The Third Sector, Citizen Participation and Co-Production of Personal Social Services in Sweden – towards a new paradigm

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The Third Sector, Citizen Participation and Co-Production of Personal Social Services in Sweden – towards a new paradigm.

Many countries in Europe are now 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 21st Century. Co-production provides a model for the mix of both public service agents and citizens who contribute to the provision of a public service. Citizen participation involves several different dimensions: economic, social, political and service specific. The extent of citizen participation varies between different providers of welfare services, as too does user and staff influence. Empirical materials from a recent study of childcare in Sweden will be used to illustrate these points. However, the role of citizens and the third sector also varies between countries and social sectors. Third sector providers facilitate citizen participation, while a glass ceiling for participation exists in municipal and for-profit providers. Moreover, co-production takes place in a political context, and can be crowded-in or crowded-out by public policy. These findings can contribute to the development of a new paradigm of participative democracy.

A. Background: democratic governance and social enterprises

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). 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).

One of the basic controversies in political science and democratic theory is whether democracy requires active citizenship. For some, intelligent institutional design suffices to achieve the common good. Free and periodic elections combined with competitive political
parties should guarantee the survival of democracy. For others, democracy and democratic governance are inconceivable without a culture of active citizenship. Calls for more active citizenship, strengthening citizen participation in service delivery and a more active role for third sector organizations have gained strength in recent years (Ostrom, 1999; Fung, 2004; Pestoff, 2008a). From the perspective of the welfare state, democratic governance, at the macro level, can be defined as a policy or regime that promotes substantially greater citizen participation and third sector provision of welfare services, and thereby significantly greater welfare pluralism. At the micro level, it involves significant user and staff participation and influence in the organizations providing welfare services. This could contribute to the development of a new paradigm of participative democracy (ibid.).

This paper focuses on co-production and discusses the third sector and the role of citizens in the provision and governance of social services. It starts by arguing that co-production is an important missing link or unexplored aspect of the EMES Network’s analysis of social enterprise. It continues by discussing citizen participation, user influence and co-production in the provision and governance of social services. It goes on to specify major aspects of co-production in terms of the economic, social, political and service specific participation of parents in the provision of childcare. It compares four major types of providers in Sweden: parent and worker co-ops, municipal services and small for-profit firms. It also explores variations in parent and staff influence in the same four types of organizations. It considers the importance of welfare regimes and sectoral differences for co-production and third sector provision of welfare services. Finally it argues that a glass ceiling exists in public and private for-profit services, both in terms of staff and user participation.

It is argued here that the democratic dimension is a central, but often neglected aspect of the EMES approach to social enterprise. The EMES Network’s definition of social enterprise combines four economic and five social criteria (Defourny, 2007). The EMES Network claims that its definition differs substantially from the Anglo-American definitions of similar phenomenon. The latter primarily combines social and economic criteria of providing goods and services to citizens, but ignores the political dimension. One of the distinguishing qualities in the EMES definition is, therefore, the inclusion of democratic decision-making based on human rather than financial capital and a participatory nature of the enterprise, which actively involves the persons affected by the activity (ibid.).

1 Contact www.emes.net for more information concerning the research activities of this European research group.
While these elements are seen as essential for making a distinction with Anglo-American definitions, the question remains whether they should be developed and specified in greater detail in order to clarify the different approaches to the study of social enterprise. In particular, it is argued herein that greater emphasis should be given to exploring the democratic and participative aspects of social enterprises in Europe in order to further focus on the distinctive European contribution to the discussion of the role of social enterprise in the provision and governance of personal social services in Europe.

It is first when we can say who, when, where, why and how members and/or citizens contribute to the provision of welfare services that we can take a significant step towards clarifying the importance of the democratic dimension of social enterprises in Europe. This is a timely issue, since many, if not most, European governments are searching today for new ways to involve their citizens in the provision and governance of public financed welfare services. However, without further exploration of democratic and participative aspects of social enterprises, their potential will remain obscure, and proponents of market and state solutions to the current challenges facing the welfare state will retain the upper-hand.

One reason for emphasizing participation and co-production of welfare services is that we have now reached a historic juncture where a greater role for citizen participation and the third sector provision of welfare services is fully possible. However, it remains unlikely without a concerted effort on the part of democratic forces in advanced countries to democratize the welfare state itself. Using the Swedish welfare state as a school book example, it experienced several major changes starting in the early 1980s and is facing even greater changes in the next 12 to 20 years in terms of providing welfare services. The growing division between financing and delivering welfare services 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 considerably (Blomqvist & Rothstein, 2000; Blomqvist, 2003), with a varying mix of for-profit firms and third sector providers in different social service areas. The economic experts in Långtidsutredning (2004) stated that the future of the Swedish universal, tax-financed welfare state was highly tenuous and predicted that it would be difficult to sustain in the future. So, they concluded that alternative means for producing and financing welfare services would be necessary by the year 2020.
In the late 1990s 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 came to power in the Fall of 2006 and began a new wave of privatizations. A continued public monopoly of the provision of welfare services is therefore ruled out. Thus, there appears to be two starkly different alternative scenarios for the future of the welfare state and the provision of welfare services in Sweden, either rampant privatization or greater welfare pluralism. The latter would include a major role for civil society and the third sector, as an alternative to both public and private for-profit providers of welfare services.

As noted, 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 semi-permanent austerity in public finances, made more acute by the recent world economic crisis. 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 as a provider of welfare services.

In addition to these three challenges we can also note two major historical developments. First, was the rapid growth of the welfare state during the postwar period and second, parallel with this, politics became more 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 provided such services at home, or at least not on a full-time or 24/7 basis. 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 for 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 that they both support politically and pay for with their taxes, regardless of who provides them.

The response to these three challenges will, of course, 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 discussed these first two responses (2006, v. 8/4, reprinted in 2008). 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. 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 (Pestoff, 2008b).

B. Co-Production: enduring services, user influence and citizen participation

It is necessary to make a distinction between enduring and non-enduring social services. Most welfare services belong to the former category and therefore, have an immediate impact on the life chances and quality of life of the persons and/or families receiving them. Enduring welfare services include: childcare or preschool activities, basic and higher education, eldercare, handicap care and housing as well as preventive and long-term health care. Users of such services are locked-into them and they cannot rely on exit to provide them with
influence or redress. The transaction costs of exit are often prohibitive (Pestoff, 1998 & 2005), so voice, rather than exit, provides consumers with influence and redress (ibid.). The existence of institutions that promote consumer voice are, therefore, important for enduring welfare services. Co-production facilitates consumer voice, especially when it involves collective rather than individual consumer participation in the provision of welfare services.

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, who need professional help and guidance. 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.). However, they leave little room for voice or participation.

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 a mix of these approaches may result in ‘hybrid’ organizations containing elements from many of them. However, some may work together better 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 today. In a service democracy of either the social democratic or rightist variety citizens are the 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 public or private service providers. By contrast, in a participative democracy citizens would be engaged 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 company A and B
providing similar services or the two ideological alternatives of more state or more market.

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 many 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 provided by professionals and financed by taxes.

C. The main dimensions of co-production

The TSFEPS Project\(^2\) permitted us to examine the relationship between parent participation in the provision and governance of childcare in eight EU countries (Pestoff, 2006 & 2008). We found different levels of parent participation in different countries and in different forms of provision, i.e., public, private for-profit and third sector 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 both 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 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 (ibid.).

Vamstad’s study of the Swedish welfare state (2007) focuses on the politics of diversity, parent participation and service quality in childcare. He compared parent and worker co-ops, municipal services and small for-profit firms providing childcare in two regions of Sweden,

\(^2\) The TSFEPS Project, Changing Family Structures & Social Policy: Childcare Services as Sources of Social Cohesion, took place in eight European countries between 2002-04. They were: Belgium, Bulgaria, England, France, Germany, Italy, Spain and Sweden. See [www.emes.net](http://www.emes.net) for more details and the reports.
Stockholm and Östersund. His study not only confirms the existence of these three dimensions of co-production, but also underlines clear differences between various providers concerning the saliency of these dimensions in providing welfare services. In addition to these dimensions of co-production a service specific dimension also exists and depends on the type of welfare service provided. In order to explore these differences in co-production further I will consider each type of parent participation for four different types of service providers of public financed childcare in Sweden, i.e. in parent co-ops, worker co-ops, municipal services and small for-profit firms.

Users participate economically in the provision of public services to insure the continued delivery of a service, to improve its quality, or both. In addition to paying taxes to finance public services, financial contributions by users occur through a co-payment or user fee and/or extra payments to top it up in order to achieve better or more suitable service. Material contributions can either be donations in kind necessary to the achievement of the service or other materials that are needed to maintain the service. For example, parents may donate new or used toys to their children’s childcare facility when the existing stock of toys diminishes due to loss or wear-and-tear. Parents may also contribute other items needed for repairing the premises, like paint, lumber, screws and nails, etc. Parents can also directly contribute their own time and efforts to providing services by working at the facility.

Vamstad’s study included the following types of economic participation in the provision of childcare. They were asked about their willingness to pay more for better quality services or greater availability of services. They can also participate in cleaning and repairing the premises, donating materials and supplies to the facility and working at the childcare center itself. Table 1 presents the parents’ answers about their economic participation.

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

Source: adapted from Tables 7.6, 8.1 & 8.5, in J. Vamstad, 2007; Key: P-C = parent co-op., W-C = worker co-op., Mun. = municipal, F-P = small for-profit firm; * only the percent of affirmative (“yes”) answers are shown.

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, a question
tapping 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. Parents in parent co-operatives show the greatest willingness to contribute more. However, these differences should not be exaggerated, and they are less than with other forms of economic participation.

Second, 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. It seems safe to assume that the work obligation found at most parent co-ops guarantees 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 is considered by some\(^3\) as a social activity, rather than economic participation. If, for example, it takes place on a weekend and is combined with a social activity of some sort, like a hot-dog roast for all involved at the end of the work.

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 distinguish 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 claimed that they work at their son or daughter’s facility, which is an unexpected result.

Social aspects of co-production involve the contribution of materials and time to achieve the social goals of a public service or to promote its social activities. This includes contributing both time and relevant materials/ingredients for the Christmas or Spring Party for the staff, parents and children, and perhaps even the surrounding community. They can also inform current and potentially new users, as well as the local community about the benefits of a particular service provider. Vamstad’s study \((ibid.)\) inquired about three types of social

\(^{3}\) Several managers of municipal services maintained this.
participation, participation in parties, i.e., the Christmas or Spring Party, information meetings and open house arrangements. The parents’ answers are found in Table 2.

Parties are the most popular social activity in all 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 social participation than parents in the other three kinds of providers. But we note that parents with children in worker co-ops have only marginally lower levels of participation than parent co-ops. Parents with children in either municipal services of private for-profit firms participate less frequently in social activities.

Table 2. Parents’ Social Participation, by type of provider.

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

Source: adapted from Tables 8.1 & 8.5 in J. Vamstad, 2007; Key: P-C = parent co-op., W-C = worker co-op.; Mun. = municipal, F-P = small for-profit firm; * only the percent of affirmative (“yes”) answers are shown.

The political aspects of co-production involve the expression of users’ wishes concerning the type of and way in which services are delivered. This can range from ad hoc discussions, regular meetings or occasionally negotiations on important matters to regular participation in decision-making and financial matters of importance for the provision of such services. Vamstad (ibid.) included four different aspects of this: participation in meetings with the power to decide issues, making written suggestions, attending meetings without the power to make binding decisions and engaging in informal talks with the staff, usually when leaving or getting their child(ren) from the childcare center. Table 3 presents the parents’ answers about their political participation.

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) in municipal childcare, however limited their factual decision-making rights (for a discussion of this see Vamstad, 2007; Pestoff, 2008). 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 do so.

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

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

*Source*: adapted from Tables 8.1 & 8.5 in J. Vamstad, 2007; **Key**: P-C = parent co-op., W-C = worker co-op., Mun. = municipal, F-P = small for-profit firm; * only the percent of affirmative (“yes”) answers are shown.

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, engaging 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. They are used by three-fourths of the parents there. Far fewer parents use them at worker co-ops. However, parents with a child at a parent co-op also appreciate this form of participation and more than half of them use it.

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. Moreover, parents in parent co-ops are members and therefore they are usually represented on the board of the daycare co-op. They make all the decisions about the management of the childcare co-op and they are ultimately responsible for its success or failure (Pestoff, 1998 & 2005). Taken together, the work obligation and their responsibility for decisions provide them with a sense of ‘democratic ownership’ of the childcare facility, not usually found in the other forms of childcare provision. Parents’ participation in the other facilities is restricted primarily to informal talks in combination with some other channels of influence.

Turning to service specific participation citizens can also participate in core activities on an equal footing with the professional providers, or they can be in charge of secondary or marginal activities that are necessary for the service provision, but nevertheless do not belong to its core activities. The former situation might result in substitution of professional staff by volunteers, while the latter can be termed complementary participation. It is illustrated here by parents’ taking responsibility for the maintenance and management of an educational
facility, either at the pre-school or elementary school level, but not participation in the core pedagogic activities, or at least not on a regular basis. Thus, in parent co-op pre-school facilities parents will be in charge of the maintenance of the premise, the management of the facility, bookkeeping, etc. But only in case of the absence of regular staff due to illness, attending a special training course, or other exceptional circumstances do they contribute to the core pedagogical activities of providing services to their own and other children. Most parent co-ops have rotating schedules that assigns them responsibility to fill-in for staff absences in this fashion. This division of labor tends to limit conflicts of interest between them and by the staff, as parents are not involved in the core activities. Restricting citizen participation to complementary activities, can help insure both the professional provision of core welfare services, as well as the active participation of citizens in complementary aspects of them. Their participation can also help to contain service costs as professionals are not required to provide all the complementary services, like maintenance and management, etc.

Parent co-ops in Sweden promote all four kinds of user participation: economic, social, political and complementary. They provide parents with unique possibilities for active participation in the management and running of their child(ren)’s 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 of childcare allow for some limited avenues of co-production in public financed childcare, but parents’ possibilities for influencing the management of such services remains rather limited.

**D. Parent and staff influence**

Participation and influence do not necessarily mean the same thing. So, differences in the type of service provider may or may not promote greater client and/or staff influence in the provision and governance of social services. Therefore, we will now turn our attention to the perceived and desired influence for users and staff in Swedish childcare. Vamstad asked parents and staff at childcare facilities he studied how much influence they currently had and whether they wanted more. Respondents to the question about their current influence could choose between 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, while the second one expresses staff’s influence and their desire for more.

Parent influence is greatest in parent co-ops and least in small for-profit firms. This is an expected result, and nearly nine of ten parents in parent co-ops claim much influence. However, this is twice as many as in municipal services. Half of the parents in worker co-ops also claim much influence, which is also 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 appear substantial.

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

<table>
<thead>
<tr>
<th>Provider</th>
<th>Perceived Influence: Much*</th>
<th>av.**</th>
<th>(n)</th>
<th>Want more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent co-op childcare</td>
<td>88.7</td>
<td>5.6</td>
<td>(107)</td>
<td>13.2</td>
</tr>
<tr>
<td>Worker co-op childcare</td>
<td>50.0</td>
<td>4.6</td>
<td>(48 )</td>
<td>28.3</td>
</tr>
<tr>
<td>Municipal childcare</td>
<td>44.9</td>
<td>4.4</td>
<td>(89 )</td>
<td>37.3</td>
</tr>
<tr>
<td>Small for-profit firm childcare</td>
<td>12.5</td>
<td>3.6</td>
<td>(24 )</td>
<td>58.3</td>
</tr>
</tbody>
</table>

Source: adapted from Tables 8.6 & 8.8 in J. Vamstad, 2007. *Combines three categories: “rather large”, “large” and “very large”. **average score, based on a scale ranging from 1 to 7, where low scores mean little influence.

Turning to their 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, a solid desire exists for increased parent representation in decision-making. Thus, it is not merely a question of selective choice between various providers, where the more active and interested parents choose the more demanding, participative forms of childcare, while the less interested and more passive ones choose less demanding forms. There appear to be wide spread expectations of being able to participate in important decisions concerning their daughter or son’s childcare among parents in all types of providers. Perhaps this reflects the spread of participation to the provision of public financed welfare services, regardless of the type of provider. Certainly the Swedish reform known as “Councils of Influence” in municipal preschools would benefit greatly by including many more of these motivated and active parents, if it were possible to offer them meaningful opportunities to participation and influence decisions. Similarly, worker co-ops would gain greater legitimacy and trust if they included the parents in a meaningful way.
Shifting to the staff of childcare facilities there were many more who answered that they had much influence, but with some notable differences in the distribution of the frequencies, so both the “large” and “very large” categories are included separately in the table below. 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 members of staff claim much influence in parent co-ops, while half of them do so in small for-profit firms. Again, 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 the other two types of childcare providers. Nearly three of five want more influence in municipal childcare and three of four do so in small for-profit firms. Thus, 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 (Pestoff, 2000).

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

<table>
<thead>
<tr>
<th>Provider</th>
<th>Perceived Influence:</th>
<th>Large</th>
<th>Very Large</th>
<th>av.*</th>
<th>(n)</th>
<th>Want more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker co-op childcare</td>
<td>16.7</td>
<td>72.2</td>
<td>6.4</td>
<td>18</td>
<td>16.7</td>
<td></td>
</tr>
<tr>
<td>Parent co-op childcare</td>
<td>34.1</td>
<td>22.7</td>
<td>5.7</td>
<td>44</td>
<td>16.3</td>
<td></td>
</tr>
<tr>
<td>Small for-profit firm childcare</td>
<td>37.5</td>
<td>12.5</td>
<td>5.4</td>
<td>8</td>
<td>75.0</td>
<td></td>
</tr>
<tr>
<td>Municipal childcare</td>
<td>23.9</td>
<td>10.9</td>
<td>4.8</td>
<td>46</td>
<td>57.8</td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from Tables 8.7 & 8.8 in J. Vamstad, 2007. *average score, based on a scale ranging from 1 to 7, where low scores mean little influence.

However, one interesting detail is the relatively low proportion of staff in parent co-ops wanting more influence. It is almost identical with that found for the staff in worker co-ops. 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. The staff normally lacks a vote, but not necessarily a voice in the management of parent co-ops. But, the striking similarity in the proportion of staff expressing a desire for more influence suggests that there must already be such a high degree of collaboration between the staff and parents in parent co-ops as to
eliminate the need for more influence. It seems important to explore this matter closer in future research.

Thus, we found that neither the state nor market allows for more than marginal or *ad hoc* participation or influence by parents in the childcare services. For example, parents may be welcome to make spontaneous suggestions when leaving their child in the morning or picking her/him up in the evening from a municipal or small private for-profit 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. 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. But the staff at parent co-ops does not express a desire for more influence. Thus both the parent and worker co-ops appear to maximize staff influence compared to municipal and small for-profit firms, while parent co-ops also maximize user influence.

**E. Co-Production, welfare regimes and sectoral differences**

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 values of reciprocity and solidarity, collective action, co-production and third sector provision of welfare services. Vidal (2008) argues that the lack of favorable legislation is a major obstacle for the development of social enterprises in Europe. It is impossible to isolate the development of social enterprises from decisions of government. 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.
However, it is important to remember that co-production takes different forms in different welfare regimes (Esping-Andersen, 1996) and in different policy sectors in the same country. In other words politics and policy are important for promoting or discouraging citizen participation and co-production. For example, one welfare regime may favor a family policy based on the provision of childcare by mothers staying at home. It provides generous tax subsidies for women to remain home and generous child allowances, sometimes even beyond gymnasium and college education. Germany serves as a good example of this. There parent participation in providing childcare is highly individual and geographically dispersed, making any forms of collective action among them very difficult. Another welfare regime may choose to invest in human capital and build extensive collective childcare facilities, something that facilitates greater collective action and citizen participation. Parents can easily interact to complain about or improve the quality of or access to collective childcare. They can collectively demand more influence in the management of the childcare and become co-producers. Sweden provides an illustration of this.

In addition, a country’s social policy can promote home services in one area, while it may facilitate collective and public provision of another service. So, I will briefly contrast two different types of social services in the same welfare regime, in order to understand the importance of sectors for promoting co-production. The first service is provided by relatives to elder persons at home. They often have physical limitations or ailments and are at the end of a long life. The second welfare service is childcare for preschool children under the age of seven. These two services are provided in two very different institutional and social contexts and represent two very different types of services but in the same country. The first comprises highly personal and individual caring tasks performed at home, 24 hours a day, seven days a week, often with little or no remuneration. It involves very intensive, geographically dispersed and isolated care services. These services are usually provided by relatives, often a female, who lack special professional training or the necessary qualifications to perform most such services. The home setting and circumstances of such care provision offer few chances for social interaction other than between the care provider and care receiver at home. Here citizen participation is highly individual and poorly organized.

Given this setting, the purpose of collective action is to provide caregivers with some social support and interaction, i.e., to help break their isolation and to help them perform their caring tasks (Dahlberg, 2004). This can take the form of voluntary organizations arranging meetings and discussion points or holding lectures and courses. Occasionally, it also involves
the provision of day center services, however limited, for the elderly, so they too can have some social contacts and daytime activities, etc., and relieve the 24/7 caregivers for a few hours. Given these circumstances, collective action is very difficult.

The second service, childcare shares very few of the distinctive characteristics of homecare for elderly relatives. Small children are at the beginning of their lives and their parents naturally want to give them a good start in life, often better than average, in order to improve their life chances. The children and their parents are geographically concentrated in a childcare facility that can range in size from 12-15 children to as many as 50+ children. There is intensive social interaction. There is a professional staff, but parent involvement is normally marginal in public and private facilities. However, parents can join together to form a cooperative or association for managing the service and run it in a democratic fashion. Here citizen participation is collective and highly organized. Thus, both from a collective action and a co-production perspective these two services represent the opposite ends of the spectrum.

F. Crowding-in, crowding-out or glass ceilings

Co-production also implies different relations between public authorities and citizens as well as facilitates different levels of citizen participation in the provision of public services. Citizen participation in public service provision needs to be distinguished along two main dimensions. To illustrate matters only three categories or levels will be considered, but there can, in fact, be greater differences between them. The first dimension relates to the intensity of relations between the provider and consumer of public services. Here, 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 relations. In the former, citizen participation in providing public services involves only indirect contacts via the telephone, postal services or e-mail, etc., while in the latter it means direct, daily and repeated face-to-face interaction between providers and citizens. For example, 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 the citizens and authorities. 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 involve resident participation in some aspects (Alford, 2002). By contrast, parent participation in the management and maintenance of public financed preschool or elementary school services involves repeated long-term contacts. This places them in the
position of being active subjects in the provision of such services (Pestoff, 2006 & 2008). Here they can influence the development and help decide about the future of the services provided.

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 could derive a three by three table with nine cells. However, not all of them are readily evident in the real world or found in the literature on co-production. Moreover, a third dimension needs to be made explicit - the degree of civil society involvement in the provision of public services. This reflects the form of citizen participation, i.e., organized collective action, individual or group participation and individual or group compliance. (See Figure 12.2 in Pestoff 2008a for more details.)

In general, we can expect to find a trend between increasing intensity of relations between public authorities and citizens in the provision of public services and increased citizen participation. Sporadic and distant relations imply low participation levels, while enduring welfare services will result in greater participation. However, when it comes to providing intensive and/or enduring welfare services, two distinct patterns can be found in the literature. First, a high level of citizen participation is noted for third sector provision, since it is based on collective action and direct citizen participation. Parent co-op childcare in France, Germany and Sweden illustrates this. Second, more limited citizen participation is noted for public provision of enduring welfare services. It usually focuses on public interactions with individual citizen and/or user councils. Citizens are allowed to participate sporadically or in a limited fashion, like parents contributing to the Christmas or Spring Party in municipal childcare. But, they are seldom given the opportunity to play a major role in, to take charge of the service provision, or given 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 citizens 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, only when citizens are engaged in organized collective groups can they achieve any semblance of democratic control over the provision of public financed services. A similar argument can be made concerning user participation in for-profit firms providing welfare services.
It was noted earlier that participation takes quite different forms in childcare services. Most childcare services studied here fall into the top-down category in terms of style of service provision. There are few possibilities for parents to directly influence decision-making in such services. This normally includes both municipal childcare services and for-profit firms providing childcare services. Perhaps this is logical from the perspective of municipal governments. They are, after all, representative institutions, chosen by the voters in elections every fourth year. They might consider direct client or user participation in the running of public services for a particular group, like parents, as a threat both to the representative democracy that they institutionalize and to their own power. It could also be argued that direct participation for a particular group would thereby provide the latter with a veto right or a “second vote” at the service level. There may also be professional considerations for resisting parent involvement and participation.

The logic of direct user participation is also foreign to private for-profit providers. Exit, rather than voice, provides the medium of communication in markets, where parents are seen as consumers. This logic excludes any form of direct or indirect representation. Only the parent cooperatives clearly fall into the bottom-up category. Here we find the clearest examples of self-government and participative democracy. Parents are directly involved in the running of their daughter and/or son’s childcare center in terms of being responsible for the maintenance, management, etc. of the childcare facility. They also participate in the decision-making of the facility, as members and “owners” of the facility.

G. Summary and conclusions

The EMES definition of social enterprise should pay closer attention in general to the democratic dimension of its own unique academic contribution to the trans-Atlantic debate about the scope and nature of this phenomenon. In particular, it also needs to understand the democratic implications of co-production for social enterprises. Both the consumers and providers in social enterprises can become more involved in the provision of enduring social services, thereby transforming them into grass-roots democratic organizations.

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. The participation of citizens in the provision of welfare services contributes a unique dimension of democratic governance to third sector organizations not usually found in either public services or private for-profit firms.

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. Citizens are normally faced with simple black/white choices between more state or more market solutions to most problems facing them. Thus, 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).

There are four kinds or dimensions of citizen participation in the provision of public financed welfare services. They are economic, social, political and service specific participation and they were explored in greater detail in this article. The influence of both parents and the staff was compared in four types of 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 municipal services and for-profit firms. 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 small private 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. 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.

Both public services and small for-profit firms demonstrate the existence of a glass ceiling for the participation of citizens as consumers of enduring welfare services. Evidence also suggests similar limits for staff participation in the public and private for-profit forms of providing enduring welfare services. Only social enterprises like the small consumer and worker co-ops appear to breach these limits and empower the consumers and 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 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, when co-production is based on enduring welfare services it requires repeated and frequent interaction between the professional staff and user/consumers, often on a daily basis. This is impossible without a dialogue, something which can help both these groups to mutually adjust their expectations of each other and the service provided in a way beneficial for both. Their dialogue also reduces the transaction costs for providing the services compared to other ways of providing it 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, as well as to a new paradigm of participative democracy (Pestoff, 2008) 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 encouragement 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.
Moreover, 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 of welfare services.

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