

Philanthropie Aktuell

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EDITORIAL

Dear readers



The year 2016 has been characterized by political bangs that revealed a failure of the established systems. At the same time, 2016 also demonstrated that the NPO sector

is facing similar problems. In and around the Olympics, the large sports associations failed at multiple levels, be it in the financing of the Paralympics or in the way the drug charges against Russia were handled. There are justified reasons for criticism towards the corruption-ridden associations, even if they are ultimately the result of an overly entrenched oligarchy.

NPO need to think about new ways of creating more participation – to avoid the risk of becoming mere expert organizations. It is not expertise alone that makes NPO unique, but rather their societal anchoring. The UNESCO's nomination of the German cooperative system as Intangible World Heritage is evidence for its so to speak museum-like status, which gives some reasons for concern.

We have dedicated this issue of "Philanthropie Aktuell" to the alternative approaches of participation between the state, its citizens and NPO.

I wish you an interesting read and a successful start into the New Year!

Your Georg von Schnurbein

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Taking new paths with the state

Increasingly often one reads that the European-style welfare state is reaching its limits. Instead of further increases in taxation, the solution could be a changed relationship between the state and its citizens. The concept of co-production includes the citizens as co-producers of public services and thus reduces the effort by the state. Nonprofit organizations (NPO) take on an important role as intermediaries in the process. An article by Georg von Schnurbein.

Throughout the 20th century, state welfare took over more and more areas of social life. By fulfilling high standards, the state managed to establish a social balance. State services were financed through taxation and social charges. The current demographic development of western societies is taking the system to the limits of its carrying capacity. Attempts to stop this trend towards failures in the social security benefits systems – be it through benefit cuts or increased contributions, or through more efficient structures via New Public Management – have all been unsuccessful.

Alternatives for state and citizens

To achieve far-reaching changes, alternative concepts are needed. Although one of them is not that new, it is not very widespread in Europe. The concept of co-production, dating from the early 1980s, is different to today's well-known New Public Management (NPM) in some crucial aspects. NPM equates the relationship between the state and citizens with a service provider relationship whereby the citizen acts like a customer receiving services from the state. The administration is thus encouraged to think and act customer-oriented. Following the principle of subsidiarity, the concept sees the NPO in the role of co-producing tasks. In

accordance with closely defined performance targets, NPO are only paid for exactly the services that have been legally defined. Without a doubt and only thanks to NPM, in the past two decades many areas have experienced an improved quality and more efficiency in service provision. At the same time, a system of service provider contracts, calls for tender and performance targets has emerged that is often seen as inflexible and excessive. Especially NPO in the social and health system, in education and in culture are complaining that the state contributions come at the cost of creative freedom. In this respect, the concept of co-production offers an alternative solution.

Recipients and producers

Basically, co-production means that the planning and provision of state tasks is performed in cooperation between the state, the citizens and civil institutions (i.e. NPO). This allows for a more efficient use of the resources and skills of the contributing actors. The citizen is not just the recipient of services but also a co-producer able to engage on a voluntary basis. Particularly NPO are given new opportunities of active participation. Not only do they take on the role of the service provider, they also act as intermediaries between state and citizens which

allows them to play a more important role in promoting democracy.

Co-production is

- transformative, as the existing role definitions of clients, volunteers and employed staff of NPO can be newly designed
- egalitarian, meaning that knowledge and skills of all contributors are valued and everyone meets on an equal footing
- sustainable, as the building of social capital leads to a better use of available resources.

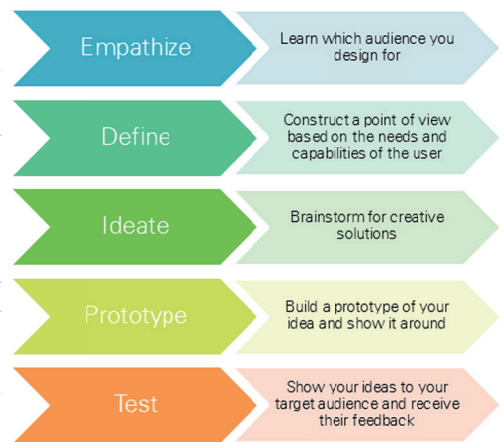
Implementing the idea

In practice, co-production can be implemented throughout the entire process of service provision. The term commonly used in the early stages of planning and development of public services is co-design. In Switzerland, there are various areas where co-design is successful, i.e. referendums, participation procedures or public calls for proposals. Less widespread, however, are participation processes in the actual service provision (co-production) or in the subsequent target performance evaluation (co-evaluation).

But how is it implemented in the concrete incident? In 1997, in canton Basel, the campaign «Spray-out» was introduced. The aim of the campaign was to remove sprayings and graffiti on private properties as fast as possible. According to the Broken-Windows theory, one wrongdoing can trigger a chain reaction which then legitimizes further wrongdoings. Often the owners do not react soon enough or wait until the effort of getting a painter is worth it. Facing this is the public interest of an attractive townscape. The campaign «Spray-out» allows owners or tenants of a house to call upon the canton's administration to organize the clean-up through a member firm of the Basel painters' association. Up to a damage worth of CHF 1000, the owner of a house needs to contribute just CHF 100, the rest is paid by the canton. The project has been running very successfully until now, although the budget allocated by the canton for 2016 was not enough so that renegotiations are currently taking place.

Design Thinking

Design Thinking is an innovative approach for the solution of challenges and for the development of new ideas in everyday business and in NPO. The practice aims at transferring think processes from different design disciplines to procedures within enterprises. The important thing is to find solutions that are convincing from the user's point of view. The needs of the users, user friendliness and a benefit-orientated design are central to Design Thinking. Innovations are thereby not only the result of individual ideas, but also emerge from the creative work in interdisciplinary composed teams. The diagram shows five possible steps in this creative process.



A promising concept

The success of the campaign can easily be illustrated by looking at the relationships between the participants. The canton reduces the workload of its staff as the damages are reported actively, also the clean-ups are not performed by cantonal staff. At the same time, a fixed hourly rate was agreed with the painters' association which simplifies the budgeting task of the canton. The association gets the advantage of being able to offer its members an added economic benefit which is not accessible to non-members. And lastly, the citizens are supported in removing damages which they

did not cause themselves and are motivated to fix the damage by not having to pay a lot for the service. The example shows that private and public resources are combined for the ultimate benefit of society. This, however, requires that the distribution of roles between the state, NPO and citizens is reconsidered.

Further reading:

Boyle, D./ Harris, M (2009): The Challenge of co-production – How equal partnerships between professionals and the public are crucial to improving public services, London.

Bracci, E./ Fugini, M./ Sicilia, M. (2016) : Co-production in the public sector, Heidelberg.

Non-profit leadership and co-creation

The Regional Studies Association has organized a workshop dedicated to linking urban and regional leadership.

At the event in Aix-en-Provence on 20 and 21 October 2016 the relationship between non-profit leadership and co-creating was discussed.

The current research underlines the importance of non-profit leadership in co-creation in public policies. The success of this concept is apparent especially at the local level. To exploit this potential, co-production/co-creation requires available funds for civic leadership, strong engagement of corporate and civil society expertise, bottom-up initiative, and social intermediaries.

Comparison among European cities shows that these conditions are not always present. The high but not fully utilized potential for co-creation

is evident in post-transition societies in Central and Eastern Europe. For example, around one third of local politicians play an active role in civil society organizations in Central European countries. This engagement of local politicians in these organizations helps to increase social trust in these countries.

If the above-mentioned conditions are met in a network of cities, bottom-up approach in co-creation could achieve success also in policies at national level. The attendees of the workshop concluded that participation of stakeholders on co-creation has a high potential to positively influence the acceptance of political decisions.

Oto Potluka

Stronger participation, better services?

In the concept of co-production citizens are not only consulted, but are part of the conception, design, steering, and management of public services. The concept rests on the promise that through the active integration of citizens better results are achieved and services are better tailored to the needs of the population. One of the scholars who defined the concept is Dr. Jeffrey L. Brudney who already wrote about the topic in 1983. The CEPS speaks with Jeffrey about the promises and challenges of co-production.

CEPS: How did the idea of co-production emerge?

J.B.: The idea of co-production emerged in the late 1970s and early 1980s as a new approach to the study and delivery of publicly-financed services. The concept originated in the United States, and scholars and practitioners world-wide have found it useful and provocative. Professor Elinor Ostrom and her colleagues in the Workshop in Political Theory and Policy Analysis at Indiana University are usually credited with the origin of the concept, although the idea of active citizen involvement in the delivery of services they receive may have been recognized and used more broadly, if not by the name co-production.



Dr. Jeffrey L. Brudney is the Betty and Dan Cameron Family Distinguished Professor of Innovation in the Nonprofit Sector at the University of North Carolina Wilmington. He is one of the leading researchers on co-production and an Affiliate Professor at the CEPS.

CEPS: Is co-production a sign of a strong civil society or a means of government to outsource services and save costs?

J.B.: Co-production research and practice has as its primary goal improving the public service delivery process and the results obtained from it. The central idea is that by harnessing the motivation, skills, and effort of those receiving government services, clients will benefit as will the larger community, thereby building a stronger civil society. Co-production research does not conceive of co-production as a means to outsource service or save costs.

CEPS: Are there certain factors of success for co-production?

J.B.: Much of the co-production li-

terature attempts to identify factors of success. In general, we can organize these factors into three categories. Because co-production is a new form of delivering services with citizens, governments should promote and explain these new arrangements, so that citizens will understand what is asked of them. Second, governments should provide training and necessary tools that citizens may need to participate in co-production. For example, if government organizes a local or neighborhood clean-up campaign with citizens, it should provide the tools and materials needed by the citizens. Third, governments should offer several ways for citizens to participate in service delivery, and not just rely on any one of them. For example, governments increasingly ask citizens to participate through electronic means or online, but not everyone has the computer technology. The government should, thus, not turn exclusively to electronic interactions with citizens.

CEPS: What role do nonprofit organizations play in co-production?

J.B.: Although much less research addresses co-production in nonprofit organizations than in government agencies, analogous processes appear to take place in the nonprofit sector. As in the co-production of government services, to the degree that nonprofit organizations organize and arrange the delivery of services so that recipients are fully engaged and become active co-producers, clients as well as the larger civil society will benefit.

CEPS: Do you see a growing role for co-production in the future?

J.B.: Co-production is attracting increasing attention around the globe from scholars and practitioners. It will play a growing role in the future, especially as governments and nonprofit organizations learn to design,

organize, and manage coproduction arrangements more effectively.

CEPS: Thank you!

CEPS INSIGHT

Global Social Entrepreneurship

On 25 October the second CAS Global Social Entrepreneurship started in Basel. The CAS is organized in a partnership between CEPS and BOOKBRIDGE. Over the next seven months 17 participants from eight different countries will learn about the dynamics of social enterprises and develop a community learning center in Sri Lanka along with local partners.

The next CAS Global Social Entrepreneurship starts on 27 September 2017. The course language is English.

New advisory board members

The advisory board supports the CEPS with knowledge and information from the field. The President's Board of the University of Basel elects the members of the advisory board based on recommendations by the CEPS. We welcome Dr. Pascale Vonmont (designated director of the Gebert RUF Foundation) and Lukas von Orelli (director of the Velux Foundation, president of SwissFoundations) as new members of the advisory board. They replace Dr. Antonia Jann and Dr. Philipp Egger and will serve on the board for a term of four years.

New colleagues

After 30 years of experience in the nonprofit sector Robert Schmuki joined our team in October as the director of executive education and knowledge transfer. He will support us in our research and our training programs.

Marianne Käch and Felix Bartos are studying for the BA in Business & Economics. Since October they have been helping our team as student assistants.

A busy autumn for executive education

The professionalization of the nonprofit sector leads to a growing demand for competent leadership and qualified measures. This autumn the training programs offered by the CEPS focussed mainly on financial management and impact measurement.



Participants in our training program

The current situation of the financial markets and the concurrent pressure to save resources in the public sector lead to vital discussions in our training program on financial management. Targeted investment strategies, meticulous financial controlling and a well-defined asset planning strategy were the central themes that were discussed in the intensive course in November.

NPO also face great challenges regarding impact measurement. Finding the right method for measurement is a difficult task; also of great significance is finding the balance between forms of evaluations concerning the possible improvement of services and those regarding the legitimation of services. These two positions often don't overlap and the side focussed on legitimation dominates, leaving less room for the aim to improve performance through the evaluation. The CAS Kommunikation & Wirkungsmessung in NPO (Communication and Impact Measurement in NPO) broached the issue of finding the right equilibrium between the size of a project and the necessary amount of evaluations. Not everything that can be evaluated needs to be evaluated.

This October we launched the CAS Global Social Entrepreneurship for the second time. This program entails a journey to Sri Lanka in February where the participants will get the chance to implement their newly gained knowledge in a learning project. The course is a one-of-a-kind combination of learning and experience in the field which offers participants to gain a type of experience that would otherwise not be available in executive education. Therefore it was no surprise that the course was fully booked out.

Robert Schmuki

Did you know?

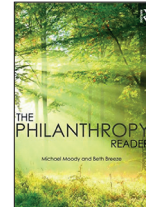
79%

In a survey among civil servants of British authorities, 79% of the interviewees stated that the involvement of stakeholders in their work leads to an improved quality of their services (Bovaird & Downe, 2008). Clear approval was also expressed regarding co-production making services better adapted to users (89%), leading to better informed decisions (86%) and more accessible services (81%).

Source: Bovaird & Downe, 2008

Philanthropy

Philanthropy is moving forward at a rapid rate. A new anthology offers clarity and answers to fundamental questions.



For «The Philanthropy Reader», Michael Moody and Beth Breeze have compiled more than 90 articles and scientific texts on the topic of philanthropy. They decided to only print the sections

they considered the most important in the book, while providing the complete versions – if available – as online texts. «The Philanthropy Reader» comprises six chapters and 500 pages that ask questions on the definition and history of philanthropy, the roles and responsibilities of philanthropists and beneficiaries, as well as the challenges that philanthropy is facing today and will be faced with in future. Theory and practice have both found their place in the book. Apart from scientists and researchers, texts by important philanthropists such as Bill Gates or Andrew Carnegie are also included. Michael Moody and Beth Breeze's choice of texts and authors allows for an extensive interdisciplinary and intercultural analysis of philanthropy. The result is a very comprehensive and diverse work that is perfectly suited as an introductory and further reading alike.

Felix Bartos

CALENDER

CEPS Executive Education

Enroll now! (Courses in German)

Intensiv-Lehrgang Stiftungsmanagement
13 - 17 March 2017, Sigriswil

CAS Nonprofit Governance & Leadership

Module 1: 3 - 6 April 2017, Sigriswil
Module 2: 15 - 17 May 2017, Basel
Module 3: 12 - 15 June 2017, Basel

CAS Kommunikation & Wirkungsmessung in NPO

Module 1: 21 - 24 August 2017, Oberhofen
Module 2: 11 - 13 September 2017, Basel
Module 3: 16 - 19 October 2017, Basel

CAS Global Social Entrepreneurship (in English)

Module 1: 25 - 28 September 2017, Basel

Module 2: 10 November 2017, online
Module 3: 15 - 17 January 2018, Basel
Module 4: 10 - 17 March 2018, Cambodia
Module 5: 25 - 26 June 2018, Basel

FURTHER DATES

European Foundation Center 2017 EFC AGA and Conference
31 May - 2 June 2017, Warsaw

ANSER

Annual Conference
31 May - 2 June 2017, Toronto

EMES

International Research Conference
3 July - 6 July, Louvain-la-Neuve, Belgium

LEGAL NOTICE

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