CHAPTER 31

Governance Challenges in Co-production

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In the last 30 years, profound changes in the management and delivery of public services have occurred: greater contracting for services with non-profit and for-profit organizations; more competition for funding; and ‘pay-for-success’ results management. A key component of this public service reform has also been renewed attention to the co-production of services which generally refers to the active participation of service users and citizens with professionals and volunteers in the development and delivery of key public services. In recent decades, co-production was initially used to refer to the reliance of street-level bureaucrats such as teachers and the police on citizens to actually produce education or policing (Parks et al. 1981; Brudney and England 1983). More recently, co-production has received support from the New Public Management (NPM) movement to encourage more efficiency, effectiveness, and innovation in the public services.

Non-profit organizations are predictable and logical homes for expanded ‘co-production’ because their community roots offer an opportunity for voluntarism and citizen participation (Boyle and Harris 2009; Evers and Ewert 2015; Bovaird 2007; Smith and Phillips 2016; Parrado et al. 2013; Fledderus et al. 2015; Alford 2009; Brandsen et al. 2018). Many examples of co-production involving non-profits exist: self-help programmes for mentally ill and individuals with substance abuse; government contracting...
with a local community agency to support a clubhouse programme for at-risk teenagers; and a parent education programme to promote positive early child development (Parrado et al. 2013; Evers and Ewert 2015). Increasingly, many for-profit community firms also offer various co-production options. For example, a for-profit agency for ex-prisoners on parole might rely heavily upon clients to help in their own readjustment to the community. Co-production through community organisations has also been facilitated by the greater utilisation of vouchers which typically involve a government subsidy directly to an individual to purchase services from public or private organisations. Vouchers for primary education or community care for older adults are good examples.

Public service reform has thus fostered many different forms of co-production as well as substantial innovation and experimentation in public, non-profit and for-profit services. But co-production programmes also present complicated governance dilemmas, especially for programmes with public funding, including daunting challenges related to community participation, programme design and sustainability. Governance, in this context, refers to the internal politics of the organisation that can be affected by the relationship between the government and the co-production programmes. Thus, this chapter will offer a detailed examination of the challenges and obstacles faced by co-production programmes including the development of sustainable programme models offering equitable and ongoing citizen and client participation.

**Background**

The broad interest in co-production in recent years reflects many different trends affecting public services and civil society. Government budgets have become strained in many countries, leading policymakers to explore new, lower cost strategies for addressing public problems. Higher expectations for accountability and performance have also encouraged more interest in policy innovation, especially through community members and organisations. The widespread attention to the role of community organisations in building social capital through collaborative community networks (Putnam 2000) has promoted the idea of citizen and community participation in local service delivery. Co-production also fits with the desire of citizens for more consumer and client choice. The traditional model of public services relied upon professionals developing and choosing various services with relatively little citizen input or control: professionals in public or non-profit organisations would develop programmes and services and then decide, subject to government regulations, who should receive service and the substantive content of the service, except for local organisations with community members on their board or staff. A classic example might be a government caseworker providing counseling services to a disadvantaged jobseeker. Alternatively, a non-profit mental health programme might offer a job training programme for their clients. Or the staff of a home care agency might decide the relevant services for their
elderly and disabled clients. To be sure the success of these services hinges on the response and cooperation of individuals. Teachers need to have engaged students and police benefit from a cooperative citizenry who are willing to help the police combat crime.

The recent movement in support of co-production is based upon the premise of more direct collaboration and engagement by professional and citizens (Ostrom 1996). As co-production has become more prevalent, it has also diversified. One strand of co-production has its roots in the self-help movement for individuals with mental illness, a disability or substance abuse. For example, mental health ‘clubhouses’ exist throughout the world, especially in urban areas (Ness 2014; Benjamin 2016). In the post-war period, people with mental illness created clubhouses or spaces to meet and support each other, similar to other self-groups. Over time, these clubhouses evolved into more fully developed services and programmes, often supported with public funds. In many clubhouses, professionals actively work together with individuals with mental illness to build their self-confidence and employment skills. The staff of these clubhouses might also be individuals with a history of mental illness. In many cases, these clubhouses receive public funding.

A variation on this self-help, co-production model is a programme for homeless women in the United States that allowed the women in the programme to choose their front-line professional staff person and develop their individual programmatic goals and plans (Benjamin 2016). Another example is an advocacy agency in Pend Oreille County in Washington state supporting victims of domestic violence, sexual assault and other crimes through education, victim services and social change. Led and staffed by people with lived experiences of trauma and inequities, who provide a wide range of services in rural communities (Family Crisis Network 2020). Many domestic violence programmes in the United States have a similar requirement for the active engagement of the women in the programme. In the UK, ‘User Councils’ were created by ex-offenders to advise the prison system on programmes to help ex-offenders transition successfully into the community and to advocate for expanded in-house prison programmes to help train and rehabilitate prisoners. The User Councils work closely with the prison staff (Hine-Hughes 2011). A programme in the United States for homeless youth also has a Youth Advisory Board and peer outreach programme that works closely with the front-line staff (Benjamin 2016).

Many social enterprises that blend market activities and social mission also emphasise collaboration between clients or users and professionals. For example, Farestart, based in Seattle, is a non-profit that operates a restaurant staffed by disadvantaged persons who also receive training in the restaurant trade. Delancey Street is a comprehensive substance abuse programme with locations in different parts of the country. This agency operates a number of market-based services such as landscaping and a restaurant that are staffed by clients in the programme. Many micro-finance programmes such as Kiva and
the Grameen Bank are based upon a programmatic model dependent upon the active participation of poor men and women in creating new business activity.

Many programmes reliant primarily on volunteers also illustrate another type of co-production model. A mentoring programme for youth such as Big Brother/Big Sister depends upon volunteer mentors who work with at-risk youth and collaboratively with the agency staff. Many literacy programmes are based upon the premise of collaboration between volunteers and educational professionals. A wide variety of other similar types of programmes exist.

One other important category of co-production is the joint planning and development of services and programmes. In the 1960s, many non-profit organisations were established by local organisers to take greater control over the services in their community. Since then, a diverse array of co-production initiatives around the world exemplify the desire of community to be more engaged in local service delivery. Citizens might work with local officials to repurpose an abandoned factory for new uses. Neighbourhood or ethnic associations work with the police on crime prevention strategies or the city on youth programming. Somali Community Services of Seattle relies on staff and volunteers from the Somali community and works closely with municipal agencies on a range of important programmes. The Arc of King County, Washington, serves citizens with development disabilities who also are represented on their board of directors and as staff and volunteers.

In general, non-profits are more conducive to co-production than other types of organisation (Pestoff 2014; Alföld 2009). Public organisations face a variety of legal constraints in terms of their ability to flexibly respond to constituents and create joint programming. For-profit firms face complicated dilemmas regarding co-production as they have to balance market incentives with co-production which often requires a commitment to a social mission (Skelcher and Smith 2015). Non-profits, by contrast, place a priority on responsiveness to their community of interest. This community could be a neighbourhood, an ethnic group, a city or a group of people with a shared identity and purpose (Smith and Lipsky 1993). Non-profits are less-rule bound than public organisations and thus allow greater opportunity for client and citizen engagement in services.

Governance in co-production has also been affected by the movement towards various Pay-for-Success models including performance contracting and social impact bonds. A focus on specific outcome or performance measures can create difficult internal organisational clashes on the measures of programme outcomes and success. The requirements for data collection and reporting also create complex concerns on transparency, confidentiality and client privacy. These issues are especially urgent with co-production since, as noted, many co-production programmes require the active engagement of volunteers, citizens and clients in the planning and implementation of services.

More generally, concerns about co-production have been recently raised by Steen et al. (2018, 284) who called attention to the ‘dark side of co-creation and co-production’ that included seven evils including: the deliberate rejection
of responsibility, failing accountability, rising transaction costs, loss of democracy, reinforced inequalities, implicit demands and co-destruction. Oliver et al. (2019) also discuss the ‘dark side of co-production’ with specific reference to collaboration between health policy scholars and practitioners. Also, Loeffler and Bovaird (2019) discuss the ‘dysfunctional implications of co-production’ based upon their research on policing and community justice. Overall, these articles clearly state the need for more analysis of the potential drawbacks of co-production and the need to carefully scrutinise the governance, design and context for coproduction programmes.

**Governance and Co-production: Challenges and Unintended Consequences**

Co-production offers many opportunities for innovation, improved effectiveness and citizen engagement. Yet the very characteristics of co-production that are attractive to funders, policymakers and practitioners also create governance difficulties, especially as co-production programmes become intertwined with government and public policy.

A classic example of co-production is a community group organized to help at-risk youth in their community. Initially the group is entirely composed of volunteers and their youth programming relies upon these volunteers. Governance is informal and decision-making is typically by consensus. Funding tends to be from small cash and in-kind donations especially from the core volunteers. Many of these informal groups eventually seek non-profit legal status in order to receive public and private funding and liability protection. The board of directors of the new organisation is usually comprised of founding members and volunteers. Over time, though, the organisation may seek public funding or foundation grants to expand their services to their target group of at-risk youth.

Public funding, though, can create markedly different programmatic and governance expectations. Indeed, more than ever, government officials are focused on measuring outcomes and using evidence-based policies that require service organisations to adopt best practices as identified in the existing research. Attendant to these performance regimes is more reporting requirements, which also require the addition of more professionals at the administrative and service delivery levels. In particular, professionals with degrees may be substituted for clients who rely upon their experience and knowledge of a specific social problem. For example, substance abuse treatment programmes in the United States and elsewhere were for many years staffed primarily with individuals in recovery; thus, their personal experience with addiction served as their essential programmatic qualification. The boundary between client and staff was often blurry. But the introduction of evidence-based treatment, often mandated as part of public funding, can lead to a shift towards individuals with advanced degrees, replacing people in recovery.
programme management shifts towards more professionals and less engaged co-production.

Professionalisation can also occur at the board level. The agency for at-risk youth, noted above, will face pressure as its government funding increases to add individuals to their board with political and resource connections who can also advise the agency on the complicated regulatory and legal concerns pertaining to government contracts. To the extent the board professionalises, then it is also more likely that the staff will evolve in the same direction.

To be sure, this shift to professionalisation in co-production programmes can reflect the process of organisational development and different lifecycle stages. Further, non-profits may need to professionalise in order to develop sustainable business models, given the heightened expectations of public and private funders for accountability and improved performance. However, governance can be substantively altered in the process, potentially undermining the possibility of client and citizen engagement.

Governance in co-production can also be profoundly affected by a value congruence problem. Many different variations exist. For instance, the staff of a non-profit might be attracted to work or volunteer in the agency because specific goals and values in the mission such as service to Latino youth in a particular community. But government regulations and rules may require an adaptation of this agency mission in ways that are at significant variance with the values of existing staff. The result can produce unfortunate governance problems. First, individuals may leave the organisation if they are unhappy with the agency’s direction—the so-called exit option (Hirschman 1970). The result can be high turnover among board members and staff, producing organisational instability and the loss of valuable staff knowledge and experience. Another manifestation of the exit option is that staff and volunteers will not fully devote themselves to the organisation. So, they may become more passive and less engaged employees and volunteers.

Second, problems in value congruence can create internal gridlock. Organisations can be considered to have different institutional logics or norms that structure legitimacy and the identity of staff and volunteers. Public organisations have a state logic and for-profit organisations have a market logic. Non-profit organisations, the locus of many co-production initiatives, have a community/social mission logic (Skelcher and Smith 2015). In the context of co-production, a clash of values, or logics, can easily lead to a ‘blocked’ organisation, characterised by irresolvable contradiction between competing logics. For example, a domestic violence programme founded on the principle of democracy and client and staff engagement may be required to institute new more hierarchical and bureaucratic decision-making rules in order to comply with the demands of public funders. An attempt to integrate these two logics can lead to a dysfunctional organisation and/or varying levels of staff conflict and dissatisfaction.
Co-production programmes are especially susceptible to value congruence clashes and difficulties because many programmes rely upon purposive incentives of engagement and social mission to motivate staff and volunteers to participate (see Wilson 1973). This commitment can also lead an organisation to remain steadfast in its adherence to a specific vision and set of values that may, over time, be mismatched with the funding environment. For instance, an organisation might try to resist the introduction of new state-mandated performance targets for their programmes required by public funding because of the dedication of their staff and volunteers to an alternative set of goals and priorities. This values mismatch between the state and the agency could eventually lead to a loss of funding for the agency as the agency falls from favour with the state. Even the threat of funding loss can create organisational dysfunction or changes in governance. Thus, an agency might decide to replace its founding board members with individuals who have connections to funding resources including government and foundation funding. Or put another way, government can exert substantial influence over the internal operations of non-profit, without even intervening directly; instead a non-profit may realize that they are unlikely to obtain continued funding unless they change their governance and programmatic orientation.

However, government can also try to control the operations of non-profits in an effort to prevent a divergence between the priorities of government and staff, users and community members of non-profits engaged in co-production. The introduction of new performance regimes such as performance contracting can mean that government reimbursement for many programmes including job training or prison re-entry is contingent upon the attainment of specific performance targets such as the number of individuals placed in permanent employment or the rate at which ex-prisoners avoided a return to prison. In essence, performance contracting can be regarded as an effort by government (the principal) to control the behaviour of its agent (the non-profit providers). (For insight into the principal–agent problem in contracting, see Donahue 1989).

Performance contracting requires the collection of extensive amounts of data in order to demonstrate the adherence of non-profit staff and volunteers to government contracting rules and priorities. And it is possible that front-line workers in non-profits such as caseworkers can evade government rules, creating a governance problem of non-compliance. As Lipsky (1980) observed, front-line workers—or street-level bureaucrats—possess considerable discretion on the job. Consequently, the staff, volunteers and clients of a non-profit might resist or circumvent compliance with government contracting regulations. Workers might go beyond the rules to offer extra assistance to clients, delay completing required reports or try to exercise their ‘voice’ and actually try to change the regulations. Thus, agency leaders could directly negotiate with government officials on performance expectations and rules or they could join an association representing their interests to government policymakers. While these efforts to change policy may yield
some success, it often does not fundamentally change the individual agency situation; as a result, the governance dilemma and values mismatch are likely to remain unless agency leadership and staff leave the agency and are replaced with staff who embrace the existing performance rules.

Another variant of this performance management is the evidence-based practice movement which seeks to have health and social service intervention to be guided by research on the most successful programmes and interventions (Metz et al. 2007; Smith and Phillips 2016). Significantly, the introduction of these models may require co-production programmes to change their staffing. For instance, a drug treatment programme reliant on individuals in recovery may need to institute new more intensive professional practices, thus possibly displacing individuals with lower skills and/or less educational credentials. Depending on the programme, this change could disproportionately affect individuals in recovery.

Co-production programmes also face significant governance challenges related to the transparency of agency operations and services (Loeffler and Bovaird 2019). As noted, many co-production programmes started informally by individuals passionate about addressing a community problem. Monitoring and evaluation are typically a low priority in developing and implementing a new programme or intervention such as a park clean-up programme using at-risk youth or a mental health club. But transparency and accountability can be elusive. Volunteers may be well-meaning in terms of their contributions to an organisation but less than diligent in comprehensively reporting their activities. Many citizens for example are interested in time-limited activities rather than long-term, intensive programme involvement. Also, overseeing the activities of clients and volunteers requires an adequate management infrastructure and capacity which can be difficult for many smaller community agencies to establish and sustain (Steen et al. 2018). Implementation of these management systems can also create the value conflict noted above. Indeed, some co-production initiatives such as domestic violence programmes or mental health clubs may believe that certain types of monitoring systems are incompatible with their programme goals and mission. Consequently, these agencies may resist rigorous management oversight and external evaluation.

Also, many co-production programmes are small so they usually face lower reporting requirements than larger organisations. A local block association may only have a budget of $25,000 a year and no paid staff, although they may collaborate extensively with educational professionals. It may be difficult to track accurately the activities of the association. In the United States, they would not be required to provide any detailed financial or programmatic information to national, state or local authorities. One could argue this lack of transparency is not a major public policy concern since these organisations tend to be small and narrowly targeted. Yet, the issue remains as an enduring problem for co-production: the attractiveness of these initiatives is rooted in part in innovation, self-help, mutual aid and community roots. But co-production programmes can at the same time be compromised by a lack of
accountability and transparency which may over time discourage participation and external funding.

**Sustaining Participation and Engagement**

Classic co-production examples such as a mental health club or a community coalition to fight substance abuse rely upon citizen participation and collaboration. For instance, a community coalition might be started by local citizens concerned about rising incidence of substance abuse. Coalition founders may be able to organise initial planning meetings but it is very difficult to sustain participation without adequate resources. One possibility is government contracts and grants which typically have various performance requirements and expectations. This money also may only be for a relatively short period of time such as two years, creating financial difficulties and instability. Private funding from foundations is also typically short-term. As a result, members of the coalition can easily leave the coalition if they do not believe they are receiving value for their participation. In this regard, resources clearly play a role; without funding, it is very difficult to move a programme forward.

Importantly, the real and perceived value can also be contingent on the governance structure of co-production programmes. Two examples illustrate this important point. First, the community anti-substance abuse coalition might include representatives of several local public and private agencies in town as well as local citizens and activists. The governance of the coalition needs to be regarded as equitable, otherwise some members may decide to leave. Also, some members may decide to stop their participation if the distribution of resources from grants and contracts is viewed as unfair. These two issues are also related: appropriate and legitimate governance will produce fairer resource distribution.

Second, a mental health club such as Mosaic Clubhouse in London is guided by the principle of partnership between staff and clients (or members) in agency decision-making and governance. Indeed, the Clubhouse is deliberately understaffed in order to promote client participation and equity in decision-making (Mosaic 2020). Many other co-production programmes such as domestic violence programmes and substance abuse treatment programmes have the same commitment to staff–client partnership. But this type of decision-making requires very diligent and careful leadership and ongoing attention. It can be disrupted quite easily and government funding with its performance expectations can lead to internal disputes on the direction of the agency. Partnership in governance can also be time-consuming and arguably requires agency leadership that is comfortable with sharing responsibility and less hierarchical organisational structures.

Co-production can also present more general engagement challenges (Loeflfler and Bovaird 2019). A useful framework to understand these difficulties is offered by James Q. Wilson (1973), a noted political scientist, who observed that individuals are motivated to join organisations by three primary incentives:
material, solidary and purposive. Material incentives can be direct monetary payments or more indirect benefits that can accrue to a person’s agency or programme. Solidary benefits tend to be the fellowship and social capital of participation in a collective endeavour. And purposive incentives relate to the cause or mission of the organisation. Co-production programmes often rely heavily upon solidary and purposive incentives since they are often under-funded and depend upon volunteers and the willingness of staff to work for modest wages in service of larger goals and missions. But a reliance on purposive incentives tends to build into the programme at least some measure of instability. That is, a community member might decide to join an anti-drug coalition primarily for the stated purpose; yet if the coalition has trouble reaching its goals, this individual may become dissatisfied. One potential consequence of government funding is that it can shift the mission, or purposes, of the agency in ways contrary to the vision of original volunteers and staff.

Solidary incentives can be an important motivator for engagement in co-production but they also tend to skew participation. Many co-production initiatives start as community initiatives among friends and colleagues dedicated to a specific cause or idea. So the social capital existing among community members facilitates engagement and also helps with the development and implementation of agency programmes. And this trust can be built by repeated interaction among local citizens who know each other. But a reliance on trust and more generally solidary incentives can produce inequalities in participation (see Steen et al. 2018). Some citizens outside the founding group may be disinclined to participate, especially lower income citizens who may face economic barriers to participation. Overcoming inequities in participation in local co-production programmes can require extensive preparation and ongoing attention. To achieve equity in participation in a community coalition may necessitate ongoing outreach, special appeals and resources to support the participation of a wide array of groups. Moreover, co-production programmes with diversity in participation may then find that groups hold very different ideas on goals and priorities.

Attracting and sustaining diversity in participation has many dimensions. Professionals are often comfortable with planning and implementation meetings including the norms of engagement. However, many citizens may not have extensive experience with programmatic development and attendant meetings, creating a potential mismatch in expectations (Loeffler and Bovaird 2019). Seemingly straightforward activities such as the preferred rules governing meetings can be a source of discord. To be sure, laypeople and volunteers unfamiliar with various procedures can learn new policies and procedures but it does involve time and adequate training and incentives. Many participatory democracy initiatives aim to provide this support. For example, Community to Community in Washington state strives to empower local immigrants to have an ‘equal voice in decision making’ (Community to
Community 2020). Another example is the worldwide movement for ‘participatory budgeting’, a mode of co-production that involves direct participation of local citizens in the municipal budgeting process and their collaboration with professional politicians and administrators. Participatory budgeting has been adopted in a wide variety of settings around the world; the record of these efforts suggests that equity in participation requires a deliberate effort to provide appropriate incentives and opportunities (Fung 2006). Without the proper incentives, participatory budgeting programmes can easily become dominated by the local professionals.

Government funding of these co-production initiatives can further complicate the efforts to attract diverse participation. A common occurrence is the following scenario: a local community development initiative comprised of professionals and local citizens receives a grant from state government to be used for new economic development projects. The governance of this programme is guided by a board of directors representing different individuals and organisations in the local community. But the new money is likely to have differential effects in the community, prompting internal discussions about the allocation of the money. The resulting competition for money can prompt some members to cease their participation if they do not believe they have had ample opportunity to influence the organisational decisionmaking process. For this reason, the governance structure is especially critical.

Community members may also be reluctant to join new programmes because of distrust of government. In the last 50 years, many impoverished communities have been sites of a succession of sometimes misguided social programmes designed to address poverty and achieve economic revitalisation. Some of these programmes failed meaningfully to engage the community. Consequently, a new programme might be greeted with great skepticism, making it difficult to obtain sustained, representative local engagement. The staff and volunteers of co-production programmes can change attitudes regarding participation but it does involve significant outreach and consultation with local citizens and key stakeholders.

Importantly, equity in decision-making does not simply refer to sharing of responsibility among professionals and citizens including clients, a central component of co-production. Citizen participation is often very unevenly distributed. Neighbourhood associations are frequently dominated by a small coterie of citizens. Community anti-drug coalitions find that it is much easier to engage citizens who are lawyers, doctors and other professionals than disadvantaged community members. Concerted action and good leadership are required to engage a broad spectrum of the community.

Many community-based co-production programmes like community coalitions or an economic development project also face another type of challenge in sustaining engagement: these organisations and groups are often comprised of representatives of many different public and private organisations. It is truly organised as a complex public–private partnership that requires joint action by the various stakeholders and participants. In the beginning, the leadership
of the member organisations may be quite willing to engage actively in the governance of the agency. Over time, though, the key leaders of members organisations may become occupied with other responsibilities and send their subordinates. The replacements may not have full decision-making authority and thus they will have to consult with their own leadership about coalition governance. The subordinates may be less committed to the programme and also have less leadership talent. This situation may not necessarily lead to internal conflict but it can produce a very slow process for making important decisions. The inability to take timely action can then lead to dissatisfaction and a difficulty in implementing and sustaining programmes. This problem can be mitigated through procedures that stipulate key expectations on member representation but ultimately it also depends on the ability of the organisations to deliver results. For this reason, the ultimate success of co-production programmes may hinge on the initial decisions made on representation and governance. If a programme begins slowly, it can precipitate a downwards spiral of inaction and then growing disengagement.

Creating and maintaining equitable and inclusive participation also cannot be separated from financial considerations affecting co-production programmes. Co-production programmes require resources even if they substantially depend upon client and volunteer engagement. A programme for at-risk youth that engages youth in local community activities such as a Latino agency in Seattle, El Centro de La Raza, needs paid staff to train, mentor and oversee the youth. Initial philanthropic grants can facilitate the initial start-up but these grants are often short-term so eventually the programme will have to transition to more secure funding which is often government funding.

Importantly, resources are typically needed to facilitate equity in participation as well. Co-production programmes operated by social enterprises may also have their own set of financial dilemmas. Social enterprises are non-profit or for-profit organisations that blend a social mission and a market orientation. A typical example is a non-profit agency with a restaurant employing disadvantaged individuals who develop marketable skills as part of their employment. To operate a functional restaurant, the non-profit needs to employ individuals who are likely to be successful at their jobs, even though they need training. This key imperative is particularly important because this type of non-profit relies on the revenue from the restaurant to support its overall operations, although it may receive funding from other sources including government. Due to this financial incentive, or as it is sometimes called ‘the double bottom-line’, it can be very difficult to sustain the participation of individuals with low skills and an absence of a significant work record. Secure public funding can help mitigate this problem to an extent by relieving financial pressure on the agency. But, as noted, public funding also brings the regulatory compliance challenges.

Sustainability in the context of co-production also hinges on the complex relationship between the formal and informal sectors (Bulmer 1987). As noted, many co-production programmes emerge from the informal sector
which comprises family, community, friends, congregations and self-help groups. This sector can bring flexibility, responsiveness and possibly innovation to new co-production initiatives. The attractiveness of the informal sector also relies, at least in part, on a romanticised vision of community where neighbours help neighbours, solve important local problems, and care for the needy. And to be sure, many examples of neighbours spontaneously helping community members exist especially in times of crisis such as a natural disaster or emergency. Many congregations also help support local social programmes with volunteers and direct cash donations.

Many co-production initiatives essentially rely on ‘interweaving’ between the informal and formal sectors. The latter typically refers to government, non-profit and for-profit agencies that offer structured services with professionals and volunteers. Many examples of this interweaving exist. Aging in PACE, an elder service agency serving the Asian–American community in Seattle, works closely with senior citizens, family members and health care providers to develop appropriate programmes to help the elderly to age in place. A group of local ministers might band together to advocate for more services for the homeless, eventually securing a government grant for expanded shelter and support programmes. Parents might start an early childhood programme but then enter into a collaboration with the local school district. A parent group supporting their disabled children might eventually incorporate as a formal non-profit organisation and then receive a government contract. Arguably, this interweaving of the formal and informal sector exists along a continuum from friends and family helping a neighbour in financial distress to a public agency with a partnership with a local non-profit to provide services to the chronic mentally ill.

Yet this interweaving and its sustainability is challenged by the characteristics of both the formal and informal sector. For this reason, sustaining the involvement of community members and clients in co-production can be very challenging. Formal agencies can be inflexible in applying regulations on funding and programmatic implementation. These agencies may also have great difficulty developing innovative approaches to social problems. The informal sector, though, has its own limitations. Participation by community members can be very unequally distributed. And community members may not have the expertise to deal adequately with complex problems. The parent mentoring local children may find himself inadequately prepared to help children with special needs. A neighbourhood association charged with cleaning the municipal parks may find it difficult to recruit a reliable base of community members. Persons with mental illness participating in a clubhouse programme may at times require much more intensive services than offered by the clubhouse. Senior citizens and disabled people with personal budgets to purchase community care services may be unable to obtain the necessary information to make informed choices on the appropriate professional services to meet their clinical needs.
Some of the best examples of collaboration can arise on ‘an ad hoc basis, as when a professional is able to form a consultative relationship with a neighborhood helper who provides friendly reassurance to elderly neighbors; an outreach team is able to form an informal support system of hotel managers, board and care operators, bartenders and grocery clerks in promoting the community adjustment of the chronically mentally ill; or when informal working relationships are established between mutual aid or self-help groups and professionals’ (Froland 1980, as quoted by Bulmer 1987, 187). But these collaborations can be unstable. Professionals may try to assume control. Participation by community members may falter and resources may be reduced, especially during periods of government austerity. And confusion may exist on the proper roles and responsibilities of the different sectors which can also blend together with resource and participation difficulties. For example, many clubhouse programmes have a ‘work order day’ where persons with chronic mental illness work together with professionals who direct the organisation. Everyone is expected to contribute to programme operations but the clubhouse typically does not have a participation requirement since it would undermine client independence and decision-making. But this non-participation requirement creates dilemmas for staff who depend upon members to work with them for the good of the overall clubhouse programming (Benjamin 2016).

Sustaining these co-production programmes also hinges on creating resilient systems and relationships that can weather crises. The local government funding agency may have an unexpected budget shortfall. One of the programme directors may have to relocate to another locality. Or a surge in service demand could occur. Resilient programmes able to weather these crises or unforeseen events require ongoing capacity building and training. The staff of government or non-profit programmes need to invest in their ability to adequately oversee and monitor programmes. Moreover, collaboration with local citizens may require these staff to learn new engagement and outreach strategies. Community members are likely also to require support and the appropriate incentives for engagement. Leadership development for professional staff and local volunteers is also important. Regardless of the level of training, though, resilient co-production systems require sufficient long-term financial support; austerity will undermine the viability of co-production over time and greatly reduce the ability of co-production programmes to have a meaningful impact of their communities.

**Concluding Thoughts**

Since the 1990s, co-production has expanded to include a wide variety of programmes, providing many new opportunities for citizen and client engagement in the public services, broadly defined, throughout the world. Local communities have benefited by the introduction of innovative collaborations
between professionals and citizens in a wide variety of policy fields—from criminal justice to community care to economic development. Yet, co-production also poses complex governance challenges, especially for organisations with public funding that can significantly affect the sustainability and success of co-production. Good leadership of course makes a difference, as it does for other types of organisations. But the leadership and staff of co-production programmes also need to be well-versed in the complexities of forging collaborative networks among individuals with quite diverse backgrounds and expectations. Adequate resources are also a critical success factor that helps provide appropriate incentives for the development and sustainability. Indeed, the prolonged government austerity in many countries, and now the Covid-19 pandemic crisis, has underscored the fragility of co-production programmes in circumstances of funding cutbacks and insufficient safety net support for community members. To be sure, fiscal scarcity can be a spur to innovation but co-production programmes underpinned by an expectation of sustained voluntarism by community members and philanthropic donations may falter over time. Instead, leaders of the public and non-profit sector need to view co-production as a valuable and innovative tool of public policy that requires good leadership, sound programmatic design, appropriate accountability processes, and necessary funding. In these challenging times for the public services and local communities, co-production programmes can then fulfill their promise of engaging staff, volunteers and citizens in promoting citizen engagement, improving the life situation of local citizens and providing more effective community problem-solving.

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