It takes Two to Tango? Understanding the Co-production of Public Services by Integrating the Services Management and Public Administration Perspectives

Stephen P. Osborne and Kirsty Strokosch

University of Edinburgh Business School, 29 Buccleuch Place, Edinburgh EH8 9JS, Scotland, UK
Corresponding author email: Stephen.Osborne@ed.ac.uk

We propose an important theoretical development for our understanding of the co-production of public services. It combines the insights from both public administration and services management theory to produce a novel typology of co-production. This clarifies its role at the operational and strategic levels, as well as its potential for transformational change in public services. Understanding co-production in this way provides a basis through which to explore a whole range of dimensions of co-production that were previously undifferentiated.

Introduction

This paper is an important contribution to developing our theoretical appreciation of the co-production of public services. Through theoretical combination it enriches our conceptualization of co-production in a way that pushes forward our understanding of this significant strand of public policy and public services delivery. The theoretical, policy and practice implications of this are suggested below and then explored further in the conclusions to the paper.

Co-production is an important strand of the current public services reform agenda across the world. In the UK (both as an entity and within its constitutive devolved nations) it has been argued to have the potential to improve the efficiency and effectiveness of public services by both the UK Government Cabinet Office (Horne and Shirley, 2009) and by influential public policy 'think tanks' such as Demos (Parker and Heapey, 2006) and NESTA (Boyle and Harris, 2009). It is also at the core of other significant public policy agendas that are pushing forward public services reform, such as the commitment to transform the delivery of social care in the UK through self-directed support and the 'personalization' of social care delivery (e.g. Scottish Government, 2010). Outwith the UK, co-production has also been articulated as a key response to the need for public services reform by, amongst others, the OECD (OECD Directorate for Public Governance and Territorial Development, 2011), the World Bank in relation to the Developing World (Joshi and Moore, 2002, 2004) and the Australian Government (Parliament of Australia, 2011).

The present paper is the theoretical outcome of a larger project that has been examining such co-production in the context of the planning and delivery of social care services to asylum seekers in Scotland. This larger study explores three empirical questions: the extent to which co-production is dependent upon citizenship; if co-production can act as a conduit to build social inclusiveness and citizenship; and if individual service user co-production is a prerequisite for co-production and partnership working, or not, by public service organizations (and especially by third sector organizations). In particular the study has examined the association between the service

relationship and the public policy agenda for co-production and social inclusion.

The present paper proposes a new framework for understanding the co-production of public services, as part of the growing theoretical development of the field of public management (Ferlie, Hartley and Martin, 2003). It draws together two streams of literature on co-production – from the services management (Gronroos, 2007; Johnston and Clark, 2008; Normann, 1991; Vargo, Maglio and Archpru Akaka, 2008; Venetis and Ghauri, 2004) and the public administration (Alford, 1998; Bovaird, 2007; Brudney and England, 1983; Parks *et al.*, 1981; Pestoff, 2006; Pestoff, Osborne and Brandsen, 2006; Whitaker, 1980) perspectives. These have developed in parallel since the 1970s with no attempts until recently to explore what insights might develop from their integration. This is a potential avenue for the development of public management theory that has been raised by several authors in a recent important collection of papers on co-production (Bovaird and Loeffler (2012) and Porter (2012) in Pestoff, Brandsen and Verschuere, 2012). However, this present paper is the first to explore this avenue in depth and to derive substantial conceptual advancement from it. As such it provides significant conceptual development of public management theory that furthers our understanding of the role, opportunities and limitations of co-production in public services delivery.

In brief, this approach differentiates three modes of co-production, at the operational, strategic and service levels. These are denoted the 'consumer', 'participative' and 'enhanced' modes of co-production. For researchers, the conceptual work presented here provides powerful conceptual tools to assist with the description, analysis and evaluation of different forms of co-production in public services and with predictions about their impact. For policy-makers and practitioners, this approach also offers a way to understand the distinctive challenges that different forms of co-production present and their implications for public policy design and implementation and for public services management. Finally, for service users, the approach highlights the skills required by them to engage in the differing modes co-production identified here.

Osborne (2010; Osborne, Radnor and Nasi, 2013) has identified a crucial flaw in contemporary public management theory (particularly in its 'new public management' (NPM) articulation) in its overt concentration upon the managerial lessons from the manufacturing sector, with its focus both upon discrete transactions and singular outputs. He argues rather that public management has considerable gains to make by a consideration instead of the services management literature (as discussed below) with its focus upon ongoing relationships and service outcomes. This paper takes this argument forward in a significant strand of public policy and argues that our understanding of co-production is enhanced by this integration of insights from the services management and public administration literatures.

It is important at the outset to clarify some of the limitations of the paper. First, it must be emphasized that this is not a paper about the co-production and the public policy formulation process. This has been explored in more detail elsewhere (Scott and Baehler, 2011). Rather it is a paper about the implementation of public policy and the delivery of public services – what Scott and Baehler call the 'responsive' and 'operational' levels of public policy. Here we denote these two domains 'strategic' and 'operational' respectively.

Second, the empirical context of this paper is the experience of public services delivery in the UK – and specifically the delivery of public services to asylum seekers in Scotland. Its import though, we would argue, is not bounded by this geographical or service locus but has implications for public services delivery across the globe. Third, it is important to offer some core conceptual definitions at the outset, to clarify the reach of the paper. By 'public services' we are referring to services that are created through the public policy process and regulated by (central or local) government but which can be provided by a range of 'public service organizations' (PSOs) in the public, third and private sectors. The latter bodies are those organizations engaged in delivering public services to local people and communities. Drawing upon Bovaird (2007, p. 847), co-production is defined broadly as 'regular, long-term relationships between professionalized service providers (in any sector) and service users or other members of the community, where all parties make substantial resource contributions'. Beneath this over-arching definition, though, lie differing discourses of co-production in the public administration and services literature. The

understanding and negotiation of these differing discourses is at the heart of the unique contribution of this paper.

Finally it is also important to clarify that the paper does not attempt to situate co-production as a normative alternative to prevailing funding or structural models used to deliver public services, such as contractual or partnership models. As we shall argue below, co-production in service delivery can and/or will exist irrespective of what structural or funding models are utilized. Once the true nature of co-production is understood, therefore, it is subsequently a matter of political and strategic decision-making as to its relationship to these structural models and mechanisms.

The structure of the paper is as follows. We commence by exploring the place of co-production within the public administration and services management literatures. We then consider how the insights from these literatures may be integrated to present a more nuanced understanding of co-production. We conclude by drawing out the conceptual and policy and practice implications of this approach.

Co-production: the public administration perspective

As identified above, we are not concerned with the public administration literature that explores co-production in 'upstream' public policy formulation, with its focus on the work of government ministers and civil servants and their interactions with citizens (see Scott and Baehler (2011) for a detailed discussion of this). Rather we are concerned with the implementation of public policy and most specifically with the design, reform and delivery of public services (as a means through which to enact public policies agreed 'upstream' at the purely political level). There is a strong and highly influential implementation literature on co-production that originates from the seminal work of Ostrom (1972) in the USA. She contended that PSOs depended as much upon the community for policy implementation and service delivery as the community depended upon them. This was the genesis of the concept of co-production in public administration.

The public administration co-production literature subsequently developed predominantly in the USA, Europe and Australia (*inter alia*, Alford,

1998, 2002; Bovaird, 2007; Brandsen and Pestoff, 2006; Brudney and England, 1983; Evers, 2006; Frederickson, 1996; Levine and Fisher, 1984; Parks *et al.*, 1981; Pestoff, 2006; Pestoff, Brandsen and Verschuere, 2012; Rosentraub and Warren, 1987; Sharp, 1980; Whitaker, 1980). Inevitably the idea evolved as public administration theory itself evolved – from the focus on policy implementation and the administration of services ('traditional' public administration) through the managerial and consumerist concerns of the NPM era of the 1980s and 1990s and into the more recent concerns of 'digital governance' and the 'new public governance' (Osborne, 2010).

Each of these approaches to the delivery of public services had its own preoccupation. 'Traditional' public administration emphasized the separation of politics and administration, with the latter focusing upon the relationship between citizens and public services and their mediation through professionals (Lynn, 2001). Often in this approach public administrators were seen as 'nefarious' (Lipsky, 1968), thwarting the will of citizens for greater influence upon the design and delivery of public services (Vroom and Yetton, 1973). Co-production (Ostrom, 1972) was thus articulated as a way through which public services could be delivered with 'the maximum feasible participation of residents of the areas and members of the groups served' (Judd, 1979, p. 303). In the USA this linked into the development of the New Public Administration movement (LaPorte, 1971), whilst in the UK it was most associated with the idea of 'public service orientation' (Stewart and Clarke, 1987).

The NPM, by contrast, emphasized the resource constraints of public services delivery and the need for a managerial approach to their delivery, recasting citizens as the 'consumers' rather than 'clients' of public services (Hood, 1991). Although initially concerned primarily with adopting a managerial approach both to the allocation of scarce public resources and to public services delivery the NPM subsequently came to be associated (in Anglo-American countries at least) with the concern to use competitive markets to reform the delivery of public services and it re-cast the role of the citizen in public services delivery as that of the self-interested consumer (Alford and Hughes, 2008; Roberts, 2004). In this context, co-production became associated primarily, and controversially, with the concept of

'consumerism' and with contrasting views upon its effectiveness (Barnes, 1995; Potter, 1994; Powell *et al.*, 2010).

Latterly the frameworks of digital governance and the new public governance have reformulated public services delivery in an 'open systems' context (Scott, 1992). On the one hand, it is no longer a case of exploring the top-down relationship between public policy, PSOs and the recipients of public services. Emerging new technology has offered service users potential routes to wrest (some) control over public services from the policy, administrative and managerial structures (Bekkers *et al.*, 2011; Dunleavy *et al.*, 2006). On the other hand, the fragmentation of public services delivery in the post-modern state has put an accent upon inter-, rather than intra-, organizational relationships for public services delivery (Haveri, 2006). The new public governance replaces public service organizations with public service delivery systems, where the interaction of a multiplicity of actors is required to achieve societal goals and to deliver public services – with the emphasis being upon partnership and collaboration[1] as being, variously, an effective means with which to lever new resources into the delivery of public services, a holistic way in which to address complex social needs and an instrument for social inclusion (Osborne, 2010). In context, co-production has again been re-formulated, this time as a core element of the production of precisely such holistic and 'joined up' public services.

This evolution of public administration has had import for the expectations, and conceptualization, of service users in the planning and delivery of public services. It has not been a 'steady state' concept but has evolved, portraying service users as co-producers in different guises – as citizens/clients, consumers, customers – and latterly simply as 'co-producers'. Thus, from being a contested and fluid element of public administration, co-production has now moved to occupy a central position in it (Alford, 2009). It is the latter conception of co-production within public administration that is of concern here.

Within the current discourse of public administration, therefore, co-production challenges its traditional orthodoxy where 'public officials are exclusively charged with responsibility for designing and providing services to citizens, who in turn *only* demand, consume and evaluate them' (Pestoff, 2006, p. 506; our emphasis). This public administration literature on co-production subsequently discusses the ways in which service user participation can be 'added into' the process of service planning and production to improve the quality of these services. This latter day public administration discourse (itself increasingly reformulated as 'public management') still conceives of public services as 'goods' to be designed, planned and produced primarily by service professionals – but where service users can be invited into the process by these professionals even if the public goods are still consumed (relatively) passively by service users. Co-production thus does not challenge the basic premises of public administration, because it can only occur at the behest of, and controlled by, service professionals (Brandsen and Pestoff, 2006).

Co-production in this discourse is significantly dissimilar conceptually (and in practice) from its 'sister' (or cousin?) within the services management literature, below. The emphasis in public administration is on joint working between two parties that typically operate from different places in the production process. One party is the professional service delivery staff within government departments and/or PSOs. Traditionally, of course, the design and planning and the delivery of public services would have been vertically integrated within a government department, although sometimes with third sector involvement (Parks *et al.*, 1981). Increasingly though the impact of both the NPM and the new public governance has been to separate design and planning (usually undertaken by central or local government) from delivery by PSOs within the public, private or third sectors. Thus the role of the individual service user is 'simply' to subsequently consume the public service, unless invited into the service planning process. In this model, co-production is a design element to be 'added on' to service delivery, and which may enhance its design and planning by accessing the knowledge and experiences of service users or improve the effective delivery of the service (Pestoff, 2006). The central point in this model is that co-production is something external to the delivery of a public service that needs to be designed into these services in order to achieve specified desired outcomes.

---

[1]Salamon (2002) has estimated that approximately 95% of federal public services in the US are delivered through partnership arrangements.

The most developed recent approaches to co-production in public administration theory are twofold. Bovaird (2007) posits a range of relationships between service users and PSOs, depending upon the respective role of each in the planning and delivery of public services. This is a significant conceptual development for co-production within public administration for it clearly explicates the range of roles and experiences service users might inhabit – though only at the behest of service professionals. Alford (2002, 2009) has also usefully explored the contingencies of co-production in public services, in terms of the inducements and sanctions used by public service professionals to enable the process. For all this though, both maintain the enduring perspective of public administration upon co-production as an optional element of the service delivery process, arguing that 'service users and their communities can – *and often should* – be part of service planning and delivery' (Bovaird, 2007, p. 846; our emphasis). From this perspective, co-production is seen as a normative, voluntary, good that should add value to the public service production process, but that is not intrinsic to it. As will be seen below, this is a qualitatively different discourse to that within the services management field.

Such normative conceptualizations of co-production have often been associated with efforts to improve democracy by placing service users and communities at the heart of service delivery decision-making processes, as discussed above (see also Alford, 2002; Bovaird and Loeffler, 2009). However, negative aspects of co-production have also been discussed in the public administration literature. Public service providers, for example, can consider co-production as time consuming and resource intensive, diverting attention from the 'real' task of effective service delivery, whilst concerns have also been raised that including more participants in the process of planning and delivering services will not necessarily lead to a consensus and will make it more difficult for appointed professionals to provide leadership (Levine and Fisher, 1984). Finally, service users need an appetite to co-produce which, from the public administration perspective, requires that they dedicate personal time and energy to service production. A debate exists as to whether they have either the time or inclination for this (Osborne, Beattie and Williamson, 2002).

If it has its limitations, nonetheless what this public administration discourse on co-production does articulate most strongly is a space for the role of service users in the planning and design of public services. Both Alford (2009) and Pestoff, Brandsen and Verschuere (2012) are important in the most recent discussions of this, which have moved the debate considerably from initial concerns of writers such as Ostrom (1972) and Sharp (1980). Yet even so, this most recent work still maintains a view of co-production as something to be consciously built into public services. This basic assumption is challenged, however, when one explores the conceptualization of co-production within the service management literature.

Co-production: the service management perspective

As discussed above, the re-casting of public administration as 'public management' in the 1980s and beyond (as part of the NPM movement) was predicated upon the assumption that public services delivery was not so much a process of the administration of the rule of law but rather one of the allocation of scarce economic resources to meet societal needs. What is curious is that, in addressing these managerial rather than administrative concerns, politicians, practitioners and researchers alike turned to managerial theory derived primarily from the manufacturing sector and ignored the dedicated theory and literature on services management – despite the fact that this may well have unique insights to offer to the understanding of public *services* management (Osborne, Radnor and Nasi, 2013). It is true that the 'consumerism' movement in public services delivery of the 1990s drew heavily upon some elements of services management theory. However, as others have argued, this approach was a partial one that has sought to extract 'the consumer' from the overall service delivery process and that failed to understand the totality and logic of this process – and its implications for public services delivery (Jung, 2010; Powell *et al.*, 2010).

We argue here that the services management literature can add valuable insights into our understanding of co-production, because of the central role that the latter concept plays within the services literature. Consequently, it arguably

provides a more accurate starting point for theorizing about public services production – and in combination with the public administration literature it can stretch our understanding of co-production. Crucially, the services management literature is not concerned with how to 'enable' or 'build in' co-production to the service delivery process – what might be termed the 'design' imperative (Sangiorgi, 2012). Its basic premise is that co-production is an essential and inalienable core component of service delivery: you cannot have (public) service delivery without co-production. It is the essential and intrinsic process of interaction between any service organization and the service user at the point of production of a service – what Normann (1991) has termed 'the moment of truth' in services provision.

Briefly,[2] services management theory stems from tripartite notions of inseparability, intangibility and co-production (Gronroos, 2007). The production and consumption of services are inseparable because they are produced and consumed simultaneously – rather than with production and consumption being temporally and spatially separated as in the case of manufactured goods (Johnston and Clark, 2008). Thus, whilst manufactured goods are produced in one place (e.g. a factory), sold somewhere else (a shop) and then consumed at a third site (perhaps in someone's home), the production and business logic for services is entirely different. Production and consumption occur at the same time and often in the same place, with *service* being their defining feature. It is not the provision of a standardized and pre-packaged product but rather a value based interaction (Vargo, Maglio and Archpru Akaka, 2008). A theatrical experience, a consultation with a solicitor and a hotel stay are examples of such simultaneous inseparability of production and consumption.

Services are also intangible. They are not concrete goods that can be physically moved and/or consumed at a time of the consumer's choosing (such as a washing machine). Rather they are intangible processes, with the issue of the subjective experience of the service delivery process by the consumer being a key determinant of the quality and performance of the service (Van Looy, Gemmel and Van Dierdonck, 2003). The process experience of a business consultancy by its client, for example, is at least as important in its 'performance' as is the quality of the advice offered – indeed some have even modelled this as a dramaturgical process (Clark and Salaman, 1998).

Finally, and most significant in the context of this paper, services are unavoidably co-produced by the service staff and the service user. The experience of a service process is shaped primarily by the expectations of the user, their active role in the service delivery process and their subsequent experience of the process. Service organizations can only 'promise' a certain process or experience – the actuality is dependent upon the Normann's (1991) 'moment of truth', where service user expectations of a service collide with their experience of it (Magnusson, 2003; Venetis and Ghauri, 2004). A classic example of this would be the experience of residential care by the interaction of staff and service users in a residential home. The expectations and personal characteristics and actions of the residents of a residential home produce the experience of that home as much as do the actions of its staff.

In reality, of course, such elements are more of a continuum than a steady state. Services such as residential care and education are clearly instances where the co-production is high, owing to the fact that consumption and production take place both at the same point in time and in the same place, with direct face-to-face contact between the service user and the service provider. By contrast, they are rather lower for electronic financial services, because production and consumption occur through the medium of an electronic interface that does not have the interpersonal immediacy of face-to-face contact – in this case, the co-production of a financial service is essentially passive (inputting financial data on yourself or choosing from a list of pre-set options), mediated through a virtual interface. Indeed key elements of mainstream services theory are increasingly being challenged by the virtual rather than real-time relationships of e-services. Yet even such services do still exhibit co-production and there is a growing literature upon co-production within virtual service environments (e.g. Gummerus, 2010).

Unlike much current public administration and management literature, therefore, the services

---

[2]A more detailed exposition of services theory and its application to public administration and public management is found in Osborne, Radnor and Nasi (2013).

Table 1. A continuum of modes of co-production

Consumer co-production	Participative co-production	Enhanced co-production
Consumer co-production results from the inseparability of production and consumption during the service encounter and focuses upon the engagement of the consumers at the operational stage of the service production process in order to balance their expectations and experience of the service. The aim is *user empowerment*	Participative co-production results from the intention to improve the quality of existing public services through participative mechanisms at the strategic planning and design stage of the service production process. These mechanisms include user consultation and participative planning instruments. The aim is *user participation*	Enhanced co-production results from combining the previous operational and strategic modes of co-production in order to challenge the existing paradigm of service delivery. The aim is *user-led innovation* of new forms of public service

management literature emphasizes the interaction between the service producer and the service user and the interdependence between these two at the operational level. The users' contribution as a co-producer during service production is not only unavoidable but is also crucial to the performance of a service and the impact of the service upon them (Lengnick-Hall, Claycomb and Inks, 2000). It is important to note that this approach to co-production does not necessarily require user involvement in the service planning process. However, this can occur and is often termed 'co-creation' and is linked to the service innovation process. This is discussed further below.

If services theory has insights to offer to our understanding of co-production, it also has limitations. Services theory has no real understanding of the political and policy context of public services, nor of service production in the context of unwilling or coerced service users (as in the case of the criminal justice system, for example) or where the desired outcomes of a service are multiple and/or contested – as can be the case in a range of child-care services (Osborne, 2010). However, a novel conceptual combination of the public administration and the services perspectives has the potential to further our understanding of the nature, process and limitations of the co-production of public services. This is the intent of the next part of the paper.

Integrating the public administration and services management perspectives

Table 1 draws together the discourses on co-production from the services management and the public administration perspectives to produce three modes of co-production. The first two take an operational and strategic focus respectively to clarify their differing contributions to our understanding of co-production in public services. The third mode integrates insights from both to create a new 'enhanced' mode of co-production. This approach acknowledges the balance between co-production in the strategic planning and operational management of public services noted by Alford (2009) whilst also accepting, from the services literature, the inalienable role of co-production in the delivery of public services at the operational level. We denote these three modes as *consumer co-production* (based in services management), *participative co-production* (based in public administration and public management) and *enhanced co-production* (that combines elements of the two previous modes to produce a third mode). These modes are now discussed below, with the weight of the discussion focused upon enhanced co-production as the genuinely original conceptual contribution of our framework and which hence requires greater explication.

Consumer co-production

As has been argued previously, in services theory, the role of the consumer in a service is multiple: to contribute to the production process, to simultaneously consume that service and to evaluate the quality of the service. The act of service consumption is the cornerstone of co-production, as it is this action that results in the consumers' contribution to production at the operational level – their expectations and experiences are central to effective service delivery and to the outcomes of the service. Service quality and performance exist

where these expectations and experiences collide during the process of service co-production.

This first mode therefore focuses upon the operational level of public services delivery and conceptualizes co-production as an inalienable component of public services production. This acknowledges that it is involuntary and unavoidable on the part of both the service user and the PSO. From this perspective, therefore, co-production is not an issue of choice and design but rather of the management, at the operational level, of the relationships between the PSO and the individual service user. Co-production is thus not an add-on to the delivery of a public service but is rather a core element of the effective management of public services on a day-to-day, operational, basis – and a key determinant of both their quality and performance. It must be emphasized that this goes beyond 'simple' consumerism, as discussed above, and towards a more sophisticated understanding of a public service as a service delivery system (Vargo, Maglio and Archpru Akaka, 2008). In this mode, therefore, co-production becomes a profound restatement of the public service management task as an interactive and systemic one where experience and outcomes are negotiated between the service user and the service delivery professional rather than one dominated by the latter professionals alone. This implies the empowerment of the service user within the service production process, as a key arbiter of service quality and performance.

Such user empowerment has of course been an aspiration of public services reform for several decades (Osborne, 1994; Skelcher, 1993). Consumer co-production reformulates this ambition in a manner both that understands it as a natural part of the service production process and that offers concrete approaches to its achievement. This, we believe, is a qualitative step forward in making this aspiration for individual user empowerment a reality in public services by drawing on the lessons from services management. What consumer co-production does not do, however, is to consider the needs of service users as a collectivity, to affect public services at the strategic planning level or to consider the needs of future service users.

Participative co-production

In the second mode, co-production is conceptualized not in the individual consumption logic of operational service delivery but rather at the strategic level of service planning. Such co-production does not necessarily challenge the nature of operational service delivery, but rather affects the design and planning of existing services at the strategic level. The question is thus not 'how can a public service ensure that users' expectations of that service are met by their experience of it, and how will this influence service performance?' Rather it is 'how can the current experience of a public service by its users be utilized to design and plan this service for the future?' We should emphasize that we do not argue that the public administration discourse of co-production has been solely concerned with this strategic level over the decades. This is not the case. But rather that it is the strategic element of this discourse that has most to offer to a holistic model of the co-production of public services.

Arnstein's (1969) (see also Havassy and Yanay, 1990) 'ladder' of citizen participation is one approach that might be used to explore the actuality of this mode of participative co-production – although it is not without its critics (Tritter and McCallum, 2006). It recognizes that participation in planning can in reality range from cosmetic and limited forms of co-production (such as public consultations where there is no commitment to act) to forms where service users can have a direct effect upon the direction of service development (such as through being an active member of a service partnership). This point has been pursued further by Bovaird (2007) in his work.

A key distinction to be made here is between user empowerment and user participation as the desired intentions of co-production. Both have of course been longtime goals of public services, though with only limited achievement. User empowerment is concerned with the ability of individual service users to control their experience of a public service and contribute to their own desired outcomes. As such it is best approached through the mode of consumer co-production. User participation by contrast is concerned with the role of the service user in participating in the public service planning process in order that the public service system can address their needs more effectively in the future (Simmons and Birchall, 2005). It is also seen as a route to other desirable social outcomes, such as social inclusion (Beresford, 2001). This is the realm of participative co-production. Inevitably these two concepts do

overlap. User participation in public service planning can be enabled by user empowerment, whilst user empowerment at the operational level can flow from planning initiatives initiated by user participation at the strategic level (Osborne, Beattie and Williamson, 2002). What our approach here achieves is to uncover and distinguish the differing logics of these two processes. Only by such conceptual clarity can we fully understand both their integrity and their possible integration. The latter point is returned in the next section.

It is also an issue of debate within this mode as to whether an individual user has sufficient power within service planning structures to move beyond 'tokenism' to genuine engagement in debate about the future direction of these services. Other research (e.g. Osborne, Beattie and Williamson, 2002, 2006) has suggested that individual users may well require support from mediating structures within civil society in order to achieve this impact – such as user or community groups or third sector bodies committed to supporting the engagement (e.g. Councils for Voluntary Service in England or Third Sector Interfaces in Scotland). This is an issue that requires further exploration.

Enhanced co-production[3]

The previous two modes are, in a sense, an integrated reformulation of the potential contributions of the existing public administration and services management perspectives, in order to offer a more holistic understanding of co-production, albeit within a relational framework. Both occur within the existing framework of public service delivery with an intention to improve the efficiency and/or effectiveness of these current arrangements – at either the individual or service level. Enhanced co-production is, though, a genuine conceptual advance. In this third mode, consumer based mechanisms in operational delivery of public services are combined with participative ones at the strategic

[3]It must be emphasized that the term 'enhanced' is not used in any normative sense to suggest that this is a qualitatively 'better' mode of co-production than the previous two modes. This mode is 'enhanced' only to the extent that draws on the previous two modes in a combinatory manner to create a new conceptual category of co-production. Its opportunities, challenges and limitations are discussed further below.

planning level to produce the potential for transformational effects upon the public services delivery system as a whole – *user-led innovation* of new forms of public service delivery. This is not about user empowerment within current service paradigms or their participation in the planning of future services within this paradigm. Rather it is about challenging this service paradigm and, potentially, transforming it entirely.

It could be argued that such a conceptualization is simply a modality of the previous two modes produced by arithmetic addition. We would argue, however, that it is not simply such an addition but a geometric progression. Enhanced co-production does not occur solely either at the operational locus of consumer co-production or at the strategic locus of participative co-production. Both these exist within and impact upon the prevailing paradigm of public services delivery. Enhanced co-production uses this experience to challenge this prevailing paradigm and (potentially) transform the public services delivery paradigm through transformational change – or what has been termed elsewhere 'total innovation' (Osborne, Chew and McLaughlin, 2008). This is an important conceptual development that identifies for the first time the link between the co-production of public services and the potential for their transformational innovation – an oft-asserted aim but one that to date has eluded clarification of the mechanisms involved (Osborne and Brown, 2011). With the enhanced co-production mode, user-led innovation explicitly formulates the role of service users as a driving force for transformational innovation by combining their operational level experience of the actuality of public services delivery with their engagement at the strategic level – but in this case not simply to plan the development of existing services but rather to challenge their overall design. Neither of the previous modes of co-production above implies such transformational innovation. They are essentially ways to provide existing service models more efficiently and/or effectively. Enhanced co-production goes beyond this by integrating co-production at the operational and strategic levels to transform service delivery and co-create new processes and forms of public services. This is the import of this unique formation of co-production. In the private sector such transformational innovation through co-production has often been termed *co-creation* (e.g. Payne,

Storbacka and Frow, 2008; Prahalad and Ramaswamy, 2004) and has been articulated as the core process through which to achieve successful sustainable performance in the marketplace (Vargo, Maglio and Archpru Akaka, 2008). Recent public policy discussion has begun to assert such co-creation as a key objective in public services delivery (for instance Bason, 2010; Evamy, 2009). It is a concept, however, that is significantly under-theorized in the public administration and public management literature and lacking any genuine understanding of what this might entail or how it might be achieved. Mulgan, though himself a proponent of such an approach, has argued that the 'absence of sustained and systematic analysis [on user-led innovation and co-creation] is holding back the practice of social innovation' (Mulgan, 2006, p. 159). Similarly Osborne and Brown (2011) have called for greater conceptual clarity on the nature and processes of such user-led innovation and co-creation if we are to drive forward the process of innovation in public services. The approach articulated here, we would argue, is a major contribution to producing this much needed conceptual clarity and systematic analysis which offers real substance to the desired outcome for public services reform and renewal.

Thus within the services management literature, customization (Kristensson, Matthing and Johansson, 2008), which equates to service improvement through the 'consumer co-production' mode identified above, might improve the 'operational fit' of a service to the individual needs of a service user and meet these individual needs more effectively but it does not transform the service overall – for all existing and future users. The public administration discourse, in contrast, has a long history of proposing 'co-production' as the solution to the need for 'social innovation' in public services delivery as part of the reform process of these services (Dibben and Bartlett, 2001; Hartley, 2005; Joyce, 1998). This invariably implies the involvement of service users in the service planning process through mechanisms ranging from consultation to direct participation. Such strategic involvement equates to the 'participative co-production' mode identified above. It does address the needs of the collectivity rather than solely the individual but through improving existing service deliveries rather than challenging them.

Enhanced co-production offers a link between co-production and the much sought after goal of transformative innovation in public services through co-creation (Mulgan, 2006). In the services management field, Von Hippel (e.g. 1994, 2005) has made a veritable career out of prescribing and evaluating co-production as a core source of such co-creation and transformative user-led innovation (see also Barras, 1986; Sundbo and Gallouj, 2000; Van der Aa and Elfring, 2002). Such user-led innovation is dependent upon two things. First it requires the bringing together of the operational and strategic levels of co-production to unlock Von Hippel's 'sticky', or tacit, knowledge that service users possess in order to transform the service (Von Hippel, 1994). Here, the service organization is proactively seeking to uncover, understand and satisfy 'latent (*future*) needs', rather than simply reacting to (*existing*) expressed needs (Ordanini and Pasini, 2008; Vargo and Lusch, 2008). Second it requires service users working together as collectivities to support each other in the process – so that they are not simply atomized within prevailing service structures (Alam, 2006). As Von Hippel (2005) has made clear, it is not simply a case of empowering service users and expecting them to immediately begin transforming (public) services. Enhanced co-production requires a genuine partnership between public service professionals and service users that is predicated upon the use of knowledge to transform service delivery. A key challenge therefore is what mechanisms best unlock this potential and how to ensure that service professionals and service users alike have the requisite skills to power these mechanisms. This challenge is returned to further in the conclusions to this paper.

None of this implies that innovations arising from such enhanced co-production are always social or economic goods, of course. There are numerous examples of failed or inappropriate innovations in both public and private goods (Brown and Osborne, 2013) and engaging users in transformative innovation will not, by itself, guarantee the achievement of positive innovation. The task of evaluating the risks and import of transformative innovations is an entirely different one from enabling such transformative innovation to occur (Brown and Osborne, 2013). Enhanced co-production is thus necessary to ensure user-led transformative innovation *can* occur, but it is not

sufficient to ensure that all such innovations should occur. The latter process is a normative one that requires political debate about what is acceptable rather possible in a society.[4]

Finally, the role of information and communications technology (ICT) and digital technology is of particular consequence in relation to enhanced co-production (Enkel, Gassmann and Chesbrough, 2009; Moller, Rajala and Weserlund, 2008). At a theoretical level this has led to the influential concept of 'open innovation' (Chesbrough, 2003). In a public service context, their potential to support the development of new forms of co-production (as discussed below in relation to the custodial treatment of offenders) and to enable service users to take an active role in enhanced co-production has been recognized by a number of writers (e.g. Kinder, 2000; Pascu and van Lieshout, 2009). Dunleavy *et al.* (2006) (see also Bovaird and Loeffler, 2009) have argued subsequently that what they term digital era governance (DEG) offers the basis for 'self-sustaining change' in public services. Dunleavy and his colleagues are at pains to point out that, by itself, DEG is no guarantor of co-production, of any form, and that professionals might yet utilize the technology to buttress their own roles at the cost of genuine co-production. Moreover if the impact of DEG is actually to lead to greater fragmentation of the public services delivery system, by encouraging a multitude of voices, then the cost of this may be greatly increased inefficiencies in the delivery of public services (Peters and Pierre, 2000). Nonetheless, DEG does offer the potential of enhanced co-production and co-creation by enabling more equal access to essential information about social and economic needs and the performance of public services. Bekkers *et al.* (2011), for example, have demonstrated how ICT and digital technology have enabled individual service users and communities to take a more equal role in the policy planning and implementation process, and sometimes seizing the agenda, precisely by allowing them access to information previously in the domain of

the professionals alone. In such a digital era, a more nuanced understanding of the nature of co-production and its interaction with these emerging technologies will be essential to both understanding and governing the process of public services delivery and renewal.

We therefore argue that enhanced co-production is an important conceptual development that can enable us to address Mulgan's call (above) for 'sustained and systematic analysis' in understanding the contribution of public service users to innovation in public services. The framework presented here, we argue, makes extant the dimensions of this mode of co-production and its relationship to the two existing modes of consumer co-production and participative co-production.

We reiterate that the conceptual clarity about co-production offered here is no guarantee, by itself, that the potential benefits of co-production will always be achieved. Such normative intent is not implicit in this paper. However, we argue that this clarity will both offer more nuanced analysis and evaluation of the impacts of co-production upon public service delivery and effectiveness and offer guidance to public service planners, managers and users about the potential and limitations of co-production in public services delivery – and thence allow them to consider how best to optimize its positive impact upon these services.

The limitations of enhanced co-production. Unsurprisingly, given its potential as a powerful engine of public services reform and innovation, there are also barriers to the potential of such enhanced co-production and user-led innovation. First, PSOs are typically highly professionalized and may be resistant to accepting the actual premise of enhanced co-production or its challenges to their own professionalism (Bovaird and Loeffler, 2003; Osborne, 1994). Second, simply establishing mechanisms through which to involve service users in service planning and production does not guarantee the enhanced mode of co-production. A PSO can take an active, passive or even tokenistic approach to responding to these mechanisms (Sinclair, 2004). Users themselves can also often be conservative in their approach, preferring to retain existing modes of service delivery rather than risk the loss of a service through innovation. Both these issues can limit the innovative potential of PSOs.

---

[4]As Osborne and Brown (2011) have noted, not all innovations in public services have been considered as socially acceptable – a classic example being the case in the UK of 'pin-down' in child-care services in the 1990s. Effective mechanisms to promote innovation in public services must hence be balanced by political debate about what is socially acceptable.

Finally there are also limits to the positive potential of innovation through co-production. As discussed above, providing individuals with too much power in the production of public services has been argued to lead to inefficiencies in public spending (Peters and Pierre, 2000), whilst Alam (2006) argues that over-customization in service innovation at the individual level leads to service fragmentation and inefficiency.

Discussion

To date the three modes of individual co-production detailed here have not been made explicit or clearly differentiated in the discussion about the planning and delivery of public services. Our contention is that the appreciation of co-production and its potential benefits in this context are improved significantly by their differentiation. We also argue that combining the insights for public administration and services management has produced powerful new concepts to help us analyse and evaluate this phenomenon.

Inevitably, any such conceptual approach is subject to its own limitations. We have already discussed the specific barriers to user-led innovation above. In addition we argue that there are four broader limitations to co-production that must be taken into account in considering the implementation issues of these three modes of co-production. First, just as service users bring important expertise to co-production so too do service professionals. Co-production is not about the replacement of the role of professionals by service users (as in some of the more naïve versions of public services consumerism discussed by Powell *et al.* (2010) and Jung (2010)). Rather it is about bringing these different forms of expertise together. To take a simple example, one would not want to replace the role of the surgeon by the patient in the co-production of oncology services – the professional expertise of the former group is vital here. However, the research has also indicated the significance to clinical outcomes of the co-production of the overall treatment plan and its implementation between health professionals and patients (Katz *et al.*, 2005; see also Guadognoli and Ward, 1998).

Second there are inevitably cases where the user of a public service is an unwilling or coerced user. The prison service is a classic example here. In this context the professionals of the prison service have a custodial function that it is hard to co-produce. Even here, though, it has been argued that the electronic tagging of convicted criminals within the community is a form of co-produced custody that negotiates the coercive element (Corcoran, 2011). Margetts (2009) goes further with this argument, too, suggesting that ICT and web-enabled technologies may be a new incentive and technology to embrace co-production – and again citing the argument that community-based custodial options may be one area ripe for such digital innovation.

Third, co-production is particularly fraught where public services, as is often the case, can have multiple and perhaps conflictual users. In the above case of custodial prison services, for example, it is a moot point who the actual service user is – the convicted criminals themselves, or the court, victims of crime, or society more broadly. This dilemma is highlighted particularly by Bovaird (2005). Such contestation is not a reason to limit the role of co-production in public services, but rather it is a reason perhaps to acknowledge its greater complexity in public services than in the business sector. Tools to negotiate such conflictual situations in public services do exist, such as stakeholder approaches (e.g. Bryson, 2004).

Finally, substantive empowerment, participation and user-led innovation through co-production are all reliant on the presence of trust in the service relationship – because the process of co-production can be risky, uncertain, time-consuming and costly for PSOs (Yang, 2006). Service professionals and planners must trust that they will receive some return from co-production, whilst service users must trust that their contributions will be recognized, valued and acted upon.

Developing such trust has of course been a substantive challenge for PSOs for many decades (Van de Walle and Bouckaert, 2003). Tools to assist in the process of this development do exist in the services management literature, however, such as relationship marketing (Sheth and Parvatiyar, 2000), and some have already explored their application to public services (e.g. McLaughlin, Osborne and Chew, 2009). Without such application, the risks of co-production may undermine the trust essential to its enactment –

and ultimately counter its benefits in the implementation process. The implications of this need further exploration.

Conclusions

We have argued for a significant contribution to the theoretical debate around the nature of co-production in public services, by integrating insights from two distinct theoretical perspectives (public administration and services management) that have previously existed in isolation. This has import for public management theory, for public policy and for public services management.

Implications for public management theory

We have enhanced the clarity of our appreciation of co-production and allowed the evolution of a substantial conceptual development in our understanding of co-production – an analytical framework of three modes of co-production. This framework allows for much greater clarity in discussing the co-production of public services and has enabled its disaggregation from one larger, somewhat vague, concept into separate conceptually rigorous elements. This has clarified both the distinction and inter-relationship between individual and collective co-production and the extent to which co-production can either improve the existing mechanisms and processes of public services delivery or challenge them (though user-led, transformative, innovation). It has also allowed us to discuss some of the limitations and barriers to the achievement of co-production in practice, as well as suggesting some approaches to the resolution of these issues.

The services management perspective improves our understanding of the nature of the co-production of public services by individual service users, by providing a more accurate description of the service production process at an operational level. It helps us to understand the inherent role of co-production in the delivery of any service – public or private – and its links to user empowerment. The public administration literature, by contrast, provides insight into co-production at the strategic, service planning, level. It helps us understand how this can be linked to individual and community participation in the planning of public services (and its limita-

tions). Finally, we have taken the analysis a step further by integrating the insights from these two perspectives in order to advance the concept of enhanced co-production. This new conceptual category draws on both the above perspectives and provides insights into the processes and contingencies of user-led innovation as a process of public services innovation and reform.

Implications for public policy and for public services management

As it stands this framework is, we believe, an important contribution to theory. As with all good public administration and public management theory, though, it is one with the potential to make a significant contribution to practice (Andrews and Boyne, 2010; Head, 2010). We draw out four implications here. First, it is no longer permissible for public policy-makers or for public service professionals simply to argue for 'co-production' as some holy grail for all the ills of current public services delivery or as a novel way to provide public services at less cost in a time of austerity. We have explored three different modes of co-production, together with their limitations. Greater clarity over what public policy or a specific public service is trying to achieve through co-production can only enhance the effectiveness of reforms designed with this in mind.

Second, it is not realistic to expect that simply tasking service users with enhanced co-production will automatically lead to transformative innovation. As the literature on such innovation in the private sector has made clear, service users require support to move from the articulation of individual needs to collective and service level needs (e.g. Alam, 2006; Von Hippel, 2005). This includes both designing forums predicated upon a lead role for users (rather than simply upon consulting them) and supporting the development of their skills subsequently to engage successfully in these forums. These issues have been addressed in different contexts for public services (e.g. Crosby, 2010; Crosby and Bryson, 2005; Huxham, 2003). These insights now need application to the co-production of public services in its different modes.

Third, this debate on co-production opens up a wider debate for public policy-makers and service delivery professionals. As has been argued by one of these authors elsewhere (Osborne, 2010;

Osborne, Radnor and Nasi, 2013), public services delivery over the past two decades has been dominated by approaches (often under the rubric of the NPM) that have consistently treated public services as if they were manufactured goods rather than services. This has led to a focus on design and performance evaluation rather than upon the significance of knowledge transformation and of the process of service delivery. It has also encouraged public service reform strategies that have been introspective and sought to increase internal efficiency whilst ignoring the core issue of external effectiveness (Radnor and Osborne, 2013). This has been despite a significant services management and service dominant literature that explores these issues in a private sector context and which has been discussed extensively above (Osborne, Radnor and Nasi, 2013). The present paper has demonstrated the utility of this services literature for public policy making and public services. It is long overdue for this wider contribution to be recognized and acted upon in a public service context.

Finally, none of the above should be taken to negate the need for political debate about what forms of co-production and social innovation are socially acceptable. This is the arena in which to decide, for example, whether the tagging of offenders to co-produce custodial sentences in the community is socially acceptable, just as it was to decide that 'pin down' in the 1990s was a socially unacceptable form of innovation in child-care services.

Co-production: a research agenda

The next challenge is surely for empirical research to test and refine this framework and its contribution to public administration and public management theory. This will require its further clarification as a set of testable propositions. A range of methodologies exist that can drive forward this empirical testing and refinement including experimentation (Margetts, 2011), the analysis of administrative data (Andrews, Boyne and Walker, 2011), ethnographic study (Huby, Harris and Grant, 2011) and longitudinal research (Wond and Macaulay, 2011). *Inter alia*, key issues for the research agenda include

- testing and refining the conceptualization of co-production provided here across a range of

areas of public service delivery in order to clarify the extent to which it is a general model or to which there are industry-specific issues to be taken into account;
- in particular, exploring the boundaries of the service user and citizen roles, the extent to which they are mutually dependent, and their implications for the nature of co-production;[5]
- evaluating a range of public policy and public service delivery options for facilitating the different modes of co-production identified here, to identify and consider their contingencies;
- exploring the implications of unwilling, coerced and multiple service users for this framework;
- similarly, considering the range of relationships that a user might have with their service over time (some public services may be used continuously whilst others may require periodic or sporadic usage) and the implications of this for the nature of co-production;
- examining the contribution that ICT and digital technology can make to the practice of co-production;
- scrutinizing specific cases where co-production has failed or proved difficult to facilitate in order to clarify its limitations; and
- assessing the key skills that policy-makers, service professionals and service users require to optimize the potential for co-production, as well as the range of mechanisms for enabling the development of these skills.

Only once such an agenda has been pursued will the full utility, and limitations, of this new framework be clearly elucidated.

References

Alam, I. (2006). 'Removing the fuzziness from the fuzzy front-end of service innovations through consumer interactions', *Industrial Marketing Management*, **35**, pp. 468–480.

Alford, J. (1998). 'A public management road less traveled: clients as co-producers of public services', *Australian Journal of Public Administration*, **57**, pp. 128–137.

Alford, J. (2002). 'Why do public-sector clients coproduce?', *Administration and Society*, **34**, pp. 32–56.

Alford, J. (2009). *Engaging Public Sector Clients: From Service-delivery to Co-production*. London: Palgrave Macmillan.

Alford, J. and O. Hughes (2008). 'Public value pragmatism as the next phase of public management', *American Review of Public Administration*, **38**, pp. 130–148.

[5]This is an issue that the larger empirical study from which this conceptual paper has been drawn has already begun to address.

Andrews, R. and G. Boyne (2010). 'Better public services? The moral purpose of public management research', *Public Management Review*, **12**, pp. 307–321.

Andrews, R., G. Boyne and R. Walker (2011). 'The impact of management on administrative and survey measures of organizational performance', *Public Management Review*, **13**, pp. 227–257.

Arnstein, S. A. (1969). 'A ladder of citizen participation?', *Journal of the American Institute of Planners*, **35**, pp. 216–224.

Barnes, M. (1995). 'Spoilt for choice? How consumerism can disempower public service users', *Public Money and Management*, **15**, pp. 53–58.

Barras, R. (1986). 'Towards a theory of innovation in services', *Research Policy*, **15**, pp. 161–173.

Bason, C. (2010). *Leading Public Sector Innovation. Co-creating for a Better Society*. Bristol: Policy Press.

Bekkers, V., A. Edwards, R. Moody and H. Beunders (2011). 'Caught by surprise? Micro-mobilization. New media and the management of strategic surprises', *Public Management Review*, **13**, pp. 1003–1022.

Beresford, P. (2001). 'Service users, social policy and the future of welfare', *Critical Social Policy*, **21**, pp. 494–512.

Bovaird, T. (2005). 'Public governance: balancing stakeholder power in a network society', *International Review of Administrative Sciences*, **71**, pp. 217–228.

Bovaird, T. (2007). 'Beyond engagement and participation – user and community co-production of public services', *Public Administration Review*, **67**, pp. 846–860.

Bovaird, T. and E. Loeffler (2003). 'Understanding public management and governance'. In T. Bovaird and E. Loeffler (eds), *Public Management and Governance*, pp. 3–12. London: Routledge.

Bovaird, T. and E. Loeffler (2009). 'User and community co-production of public services and public policies through collective decision-making: the role of emerging technologies'. In T. Brandsen and M. Holzer (eds), *The Future of Governance*, pp. 231–251. Newark, NJ: NCPP.

Bovaird, T. and E. Loeffler (2012). 'From engagement to co-production: how service users and communities contribute to public services'. In V. Pestoff, T. Brandsen and B. Verschuere (eds), *New Public Governance, the Third Sector and Co-production*, pp. 35–60. London: Routledge.

Boyle, D. and M. Harris (2009). *The Challenge of Co-production: How Equal Partnership Between Professionals and the Public can Lead to Improved Public Services*. London: NESTA.

Brandsen, T. and V. Pestoff (2006). 'Co-production, the third sector and the delivery of public services', *Public Management Review*, **8**, pp. 493–501.

Brown, L. and S. Osborne (2013). 'Risk and innovation. Towards a framework for risk governance in public services', *Public Management Review*, **15**.

Brudney, J. L. and R. E. England (1983). 'Toward a definition of the co-production concept', *Public Administration Review*, **43**, pp. 59–65.

Bryson, J. (2004). 'What to do when stakeholders matter. Stakeholder identification and analysis techniques', *Public Management Review*, **6**, pp. 21–53.

Chesbrough, H. (2003). Open Innovation: *The New Imperative for Creating and Profiting from Technology*. Boston, MA: Harvard Business School Press.

Clark, T. and G. Salaman (1998). 'Creating the 'right' impression: towards a dramaturgy of management consultancy', *Service Industries Journal*, **18**, pp. 18–38.

Corcoran, M. (2011). 'Dilemmas of institutionalization in the penal voluntary sector', *Critical Social Policy*, **31**, pp. 30–52.

Crosby, B. (2010). 'Leadership in a shared power world', *Public Administration Review*, **70**, pp. 69–77.

Crosby, B. and J. Bryson (2005). *Leadership for the Common Good*, New York: Wiley.

Dibben, P. and D. Bartlett (2001). 'Local government and service users: empowerment through user-led innovation?', *Local Government Studies*, **27**, pp. 47–58.

Dunleavy, P., H. Margetts, S. Bastow and J. Tinkler (2006). *Digital Era Governance*. Oxford: Oxford University Press.

Enkel, E., O. Gassmann and H. Chesbrough (2009). 'Open R&D and open innovation: exploring the phenomenon', *R&D Management*, **39**, pp. 311–316.

Evamy, M. (2009). *Are We the Champions? Designers and the Co-creation of Public Services*. London: Royal Society of Arts.

Evers, A. (2006). *Current Strands in Debating User Involvement in Social Services*. Strasbourg: Council of Europe.

Ferlie, E., J. Hartley and S. Martin (2003). 'Editorial: Changing public services organisations – current perspectives and future prospects', *British Journal of Management*, **14**, pp. S1–S14.

Frederickson, H. (1996). 'Comparing the reinventing government movement with the new public administration', *Public Administration Review*, **43**, pp. 263–270.

Gronroos, C. (2007). *Service Management and Marketing: Customer Management in Service Competition*. Chichester: Wiley.

Guadognoli, E. and P. Ward (1998). 'Patient participation in decision-making', *Social Science and Medicine*, **47**, pp. 329–339.

Gummerus, J. (2010). 'E-services as resources in customer value creation: a service logic approach', *Managing Service Quality*, **20**, pp. 425–439.

Hartley, J. (2005). 'Innovation in governance and public services: past and present', *Public Money and Management*, **25**, pp. 27–34.

Havassy, H. M. and U. Yanay (1990). 'Bridging between local needs and centralised services: co-optation or co-production', *Community Development Journal*, **23**, pp. 213–234.

Haveri, A. (2006). 'Complexity in local government change: limits to rational reforming', *Public Management Review*, **1**, pp. 31–46.

Head, B. (2010). 'Public management research: towards relevance', *Public Management Review*, **12**, pp. 571–585.

Hood, C. (1991). 'A public management for all seasons?', *Public Administration*, **69**, pp. 3–19.

Horne, M. and T. Shirley (2009). *Co-production in Public Services: a New Partnership with Citizens*. London: Cabinet Office.

Huby, G., J. Harris and S. Grant (2011). 'Contributions of ethnography to the study of public services management', *Public Management Review*, **13**, pp. 209–225.

Huxham, C. (2003). 'Theorizing collaborative advantage', *Public Management Review*, **5**, pp. 401–423.

Johnston, R. and G. Clark (2008). *Service Operations Management: Improving Service Delivery*. Harlow: Prentice Hall.

Joshi, A. and M. Moore (2002). 'Organisations that reach the poor: why co-production matters'. Paper presented at the World Bank Symposium on Making Public Services Work for Poor People, Oxford.

Joshi, A. and M. Moore (2004). 'Institutionalized co-production: unorthodox public services delivery in challenging environments', *Journal of Development Studies*, **40**, pp. 31–49.

Joyce, P. (1998). 'Management and innovation in the public services', *Strategic Change*, **30**, pp. 19–30.

Judd, D. (1979). *The Politics of American Cities: Private Power and Public Policy*. Boston, MA: Little, Brown.

Jung, T. (2010). 'Citizens, co-producers, customers, clients, captives? A critical review of consumerism and public services', *Public Management Review*, **12**, pp. 439–446.

Katz, S., P. Lantz, N. Janz, A. Fagerlin, K. Schwartz, L. Liu, D. Deapen, B. Salem, I. Lakhani and M. Morrow (2005). 'Patient involvement in surgery treatment decisions for breast cancer', *Journal of Clinical Oncology*, **23**, pp. 5526–5533.

Kinder, T. (2000). 'A sociotechnical approach to the innovation of a network technology in the public sector', *European Journal of Innovation Management*, **3**, pp. 72–90.

Kristensson, P., J. Matthing and N. Johansson (2008). 'Key strategies for the successful involvement of customers in the co-creation of new technology-based services', *International Journal of Service Industry Management*, **19**, pp. 474–491.

LaPorte, T. R. (1971). 'The recovery of relevance in the study of public organizations'. In F. Marini (ed.), *Toward a New Public Administration: The Minnowbrook Perspective*, pp. 17–48. Scranton, PA: Chandler Publishing.

Lengnick-Hall, C., V. Claycomb and L. Inks (2000). 'From recipient to contributor: examining customer roles and experienced outcomes', *European Journal of Marketing*, **34**, pp. 359–383.

Levine, C. and G. Fisher (1984). 'Citizenship and service delivery: the promise of co-production', *Public Administration Review*, **44**, pp. 178–189.

Lipsky, M. (1968). 'Protest as a political resource', *American Political Science Review*, **62**, pp. 1144–1158.

Lynn, L. E. (2001). 'The myth of the bureaucratic paradigm: what traditional public administration really stood for', *Public Administration Review*, **61**, pp. 144–160.

Magnusson, P. (2003). 'Benefits of involving service users in innovation', *European Journal of Innovation Management*, **6**, pp. 228–238.

Margetts, H. (2009). 'The Internet and public policy', *Policy and Internet*, **1**, pp. 1–21.

Margetts, H. (2011). 'Experiments for public management research', *Public Management Review*, **13**, pp. 189–208.

McLaughlin, K., S. Osborne and C. Chew (2009). 'Relationship marketing, relational capital and the future of marketing in public service organizations', *Public Money and Management*, **29**, pp. 35–42.

Moller, K., R. Rajala and M. Weserlund (2008). 'Service innovation myopia? A new recipe for client–provider value creation', *California Management Review*, **50**, pp. 31–48.

Mulgan, G. P. (2006). 'The process of social innovation', *Innovations*, **Spring**, pp. 145–162.

Normann, R. (1991). *Service Management: Strategy and Leadership in Service Business*. Chichester: Wiley.

OECD Directorate for Public Governance and Territorial Development (2011). *Together for Better Public Services*. Paris: OECD.

Ordanini, A. and P. Pasini (2008). 'Service co-production and value co-creation: the case for a service-orientated architecture (SOA)', *European Management Journal*, **26**, pp. 289–297.

Osborne, S. (1994). 'The language of empowerment', *International Journal of Public Sector Management*, **7**, pp. 56–62.

Osborne, S. (2010). 'Delivering public services: time for a new theory?', *Public Management Review*, **12**, pp. 1–10.

Osborne, S. and L. Brown (2011). 'Innovation, public policy and public services delivery in the UK: the word that would be king?', *Public Administration*, **89**, pp. 1335–1350.

Osborne, S., R. Beattie and A. Williamson (2002). *Community Involvement in Rural Regeneration Partnerships in the UK*. Bristol: Policy Press.

Osborne, S., R. Beattie and A. Williamson (2006). 'Community involvement in rural regeneration partnerships: evaluating the impact of voluntary sector intermediary bodies', *Public Money and Management*, **26**, pp. 235–243.

Osborne, S., C. Chew and K. Mclaughlin (2008). 'The once and future pioneers? The innovative capacity of voluntary organisations and the provision of public services: a longitudinal approach', *Public Management Review*, **10**, pp. 51–70.

Osborne, S., Z. Radnor and G. Nasi (2013). 'A new theory for public service management? Towards a (public) service-dominant approach', *American Review of Public Administration*, **43**, pp. 135–158.

Ostrom, E. (1972). 'Metropolitan reform: propositions derived from two traditions', *Social Science Quarterly*, **53**, pp. 474–493.

Parker, S. and J. Heapey (2006). *Journey to the Interface*, London: Demos.

Parks, R. B., P. C. Baker, L. Kiser, R. Oakerson, E. Ostrom, V. Ostrom, S. L. Percy, M. B. Vandivort, G. P. Whitaker and R. Wilson (1981). 'Consumers as co-producers of public services: some economic and institutional considerations', *Policy Studies Journal*, **9**, pp. 1001–1011.

Parliament of Australia (2011). *Citizens' Engagement in Policymaking and the Design of Public Services*. Canberra: Parliament of Australia.

Pascu, C. and M. van Lieshout (2009). 'User-led, citizen innovation at the interface of services', *info*, **11**, pp. 82–96.

Payne, A., K. Storbacka and P. Frow (2008). 'Managing the co-creation of value', *Journal of the Academy of Marketing Science*, **36**, pp. 83–96.

Pestoff, V. (2006). 'Citizens and co-production of welfare services', *Public Management Review*, **8**, pp. 503–519.

Pestoff, V., T. Brandsen and B. Verschuere (eds) (2012). *New Public Governance, the Third Sector and Co-production*. London: Routledge.

Pestoff, V., S. P. Osborne and T. Brandsen (2006). 'Patterns of co-production in public services', *Public Management Review*, **8**, pp. 591–595.

Peters, B. G. and J. Pierre (2000). 'Citizens versus the new public manager: the problem of mutual empowerment', *Administration and Society*, **32**, pp. 9–28.

Porter, D. (2012). 'Co-production and network structures in public education'. In V. Pestoff, T. Brandsen and B. Verschuere (eds), *New Public Governance, the Third Sector and Co-production*, pp. 145–168. London: Routledge.

Potter, J. (1994). 'Consumerism and the public sector: how well does the coat fit?'. In D. McKevitt and A. Lawton (eds), *Public Sector Management: Theory, Critique and Practice*, pp. 250–265. Milton Keynes: Open University Press.

Powell, M., I. Greener, I. Szmigin, S. Doheny and N. Mills (2010). 'Broadening the focus of public service consumerism', *Public Management Review*, **12**, pp. 323–340.

Prahalad, C. and V. Ramaswamy (2004). 'Co-creating unique value with customers', *Strategy and Leadership*, **32**, pp. 4–9.

Radnor, Z. and S. Osborne (2013). 'Lean: a failed theory for public services?', *Public Management Review*, **15**.

Roberts, N. (2004). 'Public deliberation in an age of direct citizen participation', *American Review of Public Administration*, **34**, pp. 315–353.

Rosentraub, M. and R. Warren (1987). 'Citizen participation in the production of urban services', *Public Productivity Review*, **10**, pp. 75–89.

Salamon, L. (2002). 'The new governance and the tools of public action: an introduction'. In L. M. Salamon (ed.), *The Tools of Government: A Guide to the New Governance*, pp. 1–47. Oxford and New York: Oxford University Press.

Sangiorgi, D. (2012). 'Transformative services and transformation design', *International Journal of Design*, **5**, pp. 29–40.

Scott, C. and K. Baehler (2011). *Adding Value to Policy Analysis and Advice*. Sydney: UNSW Press.

Scott, W. R. (1992). *Organisations: Rational, Natural and Open Systems*. Englewood Cliffs, NJ: Prentice Hall.

Scottish Government (2010). *Self-directed Support: a National Strategy for Scotland*. Edinburgh: Scottish Government.

Sharp, E. (1980). 'Toward a new understanding of urban services and citizen participation: the coproduction concept', *American Review of Public Administration*, **14**, pp. 105–118.

Sheth, J. and A. Parvatiyar (2000). *Handbook of Relationship Marketing*. Thousand Oaks, CA: Sage.

Simmons, R. and J. Birchall (2005). 'A joined-up approach to user participation in public services: strengthening the participation chain', *Social Policy and Administration*, **39**, pp. 260–283.

Sinclair, R. (2004). 'Participation in practice: making it meaningful, effective and sustainable', *Children and Society*, **18**, pp. 106–118.

Skelcher, C. (1993). 'Involvement and empowerment in local public services', *Public Money and Management*, **13**, pp. 13–20.

Stewart, J. and M. Clarke (1987). 'The public service orientation: issues and dilemmas', *Public Administration*, **65**, pp. 161–177.

Sundbo, J. and F. Gallouj (2000). 'Innovation as a loosely coupled system in services', *International Journal of Services Technology and Management*, **1**, pp. 15–36.

Tritter, J. Q. and A. McCallum (2006). 'The snakes and ladders of user involvement: moving beyond Arnstein', *Health Policy*, **76**, pp. 156–168.

Van der Aa, W. and T. Elfring (2002). 'Realizing innovation in services', *Scandinavian Journal of Management*, **18**, pp. 155–171.

Van de Walle, S. and G. Bouckaert (2003). 'Public service performance and trust in government: the problem of causality', *International Journal of Public Administration*, **26**, pp. 8–9.

Van Looy, B., P. Gemmel and R. Van Dierdonck (2003). *Services Management: An Integrated Approach*. Harlow: Pearson.

Vargo, S. L. and R. F. Lusch (2008). 'Service-dominant logic: continuing the evolution', *Journey of the Academy of Marketing Science*, **36**, pp. 1–10.

Vargo, S. L., P. P. Maglio and M. Archpru Akaka (2008). 'On value and value co-creation: a service systems and service logic perspective', *European Journal of Management*, **26**, pp. 145–152.

Venetis, K. and P. Ghauri (2004). 'Service quality and customer retention', *European Journal of Marketing*, **38**, pp. 1577–1598.

Von Hippel, E. (1994). 'Sticky information and the locus of problem solving: implications for innovation', *Management Science*, **40**, pp. 429–439.

Von Hippel, E. (2005). *Democratizing Innovation*. Cambridge, MA: MIT Press.

Vroom, V. and P. Yetton (1973). *Leadership and Decision-making*. Pittsburgh, PA: University of Pittsburgh Press.

Whitaker, G. P. (1980). 'Co-production: citizen participation in service delivery', *Public Administration Review*, **40**, pp. 240–246.

Wond, T. and M. Macaulay (2011). 'Extending time – extended benefits. Using longitudinal research in public management evaluation', *Public Management Review*, **13**, pp. 309–320.

Yang, K. (2006). 'Trust and citizen involvement decisions: trust in citizens, trust in institutions, and propensity to trust', *Administration and Society*, **38**, pp. 573–595.

Stephen P. Osborne is Chair of International Public Management and Director of the Centre for Public Services Research at the University of Edinburgh Business School. He is also Associate Dean for Quality in the College of Humanities and Social Sciences at the University of Edinburgh. He edits the journal *Public Management Review*.

Kirsty Strokosch is an independent consultant and also a Research Associate of the Centre for Public Services Research at the University of Edinburgh Business School.