NPM). The latter is based on a 'fatal flaw' in public management theory that views public services as manufacturing rather than as service processes. However, public service needs to
be understood from a broader framework called New Public Governance (NPG). Services, in contrast to manufacturing, demonstrate three major differences, a) they are intangible, b) there are different product logics for manufacturing and delivering services, and, most important for the discussion here, c) the role of the user is qualitatively different for manufacturing and services. The latter are co-produced by the service providers and consumer of the services (ibid.). Co-production makes an important contribution to the debate on public management. It goes to the heart of both effective public services delivery and the role of public services in achieving societal ends – such as social inclusion and citizen engagement (ibid.: 18). Thus, they propose that “...by taking a service-dominant approach, co-production becomes an inalienable component of public service delivery that places the experiences and knowledge of the service user at the heart of effective public service design and delivery” (ibid.: 20).

A recent OECD report on co-production calls for rethinking traditional public service delivery in a new socio-economic environment (2011). It also analyzes the partnership formed by governments with citizens and civil society organizations (CSOs) in order to innovate and deliver improved public services. Fiscal pressures, new demands and changing political priorities in light of aging and more diverse societies make it necessary to explore new alternatives to traditional models. The OECD notes that, in terms of the share of resources devoted to ten standard public services, some, like general services, have decreased in importance over the past ten years, while others have increased significantly, especially health care and social protection (2011: 33). This makes existing models of service provision both tenuous and unaffordable in the long-run, and lends greater urgency to developing alternative models, particularly co-production. Thus, the search for more efficient, effective and sustainable ways to organize and deliver public services offers both challenges and opportunities to rethink traditional models of public service delivery.

The OECD report also notes that co-production takes place at different stages in the
policy process, from planning through delivery and review. Patterns of interaction between service users and providers are different in different services, with most user involvement in the delivery stage of personal services, such as health and social services, while participation in monitoring and review play a more central role in general services, like environmental protection (ibid., p. 13). Moreover, the OECD notes that most governments engage in co-production for a variety of reasons, but economic considerations seldom dominate (2011). Rather, strengthening user and citizen involvement per se, improving service quality and improving effectiveness and service outcome are much more important for most governments than increasing productivity or cutting cost (ibid.: 48).

Most OECD countries have developed different approaches to involve citizens and users in public services, ranging from simple interactions to more active consultation in decision-making. However, co-production is more than mere consultations since it involves citizens/users in more systematic exchanges to create and deliver public services (ibid., p. 18). Co-production transforms the relationship between service users and providers, ensuring greater user influence and ownership. Thus, it should be more than simply giving citizens/users a say in and/or more responsibility for the design, provision or evaluation of public services. The old adage, ‘no rights without responsibilities’, can be turned around to read ‘no new responsibilities without additional rights’. Providing citizens and users with more influence over public services, particularly service quality of enduring social services, may prove important for eliciting their participation as co-producers. Otherwise, there is clearly a risk of turning the provision of social services into an IKEA like do-it-yourself regime (Alcock, 2010; Taylor, 2011) that provides users and citizens with too little influence to motivate their sustained participation in co-producing welfare services. Rather, it might be interpreted as a new form of social dumping or a race to the bottom, where “everyone does their own thing”. However, this risk appears greater in a New Public Management regime,
where individual co-production is the focus, rather than collective or group co-production.

Information technology can also play an important role in co-producing public services by facilitating greater interaction between public agencies and citizens (Bauwens, 2005; Meijer, 2012). The promise of new technology and ICT make it very popular, but it often has a heavy emphasis on technical solutions that tend to ignore the human and social aspects. Therefore, ICT solutions fall outside the scope of this paper. Also, this paper uses terms like citizen, user and client interchangeably. We are fully aware of the potential differences between these roles, but for the sake of simplifying the argument we prefer temporarily to ignore them.

B. Introduction: collective action, co-production and size

Some authors argue that collective action is important for making co-production more viable and sustainable. Co-production does not require citizens to join an organization; however, organizations are a crucial variable, since they can enhance the levels of co-production and facilitate co-ordination between citizens and public agencies (Rich, 1981). However, the relationship between collective action and co-production has not yet been systematically explored. This paper examines the potential contribution of collective action to more sustainable co-production in the provision of public services, particularly of enduring welfare services.

1. Collective action

Hudson (2012) argued that it is important to distinguish between individual and collective co-production, particularly with reference to developments in the health care sector in the United Kingdom. His argument appears equally valid for other enduring social services and other OECD countries. He sketches three phases in the shift from mass production to mass collaboration or participatory health care in the NHS. First, in mass production professionals design and deliver services to their patients who are passive recipients of the same. Then, in today’s mass customization and personalization of services professionals and patients jointly
design them, but professionals still lead the implementation. When patients can become individual co-producers of customized and personalized services it results in a patient-consumer model. Finally, mass collaboration and participatory health care rely on sustained patient engagement to deal with complex chronic conditions. Thus, patients and communities are central both to the design and delivery of services and support in the latter model. In addition to the design of services, they also influence the commissioning, delivery, assessment and continuous development of them. This assumes that better service quality can be achieved through collective co-production, since it also promotes greater transparency and accountability than ‘consumer’ choice and individual co-production found in mass customization and personalization (ibid.).

If collective action is a key question for understanding how to make co-production more sustainable, then we need to ask if and how the type of provider impacts on citizen/user participation in public services? Unfortunately, very few empirical studies compare citizen/user participation in the provision of public financed services across providers, sectors or countries. Some provisional insights can, however, be gleaned from two empirical studies of parent participation in public financed childcare and preschool services in Europe. The first study noted that co-production in the eight EU countries involved different dimensions of participation: economic, political, social and service specific (Pestoff, 2006 & 2009). It also found higher levels of participation in third sector and nonprofit providers on most of these dimensions than in public and private for-profit services (Pestoff, 2008).

The second study confirmed that parents’ participation in preschool services clearly varies between providers, again with the third sector providers facilitating much greater involvement both by parents and the staff in Sweden (Vamstad, 2007). Both these studies suggest the existence of a ‘glass ceiling’ for participation in public and private for-profit sector services, but show that the third sector helps breach this barrier (Pestoff, 2009). While further research
is clearly necessary, these results suggest focusing on the potential contribution of the third sector to the sustainability of citizen/user participation in the provision of public services.

However, both academics and practitioners agree that the third sector is difficult to define (Kendall & Knapp, 1995) and delimit (Brandsen, et al., 2003). It is comprised of many different and diverse types of organizations, ranging from small local self-help groups to huge international non-governmental organizations (INGOs) and from activity oriented ones to passive checkbook organizations. Moreover, the third sector often overlaps with other major social institutions like the market, state and community, resulting in various degrees of hybridity (Pestoff, 2013). Given the wide range and diversity of third sector organizations (TSOs), some may be better suited for promoting co-production than others and some may facilitate more sustainable co-production than others. We will return to the topic of organizational diversity in greater detail in section C.2 below.

2. Group size

Organizational size has long been recognized as an important aspect of participation (Dahl & Tufte, 1973). Individuals often feel anonymous in large organizations and can easily lose their way or focus, while they feel more at home in smaller ones. Group size is also important for understanding collective action. Mancur Olsen spelled out two “Logics of Collective Action” in his seminal book (1965 & 1971), one for small groups and another for large, mass groups. Much of his book was devoted to explaining how and why large groups are different from small ones in terms of their potential for collective action. He proposed certain techniques or methods, like “selective incentives”, to overcome the hurdles facing their effective organization. In brief, he argued that small groups have a privileged position by virtue of their size, since their members can easily monitor each other’s behavior and contribution to a common project. This becomes more difficult once a group grows beyond a certain size. Thus, selective incentives will serve little purpose in small groups, but they may prove important, if
not essential, in larger ones.

Olsen's distinction based on group size has some obvious ramifications for the study of co-production and implications for citizen participation in the provision of public services. It can provide us with a better idea of when and where co-production might prove sustainable and when not. Citizen participation in a small, self-governing group that provide public financed and enduring welfare services for itself, will differ significantly from a large amorphous group that rarely meets each other or the public authorities who provide many of the public services they use. Moreover, the relations and interactions among users in a small group will result in stronger and more durable bonds than among those only engaged occasionally, if at all, in face-to-face interactions with each other or the public authorities. Small groups can also promote the growth of social capital. Thus, size appears important for several reasons. It is related to resources, influence, etc., but also to bureaucracy. While small size means less resources and perhaps less influence, it also means smaller bureaucracies and usually more engaged members (Pestoff, 2012b).

3. Interaction with other structural variables

Size is one of several structural variables that Elinor Ostrom deemed important for overcoming collective action problems (2009). However, the impact of size has been strongly contested. Whether and how size affects the likelihood of cooperation depends on the other variables, on how they are affected by group size and how it in turn affects them (ibid.: 54). The other structural variables considered important in the governance of common pool resources (CPR) are whether the benefits are subtractive, the heterogeneity of a group, face-to-face communications, information about past actions, network relations and whether a player decides to participate or not (ibid.: 54-56). Several of them are also relevant for facilitating citizen participation in co-production. Moreover, a few additional variables appear relevant for eliciting citizen participation in co-production and making it more sustainable.
We will begin by considering the relevance of the seven structural variables identified by Ostrom.

We will briefly consider each of the seven structural variables Ostrom identified as important for resolving social dilemmas and promoting cooperation (2009: 54-56). Size, as already mentioned, is an important consideration for co-production, although far from the only one. **Subtractive benefits** are clearly related to common pool resources (CPR), like water, fishing, forests, and other natural resources, where there is a risk of over exploitation. Here one individual's use of a resource impacts on its availability to other potential users. However, this condition does not necessarily hold for the provision of public services, especially social services. For example, public education is no more or less available if one person decides to send their children to school or not. In addition, in most post-industrial countries a minimal mandatory education level is prescribed by law in combination with an obligation for parents to send their children to school. Active parental co-production in education is therefore not a subtractive benefit. **Heterogeneity of a group** is equally as relevant for co-production as for CPR. This would be particularly so where clients participated on a similar level but got very different results or benefits from their efforts. **Face-to-face communication** is also equally as relevant for co-production as it is for CPR. **Information about past actions** is also relevant, but may be filtered through the proximity of the services provided. Here neighbors know each other and interact at different levels. **Network relations** are probably a natural result of the long-term interactions stemming from participation in enduring services of three to ten years or more, which contributes to reciprocity and social capital. Finally, **choosing whether to cooperate or not** is often a non-issue in collective co-production, especially if there is a work obligation connected with the service provided. If an individual or family wants to avail themselves of a service they must comply with the work obligation and contribute to achieving or improving the service together.
Thus, several of Ostrom's structural variables for promoting cooperation with CPR are also relevant for co-production. As noted these variables may interact with each other, in both positive and negative ways to facilitate or discourage citizen participation and co-production. The term “small group interaction” will be used herein to distinguish a situation where several of these structural variables interact in a positive fashion to facilitate co-production. Clearly, a small group of citizens who meet on a daily basis over several years in order to provide a particular service for itself, with public financial support, is quite different from a large amorphous group that may share some common interests, but never meets face-to-face. The former members have quite different possibilities to get to know each other, observe each other’s behavior, and note and correct any deviations from expectations in order to prevent ‘free-riding’. Thus, we can expect a small group with regular face-to-face communications that has a homogeneous interest in achieving better service quality by working together will meet several of the criteria suggested by Ostrom. By contrast, a large heterogeneous group that never meets face-to-face will have major problems in agreeing to cooperate for a collective goal. That does not mean it is impossible, but clearly it is less likely and less sustainable. Thus, the structural variables identified by Ostrom can form a positive or negative cluster in terms of facilitating citizen participation and collective co-production.

C. Additional structural variables for co-production

There are some additional structural variables identified by research as relevant for co-production, but not necessarily so for CPR. We will now turn our attention to them. They include the nature of the service, organizational diversity, group dynamics in self-help groups, and a dialog between the staff and clients. Finally, we also consider small group models for promoting sustainable co-production in larger organizations.

1. The nature of the service, co-production and sustainability

How sustainable is citizen participation in the provision of public services and co-production?
The answer depends, at least in part, on the types of services and how they are organized. Broad amorphous groups or broad amorphous needs among citizens are harder to organize in a sustainable fashion than narrow better defined groups and needs. Take for example the need for open recreation spaces among the general public in cities compared with the need of parents with small children for childcare services. It will probably prove much more difficult to engage local residents in the maintenance of a park or public recreation area than parents in the maintenance and management of their child(ren)'s childcare or preschool facility. In the former case we face the typical “logic of collective action” situation where selective incentives may prove necessary to enlist some minimal citizen participation in the maintenance of a local park or outdoor recreation facility, while in the latter case some parents may be highly motivated to participate regularly in the management and maintenance of the preschool facility until their child(ren) reach school age. By contrast, ad hoc or lower levels of citizen participation may not prove sustainable in more intensive or enduring welfare services. For example, if parents are only allowed to make spontaneous suggestions for the children's activities when leaving or getting their own child from a daycare facility, or only asked to contribute cookies or a cake to the Christmas or Spring Party, then they might feel their contribution is trivial and may eventually curtail their engagement or direct it somewhere else. Thus, sustainability not only has to do with the nature of the group, but also with the nature of the service and how it is organized. Many public services can be (re-)organized to make citizen participation more meaningful, if and when they are willing to engage in co-production.

In particular, some services are of such a nature that the users or clients are locked into them for several years on end, anywhere from three to ten years or more. They are referred to as enduring services. Such long-term services usually include childcare and preschool services, elementary and secondary education, handicap care, elder care, housing and
preventive and long-term health care. Clients of such services are therefore in a more stable, long-term demand situation, but they can't easily switch providers if they are dissatisfied with the service or want to improve it. The transaction costs of changing providers are often prohibitive (Pestoff, 1998), making exit very difficult. Voice, therefore, provides a more stable medium for communicating about service quality than exit. Moreover, their collective interaction can provide them with amplified voice. Thus, some form of client organization can facilitate their regular participation in co-production and can also impose collective controls on potential “free-riding”.

2. Organizational diversity and sustainable co-production

If small group interaction is an important consideration for promoting sustainable user participation in welfare services, then more careful attention should be given to putting Olsen's insights into small group dynamics to use when designing such services. Small group solutions can occur by chance, when the right conditions just seem to happen, or such conditions can be enabled, facilitated or designed. Can some lessons be learned from successful examples of sustainable co-production of welfare services? If so, which examples? The 1991 Italian Law (#381) on Social Cooperatives provides a classical example. Fifteen years later, in 2005 there were 7,300 social co-ops in Italy that provided various social services and employed nearly 250,000 people (Borzaga & Galera, 2011). Several EU countries attempted to copy the Italian law on social co-ops, including Portugal, Spain, France and Poland. Another example of sustainable co-production that has featured often in the international literature is that of childcare and preschool services, so it might serve as a good starting point for our discussion. Parent associations, initiatives and cooperatives in France, Germany and Sweden provide childcare and preschool services that are based on parent participation in the maintenance and management of the services, or sustainable co-production. There is normally a work obligation coupled with membership in such services
that makes parents' participation highly regular and sustainable as long as they avail themselves of such services, which is usually until their child(ren) start school. Depending on the number of children attending such services, a family has a commitment to participate in the maintenance and management of their children's preschool for five to nine or more years. Here co-production becomes more predictable and sustainable.

A third example of sustainable co-production is found in the growing number of self-help, mutual aid and patient groups in most OECD countries. Karlsson's study, discussed below focuses on problems like, alcohol abuse, illness and physical disorder, grief and parenthood (2002). Group members emphasized the importance of mutual understanding in the group, the spirit of community and the information gained from the group. Their understanding of their problems was based on their own experience and often differed from that of the professional community. Sometimes it led to new and innovative treatment models not found in the public sector (ibid.). Moreover, an in-depth study of two regional diabetes groups in Sweden underlined the importance of information and mutual support for coping with the symptoms of diabetes (Söderholm Werkö, 2008). She concluded that members become co-producers of their own health care. All of these were made possible by organizations that promoted small group interactions.

However, organizational diversity also has important implications for the question about what role the third sector can play in promoting sustainable co-production. Clearly not all TSOs are equally prepared for this since not all of them are membership organizations that could directly promote greater client participation. Issues like organizational goals and purpose, type of members, governance structures, etc., are important to take into account when attempting to assess the potential of the third sector for promoting sustainable co-production. In addition to their purpose, the question about whether or not they can promote sustainable co-production depends in part on their own internal decision-making rules. Many
nonprofit organizations are not governed in a fashion that promotes or even allows participation by their members, 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, 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, allowing for input from all major stakeholders. In fact, participation by key stakeholders and democratic decision-making are two of the core governance criteria applied by the European EMES Research Network to define and delimit social enterprises. (see www.emes.net for details). Thus, if governments intend to facilitate greater citizen co-production in the provision of enduring welfare services they need to devise ways of promoting self-help groups, social service co-ops and other forms of third sector provision of such services that tend to be small scale and facilitate formal, collective interaction among well-defined groups of service users in a democratic fashion.

There is, of course, a difference between institutional frameworks that promote social co-ops, like the Italian Law 381/1991, and other attempts to replicate many of the good examples or best practices found in numerous small scale experiments in various parts of Europe. This has some important implications for suggestions or recommendations of “scaling-up” such small scale social experiments and innovations in order to make them more economically viable and feasible. However, economies of scale can often prove elusive, particularly in public service delivery. If politicians want to promote greater citizen participation and more co-production in the public sector, they must avoid the trap of thinking that “big is beautiful” and that they can simply promote larger and larger units of the same type of citizen participation and co-production. The idea of scaling-up, replicating, etc., of successful social innovations and social enterprises, represent a mechanistic, mass production perspective of service provision. Hartley & Benington (2006) discuss three phases in the development of
successful innovations in public services: first comes imitation, then adaptation and finally innovation. Scaling-up implies some kind of shallow imitation that with time can perhaps result in adaption to the new environment. Only after efforts to genuinely adapt the good example to its new environment, allowing it to grow into and with the new environment, allowing it to tap into the specific conditions and tacit knowledge found in that new environment, can we hope to see genuine innovation develop and take root. They contrast these two approaches as “Clip and Paste” or “Graft and Grow” (ibid.).

3. Small group dynamics in self-help groups

Karlsson’s study of self-help groups in Sweden provides valuable insights into the advantages of small groups in relation to sustainable co-production (2002). His study focused on small, autonomous groups that meet regularly to cope with a mutual problem they faced and provide each other with mutual support. He concentrated on groups working with problems of a physical, mental or social nature. He identifies the main characteristic of such small self-help groups in terms of developing or creating a common understanding of their mutual problem and providing mutual support to resolve it. A self-help group is made up of persons who experience various aspects of the problems they face in their daily life. Regular meetings between people with the same experience facilitate reaching a common understanding of their problem. Rather than being regarded as deviant or different, as they commonly are by professionals in the public sector, in a self-help group they discover that there are other people like themselves. The knowledge developed in self-help groups is different from professional knowledge, since it is based on their own personal experience, which is more comprehensive than a narrowly focused professional perspective. So, they naturally have a more complete understanding of their own problem and they can therefore develop more holistic and often viable solutions to them.

The group is not only where knowledge about their problems is developed or created, it is
also where various solutions are tested when participants apply this knowledge to their own life, and self-help groups therefore take on a double meaning for participants (ibid.). So, small group dynamics can prove very important for facilitating the participation of persons with serious physical, mental or social problems and for retaining their participation over time, i.e., turning them into sustainable co-producers of their own care.

4. Promoting a dialog between the staff and clients

We also need to ask how client input can be facilitated by the design of the tasks clients are expected to perform and the motives used to elicit their co-production. In the public sector, limiting client input to tasks that don’t require advanced professional skills in exchange for more and/or better services is one way to facilitate co-production and to elicit greater user/citizen participation (Alford 2002; 2009). In social services complementary co-production means that clients undertake secondary or tertiary tasks that don't require core professional skills, while the staff can focus on its core functions (Pestoff, 2012a). Moreover, 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,. This is particularly true for job security, since clients do not substitute the professional staff, rather they work together with them for a common goal of better and/or more services (Pestoff, 2012a).

Vidal explores how multi-stakeholder techniques can promote cooperation between key stakeholders providing public services, in particular the collaboration between the professional providers and users of public services (2013). Their cooperation is both voluntary and it lasts over a period of time. She argues that a multi-stakeholder dialog and multi-stakeholder governance are two techniques that can help promote cooperation and a strategic partnership between them (ibid.). The concept of multi-stakeholder governance assumes that an organization's decision-making bodies include different stakeholders. So, they must engage
in a dialog with each other and reach a compromise on many issues in order to survive and fulfill their expectations. This will result in an organization that does not promote the expectation of a single stakeholder, but rather one that defends various stakeholders’ interests (ibid.). This is particularly important in the provision of social services, since users or clients are locked-in to such services, often for the life of the service from the user’s perspective.

Multi-stakeholder governance implies a system of formal representation that provides both a voice and vote to all major stakeholders, while a multi-stakeholder dialog insures informal representation and a voice, but not necessarily a vote to all major stakeholders (ibid.). For example, in most parent co-op preschools in Sweden, the teachers attend the board meetings, they have a say, but not a vote on important issues. Parents do, of course, listen closely to the staff and weigh their arguments carefully before deciding. Vamstad shows that parent cooperative preschool services in Sweden promote a dialog between the parents and teachers that leads to higher quality services than those available in the public sector (2012). However, in traditional public preschool services there is little dialog or collaboration between the parents and staff. Parents can, of course, make spontaneous, ad hoc suggestions for activities and contribute to the Christmas or Spring Party, but little else.

In addition to promoting a dialog between the staff and clients, both these techniques can also help to avoid some of the negative consequences of asymmetric information and power relations between providers and users of social services. Asymmetric information stifles communication between users and producers of services, or between the parents and teachers of preschool services. The lack of information also results in frustration among service users and inefficiencies. One classical way to reduce such inefficiencies would be for clients to use their exit option (Vidal, 2013). But, as already noted, exit is not feasible in many social services. Thus, in the absence of exit, voice becomes a more realistic or at least a second best option. If the main stakeholders involved in the provision of a social service can be brought
together and they enter into a continuous and systematic dialog with each other about issues important for all of them, then steps can be taken to alleviate the asymmetric information and power relations between them, at least in part. (ibid.).

A closer look at Vamstad's comparative study of parent co-op and municipal preschool services in Sweden helps shed more light on this topic (2007 & 2012). He shows that parents in parent co-ops felt much more informed about the activities and operation of their preschool than parents in municipal services. Nearly three-fourths of parents in parent co-ops claimed “much” or “very much” insight into the activities, while barely one-quarter of parents in municipal services did so (ibid.). Moreover, concerning the asymmetry of power, his study also shows that nearly nine-tenths of the parents claim that they have “much” or “very much” influence in parent co-ops, while less than half of the parents do so in municipal services (ibid.). These differences even hold for the staff. Nearly three-fifths of the staff in parent co-ops make a similar claim to having much influence, while barely one-third of the staff do so in municipal services. Moreover, more than one-third of the parents and nearly three of five staff members in municipal services claim they want more influence, while barely one-eighth of parents and notably less than one-fifth and staff do so in parent co-ops (ibid.). Thus, the high level of communications that characterize parent co-ops facilitates reaching a mutual understanding of diverse problems, ranging from service quality to work environment, and also allows for such problems being addressed swiftly and in close collaboration between the parents and staff (ibid.).

5. **Small group models to promote sustainable co-production in large organizations**

Sustainable co-production can also be found under certain circumstances in some large scale provision of health care. One such large scale example is cooperative health care in Japan that depends in part on co-production. The Japanese Consumer Cooperative Union runs 76 hospitals, with an average bed size of just over 175 beds, so they are a medium scale
operation. In this unique system members are encouraged to actively take part in their own health care. Active health co-op members are divided into small discussion groups (hans) of five to seven members each that are led by a trained leader. They monitor their own blood pressure and heart rate, test the salt content of their urine, etc., and relate such facts to their food, diet, exercise and life-style. These small cooperative groups meet regularly to discuss their health. The meetings cover such items as their food and diet in relation to their exercise and life-style, with the aim of bringing them more in balance with each other. Small group dynamics and discussion can contribute to actively promoting a more healthy life-style and preventative health care. Moreover, the boards of directors of cooperative hospitals are organized as multi-stakeholder organizations and representatives of the various stakeholders are included: the doctors, the other medical staff, the patient/members, etc. (Pestoff, 2008, Ch. 7), providing patients with a clear channel for their voice in the cooperative hospital’s decision-making.

D. Conclusions and recommendations

Co-production promotes a mix of public service agents and citizens/users who contribute to the provision of a public service. It is an essential part of a broader framework to provide a new theory for public service management – a service dominant approach, in contrast to the manufacture dominant approach of New Public Management (NPM). New Public Governance (NPG) comprises a service-dominant approach, where co-production becomes an essential aspect of public service delivery that places the experiences and knowledge of the service user at the center of effective public service design and delivery. The OECD states that citizen participation is more important in the service delivery phase of social services than in general services. Social services are also more labor intensive. However, the OECD noted that considerations of strengthening user and citizen involvement per se, improving service
quality, and improving effectiveness and service outcome clearly weigh more heavily for most
governments than increasing productivity or cutting cost.

This paper explored factors that contribute to making citizen participation in public
service delivery more sustainable, particularly in enduring welfare services. We began our
survey of the literature by considering Olson’s emphasis on the importance of group size for
collective action. However, size is only one of seven structural variables that Ostrom
maintained were important for overcoming collective action problems and she warns against
giving size too much weight. The likelihood of cooperation depends on other variables and
how they interact with size. Several of the structural variables she discusses for resolving
dilemmas related to common pool resources also bear relevance for co-production. Collective
action can facilitate co-production and help make it more sustainable. However, not all the
structural variables that contribute to cooperation in a CPR situation are equally relevant for
co-production. Some of them seem to cluster into “small group interactions” that can facilitate
citizen participation in the provision of public services. Therefore, it is necessary to consider
some additional variables that research shows can contribute to making co-production
sustainable. They include the nature of the service itself, organizational diversity, small group
dynamics in self-help groups and promoting a dialog between the staff and clients.

Moreover, services that only involve short-term or sporadic interactions between the
professional providers and their clients can't be expected to result in the same pattern of
interaction between them nor the same degree of client participation as those found in more
long-term or enduring welfare services. When it comes to long-term services clients are in a
more stable, long-term demand situation. They can't easily switch providers if they are
dissatisfied with the service or want to change or improve it, since the transaction costs of
changing providers are prohibitive (Pestoff, 1998). Moreover, voice is a more suitable
medium of communication between them, where their collective interaction can provide
clients with amplified voice. Some form of client organization can facilitate their regular participation and can also impose collective control on “free-riding”.

Governments will, therefore, need to weigh the advantages and disadvantages of individual and collective co-production in different types of services and phases of service design and delivery. Given the implications of the “logic of small group interaction” noted earlier, governments should carefully weigh the benefits and costs of a policy that encourages and facilitates small groups to provide enduring welfare services for themselves with public funds. However, if governments intend to facilitate more citizen co-production in the provision of enduring welfare services they need to devise ways of promoting self-help groups, social service co-ops and other forms of third sector provision of enduring welfare services that tend to be small scale and facilitate formal, collective interaction among well-defined groups of service users.

In addition, given the wide range and diversity of third sector organizations (TSOs), some may be better suited for promoting co-production than others and some will facilitate more sustainable co-production than others. Social enterprises that conform to the EMES criteria appear to hold the most potential for sustainable co-production. Research also suggests the existence of a ‘glass ceiling’ for participation in public and private for-profit sector services, but shows that the third sector helps to breach this barrier. Sustainable co-production is not merely a question of citizens/users assuming greater responsibilities for the provision of welfare services, but also granting them with greater rights in designing, commissioning and delivering and evaluating them. In particular, small group dynamics can prove very important for facilitating the participation of persons with serious physical, mental or social problems and for retaining their participation over time, i.e., turning them into sustainable co-producers of their own care. Facilitating small group interaction in large organizations, like those found in Japanese co-op health care, could serve as a model for promoting co-production in other
large scale welfare services, like elder care, where the clients reside in domiciliary facilities. Such benefits do not appear readily available or achievable through an individualized “self-service” style provision of services.

It is important to realize that co-production is not a panacea for the problems facing the provision of public services and that there is no “one-size-fits-all” solution for the great variety of services provided by governments around the world. Therefore, it appears urgent for governments to develop the necessary policies and strategies that take differences in size, ownership and other important variables into account. However, mechanistic attempts to replicate or scale-up successful small scale experiments are based on a flawed understanding of public service provision. Moreover, it may also prove necessary to legally promote a greater dialog between the staff and clients, particularly in enduring welfare services. For example, the Italian law 381/1991 on social service cooperatives requires multi-stakeholder governance, as too does the French law of 2001 on social enterprise.

Co-production is a new research field and little systematic comparative research is yet available (Verscheure, et al., 2012). In particular, there is still very little research on collective co-production and much more is necessary in order to understand and take advantage of the potential benefits of making co-production more sustainable. Further comparative research is clearly necessary to understand citizen/user participation in various types of providers for several different types of important welfare services in different countries. In particular, it would be interesting to compare small service co-ops with SMEs and other small social enterprises providing similar services. Moreover, attempting to facilitate a multi-stakeholder dialog in welfare providers may prove crucial for promoting greater sustainability in the co-production of public financed welfare services. Both research on and policies designed to promote this should be encouraged in order to promote greater sustainability of co-production.
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