

**Democratic Governance:**

**Co-Production, the Third Sector and Citizen Participation in the Provision of Welfare Services in Sweden**

**Abstract**

Many countries in Europe are searching for new ways to engage citizens and involve the third sector in the provision and governance of social services in order to meet major demographical, political and economic challenges facing the welfare state in the 21<sup>st</sup> Century. This paper explores the double role of citizens as consumers and co-producers of public financed social services, while emphasizing the role of the third sector as a promoter of democratic governance.

**Gobernabilidad democrática:**

**Co-producción, tercer sector y participación de los ciudadanos en el suministro de servicios sociales en Suecia**

**Resumen**

Muchos países en Europa están buscando nuevas maneras de comprometer a los ciudadanos e incluir al tercer sector en el suministro y la dirección de servicios sociales para hacer frente a los importantes desafíos demográficos, políticos y económicos a los que tendrá que enfrentarse la sociedad del bienestar en el siglo XXI. Este artículo tiene por objetivo explorar el doble papel de los ciudadanos como consumidores y co-productores de servicios sociales financiados públicamente, poniendo de relevancia la posición del tercer sector en la promoción de la gobernabilidad democrática.

**Gouvernance démocratique:**

**La co-production, le tiers-secteur et la participation des citoyens dans le fournissement des services sociaux en Suède**

**Résumé**

Beaucoup de pays en Europe cherchent de nouvelles méthodes d'engager les citoyens et encercler le troisième secteur pour fournir et diriger les services sociaux afin de faire face aux importants défis démographiques, politiques et économiques que la société de bien-être devra relever au 21<sup>e</sup> siècle. Cet article veut explorer le double rôle des citoyens comme consommateurs et comme co-producteurs de services sociaux financés publiquement en soulignant aussi le rôle du tiers-secteur comme promoteur de la gouvernance démocratique.

**Democratic Governance: Citizen Participation and Co-Production in the Provision of Personal Social Services in Sweden.**

By Victor Pestoff

**abstract**

*Many countries in Europe are searching for new ways to engage citizens and involve the third sector in the provision and governance of social services in order to meet major demographical, political and economic challenges they face in the 21<sup>st</sup> Century. This paper explores the double*

*role of citizens as consumers and co-producers of public financed social services, while also emphasizing the role of the third sector as a promoter of democratic governance.*

*However, their roles vary between countries and social sectors. In particular they vary among welfare regimes, with a different emphasis on individual or collective provision of social services and with a different policy focus on public, private or third sector provision of public financed social services. Co-production is also enhanced by the form of providing welfare services. A greater degree of citizen participation facilitates greater democratic governance of social services.*

The Swedish welfare state experienced several major changes starting in the early 1980s and it is facing even greater changes in the next 10 to 12 years in terms of providing welfare services. There is a growing division between financing and delivering welfare services which is becoming more apparent. Ideological clashes over the future of the welfare state began in the 1980s with the appearance of neo-liberalism and the renewed political activism of the Confederation of Swedish Employers (Pestoff, 1989 & Pestoff, 2005). At that time alternative provision of welfare services was marginal, usually found only in small specialized niches. By the year 2000 it had grown (Rothstein & Blomqvist, 2000; Blomqvist, 2003), with a varying mix of for-profit firms and third sector providers in different social service areas. The *Långtidsutredning* (2004) stated that the future of the universal tax-financed welfare state was highly tenuous and it predicted that it would be difficult to sustain in the future. So alternative means for producing and financing welfare services would be necessary by the year 2020. The Social Democrats attempted to stave off privatization of welfare services by adopting so-called “stop laws” in various service areas. This included the conversion of municipal housing into private condos and the provision of basic education and health care services. The new non-socialist government immediately removed these restrictions when it assumed power in 2006. A continued state monopoly of the provision of welfare services is ruled out. Thus, there appears to

be two alternative scenarios for the future of the welfare state in Sweden, either rampant privatization or greater welfare pluralism. The latter would include a major role for the third sector, as an alternative to both public and private for-profit provision of welfare services. This paper spells out some issues related to developing greater welfare pluralism. These developments are sketched in Figure 1 below.

**Figure 1 about here**

#### **A. Background: citizen participation and user influence**

Many countries in Europe are searching for new ways to engage citizens and involve the third sector in the provision and governance of social services. At a general level the reasons are similar throughout Europe. First is the challenge of an aging population, second is the growing democracy deficit at all levels, local, regional, national and European, and third is the permanent austerity in public finances. In any given EU member state the reasons will vary and may be more specific; however taken together they imply a major legitimacy crisis for the public sector.

In addition to these three challenges we can also note two major historical developments. One was the rapid growth of the welfare state during the post war period and two, parallel with this, politics became too abstract and far removed from the daily problems of ordinary citizens. The growth of the welfare state in the 1970s and 1980s provided citizens with many new social services. But it also confronted them with increasing taxes, an expanding army of civil servants to provide these new social services, and the rapid professionalization of services that previously

were provided at home. The provision of such services moved from the private to the public sphere as women began to enter the labor market and no longer could provide such services at home. Citizens thereby lost insight into and influence on the provision of many personal social services. Then in the 1980s and 1990s, as a result of political changes, many of these services were privatized to a greater or lesser degree and/or subject to increasing market management, following the ideas of New Public Management. Exit rather than voice would give citizens greater influence and competition would make social services cheaper and more efficient, it was argued. However, the transaction costs of switching providers of most long term social services make exit prohibitive and the promised cost reductions were slow to manifest themselves. Rather public monopolies have often been replaced by private oligopolies of welfare services.

As a reaction many people came to feel that both public and private provision minimized their influence. With the growth of big public and private bureaucracies it became not only a question of ensuring access to good quality welfare services. Many ordinary citizens also wanted to (re-) gain some limited influence on the provision of social services that comprise one of the most important aspects of their daily lives. In combination with a growing education level and reflexive individualism, this is often termed sub-politics or life politics (Giddens, 1998). Many citizens therefore embraced the introduction and development of new possibilities to directly engage in and influence the provision of social services that they and their loved ones depend on today. As citizens of democratic welfare states they want to (re-)claim their influence and control over the services they both support politically and pay for with their taxes, regardless of who provides them.

The response to these three challenges and two historical developments will also vary between countries and across sectors of service provision, but four general trends are observable. First is the growth of new and different ways to involve users of welfare services as co-producers of their own services. Second is the spread of new techniques of co-management and co-governance of social services in various European countries. A special issue of *Public Management Review* discusses these first two responses (2006, 8/4). Third is the development of user councils at the local level to engage users in a dialogue about public services and to facilitate user participation both in the provision and governance of such services (Jarl, 2001). However, user councils remain mostly consultative and they lack decision-making powers and their own budgets. Fourth is the gradual development of functional representation of users alongside territorial channels of representative democracy in some European countries, but far from all of them. This can involve local elections to school or eldercare boards or direct representation of engaged service users on municipal boards. While some critics regard functional representation as a threat to liberal democracy, others argue that it can provide a necessary supplement to territorial democracy and help to rejuvenate it.

This paper focuses on the first trend or co-production and discusses the third sector and the role of citizens in the provision and governance of social services. It begins by introducing the concept of co-production. It goes on to discuss citizen participation and user influence in the provision and governance of social services. A comparison of parents' participation in childcare services in eight EU countries suggests that only when citizens participate directly in service provision can they become involved in the democratic processes of governing social services at the micro-level. However, this may not be sufficient to guarantee the involvement of citizens in

the governance of social services, at the meso- or municipal level. Finally, the discussion of different dimensions of co-production is illustrated by various patterns of citizen participation in different types of childcare providers in Sweden.

## **B. Co-Production: welfare regimes, social sectors and relations with public authorities**

Why should we be concerned with the development of co-production among service users? Evers (2006) maintains that user involvement in welfare services is a general concern throughout Europe and that there are at least five different approaches to their involvement. They are partially overlapping and partially conflicting. They range from welfarism and professionalism, through consumerism and managerialism to what he calls participationalism. They are based on different values and promote different degrees of user involvement. He states that these approaches will vary among sectors and over time. Their mix will probably differ among countries. Welfarism and professionalism are closely associated with each other and neither leaves much room for user involvement. Rather clients are viewed as people with little competence of their own. Consumerism and managerialism call for giving users greater choice through more exit options and argue that the public sector needs to learn from the private sector (*ibid.*).

Participationalism (*ibid.*) encourages on-site participation by users of welfare services, based on the belief that citizens should engage personally in shaping the welfare services they demand. It emphasizes multi-stakeholder organizations and requires that users become co-producers. Evers warns that at the level of service provision a mix of these approaches may result in "hybrid"

organizations containing elements from many of them. However, some may work better together than others and they may, in fact, lead to "mixed up" or disorganized systems where user involvement works badly (2006).

Welfarism and professionalism are usually promoted by social democratic governments, while consumerism and managerialism are normally championed by rightist governments. However, participationalism, or more simply co-production, lacks clear political proponents. In a service democracy of either the social democratic or rightist variety citizens are the passive consumers of public financed social services that are either provided by municipal authorities, private companies, or perhaps both. They vote every fourth year and in the meantime they choose between various service providers, public or private. By contrast, in a participative democracy citizens are active in the provision of some of their own social services, in the development of the welfare state and the renewal of democracy. By including citizens and the third sector in the provision of welfare services the dialogue between the rulers and ruled takes on a new dimension and citizens can choose between more than the two alternatives of more state or more market or between company A and B providing similar services.

The concept of governance gained extensive attention recently, becoming a buzz word in the social sciences. It is used in a wide array of contexts with widely divergent meanings. Kersbergen and van Waarden (2004) survey the literature and identify no fewer than nine different definitions of the concept; while Hirst (2002) attributes it five different meanings or contexts. They include economic development, international institutions and regimes, corporate governance, private provision of public services in the wake of New Public Management and

new practices for coordinating activities through networks, partnerships and deliberative forums (*ibid.*:18-19). This paper focuses mainly on the latter context.

Hirst argued that the main reason for promoting greater governance is the growth of "organizational society". Big organizations on either side of the public/private divide in advanced post-industrial societies leave little room for democracy or citizen influence. This is due to the lack of local control and democratic processes for internal decision-making in most big organizations. The concept of governance points to the need to rethink democracy and find new methods of control and regulation, ones that do not rely on the state or public sector having a monopoly of such practices (*ibid.*: 21). Democratic governance can then be defined as a policy or regime that promotes significantly greater welfare pluralism and substantially greater citizen participation and third sector provision of welfare services.

Co-production or citizen involvement in the provision of public services generated a flurry of interest among public administration scholars in America in the 1970s and the 1980s (see Parks, *et al.* 1981 & 1999, for a good overview). The concept was originally developed by the Workshop in Political Theory and Policy Analysis at Indiana University. During the 1970s they struggled with the dominant theories of urban governance underlying policy recommendations of massive centralization. Scholars and public officials argued that citizens as clients would receive more effective and efficient services if they were delivered by professional staff employed by a large bureaucratic agency. But, this group of researchers found no empirical support for such claims promoting centralization (Ostrom, 1999, p. 358).

They did, however, stumble on several myths of public production. One was the notion of a single producer being responsible for urban services within each jurisdiction. In fact, they normally found several agencies, as well as private firms, producing services. More important, they also realized that the production of a service, in contrast to goods, was difficult without the active participation of those receiving the service. 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 “clients” who want to be transformed by the service into safer, better-educated or healthier persons.

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. This mixing may occur directly or indirectly. 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 (Parks, *et al.*, 1981 & 1999). Co-production is one way that a synergy can occur between what a government does and what citizens do (Ostrom, 1999).

Alford (2002) 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 concludes 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.*).

In Sweden there is little discussion of enhancing the role of citizens in providing welfare services, except perhaps in terms of promoting more volunteering. However, citizens currently contribute much of their time and effort to the production of welfare services, both as parents in relation to childcare or youth sports activities in sports clubs, as well as relatives in terms of eldercare and handicap care. They directly contribute to the realization of the final value of good quality childcare, healthful youth sports activities, and/or good quality eldercare and handicap care, although such services are primarily financed by taxes.

Welfare regimes (Esping-Andersen, 1996) and government policy can facilitate greater citizen participation and a greater role for the third sector both in the provision and governance of social services. Therefore, the importance of differences between welfare regimes and differences in the sectoral context of providing welfare services needs to be kept in mind. A country's welfare regime in general and its social policy in particular can either enhance or hinder co-production and collective action. The TSFEPS Project<sup>1</sup> permitted us to examine the relationship between parent participation in the provision and governance of childcare in eight EU countries (Pestoff, *et al.*, 2004; Pestoff, 2006b). We found different levels of parent participation in different

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<sup>1</sup> The TSFEPS Project, Changing Family Structures & Social Policy: Childcare Services as Sources of Social Cohesion, took place in eight European countries between 2002-04. See [www.emes.net](http://www.emes.net) for details and reports. The eight countries participating in it were: Belgium, Bulgaria, England, France, Germany, Italy, Spain & Sweden.

countries and in different forms of provision, i.e., public, private for-profit and third sector childcare. 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. We also noted different kinds of parent participation, i.e., economic, political and social. All three kinds of participation were readily evident in third sector providers of childcare services, while economic and political participation were highly restricted in municipal and private for-profit services. Moreover, we observed variations in the patterns of participation between countries. Parents participated actively in the provision of third sector childcare services at the micro-level in France, Germany and Sweden, and in their governance at the meso-level in the first two countries, but not in the latter one.

Thus, a welfare regime and/or social policy can "crowd-out" certain behaviors and "crowd-in" others in the population. For example, a welfare reform policy that primarily emphasizes economically rational individuals who maximize their utilities and provides them with material incentives to change their behavior tends to play down collective action, co-production and the third sector as a provider of welfare services. Vidal (2007) concludes that the lack of favorable legislation is a major obstacle for the development of social enterprise in Europe. It is impossible to isolate the development of social enterprise from decisions of governments. The Italian law on social cooperatives provides a good illustration of this. It ensures social cooperatives with preferential treatment in public tenders for certain social services (*ibid*). The government alone can promote collective action, co-production and social enterprises among the different organizational options to provide welfare services.

Citizen participation in service provision needs to be distinguished in terms of whether it is a general public service, involving only sporadic interactions at a distance between the professional providers and citizen providers, face-to-face interactions for a limited time or is based on a more enduring encounter that involves a long term and intimate relationship between the professional provider and the citizen/user or co-producer of the public financed service. Active citizen participation in providing public services can either involve direct face-to-face interaction between providers and citizens or only indirect contacts via the telephone, postal services or e-mail, etc. Citizen participation in crime prevention or a neighborhood watch, filing their tax forms or filling in postal codes normally only involves sporadic or indirect contacts between them. Face-to-face interactions for a short duration or intermittent contacts are characteristic of participation in public job training courses or maintenance programs for public housing that involves resident participation in some aspects. Both of these types of citizen participation are considered by Alford (2002). By contrast, parent participation in the management and maintenance of public financed preschool or elementary school services in France, Germany and Sweden places them in the position of being active subjects in the provision of such services. Here they can influence the development and decide about the future of the services provided.

### **C. Empirical materials**

Vamstad's recent study of the politics of diversity in Swedish welfare (2007) helps illustrate differences among providers of preschool services. The main dimensions of co-production can be expressed in terms of economic, social and political participation. Additional service specific differences will depend on the type of welfare service provided. In childcare, alongside

economic, social and political participation, there may be some limited parent participation in the pedagogical activities. However, this is curtailed to the use of parents as substitutes when the regular staff is on sick-leave or participating in a training or education course. Most parent co-ops have rotating schedules that assigns them responsibility to fill-in for staff absences in this fashion. Parent participation is more extensive in peripheral activities, like the maintenance and management of the childcare facility. In order to explore these differences in co-production more fully we will consider each type of parent participation by comparing four different types of service providers of public financed childcare in Sweden, i.e. municipal, parent co-ops, worker co-ops and small for-profit firms. The materials for this presentation come from the empirical data collected by Johan Vamstad for his Ph.D. dissertation (2007).

Parents' economic participation in the provision of childcare can take one or more of several forms that involve contributing their time, materials and money to improve or sustain the services. They can participate in cleaning and repairing the premises, donating materials and supplies to the facility and working at the childcare centre itself. They were also asked about their willingness to pay more for better quality services or greater availability of services.

**Table 1 in about here**

There are several noteworthy, but logical differences between different types of providers of public financed childcare in Sweden, as well as some unexpected results. First, nearly all parents in parent co-ops participate in cleaning and repair activities and more than two-thirds of parents

in small for-profit firms do so. Similarly, nearly half of the parents in municipal childcare and nearly one quarter of the parents in worker co-ops participate in cleaning and repair activities at their son or daughter's childcare facility. The frequency of such activities remains uncertain, as this question was not included in this study. However, it seems safe to assume that the work obligation found at most parent co-ops means more regular and frequent participation by parents in such activities. Parent participation in such activities at the other three types of providers is not only more sporadic, but may be considered by some as a social activity, if for example it takes place on a week-end and is combined with a party of some sort or a hot-dog roast. Several managers of municipal services proposed this interpretation.

Turning to donations of materials and supplies more than one-third of the parents in parent co-ops do so, indicating their feeling of responsibility and "ownership" of such services, while the level of such activities among parents in the three other types of providers is much lower and completely absent among parents with a child at a small for-profit firm. When considering work at the childcare center the parent co-ops once again separate themselves from the other three forms of providing such services. More than three-fourths of parents there work at their son or daughter's facility, while less than five percent do so in municipal or worker co-op services. Nearly one of eight parents in small for-profit firms claim that they work at their son or daughter's facility. The question remains how regularly or frequently they do so and what kind of work they do. Parent co-ops usually have a work obligation for their members. This gives parents valuable insights into and knowledge about the organization and all of its parts and members (Pestoff, 1998). It also provides them with access to a social network of relatively like-minded parents. This knowledge can be translated into a sound basis for making decisions on the

board and running the childcare facility, something clearly not available to parents in the other forms of childcare (*ibid.*).

Finally, a question expressing the parents' willingness to pay more for better quality services or greater availability shows that nearly half or more of the parents, regardless of the form of service provision are willing to do so. However, not unexpectedly, parents in parent co-operatives show the greatest willingness to contribute more. It comes as no surprise that they take greater responsibility for the provision of good services, since they are in charge of the management of their child(ren)'s facility and are therefore more aware of the economic circumstances for providing good quality services than parents in the three other types of providers. However, these differences should not be exaggerated, and they are less than with other forms of economic participation.

Turning next to parents' social participation, we find the following information in Vamstad's study (*ibid.*). He inquired about three types of social participation, participation in parties, i.e., the Christmas or Spring Party, information meetings and open house arrangements. The parents' answers are found in the table below. Parties are the most popular social activity for all four forms of provision, while open house activities are the least frequent, and may not in fact exist in all types of providers. Once again we can note a clear pattern, where parents with children in parent co-ops demonstrate higher levels of participation than parents in the other three kinds of providers. Here we find that parents with children in worker co-ops show only somewhat lower levels of participation than parent co-ops.

**Table 2 in about here**

Turning finally to parents political participation Vamstad (*ibid.*) included four different aspects of this. They could participate in meetings with the power to decide issues, by making written suggestions, attending meetings without the power to make decisions and informal talks with the staff, usually when leaving or getting their child(ren) from the childcare center. However, parents in parent co-ops as members are usually represented on the board of the co-op. They make all the decisions about the management of the childcare co-op and they are responsible for its success or failure (Pestoff, 1998). Taken together, the work obligation and their responsibility for decisions provide them with a sense of "democratic ownership" of the childcare facility. This sense is not found in the other forms of childcare provision.

**Table 3 in about here**

Not unexpectedly, parents with children in parent co-ops demonstrate much higher levels of participation and influence at meetings with the power to decide issues and when making written suggestions. Nearly four of five parents in parent co-ops provide affirmative answers to the first question and two-thirds to the second question. However, nearly one third of parents with children in municipal services claim they participate in meetings with the power to decide issues. This probably reflects the spread of "Councils of Influence" (*Inflytanderådet*) at municipal

childcare, however limited their factual decision-making rights<sup>2</sup>. Nearly two thirds of the parents with children at small for-profit firms claim that making written suggestions allows them to participate, while few parents at the municipal services or worker co-ops services do so.

Meetings without the power to decide on issues are much more frequent at small for-profit firms, worker co-ops and municipal childcare centers than at parent co-ops, ranging from one quarter to nearly half of the parents at such facilities. Informal talks with the staff on leaving or collecting their child are the most frequent form of participation for parents with children at municipal services and small for-profit firms, used by three-fourths of the parents. However parents with a child at a parent co-op also appreciate this form of participation and more than half of them use it. Once again the frequency of participation in such activities is not noted in Vamstad's study. However, it seems safe to assume that more frequent participation in one or the other type of activity will elicit greater recognition and a greater positive response rate among relevant parents.

Membership, meetings with the power to decide and written suggestions appear to set the parent co-ops apart in terms of promoting participation from the other three forms of providing childcare. Parents' participation in the latter facilities is restricted primarily to informal talks in combination with some other channels of influence. It is clear from all three aspects of parent participation, economic, social and political, that parent co-ops provide parents with unique possibilities for active participation in the management and running of their child(ren)'s

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<sup>2</sup> Compare Vamstad, 2007 and Pestoff 2007 for further discussion of the so-called Councils of Influence.

childcare facility and for unique opportunities to become active co-producers of high quality childcare services for their own and others children. It is also clear that other forms for providing childcare do allow for some limited avenues of co-production in public financed childcare, but that their possibilities for influencing the management of such services remains rather limited.

This is clearly seen when we shift attention to the perceived and desired influence for users and staff in Swedish childcare. Vamstad also asked parents and staff at childcare facilities how much influence they currently had and whether they wanted more. Respondents to the question about their current influence could choose from seven alternatives ranging from “very little” and “little” at the low end to “large” and “very large” at the high end. By contrast, answers to the question about wanting more influence had simple “yes/no” answers. The results presented here only use some of the information about the current level of influence. Only the most frequent categories at the high end of the scale of influence are included in the two tables below. The first table reports parents’ influence and their desire for more and the second one expresses staff’s influence and their desire for more.

**Table 4 in about here**

Parent influence is greatest in parent co-ops and least in small for profit firms. This is an expected result. However, nearly nine of ten parents in parent co-ops claim much influence, which is twice as many as in municipal services, where somewhat more than two of five claims much influence. Half of the parents in worker co-ops also claim much influence, which is greater

than the proportion in municipal childcare. Finally only one of eight parents claims much influence in small for-profit firms. The differences in influence between types of providers are substantial.

Turning to parents' desire for more influence again we find the expected pattern of answers, which inversely reflect how much influence they currently experience. Very few parents in parent co-ops want more influence, while nearly three of five do so in small for-profit firms. In between these two types come the worker co-ops, where more than one of four wants more influence and municipal childcare where more than one of three does so. With as many as one-third of the parents wanting more influence in municipal childcare, there appears to exist a solid base for some form of increased parent representation in decision-making. Every fourth parent in worker co-ops might also be willing to sit on some bodies for decision-making. This would not only promote greater two-way communication between parents and staff, but also help to reduce the transaction costs for a dialogue between them about important matters of mutual interest for managing the childcare facility. Certainly the reform known as "Councils of Influence" in Swedish preschools would benefit greatly from many motivated and active parents, if it was possible to offer them meaningful opportunities for participation and influence.

Shifting to the staff of childcare facilities there were many more who answered that they had much influence, but some notable differences in the distribution of the frequencies, so both the "large" and "very large" categories are included in the table below.

### **Table 5 in about here**

Once again the logically expected pattern of influence can clearly be noted here, where the staff in worker co-ops claims the most influence and the staff in municipal facilities claims the least influence. Nearly nine of ten staff members claim large or very large influence in worker co-op childcare, while only a third does so in municipal facilities. Nearly three of five claims much influence in parent co-ops, while half of them does so in small for-profit firms. The proportions of the staff desiring more influence inversely reflect the proportion claiming much influence. Few want more influence in either the worker or parent co-ops, while the opposite is true of the staff in municipal and small for-profit firms. Nearly three of five want more influence in municipal childcare and three of four do so in small for-profit firms. Once again there appears to be significant room for greater staff influence in both the latter types of providers of childcare. Greater staff influence could also contribute significantly to improving the work environment in both these two types of childcare providers.

One interesting detail is the relatively low proportion of staff in parent co-ops wanting more influence. This figure is almost identical with that found for the staff in worker co-ops. However, the latter “own” the childcare facility themselves, not perhaps in the sense of being able to sell it, but they make the decisions and bear the ultimate responsibility for its survival. Clearly the staff of parent co-ops is in a very different situation, as the parents “own it”; they make all the decisions and bear the ultimate responsibility. However the great similarity in the proportion of staff expressing a desire for more influence indicates that there must already be such a high

degree of collaboration between the staff and parents in parent co-ops as to virtually eliminate the need for greater influence. It seems important to explore this matter closer in future research.

#### **D. Summary and conclusions**

It was noted that co-production is 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. 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.

Evers' (2006) distinction between five different approaches to user involvement in the production of social services has clear implications for citizens' possibilities to participate in the provision and governance of such services. Two of his categories for user influence are more closely associated with public production of social services, while two others are more closely related to market provision. All four of these approaches flourish in the European debate. However, his fifth approach to user influence is largely missing, i.e., greater citizen participation in the provision of social services, or co-production. The Swedish and European debate about the future of the welfare state is often highly polarized and ideologically divided between continued public provision or rapid privatization of social services, where the only options discussed are either more state or more market solutions. It is difficult, if not impossible, to promote a third

alternative, e.g., greater welfare pluralism, more citizen participation and greater third sector provision of social services in this highly ideological context (Vamstad, 2007). Thus, citizens are normally faced with simple black/white choices between more state or more market solutions to most problems facing them.

Thus, we found that neither the state nor market allow for more than marginal or *ad hoc* participation by parents in the childcare services. For example, parents may be welcome to make spontaneous suggestions when leaving or picking up their child from a municipal or for-profit childcare 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. Also discussion groups or “Influence Councils” can be found at some municipal childcare facilities in Sweden, but they provide parents with very limited influence. 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.

Furthermore, co-production implies different relations between public authorities and citizens as well as different levels of citizen participation in the provision of public services. To simplify matters only three categories or levels will be employed herein, but there can in fact be greater differences between them. The intensity of relations between public authorities and citizens can either be sporadic and distant, intermittent and/or short-term or it can involve intensive and/or enduring welfare services. Similarly, the level of citizen participation in the provision of public services can either be low, medium or high. By combining these two dimensions we derive a three by three table with nine cells. Not all of them are readily evident in the real world or the

literature on co-production. Diagram 1 presents some variations on the combination of these two dimensions. It also includes a third dimension on the degree of civil society involvement in the provision of public services that reflects the form of citizen participation, i.e., organized collective action, individual or group participation and individual or group compliance.

**Diagram 1 in about here**

Overall, there appears to be a general trend toward increased citizen participation with increasing intensity of relations between public authorities and citizens in the provision of public services. However, when it comes to providing intensive and/or enduring welfare services, two distinct patterns can be noted. First a high level of citizen participation is noted for third sector provision, since it is based on collective action or social economy organizations. Second, more limited citizen participation is noted for public provision of enduring welfare services. It focuses on public interactions with individual citizen and/or user councils, either on-site or at the city wide level. Citizens are allowed to participate sporadically or in a limited fashion, but seldom given the opportunity to take charge of the service provision, decision-making rights and responsibilities for the economy of the service provision. This creates a "glass ceiling" for citizen participation in public provision and limits them to playing a passive role as service users who can make demands on the public sector, but make no decisions nor take any responsibility in implementing public policy. The space allotted to citizens in public provision of such services is too restricted to make participation either meaningful or democratic. Thus, it is only when citizens are engaged in organized collective groups that they can achieve any semblance of democratic control over the provision of public financed services. Only through independent

collective action and third sector providers will it be possible to achieve a value added in the form of democratic governance of public services.

Finally, this paper also emphasized the importance of the interface between the government, citizens and the third sector and it noted 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 encouragement provided by politicians. Centralized 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 service delivery.

However, one-sided emphasis by many European governments either on 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. 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.

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**Table 1. Parents' Economic Participation, by type of provider.**

<u>Type of economic participation:</u>	Mun.	P-C	W-C	F-P
Cleaning & repairs	43.7	94.6	22.7	70.8
Donate materials and supplies	6.2	36.5	13.6	0.0
Work at the childcare center	4.7	78.4	2.2	12.5
Willing to pay more for better quality**	48.9	73.3	65.2	54.2
n	89	107	48	24

Source: J. Vamstad, 2007; Key: Mun. = municipal, P-C = parent co-op., W-C = worker co-op., F-P = small for-profit firm; \* only % affirmative ("yes") answers are shown; \*\* from J. Vamstad, 2007.

**Table 2. Parents' Social Participation, by type of provider.**

<u>Type of social participation:</u>	Mun.	P-C	W-C	F-P
Parties	63.8	87.8	86.4	75.0
Information meeting	52.5	91.9	68.2	50.0
Open house	48.8	63.5	54.5	16.7
N	89	107	49	24

Source: J. Vamstad, 2007; Key: Mun. = municipal, P-C = parent co-op., W-C = worker co-op., F-P = small for-profit firm; \* only % affirmative ("yes") answers are shown.

**Table 3. Parents' Political Participation, by type of provider.**

<u>Type of political participation:</u>	Mun.	P-C	W-C	F-P
Meetings with power to decide	30.2	79.7	8.9	4.2
Written suggestions	9.3	67.6	15.6	62.5
Meetings without power to decide	25.6	17.6	37.8	45.8
Informal talks	75.6	58.1	13.3	75.0
N	89	107	48	24

Source: J. Vamstad, 2007; Key: Mun. = municipal, P-C = parent co-op., W-C = worker co-op., F-P = small for-profit firm; \* only % affirmative ("yes") answers are shown.

**Table 4. Perceived and desired user influence, by type of childcare provider.**

Provider:\Perceived Influence:	Much*	(n)	Want more
Municipal childcare	44.9	(89)	37.3
Parent co-op. childcare	88.7	(107)	13.2
Worker co-op. childcare	50.0	(48)	28.3
Small for-profit firm childcare	12.5	(24)	58.3

Source: J. Vamstad, 2007: \*Combines three categories: “rather large”, “large” and “very large”.

**Table 5. Perceived and desired staff influence, by type of childcare provider.**

Provider:\Perceived Influence:	Large	Very Large	(n)	Want more
Municipal childcare	23.9	10.9	(46)	57.8
Parent co-op childcare.	34.1	22.7	(44)	16.3
Worker co-op. childcare	16.7	72.2	(18)	16.7
Small for-profit firm childcare	37.5	12.5	(8)	75.0

Source: J. Vamstad, 2007:

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**Diagram 1. Co-Production and relations between public authorities and citizens**

<b>Intensity of relations &amp; Level of citizen participation</b>	<b>Sporadic and distant</b>	<b>Intermittent and/or short-term (&lt;1 yr.)</b>	<b>Intensive and/or enduring welfare services (&gt;2 yrs)</b>	<b>Degree of civil society involvement</b>
<b>High</b>	?	?	-childcare, -basic education, -handicap care, -health care, -eldercare, -housing, -work integration,	3 <sup>rd</sup> sector provision (organized collective action or social economy organizations)
<b>Medium</b>	?	-job training, -tenant maintenance of public housing,	-childcare, -basic education, -handicap care, -health care, -eldercare,	Public provision (individual citizen - public interaction and/or user councils, either on-site or city-wide)
<b>Low</b>	-using postal codes, -filing personal income tax forms, -residential security	-neighborhood watch	?	Citizen compliance (individual & group)

Source: V. Pestoff, 2007.