Welfare Co-Production: Hungarian and Slovak Reality

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Abstract

For more than 30 years the delivery of local public services has been undergoing change, from a style of delivery dominated by the public sector to a more efficient, more effective mixed system, characterised by variations in ownership and sources of financing. Concepts such as public-private-civil sector mix, partnerships, co-operation, and co-creation have emerged as ways of organising public-services production and delivery. Our case deals with co-production via the involvement of the third sector in welfare services. The goal of this paper is to map the real relations between public bodies and the non-governmental sector in the co-production of welfare services in two newer EU member countries – Hungary and Slovakia. The information obtained suggests that the examples of good practice exist, but at a global level the quality of partnership between the government and the non-governmental sector is problematic. The study also highlights important drivers and barriers determining the quality of collaboration and the results of projects – limited resources (mostly financial) to implement collaborative welfare innovations on both sides seem to be the core barrier.

Key words:

Public sector; Non-governmental sector; Co-production; Co-creation; Hungary; Slovakia.

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1. Introduction

Researchers agree that the market-state dualism (state versus market as expressed in liberalism versus state socialism) inherited from the 20th century is outdated (Laville and Salmon 2015). The production of public services under “governance ideology”, which promotes partnership as one of its core values (Osborne 2010), is considered to be an open process, with every stakeholder involved in the design, development and delivery of goods and services (Von Hippel 2007); it is also considered to represent a change in the relationships between the involved stakeholders (Voorberg et al. 2014). The participation of stakeholders in the development and subsequent implementation of innovative service delivery is of great importance in terms of the success of the public-service innovation process (Fuglsang 2010, Von Hippel 2007).

Public bodies have co-operated for a long time with the third sector in many different ways – from simple non-monetary co-operation, via the provision of grants, contracting and outsourcing of some services to non-governmental organisations (NGOs), moreover municipalities in particular invite non-profit organisations to participate in the local policy-making processes, accepting their position as core local stakeholders. Recently, more weight is given to co-production/co-creation, where citizens, the non-governmental sector but also the private sector co-operate as co-designers and co-producers of services, with a positive impact on the scope of public services as well as the quality of public services provided (Voorberg et al. 2015).

Co-production/co-creation papers are frequent in the Western literature, however the research of this topic in the Central and Eastern European (CEE) region (with many own specifics) is still underdeveloped. This paper seeks to help to fill the existing gap and to help to better understand the nature of relationships between governmental and non-governmental organisations in the CEE region, using the sample of two countries.

The goal of this paper is to map the real relationships between public bodies and the non-governmental sector in the co-production/co-creation (for the purpose of this paper we consider co-creation and co-production to be synonyms – and hereafter use the expression co-production) of welfare services in two EU member countries – Hungary and Slovakia. The main goal splits into two research lines as follows.

First, it tries to answer if public institutions under different pressures to deliver innovative public services systematically collaborate with NGOs and what are the purposes for such collaboration (e.g. save money, provide better services, promote democratic legitimacy). If such targeted collaboration does not exist, which other alternative rationalities could be explored and identified?

Secondly, it aims to define the core drivers and barriers of collaboration between public organisations and the non-governmental sector in the co-production of innovative welfare services.

The outline of this paper follows its goals. The first part of the paper provides an overview of the key concepts and literature on social innovation and co-production and on the relations between the state and the non-governmental sector in co-production. Case studies on co-production of welfare services from Hungary and Slovakia are presented, later analysed and synthesised after the methodology part. The lessons learned from the cases and the qualitative analysis of opinions from small expert groups contacted in both countries serve as the base to respond to the abovementioned research questions.

2. Co-production of welfare services from the viewpoint of possible relationships between state bodies and the non-governmental sector

Public-space activity, as a sphere of democracy expressed in citizen and civil society, is combined with a pluralist notion of economy: market economy, non-market economy and non-monetary economy, the latter two describing:

- 1) redistribution of produced goods and services by foundations or public institutions as part of the welfare state, providing citizens with individual rights, and subject to democratic control;
- 2) redistribution of goods based on reciprocity, turning vulnerable people into co-producers and co-owners (Laville 2014, Laville and Salmon 2015).

This can be understood as a characterisation of welfare/solidarity economy, which is theoretically influenced by Polanyi and his notion of reciprocity inherent to the market, and empirically inspired by the emancipatory movements in Latin America (Gaiger 2015). Polanyi (1944) acknowledged the profit motive of capitalist economy but referred to a “fictitious commodification” of labour and social and private spheres by drawing attention to economic practices like redistribution, reciprocity and household administration, safeguarded by a double movement of political elites and commercial interests on the one hand, and cross-class social movements leading to the understanding that it needs regulation in order to save society, on the other.

Fraser (2013) argues, we must add a critique of domination to Polanyi’s structural critique of fictitious commodification, because today it also affects the sphere of social reproduction, site of giving birth and raising children, caring for family members and maintaining households, which is increasingly outsourced to low-paid help. She also states that considering the scale at which crisis is experienced today, the welfare state alone cannot protect against the decommodifying side-effects

of competition, international markets and currencies without political and social integration. Hence solidarity economy can be regarded as complementary to the third sector and social economy, existing next to the for-profit market.

Welfare/solidarity economy identifies the scope for the decommodification of individuals due to its civil society base and focus on collective governance, self-organised production and democratic reciprocity that turns vulnerable people into co-producers and co-owners (Laville 2014) rather than recipients of philanthropic expressions of solidarity that substitutes the vocabulary of equality and rights for that of public benevolence (Gaiger et al. 2015). Solidarity in these ventures is evident in their members' involvement in day-to-day management and the adoption of equality principles and by placing new actors into work. Similarly to the notion of associations as schools for democracy, solidarity encourages broader reciprocity practices, where practical experience in managing the common good lends new value to the notions of justice and public interest (ibid.).

Co-production then is understood as the provision of public services in which citizens and other actors are actively involved (Bovaird and Loeffler 2012). The following four types of co-production can be distinguished (Voorberg, Bekkers and Tummers 2014):

- 1) citizens or other actors act as initiator (co-initiate),
- 2) citizens or other actors are invited to co-design (co-design),
- 3) citizens or other actors are “just” invited to implement public services (instead of public organisations) (co-implement),
- 4) citizens or other actors directly share the cost of services or service development with the state (co-finance).

Co-production is a narrowly defined aspect of civil-society and third-sector activity (Brandsen and Pestoff 2006). Hence the trend of co-production of social services is less tainted by suspicions that ultimately more scope for citizen participation will effectively make way for a discourse of civic duties linked to being a community member, which allows states to withdraw from public welfare, as is the criticism in the social-economy discourse (Brandsen and Pestoff 2006). Co-production is more centred on empowerment through participation and partnerships.

Economic theories of the non-profit sector suggest several different ways of understanding the relationship between government and non-profit organisations in the area of delivery of public services. In particular, there are four often cited alternative views suggested in literature that provide explanations of the nature of relations between the non-profit sector and the government.

The first alternative suggests that the non-profit organisations operate independently of, and in many cases supplementary to, the government. This supplementary relationship occurs in a society where government no longer takes a com-

prehensive duty to deal with social problems and provide social welfare. Instead of exclusive responsibility governments and politicians expect more from society, especially from the non-profit sector. The basic proposition of this approach is that citizens have individual preferences about the levels, qualities, and the types of public goods they desire and how much they are willing to pay for them, and non-profits are seen as fulfilling the demand for public goods left unsatisfied by government (Young 2006). This approach, on the other hand, provides the government the opportunity to achieve cost savings by cutting back or eliminating direct service provision and relying more on non-profit service provision and allows the government to promote general welfare without expanding its bureaucratic apparatus (Salamon and Sokolowski 2014). This economic rationality, which responds to declines in governance capacity, seems to be a relevant driver for government towards building relations with NGOs.

The second alternative relationship is called complementary, where NGOs are seen as partners to the government, helping to carry out the delivery of public goods largely financed by government (Young 2000). Many scholars argue that government collaboration with non-profit agencies represents a division of labour in the provision of collective goods, coordinating the relative strengths and weaknesses of each sector (Brinkerhoff 2002). Although this type of relationship does not necessarily result in a decrease in government expenditures – usually as government expenditures increase, they help finance increasing levels of activity by non-profits, but cooperation might enable providing more effective and efficient services by involving various stakeholders and interest groups in the policy-making and service-delivery process to a larger extent. When various stakeholders, the members of society, are given the chance to get involved in fixing their communities' problems, they tend to invest their capacities, bringing local knowledge to the policy-making process and service design. This type of co-production usually leads to better results and greater efficiency, because there is a greater chance of creating services that better meet the needs of the users who were part of the policy-making process. So, in the case of a complementary relationship, the greater involvement of non-profit can be seen as a “vehicle for doing more with less” (Thomas 2013).

The third possible form of relationship between the non-profit sector and the government is rather more competitive than cooperative. Competition exists as a reality in almost every service field regardless if it is for profit or not. Competition emerges between non-governmental and public providers when there is even a slight overlap in their service type and in their targeted customer. The relationship between public organisations and NGOs becomes more competitive, and the willingness for cooperation from both sides significantly decreases when there is an intense fight for declining state funds and for the potential clients in the same town or region. As a consequence, the lack of coordination might create significant overlap between the public-service provider and the NGOs. But non-profits do not just compete against other public organisations that focus on the same issue. They

also compete against each other for public recognition and attention to gain more funds and support from donors. Competition in the non-governmental sector has dramatically intensified in the past two decades as a result of the increasing number of NGOs, the declining support from government and scarce state resources, and the entry of for-profit companies into markets that have traditionally been dominated by public or NGOs (e.g. retirement homes or elderly care) (Salamon and Sokolowski 2014).

The fourth possible approach towards the relationship between the government and the non-profit sector does not claim any specific relationship between the levels of non-profit and governmental activity, rather it argues that the NGOs can advocate for better or more efficient government operations, or they can advocate for new programmes and regulations that would increase government activity.

Beyond the abovementioned economic rationality there might be other well-calculated motivations behind government and non-governmental cooperation, e.g. political rationality. Elected politicians are driven by predicting and calculating the political influence of alternative policies or courses of government action based on the risk of whether they will be punished by voters or gain more credit from them for supporting and pursuing different policies. Similarly, bureaucrats are also part of the blame game. Senior civil servants also care about blame if they think it will diminish their reputations and could damage their careers. This proposition supports the argument that government collaboration with NGOs is also driven by a desire to avoid blame in some cases. The “blame game” and “finger-pointing” might occur on those service fields where there is a high risk of failure to provide the proper services – e.g. in catastrophe management (Moynihan 2012) – or pursuit of unpopular policies that may expose some of the voters to more risk (Hood 2010), particularly when the government wants to decrease the budget of some public service or make cutbacks in welfare entitlements or benefits. In these cases, one often used component of government risk management is outsourcing the service to the third sector or at least involving NGOs in the service-provision network. This blame-avoidance strategy is also referred to as agency strategy (Hood 2010), where governments formally delegate some potentially blameworthy task to agencies and distribute formal responsibility and jurisdiction among institutions in a certain policy area or service provision. According to this model, government is the secondary institution that steps in when the non-profit sector fails. However, there is another side of the coin in the world of the logic of political consequences. The opposite of blame is gaining credit. Credit can be expected to increase their chances of re-election, reappointment or promotion. Politicians or bureaucrats gain more credit when an action or policy is considered to be good or positive for citizens. They might collaborate with non-profits in order to achieve better services, but they tend to associate the good performance with their own personal talent and hard work rather than share the triumph with their partner organisations.

However, building up relations with NGOs is not always or not exclusively driven by rational assessments of economic or political benefits of cooperation. Government action on non-profit (non) cooperation might be shaped by internal rules or norms or external expectations – like international trends or requirements – relevant to the situation. It can also be based on and derived from past experience, gained lessons or previous knowledge.

The question what the real situation is in the case of the two selected countries from the point of the above discussion is expected to be answered by our analysis and determines the formulation of research questions in the methodology part.

3. Methodology

The goal of this paper is to map the real relations between public bodies and the non-governmental sector in the co-production of welfare services in two newer EU member countries – Hungary and Slovakia, who joined in 2004. Following it, we formulated two research questions (RQ):

- 1) Do public institutions under differing pressures to deliver innovative public services systematically collaborate with non-governmental organisations, and what are the purposes of such collaboration (such as saving money, providing better services, promoting democratic legitimacy). If such targeted collaboration does not exist, which other alternative rationalities could be explored and identified?
- 2) What are the drivers and barriers of collaboration of public organisations and the non-governmental sector in the co-production of innovative welfare services?

The base for the research is a qualitative and comparative analysis and the tool to respond to the first RQ is the case-study method. From existing initiatives, the authors selected four different initiatives in four different policy areas in both countries. The selection of case studies followed these criteria:

- there are cases with public organisations, NGOs and citizens involved,
- the selected cases represent four different policy areas (i.e. housing, employment, health, education),
- at least half of the case studies conducted are oriented to the fight against poverty and social exclusion, and
- they contain an element of third-sector collaboration with public institutions, i.e. a participant representing a social initiative producing a social service and their contact person at the municipality as the funding partner/co-creator.

The cases studies are used to explore the relationships between public and civil society partners. The authors argue that the selection of cases based on expert judg-

ment might be biased; however, the findings allows us to identify relevant patterns and indicate significant characteristics on the relationship between government and the non-profit sector in the two CEE countries.

In Hungary we selected the following case studies: Collaborative projects on Employment pacts (employment), Children's Chance Programmes (education), Integrative Gym venue (health) and the "From the Hut to the Flat" Program (housing). In Slovakia we selected the following case studies: Youth Guarantee at the local level (employment), Co-working spaces for young people (education), Helping people with autism (health) and the Savings and Micro-Loan Programme for housing (housing).

Qualitative research based on expert information is the main source to respond to the second RQ, however with a slightly different methodology in Hungary and Slovakia. The use of different ways to collect expert opinions reflects the national patterns of qualitative research (the most suitable method was applied for both countries without any impact on the results).

In Slovakia the main method for collecting the information was a focus group, with the intention to exchange ideas in an open atmosphere that allows the participants to speak to each other in a deliberative and communicative way. To guide the discussion a topic list was used, and the discussion was recorded. Official invitations to participate in the focus group were addressed to 10 people. These included representatives of non-governmental organisations, public institutions and municipalities that are promoting co-production, as well as academic experts on solidarity issues. Eight out of 10 people agreed to participate in the focus group: an academic expert, three directors of NGOs, one project manager in an NGO, two representatives of municipalities and one employee of a public institution. The participants received consent forms in advance, with the choice to be fully anonymous (both their names and organisations not mentioned in documents), personally anonymous (name withheld but organisational name could feature) or not anonymous. Only one organisation agreed not to be anonymous, and one organisation decided to be personally anonymous, the rest of the respondents wanted to be fully anonymous (this means that the concrete list of participants cannot be provided).

For Hungary, the in-depth interviews were conducted with the key stakeholders from programmes in the four chosen policy areas. To explore the cooperation between government actors and non-profit agents at the local service delivery level in 2017, eight interviews were conducted with county government officials responsible for the employment programmes, mayors who were involved in one of the projects, with key representatives of non-profit organisations involved (founder of the organisation, volunteers). The duration of personal interviews ranged from 40 to 90 minutes.

The transcriptions from both the focus group and the in-depth interviews were analysed in order to find out the reasons for co-production, the distribution

of roles of various stakeholders and first insights in drivers and barriers for co-production.

4. Cases selected

In this part we briefly introduce the main elements of the selected case studies from Hungary (first four cases) and Slovakia.

Collaborative projects on Employment pacts (employment)

The partners are county government officials, local government officials, a state employment agency, representatives of Roma minority groups, the Ministry for National Economy (funding and monitoring the programme), the Chamber of Commerce, labour unions and employment representative bodies, local entrepreneurs and local companies and the non-profit organisation providing education and training for the unemployed. The aim of this program is to improve the employability of local people. It was launched at the county level in Hungary in 2016 and intensely (almost exclusively) relies on EU funds. The main aim of the programme is to achieve a more coordinated employment strategy at the county and municipality levels by extensively involving the unions, advocacy bodies from the private sector, NGOs that are providing educational services or other interest groups from the community either in the strategy-formulation process or in the implementation phases. With the larger involvement of stakeholders, the local government aims to create a programme that reflects the local business and workforce market needs to a larger extent and to improve the effectiveness of the labour market and training policies by ensuring that the demand is matched more closely by supply.

Children's Chance Programme (CCP) (education)

Partners for this project were local governments, child, youth and family caseworkers from the project team managing and coordinating the project implementation (initiator, involving stakeholders and organising services), social workers and representatives of Roma minority groups. This programme focused on children from a difficult social background with the aim of providing care with a comprehensive service package, including educational elements. The programme was initiated across municipalities in broad cooperation between local governments, NGOs, Roma minority self-governments and child, youth and family caseworkers to provide intensive educational, health and welfare services to parents and their children in order to decrease child poverty in the convergence regions. It was a large-scale project with 24 consortiums executing it throughout Hungary (each consortium included many municipalities – for example in one case 473 local governments participated).

Integrative Gym venue (health)

The partners for this project were the Suhanj! Foundation, volunteers, people with disabilities (not only recipients, but also actively involved in the renovation of the venue, and they actively help with their workforce to run the service there), local government, a private organisation donating sports equipment and funds helping in the renovation. In general, the Suhanj! Foundation works to make daily life easier for people living with movement disabilities or visual impairment by organising integrative sport events, weekly running and swimming training for them. Sport does not only provide an opportunity for targeted people to improve their healthy lifestyle, but also helps them to get more integrated in and accepted by society as a whole. This recent project of the Foundation opened an innovative new gym in Budapest that is designed to accommodate people with movement disabilities and visual impairment, while also welcoming patrons who are fully mobile. The aim of the fitness venue is to help disabled and non-disabled people train together, so everything was designed accordingly. The gym was opened in 2010. The local government helped the foundation to find and obtain the venue.

“From the Hut to the Flat” Program (housing)

The partners for this project were the “From the street to the Flat” Association, the “Housing NOW” Foundation, local government, volunteers and poor or homeless people (recipients, but also co-producers). Two NGOs in cooperation with the local government launched a housing programme called “From the Hut to the Flat”. The programme aims to provide housing opportunities for people with social disadvantages living in poverty where most of them are homeless. Budapest districts signed a 4-year cooperation agreement with the association in order to work together on creating social housing units for homeless people. The local government agreed to make social housing units available for the non-profit organisation for the renovation. This cooperation creates values not only for the homeless people, but also for the local government because first of all it helps to solve a serious social problem in the area, because “housing is the basis for social integration” (representative of the NGO). Secondly, the quality of the social housing properties owned by the municipality were significantly improved without spending government funds on it. Till now 5 social housing units have been renovated and utilised by homeless people.

Youth Guarantee at the local level (employment)

The partners for this project were the non-profit organisation EPIC, the municipality, the network of local NGOs, local high schools and university and youth volunteers. The aim is to pilot the good practice of the Youth Guarantee (YG) approach from Finland in the environment of one Slovak municipality. The realisation of this objective shall be the starting point for the possible revision of the YG applications in Slovakia towards the local level. By creating a working group from one region,

the EPIC organisation has empowered them to create a series of events for NEET (Not in Education, Employment or Training) and several initiatives have started to help NEET at the local level.

Co-working spaces for young people (education)

The partners for this programme were local NGOs, a university, citizens and companies. The aim is to create a business incubator and a place to link theory to practice – students from the university would be able to pass subjects related to management and marketing “in practice” in this co-working space, e.g. they would be able to solve projects that are their own or commissioned by the town, NGOs or companies. It would be linked to their subject, and they would get points for their course assessment.

Helping people with autism (health)

The partners for this project were a local NGO, the municipality and disabled citizens and their families (recipients and co-producers). The nature of cooperation is a partnership based on the principle of subsidiarity. A local NGO is one of the key actors in the Community Social Services Plan process in the town for the target group of disabled people as well as for a target group of families with disabled children. One result is, for example, education for parents who are at home caring long-term for children, and, whilst enabling parents to socialise again, helping to solve the problem of unproductive parents as well as autistic community problems.

The Savings and Micro-Loan Programme for housing (housing)

The partners for this initiative were the NGO ETP Slovakia, the municipality, the local association For a Better Life and citizens (recipients and co-producers). The goal of self-help house construction to client ownership is not only to build homes but also to help individuals and families, and through them their communities, in their efforts to improve their living standards. Before the self-help constructions, the clients must save money in the Saving programme, then they are entitled to a microloan. This improves their financial literacy and motivation to build a new house by their own strength. This represents a great personality and attitude shift from passive waiting for assistance to being an active and motivated citizen.

5. Lessons learned from case studies

The reality of case studies and the opinions of interviewed experts (not all of them were directly connected to selected cases) helped us to investigate if public administration systematically collaborates with non-governmental organisations in the welfare area and what the motives are.

5.1 Do public institutions under differing pressures to deliver innovative public services systematically collaborate with non-governmental organisations and what are the purposes for such collaboration (such as saving money, providing better services, promoting democratic legitimacy). If such targeted collaboration does not exist, which other alternative rationalities could be explored and identified?

To obtain a comprehensive picture of the “quality” of collaboration between the state and the non-governmental sector and its purposes we especially asked the following questions:

“Why and on whose initiative did the concrete collaboration start and with what goals?”

“How would you describe the nature of your relationship and the distribution of roles (civil-society partner as initiator, co-designer, co-implementer)?”

“Has there been a change in the nature of your relationship over time (i.e. from hierarchy to equality/reciprocity, or perhaps even the other way around)?”

The cases cover a wide range of co-production forms. One end of the scale includes central-government-initiated projects involving different stakeholders, and the other end of the scale covers projects initiated and executed to a large extent by the non-governmental sector (however, the first type of project seems to exist especially because of the conditions to draw on EU funds).

In one specific Hungarian case the employment project was initiated more or less centrally and implemented by a consortium led by the county government. This consortium was created in order to apply for EU funds and initiate the programme that might decrease the unemployment rate in the county. The project required an overarching, multi-level and cross-sectoral cooperation between local governments (municipal and county level), state agencies and ministries, private companies, and non-profit organisations. In order to create and manage the network relationship a Steering Committee was created. The members of the Steering Committee were the County Government Office, the subordinate organisation of central government (county Government Office) and the Hungarian Chamber of Commerce and Industry. The Steering Committee was responsible for creating an action plan and coordinating its implementation. As a starting point, planning forums were organised at the municipal level across the county to facilitate the involvement of the local stakeholders (municipal governments, local businesses and citizens) into the co-planning and to ensure channelling all the needs and employment problems to the service design process. The programme aimed at reaching also the most disadvantaged small villages, where a high unemployment rate is a serious problem. The project aimed to organise training programmes, on-the-job trainings for job-seekers and support the creation of new jobs in the region. Notwithstanding the praisewor-

thy ambition, by the third year of the project the collaboration was neither intense nor active nor constructive between the government bodies and social actors. It was really difficult to reach and motivate the target groups. The involvement of unqualified, long-term unemployed in the training programme created a crucial obstacle. The cooperation with local businesses also remained modest due to the sceptical attitude and doubts toward any “bureaucratic” initiative. This mistrustful atmosphere mainly derived from negative past experiences. Furthermore, bureaucratic red tape created a plethora of barriers that made it impossible to seriously take into account the advice, needs and programme initiatives proposed by the stakeholders from the community.

The second Hungarian case – the CCP was part of the “Make it better for Children” national strategy. The programme aims to enable children to live a better life and achieve social mobility by improving their skills and competences. In order to achieve these goals, the programme seeks to decrease the number of children who drop out of secondary school and provide them the opportunity to get a proper job in the long run. Training and educational events were created and organised for children and their parents in order to help them to improve their skills and knowledge. To deliver it, inter-municipal cooperation was necessary, a consortium of municipalities was established that was able to apply for EU funds to operate and finance the programme elements. In the project planning and implementation phases various local stakeholders were involved, including non-profit and religious organisations providing social and educational services, social workers, representatives of minority groups mobilising the targeted group to take part in the programme and apply for services, and representatives of local public-service institutions (e.g. schools, child-protection agencies).

The Hungarian integrative sport-centre project is a very good example of a very complex, multi-actor cooperation between public, non-profit and private actors and even the citizens, as a volunteer took active part in the project. The total cost of the project was more than 2 million EUR. Private companies donated almost 100,000 EUR to support the investment. Several companies also contributed to the construction with products and services. Volunteers were also involved in the implementation and are still working for the sport centre’s daily operation. More than 200 volunteers have devoted more than 2,000 hours to help to create the centre. The local government also supported the project by providing the venue for the foundation. However, it is worth noting that the foundation, in general, is not willing to cooperate with any government organisation extensively, because they fear political interference and they resist serving any political interest. Due to a general mistrust in politicians and government organisations, the foundation keeps cooperation with government bodies to a minimum.

The Slovak housing area project is a case where the third sector is the initiator and implementer of the housing programme in a village – to help to deliver

the original responsibility of local self-government. The municipality representative said: "By law, the municipality is theoretically obliged to provide housing for its residents, but it is practically impossible due to limited resources. Our cooperation with ETP Slovakia has been built from the beginning on the principle of partnership and equal co-operation. The self-help construction frees up the budget of the municipality, it is a win-win situation."

The Slovak case of education is the example of a situation when it is hard to say who the initiator is because even a university, specifically one faculty, is considering opening co-working for students. They perceived trends from abroad where co-working is commonplace and have come up with the idea of creating such an option at the university whereby co-working is made accessible in particular to students. The NGO representative stated: "I would say that the initiator is mainly our civic association due to the fact that we are already doing events, but we still lack an official place." Furthermore, a university representative said: "I think that the relationship is equipollent. For example, I approached the civic association to provide an assignment for one of my subjects where a group of students worked out a logo design, conducted a survey and organised a lecture at the faculty. Subsequently, this became known to the faculty management, which, as one of my colleagues said, had already long been contemplating the idea of a student co-working space. Thanks to this subject, cooperation has started between the faculty management and the civic association. The rooms are available, but require financially demanding reconstruction, therefore we are waiting for opening one call where we would like to submit a project."

Similarly, in the Slovak case of health, the answers are really interesting. The view from the municipality is that the accountability and responsibility is on the town, and therefore they are at the top of the hierarchy: "I would characterize the nature of our relationship as that of a common fulfilment of predetermined goals, even if it is difficult to talk about full equality in terms of the hierarchy of relationships, because self-government, i.e. the public sector, has roles and competences defined by law, and also in a certain sense that of responsibility. So, there is the same degree of commitment, while the third sector performs the tasks voluntarily, and the degree of responsibility in relation to citizens is of a different nature. Concerning equality in the relationship, it would possibly be correct to talk about the same responsibility. It is these attributes, in my opinion, which create an unbalanced position. The third sector may be at the top in terms of expertise, it is closer to the community, but in terms of accountability, the town plays a bigger role" (the municipality representative). Also, the NGO feels that the responsibility for the public services for the disabled is on the town's shoulders but they do everything in order to serve their target group: "We are perceived as both initiator and co-implementer; we have initiated a number of discussions (e.g. education and inclusion of autistic children). This view, on the part of the town, of responsibilities has broadened our horizons, we now perceive responsibility differently. Of course, we strive to be re-

sponsible regarding the community, whose interests we support, and we strive to make the parents also responsible. The nature of relationships with the town is perceived as a division of tasks according to expertise – we actively seek pathologies in the community and try to work with them, the town creates a platform for solving these problems, i.e. by providing grants and subsidies, projects, community development via community centres, and schools. This all helps to integrate the target group into society.”

Concerning the project goals and values, the public institutions especially stressed increasing efficiency, providing public services in a better way or using the option that the public service is provided by the NGOs (using the activity and willingness of NGO as an alternative public-services provider). From the NGOs’ point of view, the key values guiding their choices for collaboration were inter-sectoral cooperation and synergy, open communication and fulfilling the mission of the organisation.

To summarise, we may argue that research results indicate that there does not exist a uniform pattern, but similarly to findings of other studies from the region (e.g. Merickova et al. 2015, Sebestyén 2011) it is not possible to expect that most co-production welfare initiatives are initiated by the public-administration bodies, but on the other hand, it also shows that central or local governments may in specific situations play a crucial role in co-production projects. Such alternative rationality is visible in Hungary, but it should exist just because of the EU support rules.

5.2 What are the drivers and barriers of collaboration of public organisations and non-governmental sector in the co-production of innovative welfare services?

To answer RQ2 we first summarise the responses from interviews for Hungary (Table 1) and the quotes from focus groups in Slovakia (Table 2), the responses are organised by fields.

The results show that a common barrier is a lack of financial resources – this factor appears in almost all cases. Such statements may also have a subjective character (standard nostalgia), but may also indicate that the current financial situation of public sectors in both countries does not allow for innovations and improving the delivery of welfare/public services with increased quality but also increased costs. For example, Randma and Kickert (2017) indicated that core crisis and post-crisis government strategies are cost cuts and not quality- and cost-increasing policies.

Table 1
Drivers and barriers identified by respondents: Hungary

	Employment
Drivers	<ul style="list-style-type: none"> • EU funds. • Common will to solve unemployment. • This project type is considered good practice in the EU so the Hungarian practice tried to accommodate it.
Barriers	<ul style="list-style-type: none"> • Due to a general mistrust in government organisations local businesses were rather sceptical of cooperation. • Bureaucracy and rigid legislative framework: The desire to fulfil the requirements of central bureaucracy and project conditions created many administrative burdens.
Education	
Drivers	<ul style="list-style-type: none"> • The possibility to get funding, especially EU funds. • Common will to solve social problems and create solutions according to social need and public demands. It brings more credit for local politicians and bureaucrats. • Long tradition of cooperation – Trust.
Barriers	<ul style="list-style-type: none"> • Lack of resources (financial, special skilled workers). • Short-term projects (4–5 years), difficult to maintain in the long run relying on exclusively EU funds. • Conflicting political views and political interest blocked the cooperation with some of the mayors. • The time factor (setting the learning cycles from a time perspective).
Housing	
Drivers	<ul style="list-style-type: none"> • Common will to solve the housing problem with cost-sharing and creating additional resources by involving volunteers and homeless people and donors' support. • Acquiring working skills and habits, a sense of responsibility and ownership. • Implementing innovation in providing social services that might result in positive recognition and good reputation. • Creating citizen satisfaction by handling social problems. • Trends from abroad.
Barriers	<ul style="list-style-type: none"> • Finance – scarcity of resources. • Interruption of work or absence of field social workers. • Lack of construction sites.
Health	
Drivers	<ul style="list-style-type: none"> • Financially efficient – freeing up public finances. • Utilising expertise, interest and commitment from the civic associations and from the target group. • Constructive discussion and mutual respect. • Expertise.
Barriers	<ul style="list-style-type: none"> • Finance – lack of resources. • Limited competences of government officials. • Due to a general mistrust in politicians and government organisations, the non-profit kept cooperation with government bodies to a minimum. • Hidden prejudices in society towards disabled.

Source: own, 2018

Table 2
Drivers and barriers identified by respondents: Slovakia

Employment	
Drivers	<ul style="list-style-type: none"> • Connecting the sectors and better understanding between various institutions, companies and organisations. • Looking for solutions that do not require a change in legislation or high financial investment. • Common will to solve unemployment.
Barriers	<ul style="list-style-type: none"> • Legislation. • Finance – lack of resources. • Bureaucracy. • Individualism.
Education	
Drivers	<ul style="list-style-type: none"> • The possibility to get funding, especially EU funds. • Trends from abroad. • Social need – public demand.
Barriers	<ul style="list-style-type: none"> • Lack of premises. • Finance – lack of resources. • The time factor (setting the learning cycles from a time perspective).
Housing	
Drivers	<ul style="list-style-type: none"> • Implementing innovation in providing social services. • Acquiring working skills and habits, a sense of responsibility and ownership. • Financially efficient – freeing up public finances.
Barriers	<ul style="list-style-type: none"> • Lack of construction sites. • Finance – lack of resources. • Interruption of work or absence of field social workers.
Health	
Drivers	<ul style="list-style-type: none"> • Interest and commitment of the civic associations. • Constructive discussion and mutual respect. • Expertise.
Barriers	<ul style="list-style-type: none"> • Limited competences of officials. • Finance – lack of resources. • Hidden prejudices in society towards disabled. • Lack of qualified workforce.

Source: own, 2018

The other crucial issue, connected both with drivers and barriers, is the quality of relationships between partners. In Hungary, the interviewees stated that the basic and necessary condition for successful, stable, conflict-free cooperation is rooted in

mutual trust and in the long tradition and history of cooperation and good experience from the past. For example, the CCP programme in the past built a mutually trustful relationship between local governments and also other stakeholders (“We experienced a common past together”). Slovak experts indicated also the opposite perspective: “Playing in your own sandpit” – individualism. In some areas/topics dealt, the participating institutions consider each other competitors and do not want to cooperate for many reasons – also for fear that their competitors will steal their know-how.

The attitudes and the quality of involvement of public bodies was also recognised as a factor and also as a barrier. In many cases in Hungary the mayors have been fully involved in the programme because “they have recognized the fact that they can only benefit from the programme, because the local community receives necessary services without using the scarce resources of local government, and at the same time the members of the committee are getting more satisfied.” However, there were also some mayors here who were resistant and blocked the implementation of the programme in their municipality. According to the interviewee, this resistance can mainly be explained by the mayor’s political and ideological views and political conflict between partners. If the involved public officials are willing and able to communicate only within the scope of their competence, and their focus is legality, they are unable to cooperate in complex social innovation projects.

Another common issue is the technical quality of project implementation – mentioned in several cases (both in positive and negative ways). The failure example is the Slovak education-related project, where the time factor complicated the implementation. Setting the learning cycles with co-producing students only “available” for 13 weeks when the semester runs (13 in the winter and 13 in the summer), prevented long-term systematic delivery (during examination periods and holidays volunteers were not available).

The involvement of “consumers” and changing them to co-producers was mentioned as one of the core drivers – a very good example is housing. Self-help house construction under professional guidance resulting in personal ownership of the house provides a unique opportunity for people without work experience to acquire more working skills and habits, which demonstrably increases their chances to succeed on the labour market. The construction of a home into personal ownership leads people to accountability and supports merit, because the opportunity to build is received by those clients who, by their own efforts, try to change their living conditions. The success from their endeavours motivates others in the community. During construction, the clients build a relationship to their own home and they take care of the maintenance. Houses which they built by themselves are not faced with the problems of “furnishings and equipment”, and the owners take exemplary care of them.

Conclusions

The goal of this paper was to map the real relationships between public bodies and non-governmental sector in co-production/co-creation of welfare services in two EU member countries (Hungary and Slovakia), with a focus on checking if public institutions systematically collaborate in this sphere with NGOs and what the purposes are for such collaboration as well as to identify core factors of such collaboration in these two countries. The results of this study have an important potential to enrich existing knowledge about partnerships of different actors in the delivery of innovative welfare services, especially in the conditions of the relatively new EU member countries who joined in 2004.

From the point of systematic collaboration, the information obtained suggests that the examples of good practice exist, but at a global level the quality of partnership between the government and the non-governmental sector is problematic. In the comparative perspective, the cases show a slightly better situation in Hungary, the government entities might initiate and effectively lead more collaborative projects compared with Slovakia; however, the rational desire to receive EU funds is a strong motivation behind the Hungarian cases of co-production. One purpose for this difference can be the design of schemes to utilise EU funds – if these schemes require partnerships, it is established on public initiative. To understand if there are also other purposes for this difference would need extra research.

Concerning the project goals and values, the public institutions especially stressed increasing efficiency, providing public services in a better way or saving money when using the option that the public service is provided by an NGO. From the NGOs' point of view, the key values guiding their choices for collaboration were inter-sectoral cooperation and synergy, open communication and fulfilling the mission of the organisation.

The study also highlights important drivers and barriers determining the quality of collaboration and the results of projects (from the perspective of two countries). Limited resources (mostly financial) to implement collaborative welfare innovations seem to be the core barrier (also limited public-sector financial resources in both countries). Other core factors identified are the quality of relations between partners, the quality/level of involvement of public partners (when compared to findings of studies from Western Europe new EU member states especially at the local self-government level may limit the scale of implementation or even terminate good projects for different purposes). The last factor that must be mentioned is the switch from welfare-project recipients to a co-producer position – with this the “ownerships” and related positive attitudes are created.

Acknowledgements

This research received funding from the Czech Grant Agency, project GA19-06020S (Alternative service delivery).

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