



Elinor Ostrom, Citizen Participation and Co-Production.

By V. Pestoff

Many countries in Europe are searching for new ways to involve citizens and the third sector in the provision and governance of social services. At a general level, the reasons are similar throughout Europe. They include the challenge of an aging population, the growing democracy deficit at all levels, local, regional, national and European, and the semi-permanent austerity in public finances, prior to the recent worldwide financial melt-down. While the impact of the latter remains yet to be seen on public services, it opens new possibilities for an even greater role for civil society. In any given EU member state, the reasons for promoting greater citizen and third sector participation will vary and they may be more specific in some European countries than others. However, taken together, they imply a continued legitimacy crisis for both the public sector and the market as providers of welfare services. It is in this context that citizens and the third sector came back into the spotlight as a provider of public services in welfare states where they traditionally did not have a major role; in those where they did, their role has been changing. The concept of co-production brings together studies of third sector provision of public services and citizen participation in the production process. So, research on co-production becomes increasingly intertwined with public management research, as witnessed by various publications on these topics in the relevant journals and book series.

The Swedish Nobel Committee awarded the 2009 Nobel Prize in Economics to two prominent American Professors, Elinor Ostrom and Oliver Williamson. However, Prof. Ostrom is no stranger to Sweden or Swedes. Already in 1999 she received the distinguished Johan Skytte Prize in Political Science from the University of Uppsala. Some refer to it as a Nobel Prize in political science, but Alfred Nobel's testament didn't include that subject. Her acceptance speech in 1999, *Crowding out Citizenship* is well worth readingⁱ. She is not only the first woman to receive a Nobel Prize in Economicsⁱⁱ, but also the first person to earn both of these prestigious Swedish academic honors. Ostrom's research has always maintained a strong emphasis on citizen participation and influence in the decisions that affect their daily life, both in developing and developed countries.

Co-production is one of the two main areas of interest of Elinor Ostrom (1999), while the other is governing the commons (1990). Already in the early 1970s she and her colleagues studied urban reform in major cities in the USA (Ostrom, 1975). After completing their research on urban services and summarizing their results, they concluded that most public services are not delivered by a single public authority, but rather by several different actors,

both public and private. Moreover, many public services depend heavily on the contribution of time and effort by the very persons who consume these services, i.e., the clients and citizens. They coined the term *co-production* to describe the potential relationship that could exist between ‘regular producers’, like street-level police, schoolteachers or health workers, and their ‘clients’ who want to be transformed by the services into safer, better educated and/or healthier persons. Then, they defined co-production as “...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 and groups to enhance the quality and/or quantity of the services they use” (Park, et al., 1981 & 1999).

Interest in co-production was perhaps originally motivated by potential cost reduction and higher quality services, but more recently it has gained renewed attention due to growing democratic opportunities for direct citizen participation in the provision of important services for their daily life (Ostrom, 2000; Fung, 2004; Pestoff, 2009a). Initially, co-production generated a flurry of interest, particularly among American scholars, but it lay fallow for many years until researchers in different parts of the world rediscovered it at the turn of the Century. Without any direct contacts or collaboration, researchers in Australia, Sweden and England, began to interpret their findings about providing public services in terms of co-production. Alford focused on the motives for individual participation in general public services in Australia (2002), Pestoff explored the dynamics of group participation in providing social services in Sweden (1998 & 2005), while Osborne and McLaughlin noted different levels of third sector participation in community redevelopment in England (2004), just to name a few. The growing interest in this phenomenon came together in recent years under the auspices of the European Group for Public Administration (EGPA) and the International Research Society for Public Management (IRSPM). In 2006 the *Public Management Review* published a special issue on co-production, called *Co-Production. The Third Sector and the Delivery of Public Services*ⁱⁱⁱ.

Individual citizen participation or collective action?

Ostrom and her colleagues noted that co-production can either involve individual or collective participation in the provision of public services and it can also vary in terms of the formality of relations between different actors. Often different types of participation go hand-in-hand and usually involve the same persons. Services as different as local safety and security matters, childcare and health care help to illustrate the two diverse roles citizens can play.

Starting with local safety and security matters, as individual citizens they can mark their most valuable possessions, keep a record of them at home and they can also report suspicious persons and activities to the local police. The police, in turn, can inform concerned individuals and groups of citizens about what efforts are most effective for discouraging theft and burglary. Citizens can install better safety and security devices, make sure to close and lock all their doors and windows, both at home and in their vehicles. But neighbors can also set up a neighborhood watch group, organize their schedules and routes, keep an eye on each others houses, report unknown or undesirable persons in the neighborhood to the police, etc. They can meet regularly to discuss additional steps necessary to increase their safety and security and invite the police to attend such discussions.

Turning to childcare, in many EU countries it is financed by public funds regardless of the service provider. But there is a clear difference concerning participation in municipal or private for-profit services and those run by the parents themselves. In municipal services and private firms providing childcare, individual parents can contribute used or new toys to the childcare center and their time and efforts to planning and arranging the Christmas or Spring party. They can also participate in the fall and spring cleaning and maintenance of the premises, make *ad hoc* suggestions about daily activities and outings, and they can even sit on a committee of parents to promote a dialogue with the staff. The staff can provide parents with individual and group information concerning activities and developments in the childcare center. Parents who want more insights and influence on their children's daily activities can join together to form a parent co-op or parent association to run the facility. If so, they are responsible for all aspects of managing the childcare center. A work obligation is a normal part of this kind of childcare. The parents' responsibilities include hiring the staff, managing all aspects of the center, maintaining and keeping up the premises both inside and out, all the cleaning, keeping the books, etc. They also make all the decisions concerning the running of the childcare center, so they actively participate in the decision-making. They may even be required to take an occasional day off work to be present at the childcare center when one of the staff is sick or attending a training course, etc. However, they usually don't have responsibility for the day-to-day pedagogical activities nor the pedagogical development of the services. The core competencies for the pedagogical activities remain with the staff, even when the parents employ them. This pattern of collective responsibility for providing childcare is widespread in some EU countries, like France, Germany, Sweden, etc.^{iv} (Pestoff,

2009b, see Chapt. 8). But, it is financed by public funds, usually on an equal footing with public services.

Finally, turning to healthcare once again we find notable differences between individual and collective participation in the provision of such services. At the individual level citizens can be more or less health conscious, eat more or less healthy nutritional foods, exercise regularly or not, have regular check-ups or only go to the doctor when they are seriously ill, etc. Doctors and nurses can discuss these aspects of health care with their individual patients, they can give lectures on such topics, or they can write a book about such matters to reach a broader audience. On the other hand, citizens can become more active in their own healthcare together with other like-minded persons. Typically, a patient group can play an important role in organizing and motivating persons with special diseases, like diabetes (Werkö-Söderholm, 2008), cancer, HIV/AIDS (Walden-Laing, 2001), etc., to play a more active role in their own healthcare. Many such patient organizations are found in various countries around the world. In addition, healthy citizens can actively promote their own healthcare by joining a health co-op, regularly monitor their own blood pressure, inform the nurse or doctor about it when they have a check-up and keep a record of other elementary aspects of their health, like the salt content in their urine, etc. In addition, they can regularly discuss these basic health facts together with other healthy citizens in relation to their nutrition, life-style and exercise patterns. Japanese healthcare co-ops actively promote these types of activities among their over two million members^v.

Thus, co-production is the mix of activities that both public service agents and citizens contribute to the provision of public services. In complex societies there is a division of labor and most persons are engaged in full-time production of goods and services as regular producers. However, individual consumers or groups of consumers may also contribute to the production of goods and services, as consumer-producers. The collective participation of citizens in the provision of welfare services also has the potential to create a clear political value added not found in the passive consumption of public services or in individual co-production. This is particularly notable for third sector service providers, but not usually associated with either public services or private for-profit firms.

The potential political value added by co-production

In addition to the individual and collective aspects of co-production, it also implies different types of citizen participation in service provision, e.g., economic, social, political and service specific participation. Moreover, comparative European research on childcare in eight EU

countries shows that the degree of participation not only varies between countries, but also with different types of providers of publically financed services. Recent Swedish research on childcare also demonstrates clear differences in citizen participation when public services, private for-profit firms and social enterprises are compared. Vamstad (2007) studied the influence of both parents and the staff in four types of childcare service providers: parent co-ops, worker co-ops, municipal services and small private for-profit firms. Both the parents and staff of parent and worker co-ops appear to have more influence than those of either the municipal services or for-profit firms. However, neither the state nor market allow for more than marginal or *ad hoc* participation by parents in the childcare services. 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 childcare services than either the state or market can provide. In addition, worker co-ops seem to provide parents with greater influence than either municipal childcare or small private for-profit firms can do, and the staff at worker co-ops obtains maximum influence, resulting in more democratic work places.

Thus, both public services and small for-profit firms demonstrate the existence of a glass ceiling for the participation of citizens as consumers of welfare services. Evidence also suggests similar limits for staff participation in the public and private for-profit forms of providing welfare 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 consumers and/or staff with democratic rights and influence. But, it is necessary to have a realistic assessment of the range of diverse interests and varying motives for engaging in co-production from the perspective of various stake-holders, i.e., the municipal authorities, professional staff and user/citizens. The authorities and staff will have various economic, political and professional motives, while citizens' motives are primarily based on economic, social, political and quality considerations. It is also important to understand these differences and try to bridge the gap between them in order for co-production to be sustainable. In particular, long-term or enduring welfare services require repeated and frequent interaction between the professional staff and user/consumers, often on a daily basis. This promotes a formal dialogue between them, something that can help both these groups to mutually adjust their expectations of each other and of the service provided in a way that is beneficial for both. Their dialogue also helps to reduce the transaction costs for providing the services

compared to other ways of providing them that do not require a continuous dialogue between the providers and consumers of a welfare service.

These findings can contribute to the development of a policy of democratic governance, both at the macro and micro-levels, one that will not crowd out citizens (Ostrom, 2000), but rather may promote greater participatory democracy (Pestoff, 2009a & 2009b) and empowered citizenship (Fung, 2004). However, it is important to emphasize the interface between the government, citizens and the third sector and to note that co-production normally takes place in a political context. An individual's cost/benefit analysis and the decision to cooperate with voluntary efforts are conditioned by the structure of political institutions and the facilitation provided by politicians. Centralized or highly standardized service delivery tends to make articulation of demands more costly for citizens and to inhibit governmental responsiveness, while citizen participation seems to fare better in decentralized and less standardized service delivery (Ostrom, 1999). Moreover, collective action lowers the transaction costs of individual voice.

However, one-sided emphasis by many European governments on either the state maintaining most responsibility for providing welfare services or turning most of them over to the market will hamper the development of co-production and democratic governance. As Ostrom emphasizes the state can 'crowd-out' certain behaviors and 'crowd-in' others in the population. A favorable regime and favorable legislation are necessary for promoting greater co-production and third sector provision of welfare services. Only co-production and greater welfare pluralism can promote democratic governance of welfare services and the welfare state.

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ⁱ Ostrom, Elinor, 2000; Crowding out Citizenship, *Scandinavian Political Studies* .v 23/1: 1-16.

ⁱⁱ Several Swedish economists reacted angrily to this year's announcement, noting that she is not a professor of economics, but political science and that she doesn't limit herself to mathematical models.

ⁱⁱⁱ Pestoff, Victor & Taco Brandsen, 2006; *Public Management Review* a special issue on co-production, *Co-Production. The Third Sector and the Delivery of Public Services*, vol. 8/4. reprinted in 2008 by Routledge: London & New York, and in 2009 as a paperback.