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Co-Production of Public Services in Terms of the Polish Experience

Abstract: Co-production of public services is an increasingly popular tool in public management, although it is still a new phenomenon in Poland. Despite the attention researchers give to co-production, some significant gaps remain. In this article, author attempts to examine the legal possibility of implementing co-production by the Polish local government by local initiative and Solecki Fund. The article aims to examine how major Polish cities gathered in Union in Polish Metropolises used local initiatives. The next step in research is to find out how Solecki Fund is spread among rural areas according to statistical data. It is proved that only a handful of local governments in Poland are truly engaged in co-production. However, Solecki Fund can be shown as an excellent example of citizens' engagement. It is presented a possible agenda on what can be done to make co-production more popular and used on a regular basis not only in metropolitan but also rural areas.

Keywords: *co-production; public services; public management; public policy; public administration*

Introduction

Recent decades witnessed changes of the public sector organizing and fulfilling its tasks. The model of traditional public management (also called Weberism) that had dominated the industry for decades was reformed in the spirit of the New Public Management philosophy, whose fundamental goal was to increase the effectiveness of public sector operation through transferring management tools and techniques from the private sector to public institutions. In each of the currently proposed new paradigms of public management, i.e., *new public governance* (Hausner, Jessop & Mazur 2016) or a Neo-Weberian State (Mazur; Pollitt), effectiveness is still indicated as an important element of the organization of the public sector. Among all different approaches, co-production of public services became one of the most popular tools to rebuild trust in the public sector. The first interest in co-production dates back to the 70s and 80s in the US, when a group of scholars in the Workshop in Political

Theory and Policy Analyst lead by Elinor Olstrom noticed that delivering public services without public engagement resulted in inefficiency and a lack of confidence. They concluded that services do not produce outcomes but people do. As Virtanen and Stenvall maintained, public services are not only a phenomenon provided by public authorities, represented by public officials, legitimized by politicians and ultimately approved by voters. They are also areas for interaction, co-operation, and co-creation, orchestrated by networks of the organizations providing these services (Virtanen & Stenvall, 2014, p. 102).

Since then, the idea of the co-production of public services has profoundly changed and new set of data and research have emerged. There is a sharp distinction between the original interest of public service delivery and today's way of thinking about it. We can show a few reasons why this concept has developed during last years. Clearly, one reason is the impact of public sector austerity in many countries. Financial problems, lack of efficiency in the public sector and world economy crises constitute only a few. According to T. Bovaird and E. Loeffler, there is now increased awareness that policy agendas such as climate change, renewable energies, and the reduction of health inequalities cannot simply be tackled by public agencies alone (Bovaird & Loeffler 2016, p. 320). Secondly, the same co-production becomes increasingly popular because of a huge preoccupation with social capital. Numerous research studies exist showing that human resources have huge influence on trust, institutional functionality and the political engagement (Putnam, 1994). Last but not least, co-production is possible because of technological changes. The Internet revolution allowed citizens to engage in service delivery in new ways. Consulting public decisions and delivering information by the citizens to the local administration have never been as easy and comfortable as today. However, despite the fact that co-production of public services is now a very popular issue, it is not easy to implement it in practice. Although the interest is huge and research findings are easily available, there are still relatively few examples of mainstreaming the co-production. There is no one-size-fits-all approach and each example has to be analysed separately (see Alford, 2009; Thomas, 2012; Fledderus, 2015; Brandsen & Pestoff, 2006). The co-creation of public services on the principles outlined above seems to have obvious advantages. They manifest themselves in promoting active citizenship attitudes, strengthening the social capital among the inhabitants, and restoring the naturalistic way of thinking about local government. However, there are a number of factors that will reinforce or limit the attitudes of co-operation. As pointed out by Podgórnjak-Krzykacz (2015), the following will be of key importance: (1) involvement and trust between inhabitants and local administration, (2) the attitude of officials who may be open to new initiatives and actions of the inhabitants or to treat them problematically, (3) the tradition of co-operation between partners, (4) organisational and managerial factors related to the decentralisation of tasks to the level of auxiliary units, organisational and substantive support for the submitted initiatives and the reduction of administrative barriers.

There are several ways to define the co-production of public services. Overall, we can distinguish four different approaches to co-production – the four 's'. According to them,

we have (1) co-commissioning or involving citizens in service reviews and planning; (2) co-design, which offers a structured approach to harnessing the best ideas from the people who will ultimately use and deliver the service; (3) co-delivery, where the citizens and the public sector work together to deliver services and improve outcomes; (4) co-assessment, which involves citizens working with the professionals and managers to provide feedback on services and support received (Bovaird & Loeffler 2016, p. 323).

Another way to classify the co-production of public services was proposed by Brudney and England (1983, pp. 62-64) who discuss three types of classes, which are related to the breadth and depth of user involvement: (1) individual co-production, which concerns a one-to-one relationship between the user and the provider; (2) group co-production, which means that a group of users is co-designing and co-delivering public services; (3) collective co-production, where the population served is encouraged to participate in value co-creation in order to improve the ability of the public sector organizations to effectively meet users' explicit needs.

The objective of this article is to examine which, among the possible ways of the aforementioned co-productions of public services mentioned is used from the Polish perspective. Do we have a legal possibility to implement all of this solution or not? Do we have any drawbacks, which successfully limit implementation of co-producing public services? In pursuit of answering these questions few research methods were implemented. First of all, I used statistical method to figure out how often co-production in public services are used. The second thing is, to find out how legal aspects are implemented to attract or discourage citizens to public engagement. The main part of the paper is broad research through members of Polish major cities. The research was conducted in September 2017 and was focused on last three years of implementing local initiative.

Co-Production of Public Services from the Polish Perspective

Polish self-government is based on decentralization principle. It means that all public duties that are not provided by the governmental public entities can be delivered by the local government units. As a result, local governments command a wide license to organize public services in their own way. This situation matters when it comes to co-production of public services, due to the fact that self-government bodies have a wide range of public sector organizations at their disposal and thus lots of flexibility. However, fiscal stress in the last decade imposed some limitations in this area in Poland and many European countries as well.

When looking for the best examples of co-producing public services in Poland, we see some that are worth considering. First, participatory budgeting is well recognized as the best tool to enhance public engagement in the public service delivery. Since the late 1980s, when the first budget was implemented in Porto Alegre, this way of building trust between the public administration and local community has spread worldwide. Needless to say that

almost all international public organizations strive to promote participatory budgeting through their contributors, such as the UN, World Bank, or OECD. Despite the fact that participatory budgeting is highly popular in many countries, Polish laws regulate this issue only in one article – Article 5 of the Local Government Act. This article briefly describes all types of consultations processes in local government that can be used in different situations. Despite numerous proposals to change these conditions and introduce some legal amendments describing legal standards of participatory budgeting, no actions have been taken whatsoever. Opinions about this legal limbo are divided. Some experts say that the fewer regulations the better; however, municipal activists argue that local governments do not pay enough attention to details, which causes serious consequences in terms of how participatory budgeting is running in practice. It is hard to say how many participatory budgeting initiatives we have in Poland now. According to data gathered by local government organizations in Poland, we can say that there are probably about 300 budgets in existence today. Therefore, information should be collected by public domains, due to the fact that it is not a marginal but quite popular solution.

Simply speaking, the participatory method of public management provides a lot of advantages, especially from the local perspective. Trust, crowdsourcing incentives, a possibility to learn something new about how the public sector is running, are only a handful; therefore it is important to know how this process is organized. When it comes to the Polish perspective, we face a lack of regulations concerning participatory budgeting. It is still an open question whether local governments decide to organize this type of decision-making process or not. As a result, we can find different models of participatory budgeting in Poland, some of them introduced as bottom-up initiatives with other being top-down decision. We can find both advantages and disadvantages in this situation. On the one hand, a lot of flexibility gives local governments the opportunity to match participatory budgeting to the local circumstances. On the other hand, it is almost impossible to collect data about it on national level, therefore any evaluation has yet to be made. Consequently, due to the lack of knowledge, no national policy on participatory budgeting has been implemented. The only tools to increase the quality of participatory process were introduced by the Stocznia Foundation (Błuj & Stokłuska 2015; Ostrowski & Rudnicki 2015), which prepared two handbooks for the local governments. However, participatory budgeting is still a very spontaneous process and there is a room to collect data, exchange experiences and promote best practices to improve the quality of public management. We should emphasize that not only local governments, but also regional self-governments decided to implement public participation tools. So far, there are three out of sixteen regions (Opolskie, Małopolskie and Podlaskie) that have introduced participatory budgeting in practise. We should hope that it is only the beginning and soon other regions will follow the same path.

A special example of participatory budgeting is the Solecki Fund, which is running according to the Solecki Fund Act. There are few features that create this tool. First, it is regulated by law and can be implemented only by rural entities. As a result, we have

the one-size-fit-all approach to all municipalities where the Solecki Fund is in operation. Secondly, the Fund is a sum of money separated from the local budget and earmarked for the activities improving inhabitants' living conditions, while it involves the same public services that are provided by local governments. Money from the Solecki Fund is still part of the local government budget and the local mayor is responsible for its expenditure. Project implementation has to be finished before the year ends, as the money cannot be passed to the next budget year. The exact destination of the funds is defined by inhabitants themselves at public meeting. Thirdly, part of expenditures obtained from the Solecki Fund are reimbursed by the central budget, which is yet another reason for the municipality to establish this fund as it provides an additional advantage. The percentage of reimbursements for the Solecki Funds depends on the prosperity of each municipality. We can find some similarities between participatory budgeting in the cities and the Solecki Fund in rural areas. Both participatory tools are voluntary. It is a local council that decides whether it should be implemented or not. Not only council members, but also local community has gets huge benefits if such participatory tools is implemented.

According to the data gathered by Ministry of the Interior and Administration, only 60% of the local governments that are entitled to it, decide to introduce the Solecki Fund. It is still unknown what motivation leads the local governments in which this fund is not in operation. Beside the fact that financial encouragement from the central budget has been increased, there is still a room for improvement. As NGOs working on this issue have noticed, lack of information and councillors' doubts are the main reason why local councils refrain from introducing the Solecki Fund (Batko-Tołuć, Klimek & Kraszewski 2012). Needless to say, city councils and mayors are campaigning to increase the financial benefits for cities as well, due to the fact that it is a potential profit for the local governments. Nowadays it is difficult to prejudge whether this kind on regulation will enter into force in cities or not. However, the Solecki Fund can be considered one of the largest both participatory and co-production experiment in Poland during last decades. Moreover, we can say this fund can be described as an example of co-production of public services, which consists of co-design, co-production per se and co-assessment.

Table 1. Number of municipalities where the Solecki Fund exists

Lp.	Region	Number of municipalities			
		2013	2014	2015	2016
1	Dolnośląskie	98	104	111	112
2	Kujawsko-pomorskie	77	89	97	99
3	Lubelskie	107	132	136	130
4	Lubuskie	47	49	59	63
5	Łódzkie	65	83	84	79
6	Małopolskie	81	95	98	113
7	Mazowieckie	122	174	186	180

Lp.	Region	Number of municipalities			
		2013	2014	2015	2016
8	Opolskie	50	54	57	59
9	Podkarpackie	98	116	117	122
10	Podlaskie	38	49	52	48
11	Pomorskie	56	59	69	72
12	Śląskie	69	77	82	81
13	Świętokrzyskie	42	53	53	54
14	Warmińsko-Mazurskie	57	72	71	76
15	Wielkopolskie	122	150	162	160
16	Zachodniopomorskie	55	63	64	62
	Sum	1,184	1,419	1,498	1,510

Source: Ministry of the Interior and Administration

According to the above data, we can notice that the number of municipalities that decided to launch the Solecki Fund has increased. Between 2013 and 2016, we can see a noticeable difference when it comes to the popularity of this tool; therefore, it is believed that a mutual co-operation between local entities and promotional campaigns will result in a further increase.

Local Initiative as an Example of Co-Production of Public Services

Cross-sector cooperation such as between NGOs and public administration is becoming one of the most popular issues in public management. It is especially important when it comes to co-production of public services. Public services cannot be delivered without mutual co-operation between the participants who represent different backgrounds. Legal framework for this kind of action is provided by the Act on Public Benefits and Voluntary Activities, which regulates relations between the public administration (central and self-governments), NGOs and the local communities. The major co-production tool is the Local Initiative referred to in Chapter 2a. We can define it as an initiative to prepare and appoint groups of people who propose to deliver public goods or services to local governments. Essentially, they incur some cost preparations. In practise, it can involve co-financing and preparing an expertise or social work. Specific terms and conditions of such co-production are signed as a contract between the local community or NGOs and local governments. There is a huge range of possible goods or services, which can be delivered in this way, such as renovation works, public safety and order, revitalization, education and culture or wildlife conservation. As all co-production possibilities referred to above, local initiative is not compulsory. As a result, local governments' attitude towards this issue is crucial when it comes to its implementation. Local councils can introduce basic rules pertaining to how

local initiatives are running in practise. Key features are: submitting an application, recognizing what is an essential requirement of such kinds of projects and the financial terms and conditions. Regulations are only one part of this issue, because key aspect is a question about whether co-production is promoted through local community or not and whether local governments help potential applicants to fulfil all requirements or not. According to my research, the major Polish cities associated in the Union of Polish Metropolis do not pay enough attention to use these tools in public management.

Table 2. Local initiatives, which were realised by Polish metropolitan cities

Metropolitan city	Local regulations	Number of implemented local initiatives		
		2014	2015	2016
Bydgoszcz	Yes ¹	8	11	10
Szczecin	No	0	0	0
Warsaw	Yes ²	9	30	39
Katowice	Yes ³	6	18	29
Łódź	Yes ⁴	2	3	6
Gorzów Wlkp.	Yes ⁵	0	0	0
Cracow	Yes ⁶	0	0	1
Rzeszów	No	0	0	0
Lublin	Yes ⁷	0	0	10
Wrocław	Yes ⁸	4	6	2
Poznań	Yes ⁹	37	21	29
Gdańsk	No	0	0	0

- 1 Resolution No. XXXIII/692/212 of the City Council of Bydgoszcz of 31 October 2012 on the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative.
- 2 Resolution No. LXI/1692/2013 of the Council of the Capital City of Warsaw of 11 July 2013 on determining the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative.
- 3 Resolution No. XXXII/659/16 of the City Council of Katowice of 23 November 2016 on the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative.
- 4 Resolution No. XCIV/1986/14 of the City Council of Łódź of 8 October 2014 on determining the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative.
- 5 Resolution No. XII/120/2011 of the City Council of Gorzów Wielkopolski of 29 June 2011 on determining the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative.
- 6 Resolution No. LXXXI/1969/17 of the City Council of Cracow of 30 August 2017 on determining the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative.
- 7 Resolution No. 156/XLIII/2014 of the City Council of Lublin of 4 September 2014 on determining the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative.
- 8 Resolution No. LIV/1554/10 of the City Council of Wrocław of 9 September 2010 on determining the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiative. (Official Journal of Dolnośląskie Voivodship of 11 October 2010 No. 189, item 2828).
- 9 Resolution No. VIII/66/VI/2011 of the City Council of Poznań of 22-03-2011 on the mode and detailed criteria for evaluating applications for public tasks implementation under a local initiatives.

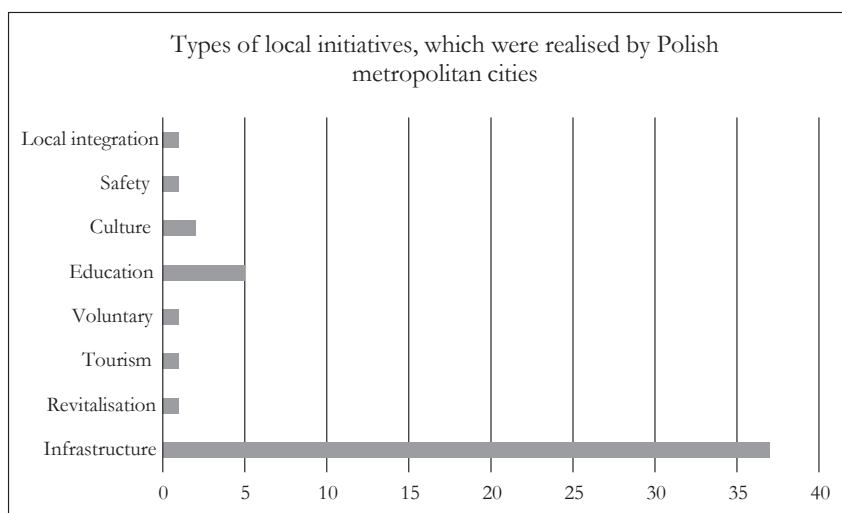
Source: Own elaboration

Eight out of twelve cities introduced internal regulations that describe the way of implementing local initiatives. Therefore, we can say that this kind of co-production of public services is quite popular.

According to the aforementioned data, we can say that the number of local initiatives has increased. However, it is happening only in a few cities. Warsaw, Poznań and Katowice are the leaders and implementing about 30 projects annually. In four metropolitan cities, there is a lack of projects implemented as a co-production. It means that not only local government but also local community fails to see any profit in the mutual co-operation. It is very important in a long run to check what the real reason is behind this situation, due to the fact that all development policies are based on intersectional co-operation. Among the leaders and cities implementing no initiatives whatsoever, only Bydgoszcz and Lublin have some experience in projects like this. It is worth mentioning that during the last three years, Bydgoszcz maintained the same level of services while Lublin has just started its involvement in co-production of public services. When we consider the above data, we can predict that in the near future, cities will raise their effort to develop co-production of public services. However, it will not probably be equal process as leaders will be stronger, but the weakest localities will stay in the same position.

In the end, we can say that in all cities where internal regulations regarding local initiatives were introduced, some projects were actually implemented, albeit sometimes only one and sometimes a few more. This finding allows us to say that introducing internal regulation has had a positive impact in terms of promoting what was implemented or not.

Table 3. Types of local initiatives, which were realised by Polish metropolitan cities



Source: Own elaboration

Another thing is what kind of public services is delivered by local initiatives. Is there any correlation between number of initiatives which have been realized by local governments and local community, and types of projects? More information about it is contained below.

The most famous projects which are realised as a local initiative are strongly connected with infrastructure issues. On one hand it means that there is still a huge lack of investments like this. On the other hand this kind of projects are the most beneficial for all the members of local communities. When it comes to correlation, it is hard to find anything due to the fact that in all Polish metropolitan cities infrastructure projects are the most famous.

It is hard to say definitely why only a handful of cities engage in the co-production of public services. Beside the fact that we can pinpoint a wide variety of potential profits for both sides, local governments do not engage in local initiative. The major tool to create co-production of public services in local areas still remain unexploited. According to experiences regarding participatory budgeting and the Solecki Fund, we can notice that the local community initiative is crucial. Without the grassroots movement, participatory tools are just a mock-up. What can be done to change this situation is to engage the local government associations such as Union of Polish Metropolis to exchange best practices between cities and promote the best of them.

Summary

In recent years, co-production has attracted attention once again. It is not the panacea for all public sector problems, but it is a very beneficial tool in long-term relations between professional service providers and service users or other members of the community (Podgórnjak-Krzykacz 2015, p. 167). From the Polish perspective, we can state that two types of co-production are being used in practise. The first is co-designing, which is mostly fulfilled by participatory budgeting and the second is co-delivering by local initiatives. The Solecki Fund is partly co-designing and partly co-delivering. The reason why it represents such a duality is that local communities often invest their own resources to deliver some public goods or services.

There is a legal possibility to implement tools based on co-production of public services. Mostly there are very general, but it requires a lot of flexibility to implement them in practice and to match them to the local circumstances. There is still only a handful of regulations, but legal framework is not the most important issue. When it comes to co-production – grass roots movements and social engagement are everything. Rarely are legal regulations enough to achieve co-production projects. Such cities like Wrocław and Cracow are the best examples.

According to the above assumption, we can notice that the biggest drawback is social engagement. It is a very complicated issue, which cannot be solved by single action, therefore systematic communication and promotion such tools like participatory budgeting, the

Solecki Fund and local initiatives are essential. Beside the fact that new public governance paradigm is an increasingly popular tool in public management, public policy still remains in the shadow of hierarchy of public administration. Therefore, some institutional actions are needed when it comes to increasing citizens' engagement. The best example of that are Polish cities which not only implement some legal solutions but also introduce communication activities. When we want to co-produce public services two main factors remain crucial – human factor (social capital, trust and citizens' engagement) as well as institutional factor (communication policy which attracts people to co-produce). If there is a lack of each element, public services are managed by hierarchical methods.

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