INTRODUCTION

Philippe BANCE

Part of *New perspectives in the co-production of public policies, public services and common goods* by Philippe BANCE, Marie J. BOUCHARD & Dorothea GREILING (eds), 2022
CIRIEC (International Centre of Research and Information on the Public, Social and Cooperative Economy) is a non-governmental international scientific organization.

Its objectives are to undertake and promote the collection of information, scientific research, and the publication of works on economic sectors and activities oriented towards the service of the general and collective interest: action by the State and the local and regional public authorities in economic fields (economic policy, regulation); public utilities; public and mixed enterprises at the national, regional and local levels; the so-called “social economy” (not-for-profit economy, cooperatives, mutuals, and non-profit organizations); etc.

In these fields CIRIEC seeks to offer information and opportunities for mutual enrichment to practitioners and academics and to promote international reflection and action.

**CIRIEC activities, publications and researches are realized with the support of the University of Liège, the Walloon-Brussels Federation, the Walloon Region and the Belgian National Lottery.**

This publication has been peer-reviewed.

No part of this book may be reproduced in any form, by print, photocopy, microfilm or any other means, without prior written permission from the publisher. All rights reserved.

© CIRIEC aisbl, 2022
Université de Liège - HEC
Bâtiment N3a
Rue Saint-Gilles, 199
BE-4000 Liège (Belgium)
ciriec@uliege.be; https://www.ciriec.uliege.be


This publication is indexed and available in RePEc
In the recent decades, partnerships between public, SSE organizations and public authorities have multiplied across the world to produce public goods and commons. Their methods of implementation as well as the scope and limits of this cooperation have been analysed in a book published in 2018 by CIRIEC International entitled “Providing public goods and commons. Towards coproduction and new forms of governance for a revival of public action”. The object of this new book is to prolong these analyses.

What were the main results of the CIRIEC last publication on partnerships between public, SSE organizations and public authorities? It demonstrated that this type of cooperation is the result of a profound transformation of ways of implementing policies of general interest. Driven by new public management and new forms of networks, public economy and social economy organizations are increasingly producing commons and public goods through their joint action. The 2018 publication also revealed the potential of these partnerships for the future. Several types of salient socioeconomic effects have been highlighted in various countries:

1. Blurring boundaries between public economy and social economy sectors

Traditionally the bearers of common interests, SSE organizations are increasingly involved in public service and general interest activities. That results in a shifting of boundaries between public economy and social economy. New public management brought along a strong focus towards efficiency while seeking to benefit from an additional dynamism for the realization of the general interest.

2. The development of social innovations in state, regional and local entities

Social economy organizations, through their proximity to stakeholders and their organizational culture centred on the common interest, may contribute to the development of social innovation and to objectives of general interest on territorial ecosystems. There is a revival of the idea that social economy organisations are innovations drivers for social changes.

* Professor, LC2S UMR CNRS-University of the French Antilles (France) (philippe.bance@univ-antilles.fr).
3. Tangible changes in the behavior of public organizations with regards to the social economy

New public management submits the providers of public services to the tension between financing constraints and the rise of market logics. That often results in a refocusing of public economy organizations in order to serve their own interests to the detriment of balanced cooperation with partners. The opportunities offered by the combination of multi-actor and participatory governance are thus sometimes called into question by the development of opportunistic behaviors that are detrimental to the conduct of projects of collective interest.

4. A deployment of new modes of multi-actor governance, raising the question of the co-construction of policies in the general interest

Cooperation between the public economy and the social economy offers major opportunities through the complementarity of their stakeholders. The co-construction of collective action can however be hampered by conflicts of interest between salient stakeholders which limit partnerships and therefore the joint production of public goods and commons. A democratic co-construction of public action may be a source of development of partnerships by mobilizing the various stakeholders in a balanced manner with a view to promoting the general interest.

5. New perspectives for a paradigm shift of collective action opened up by the deployment of partnerships and new governance

The new governances at work are a part of a process of profound redefinition of collective action. They have potential effects on the emergence of a new paradigm of collective action, remaining however uncertain.

Based on these observations, the present book builds on the 2018-research, in particular concerning:

- The role played by public and social economy organisations/enterprises in the joint production\(^1\) and co-production\(^2\) of public goods and commons in those new collective action processes, and the impact of those new multi-partner governance forms with respect to sustainable development at local regional, national of global levels.

- Possible complementarities and synergies between public and social economy organisations, in a perspective of co-construction of collective action according to new logics of general interest and sustainable development.

---

\(^1\) i.e. by nature of simultaneous production of goods considering their proper characteristics.

\(^2\) i.e. of desired collaborations by stakeholders in the framework certain production processes.
• Public policies to stimulate or facilitate the joint action of public and/or social economy organisations/enterprises in the production of common and public goods, and the possible emergence of a new paradigm of collective action based on those partnerships.

• The alternative between either the co-construction of public policies or the joint production of public goods and commons.

The book comes in three parts. The first part highlights the variety of partnership forms and institutional arrangements that are deployed in the renewed framework of expression of collective interest established over the past decades. The second part focuses on analysing the process of co-production of public goods and commons that has thus unfolded. The third part is dedicated to the analysis of the transformations at work in the collective action paradigm in order to draw current lessons and future prospects.

* * *

The four chapters of the first part show a variety of forms of partnerships that characterize the cooperation of actors in a view to satisfying the collective interest.

The diversity is first of all perceptible in the contrasts of institutional arrangements at work from one territorial space to another. This is what Dorothea Greiling and Melanie Schinnerl show, by a comparative analysis in chapter 1, “Combating Child Poverty at the Local Government Level in Austria and Belgium”. The comparison between these two European countries is enlightening in similar intrinsic characteristics in their objective to fight against children poverty and with rates of poverty of 20% or more. Nevertheless, local collaborations of public, social and solidarity economy partners in the policy design and the service provision level largely differ. Four cities are studied: Antwerp, Ghent, Linz, Vienna. The discrepancies begin with vertical political decision-making competencies. While the vertical policy making competencies in the two Flemish cities are higher, only Ghent has a local anti-poverty plan. On the service provision level, the Flemish cities have established professional service provider networks to combat child poverty and therefore put more resources in a collaborative approach and common actions. In the two Austrian cities service provision is more fragmented among the public and the social and solidarity economy partners and service provision covers to a greater all age groups.
In France, partnerships established at the local level to serve the collective interest are based on the creation of specific structures which have the advantage of closely involving stakeholders. Benjamin Fragny and Cathy Zadra-Veil thus show in chapter 2, “Collective innovation and living labs of real estate: an institutionalization of citizen participation?”, that living labs located in cities in the South of France, like Bordeaux, Lyon and Marseille, and specialized in real estate are relevant cooperation structures to contribute to the urban sustainable development. These living labs were indeed winners of calls for projects of the Industrial Demonstrators of the Sustainable City (DIVD). The study of their governance highlights the importance of institutional stakeholders but however a mitigate citizen participation.

The last two chapters of this first part highlight other forms of deployment of partnerships of collective interest which underline the multiple innovations. Alexandrine Lapoutte and Georges Alakpa, specify in chapter 3, “The resilience of public–social economy partnerships for food justice: a case study”, how recent partnerships bring together public and non-governmental stakeholders around local food governance. They question the organizational resilience of such institutional arrangement analysing the strengths and weaknesses in the case of a local Food Policy Council, i.e. the Lyon Sustainable Food Council. The findings reveal a high capacity to absorb shocks, a moderate capacity for renewing and a relatively low capacity for learning. Lapoutte and Alakpa regard this type of partnership as an innovative approach for food justice that appears to avoid market isomorphism, but presents a risk in terms of balancing stakeholders.

In chapter 4, titled “Big Business in the Social Commons: The Example of the Carrefour Vârâşti Agricultural Cooperative in Romania”, Gheorghe Ciascai and Hervé Defalvard analyse an interesting institutional arrangement in a producer cooperative created in 2017 in Romania. They expose how a cooperation between a very large private group (here the Romanian branch of Carrefour), small producers and public actors (Romanian legislation and local municipality) can become a social common. Although large groups may be seen as antinomic to the concept of commons, Ciascai and Defalvard show that, when being involved in the well-being of the local community, they can have a central role in a social community. That is the case in the region of Vârâşti where Carrefour operates a translocalism of a common by linking it to extra-local, national and global scales.

* * *
The second part of the book is dedicated to an analysis of co-production of public goods with its forms of expression in Italy, Germany and Slovakia.

In chapter 5, “Co-production paradigm: Threat or Opportunity for Social Economy?”, Andrea Bassi and Alessandro Fabbri make a review of the literature analysing the co-production concept itself and all the related concepts, such as co-creation, co-design, co-governance. In their review they are also focusing on the cooperation between public services and their users, and its connections with the role of the social economy organisations or civil society organisations. The review also includes an analysis of negative effects and implications, such as the risk of neglecting the importance of the Public Administration professionals’ contribution, and the under-estimation of the Civil Society (primary stakeholders, especially in Europe). Joint Production is defined as a strong collaboration between Public Administration and third sector organisations. Two empirical case studies of joint production in the Italian context show that this collaboration has strongly contributed to the high performance of the Italian health care system. Bassi and Fabbri also identify factors which are boosting the joint production.

The 6th chapter, by Benjamin Friedländer and Christina Schaefer, “Co-production of Public Goods in Shrinking Rural Regions in Germany: Why Does Public Action Still Matter?”, shows that co-production is a vital coping strategy for ensuring equivalent living conditions in rural regions in Germany. New forms of co-production networks have emerged to deal with the particular challenges of shrinking rural regions, a challenge many countries across the globe face. Municipal-owned corporations interact in complex and diverse networks with (private and social economy) actors for enabling a local service provision. Based on a literature review, trends, characteristics, advantages and challenges of co-production are identified. Co-production networks are quite complex and diverse, leading to complex network governance requirements. A special focus is put on the impact of these new forms of co-production on municipal-owned enterprises. The chapter also demonstrates the complementary role co-production networks have for re-enabling regional development, and the innovation potential such co-production networks offer in shrinking rural regions.

In the last chapter of the second part, entitled “Co-production of public goods in Slovakia”, Maria Murray Svidroňová, Juraj Nemec and Gabriela Vaceková, show the growing role played by public and social economy organisations in Slovakia. In particular, they study 2 types of co-production of public goods and common goods at the local level. They show that this phenomenon concerns in Slovakia various actors, not only officially registered social enterprises, but also organisations of various legal forms. The authors also map various organizations that participate in the co-production and bring social innovations at the local level. These authors contribute to the existing literature on economic organizations in one of the post-communist countries concerning the transformation of the "socialist" social enterprise sector into a social economy. The text also highlights the potential of economic organizations
to promote innovations through partnerships (with the public sector, non-
governmental organizations, citizens) and by co-production.

* * *

The third part of the book deals with the mutations of the collective action paradigm associated to the transformations outlined above. The analysis is conducted in several perspectives: from a general point of view, by a sectorial approach concerning financial regulation, by a conceptual analysis concerning public policies co-construction, and finally by a comparative approach between new regional policies.

In chapter 8, “After the Keynesian paradigm and the paradigm of economic liberalism, a new paradigm based on "values"?”, Pierre Bauby analyses the transformations and crises of the past paradigms of collective action. He exposes the main characteristics of the Keynesian and economic neoliberalism paradigms in terms of collective action, and their respective crises. He thus brings out the need to found a new paradigm based on “values” and permitting opportunities: One is to co-construct with all the actors concerned an approach which takes into account the specific contexts, responding to the new challenges of globalization. Another is to rebuild public services as well as the social and cooperative economy, and, more generally of public action. He considers that such a dynamic is at work in the European Union today through its social model, common values and fundamental rights.

Faruk Ülgen, in chapter 9, “Renewal of Public Action: Co-Production and Financial Regulation”, studies the major problems raised by the current paradigm of collective action by focusing more specifically on the systemic instability resulting from the financial system. He therefore calls to strengthen the stability of financial systems in an institutionalist perspective, based upon Polanyi’s analysis. Ülgen considers that the monetary and financial systems, as well as public service activity, require specific public actions. He argues that financial stability, as a public good, cannot be ensured through liberalized market mechanisms and privatized self-regulation modes. The relevance and the feasibility of financial co-regulation is seen by Ülgen as a possible alternative that could rest on a composite micro-macro regulation. He argues that, whatever the preferred model of regulation and regardless of the degree of inclusion of stakeholders in regulatory mechanisms, financial regulation must be organized under the supervision of independent public authorities. The effectiveness of financial regulation however requires public supervision that should be organized with stakeholders, outside market mechanisms.
Laurent Fraisse’s chapter 10, “Social and solidarity economy and the co-construction of a new field of local public policies in France”, takes place in a complementary analytic perspective: the opportunities offered today of co-construction of collective action by new forms of partnerships associated with the deployment of social and solidarity economy action. He analyses how coalitions of elected representatives, technicians, social entrepreneurs, heads of local networks, and local managers of support and financing structures have participated in the consolidation of the "social and solidarity economy". In France, new thematic and specific support instruments were then put in place without reference to the normative framework was put in place in July 2014, the SSE Act. Since then, SSE programs have been implemented in tension between a policy of recognition through new instruments, and the will to act transversally on the main challenges faced at local and regional levels (housing, employment, mobility, social cohesion, culture, sustainable development, etc.). Finally, the chapter focusses on how elected representatives and actors of local SSE policies have claimed and experimented processes of co-construction of public action.

The 11th and last chapter of the book, by Philippe Bance and Angélique Chassy, “Comparative analysis of Public-Social and Solidarity Economy Partnerships (PSSEPs) in the French Regions after the Hamon and NOTRé Laws”, follows a comparative approach similar to that of the first chapter, while prolonging the analysis of the previous chapter on the transformations of the collective action paradigm in France. It analyses how the deployment of regional policies are increasingly relying on social and solidarity economy organisations to carry out collective action. Interviews of representatives of influent structures (from public and SSE sectors) in two regions (Grand-Est and Normandy) and a textual analysis of their discourses show similarities but mainly important differences of approaches (role of SSE sector, citizen participation, influence of actors in the co-construction of regional public action and its territorial anchoring). The important gaps highlighted in the deployment of the regional policies and the PSSEPs could so lead in the future to the emergence of alternative regional models: by a yardstick competition between regional models and a process of creative destruction of collective action.
The CIRIEC STUDIES SERIES proposes research results from working groups and commissions of the CIRIEC scientific network in both social and cooperative economy and public economy.

To facilitate accessibility to those research works, this electronic series is proposed in open access, on CIRIEC’s website, but also as new series in RePEC. Each study is available and downloadable as a whole document but also chapter by chapter.