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Article

# The Persistent Constraints of New Public Management on Sustainable Co-Production between Non-Profit Professionals and Service Users

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**Abstract:** In this paper, I explore whether and how New Public Management (NPM) inhibits the long-term sustainability of co-production between non-profit practitioners and service users in the United Kingdom. I show how the key elements of NPM (contracts and competitive tendering, performance measurement, a pressure for non-profits to become more 'business-like', and the framing of citizens as 'customers') provide distinct barriers for non-profits to engage in co-production over the longer term, inhibiting the long-term creation of value for citizens. Through an analysis of seven case study organisations, this paper contributes to building theory about the sustainability of co-production, the factors that shape enduring co-production, and the compatibility/incompatibility of NPM tools with co-production.

**Keywords:** co-production; sustainability; non-profit organisations; New Public Management

## 1. Introduction

In recent years, we have seen an increasing contention that public management has moved beyond New Public Management (NPM) and towards a paradigm of New Public Governance (NPG). Proponents of NPG posit that governments are shifting from models that focus on becoming more efficient and business like to models centred around networks, partnerships and co-production. Under NPG, non-profit organisations become increasingly important partners of government, and likewise, the opportunities for service users to make active contributions to the delivery of services (provided either by non-profits or the public sector) is increased (Pestoff et al. 2012). Co-production has the potential to support greater sustainability and public value creation of social welfare services, by ensuring that services can continue to meet needs and create value for service users over the longer term.

Though Osborne (2006, 2010) posited that NPM was a temporary phase before the evolution to NPG, NPM continues to play an important role in many countries. NPM and NPG (along with traditional public administration) may in fact exist in the same country at the same time, overlapping in different service sectors (Pestoff 2018), becoming hybridised or layered with other models (Christensen and Lægveid 2022). This means that despite a conception of NPG as "greater citizen engagement in and co-production of public services and greater third sector provision of the same" (Pestoff 2012, p. 365), co-production cannot necessarily be seen as completely divorced from NPM.

The United Kingdom provides a compelling context to examine this phenomenon, where NPM tools and values are still very present despite expectations of a shift to NPG (McMullin 2021a). At the same time, co-production has flourished in terms of policy and rhetoric, with numerous think tank reports, networks and events dedicated to promoting co-production (Boyle and Harris 2009). This incongruity between NPM and co-production has potentially significant impacts for the sustainability of co-production: as previous theories have argued, sustainable co-production necessitates a supportive legal/regulatory and financial framework (Steen and Brandsen 2020), something that is, on paper, likely to be incompatible with NPM type approaches to service design and delivery. We therefore



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lack sufficient evidence on the specifics of the interaction between NPM tools and values and the development of sustainable co-production practices.

In this paper, I explore whether and how NPM inhibits (or, potentially, enables) the long-term sustainability of co-production between non-profit practitioners and service users in the United Kingdom. This paper focuses on public services delivered by non-profit organisations, because non-profits now deliver a large percentage of public services, and due to the evidence that suggests that non-profits are better placed to engage service users in co-production than their public sector counterparts (Pestoff 2009). I operationalise the main tenets of NPM as a framework to analyse the impact on non-profit organisations' practices of co-production, and how these shape, enable or prevent co-production from becoming sustainable over the long term. In so doing, this paper contributes to building theory about the sustainability of co-production, the factors that shape enduring co-production, and the compatibility/incompatibility of NPM tools with co-production.

This paper is structured as follows. In the next section, I review the extant literature on the co-production of public services and how this relates to the sustainability of co-production, as well as theories and models of NPM and NPG. Next, I discuss the methodology of the current study, followed by a presentation of the analysis of the data from the qualitative case studies that form the basis of the research. Finally, I discuss the implications of the research for our understanding of the interaction between New Public Management and the sustainability of co-production over time.

## 2. State of the Art

### 2.1. Co-Production of Public Services

Co-production can be defined as the involvement of service users or other members of the community in the provision of public services (Ostrom 1996), or in other words, in both designing and delivering these services in collaboration with professionals (working for public or third sector organisations) (Bovaird 2007). Though most of the co-production literature has focused on the frontline encounters between public servants and service users, non-profit professionals also engage service users in co-production. Indeed, as the role of non-profit organisations has become better recognised, the unique ability of non-profit professionals to co-produce with users has received increased attention (Pestoff et al. 2012; McMullin 2022b).

Previous research on co-production has focused on typologising the different levels of co-production and different types of activities in which citizens take part (Brudney and England 1983; Nabatchi et al. 2017). Many studies have also focused on the motivations for engaging in co-production as well as the barriers to doing so, with skills (of both citizens and professionals) as well as professional culture remaining significant barriers to co-production (Tuurnas 2015; Van Eijk and Steen 2016). At the organisational level, co-production requires an organisational culture that is relatively adaptable and flexible to new ways of working (Brix et al. 2020).

One of the questions that remains is around the impacts of short-term co-production actions, such as pilot projects or ad hoc activities, and whether these have lasting effects in terms of improving public service ecosystems. A recent trend in the co-production literature has thus begun to explore the degree to which these types of relationships and practices can be made sustainable over the longer term. Jaspers and Steen (2019) studied the long-term sustainability of outcomes from temporary co-production arrangements, suggesting that an approach that focuses on problem-solving and capacity-building is key. Steen and Brandsen (2020), in the context of the post-COVID-19 pandemic landscape, argue that sustainable co-production requires a supportive legal framework (including sufficient financial resources), a focus on activities that are complementary rather than substitutive, and a mutual commitment of citizen and professional co-producers.

These theories provide us with a valuable framework for considering how co-production, once in place, can be supported to continue longer term. What is not considered, however, are some of the more macro level factors that shape the types of approaches to

co-production. Furthermore, though there has been an increasing focus on the particularities of co-production between third sector professionals (as compared to public servants) and service users (e.g., [McMullin 2022b](#)), the context of third sector organisations providing public services brings up a range of other complications, including the well-researched lack of sustainability of non-profit funding more generally ([Weerawardena et al. 2010](#)).

Sustainability of co-production can be interpreted in multiple ways—either as the sustainability of outcomes, as per [Jaspers and Steen \(2019\)](#), the sustainability of the service, or the sustainability of the co-production practices between practitioners and service users. In this paper, I focus on the third of these and define the sustainability of co-production as the continued long-term relationships between practitioners (in this case, in the third sector) and service users, “where all parties make substantial resource contributions” ([Bovaird 2007](#), p. 847). This means, then, that service users continue to contribute to both the design of services as well as their delivery. Given the temporal nature of third sector service delivery, with public service contracts not necessarily guaranteed to continue over time, the second element of sustainability of the service itself is also considered as part of this.

## 2.2. *New Public Management and New Public Governance*

Within the public administration literature, co-production is frequently positioned as being part of a global trend away from New Public Management towards New Public Governance ([Pestoff et al. 2012](#)). NPM, initially developed in the 1980s, is based on the proposition that governments should behave more like private businesses, focusing attention on efficiency and introducing market mechanisms into the provision of public services ([Dunleavy and Hood 1994](#); [Hood 1991](#)). NPM is associated with market-based reforms to the commissioning and provision of public services, which has resulted in the wholesale outsourcing of many public services to the private and third sectors. The values associated with NPM are centred around cost-cutting and performance, which has pressured third sector organisations to become more ‘business-like’, both meaning becoming more professionalised as well as rationalising their activities to become more efficient ([Suykens et al. 2022](#)).

By the early 2000s, NPM had somewhat fallen out of favour, due to arguments that there are inherent differences between the value and functional basis of government and private companies and that this ideology therefore overemphasised the benefits of government becoming more business-like ([Osborne 2006](#)). New Public Governance, or sometimes described as networked governance ([Hartley 2005](#)) or New Public Service ([Denhardt and Denhardt 2000](#)) is a paradigm that contends that governments are moving more towards a model of building partnerships and networks between the public, private and third sectors. NPG also emphasises the increased role for citizens as co-producers of public services (which contrasts to a role as ‘beneficiaries’ under traditional public administration and ‘customers’ under NPM). This means that citizens are given greater voice, as well as greater responsibility, in working in collaboration with public service professionals in public service provision under NPG ([Osborne 2010](#); [Sorrentino et al. 2018](#)). NPG is said to shift towards values of openness and collaboration, and tools of partnerships and co-governance to manage the relationship between non-profits and the state.

Despite the proliferation of theory about NPG, there has been limited empirical evidence to explore the argument that NPG fosters the involvement of citizens in public service provision while NPM is inherently at odds with co-production. [McMullin \(2021a\)](#) showed that co-production is indeed undertaken in contexts characterised by different public management paradigms, including NPM and NPG as well the Neo-Weberian State. This study showed that in England, despite the influence of NPM values and tools, non-profit organisations found ways to engage service users in co-producing social services. In these cases, co-production tended to be pragmatic, individualised, and focused on ways to instrumentally improve services. Citizens were often considered customers rather than equal partners on par with professionals.

However, important questions remain about the sustainability of these types of co-production, and whether co-production is more likely to be side-lined or devalued over time under NPM-like regimes. Bovaird et al. (2016) argue that individual co-production—which is a more prevalent approach to co-production under NPM—is less likely than collective co-production to create systemic and sustainable improvements to welfare services. The outsourcing of services to the third sector under NPM can also be framed in two potentially conflicting ways—both as a way to capitalise on the sector’s proximity to communities and service users (thus promoting co-production) but also as a cost-saving approach and responsabilisation of communities (and without sufficient long-term financial support, sustainable co-production is likely to be inhibited) (Pill 2022; Steiner et al. 2022). Furthermore, professionalisation calls into question the ability of non-profit organisations to fulfil other core roles, such as advocacy and informal community work (Carey et al. 2009). Performance measurement is not axiomatically inconsistent with sustainable co-production; however, previous studies have raised the difficulty of evidencing co-production using traditional evaluation methods, meaning that the pressure to measure using quantitative indicators may stymie co-production efforts (Durose et al. 2017; Brix et al. 2020).

In order to consider the impact of NPM on sustainable co-production, the analytical framework for the current study is thus built upon the key values and tools of NPM as identified in the literature (Hood 1991; Dunleavy and Hood 1994; Pollitt and Bouckaert 2011; McMullin 2021a). This paper specifically focuses on the role of non-profit organisations in the provision of social services, because the third sector has been shown to offer a more conducive context to co-production (Pestoff 2009). In sum, the elements consist of: (1) the use of competitive tendering and contracts as a tool for managing external public service providers, (2) an emphasis on performance measurement, (3) a pressure for non-profits to become more ‘business-like’, and (4) the framing of citizens as ‘customers’. These four elements of NPM are used to structure the analysis in Section 4.

### 3. Methodology

#### 3.1. Data Collection

This paper is based on a qualitative analysis of seven non-profit organisations providing social and community services in the city of Sheffield, England<sup>1</sup>. A case study methodology was chosen as a way to explore relationships and processes in depth in order to build theory (Flyvbjerg 2006). The British context is particularly appropriate for studying the impact of NPM, as England has since the 1980s taken an aggressive approach to outsourcing public services and advancing business ideals across government and the third sector (Lapsley 2008). At the same time, co-production discourses have been especially present throughout British policy and think tank reports, suggesting a vast appeal to these types of practices (Boyle and Harris 2009; Hampson et al. 2013; Horne and Shirley 2009). This context thus offers a unique opportunity to study the juxtaposition of these phenomena, in order to explore the impact of NPM on the long-term sustainability of co-production.

Case study organisations were selected based on purposive sampling to identify non-profits that are known for taking an approach of co-production, by soliciting recommendations from key stakeholders (i.e., local government decision-makers and directors of third sector network organisations). All organisations provide social services in the realm of community and social development (i.e., public health, family services, social services, low-level mental health support) (see Table 1). The seven case study organisations thus displayed examples of co-production, i.e., they involve citizens/service users in the design and delivery of their services (Bovaird 2007). These organisations were not necessarily expected to exhibit characteristics of ‘best practice’ examples of co-production, but the organisations all expressed an aim or intention to engage service users in co-production, thus ensuring that these would be fruitful contexts for investigating the research questions.



**Table 1.** Case study organisations.

Anonymised Case Study	Description
Organisation A	Community development services
Organisation B	Community development services
Organisation C	Community development services
Organisation D	Community development services
Organisation E	Community development services
Organisation F	Family activities and parent/toddler groups
Organisation G	Services/interventions to reduce loneliness and isolation of older people

Interviews were undertaken with 29 staff members, volunteers and board members of the case studies, and three individuals from local networks who provided broader context information (see Appendix A). Interviews with respondents from four of the organisations (Organisation A, D, F and G) were undertaken at two periods of time (2015/2016 and 2019), which allowed respondents to reflect directly about their organisation's changes in services and the sustainability of their approaches to co-production over time. Interviewees were asked a range of questions about their organisation's overall mission, ways of working and sources of funding, their approaches to involving service users/community members in co-production, and the enablers and constraints to co-production. Interviews were recorded and transcribed 'intelligent verbatim' by the researcher (McMullin 2021b). In addition, I analysed organisational documents such as strategic plans, bid documents and evaluation reports.

### 3.2. Data Analysis

Data were analysed using an abductive, iterative approach, guided broadly by theory but allowing new themes to emerge as the research progressed, which supported the development of an analytical framework (Timmermans and Tavory 2012). I first engaged in a process of open coding to identify examples of co-production, motivations for engaging citizens in co-production, the roles for professionals and citizens, and broad descriptions of enabling/constraining factors. For the broader comparative project analysing the similarities and differences between co-production in England and France, initial rounds of coding focused on identifying the institutional logics at play in non-profit organisations—i.e., the role of the market, state and community (Thornton et al. 2012)—and the impact of these logics on approaches to co-production. Through this coding, it became clear that despite there being compelling examples of co-production in both contexts, there was a distinct and pervasive impact of the market logic on the non-profit organisations in England that was not present in the French case studies.

To explore this phenomenon of the market logic and NPM in the context of British non-profit organisations further, I thus conducted a second round of coding to identify the specific elements of NPM. The elements of NPM were identified based on previous literature (discussed in Section 2.2) as the following: tendering and contracts; performance measurement; professionalisation; and citizens as customers. I coded for the second focus of the analytical framework—the sustainability of co-production—by drawing upon the components discussed by Steen and Brandsen (2020) and Jaspers and Steen (2019), including resources, skills, mutual commitment, policy frameworks, and capacity-building. I thus analysed: (1) how respondents spoke about the elements of NPM in relation to their approaches to co-production and (2) the ensuing impact on the *sustainability* of these co-production approaches.

## 4. Analysis

### 4.1. Competitive Tendering and Service Contracts

The first element that distinguishes NPM from traditional public administration is the introduction of market mechanisms into the commissioning process for public services. This

means that non-profit organisations that previously obtained funding through unrestricted grants increasingly became forced to participate in competitive tendering processes to obtain time-limited, service-specific contracts. This evolution in funding mechanisms has had mixed impacts on non-profits' ability to co-produce these services with service users. On the one hand, co-production has become something of a popular buzzword in the UK, and several respondents indicated that this was a term they employ in bid documents in order to appeal to funders. There was a perception that grant funders (particularly the Big Lottery) were seen to favour co-production as part of the evaluation of funding applications. Respondents from Organisations F and G, for instance, (both funded by the Big Lottery) suggested that their bids were primarily successful because of their stated intentions to include service users in a range of co-design and co-delivery activities. Organisation G, which sub-contracts individual interventions to local community organisations, extended this emphasis further by requiring all sub-contractors to include detailed plans for how each intervention would be co-designed and co-delivered.

By contrast, contracts to deliver public services (health and social services) were seen as increasingly restrictive and less conducive to more flexible approaches such as co-production:

*"Where we're looking at other kinds of funding, so typically local authority, longer term contracts [ . . . ] there may occasionally be a question on probably personalisation, not co-production. And they're not necessarily always highly weighted questions. Sometimes actually we've found it's worked to our disadvantage to be overly creative and ambitious in that area". (R20, Head of Personalisation, Org G)*

*"The thing with the contract work, if you go for a contract, you've got to deliver that contract. Generally, the way it works is that commissioner said, 'This is what we want.' So you go and say, 'Yeah, that is what we'll do.' And I think sometimes you get third sector organisations who get into contracts, and they don't get that. If you don't want to deliver X for that commissioner, don't put the tender in. Because that's what you're going to deliver. You're not going to have lots of flex". (R12, Former Chief Executive, Org E)*

Faced with these types of contract restrictions, several organisations indicated that they have found ways to engage service users in co-production in spite of funder requirements. Interviewees from Organisations A and D gave examples of contracts (e.g., for family support and low-level mental health services) that required 'outputs to be delivered' within six or eight weeks. The organisations felt these timescales were unreasonable and staff members creatively worked around these restrictions in order to take a more personalised or co-productive approach. This approach is, however, costly in terms of organisational time and resources, and other smaller organisations (e.g., Organisation C) found that they could not co-produce with service users if it was not explicitly supported by a contract.

The sustainability of co-production approaches by the case studies was certainly in question, as in most cases co-production depends entirely upon the length of the contract terms. The case study organisations tended to engage in co-production only for the delivery of each individual service, meaning that if a service contract is not renewed (which was fairly common), the involvement of service users would also cease. Even when co-production is 'required' by a funder (such as the Lottery funding for Organisations F and G), there is little in the way of support to make this sustainable beyond the term of a contract (five to six years in the case of Organisations F and G, which is much longer than most contracts). This thus puts organisations in the position of losing any benefits that have been achieved in terms of new practices, relationships or the creation of public value.

Given the weakness of depending upon short-term contracts in order to support an approach of co-production, Organisations A and D have employed specific community development officers for the purpose of capacity-building for a more sustainable co-production approach. While Org A had funded this position from their organisational reserves, Org D continued to seek short-term funding from the Lottery in order to fund a specific capacity-building community development project. The compound impact of being

in a constant cycle of applying for competitive contracts, and simultaneously working to fulfil contracts that often provide little space for co-production means that non-profit professionals are frequently disempowered from engaging in co-production that takes a longer-term, systems-change approach.

#### 4.2. Performance Measurement

Performance measurement, or the use of explicit, often quantifiable targets to monitor and evaluate performance, is another of the key tenets of NPM (Speklé and Verbeeten 2014). Targets are supposed to create incentives for employees to perform at a certain level and provide ways of determining whether a service has been successful or not. Performance measurement as an NPM tool is used both within public organisations as well as being part of requirements for organisations contracted to provide public services. When it comes to co-production, documenting and evidencing outcomes is notoriously difficult because impacts may be experienced in different parts of the service system and/or difficult to measure with traditional methods (Durose et al. 2017; Brix et al. 2020).

In principle, targets and performance measurement do not directly inhibit sustainable co-production. Collecting data about co-production and engagement with service users can be used instrumentally by third sector organisations to support their legitimacy, prove the value of co-production and leverage these successes for further rounds of funding. Indeed, Organisation F used data about the number of parents engaging in their programmes to successfully apply for a renewed grant for the programme. Organisation F also measured performance by the progression of their parent volunteers as a result of their engagement in co-production which allowed them to improve and enhance the sustainability of their approach.

*“We’ve then got the volunteers, which we work with slightly more closely, obviously. So we use an outcome star model for monitoring their outcomes. We take a snapshot of where they’re at the beginning, and then at the end of their training, and then at six monthly intervals throughout the programme. So we monitor and follow their progression, whether that means that they go onto further training”. (R16, Senior Programme Manager, Org F)*

The inherent contradiction in performance measurement is that in finding ways to evidence co-production (or, being required by funders to evidence co-production), professionals lose valuable time and resources that they could be using to *do co-production*, and thus ensuring that the ways of working are indeed creating long-term, sustainable methods of service user involvement in service delivery. This was something discussed by several professionals (R8, R11, and R30). R30, for example, bemoaned the fact that a requirement to document co-production activities resulted in staff spending excessive amounts of time in getting signed consent forms and tracking how many people had attended (or “been engaged with”). R11 found that ‘doing’ co-production in the way required by the programme that their organisation was contracted to deliver was difficult because they favoured more informal, flexible ways of working with service users which did not relate to any kind of ‘formal’ co-production that could be documented:

*“As an organisation, we’re very sort of grassroots based and everything they do is kind of like... it has a co-production element to it [ . . . ] It just felt a bit much because it was something we were doing anyway and there’s just, it’s more like the bureaucracy around having to record every single conversation. That was difficult because we found any of our co-production, when it worked best it was just sort of conversations that naturally developed between groups of clients or between staff and clients”. (R11, Project coordinator, Org D)*

This emphasis on quantitative reporting and evaluation has had negative consequences for the sustainability of co-production in several ways. First, constant logging and reporting on performance using quantitative indicators has created administrative burden on the non-profit professionals, as described by R11 and R30. Reducing co-production ‘performance’



to a count of number of participants in activities has resulted in staff members engaging in ‘creaming’ (Volckmar-Eeg and Vassenden 2022), or prioritising engagement with more able individuals, because the effort required to have volunteers and participants sign forms, etc., disincentivised the involvement of more vulnerable citizens. For co-production to be sustainable, programmes need commitment from participants as well as a focus on capacity-building, and some types of targets have come into conflict with these aims. For instance, Organisation F found that they struggled to keep parent volunteers who were unemployed and on benefits because the UK benefits system required them to be actively searching for work or education opportunities.

*“See the problem is, when we’ve been given targets for a contract for a number of volunteers, and then we lose them because of that [the strictness of the benefits system], you’re back to square one. You’ve got to get another [parent volunteer] to start all over again”. (R16, Senior Programme Manager, Org F)*

The examples described by R16 and R11 show that though performance measurement is not de facto an obstruction to sustainable co-production, the focus of contracts on simplistic quantitative indicators, such as number of volunteers/citizens involved, eclipses the more qualitative outcomes created by co-production that are less easily reported.

#### 4.3. Non-Profits Becoming More Business-like

NPM has been one of the key drivers causing non-profit organisations to become more similar to for-profit businesses over the past few decades. This notion of becoming more ‘business-like’ refers to a broad range of changes, relating both to becoming more professionalised as well as taking on more business-like rhetoric, practices and values (Maier et al. 2016). For the case studies examined, this manifested in several ways. First, respondents from Organisations A, D and E all relayed narratives of evolving from small community groups to large community development organisations capable of delivering a range of public services.

*“We evolved into service delivery, a service provider, essentially. Therefore that in itself changed the way we did things or do things. We evolved as an organisation from simply being a voice to an actual service provider and having customers or clients and all the things that come with that ... There was that kind of transition from the majority community development approach, where everything was around development of community capacity, to kind of actually becoming a service provider and putting resource into directly delivering services”. (R15, Chief Executive, Org E)*

On the one hand, becoming more professional means that non-profits are able to increase their level of *organisational* sustainability, which was described in positive terms by Organisations A, D and E. These organisations were all established with the support of large regeneration grants from the EU and UK national government, and they have all managed to grow in capacity and find new sources of funding since these grants came to an end. Organisations D and E also describe themselves as social enterprises, meaning that they employ market activities to create social and community value (Sepulveda 2015). However, becoming more professionalised has mixed impacts on the sustainability of *co-production*. One of the unique aspects of co-production by professionals working in the non-profit sector is the proximity of these organisations to communities and citizens, which allows for a better understanding of community needs and potentially fewer challenges in engaging service users in co-production. As previously discussed, when non-profits become more business-like, these new professionalised practices may come into conflict with traditional community-based ways of working.

*“It’s no good listening to everybody [service users] and being lovely and all agreeing you’re going to do all this wonderful stuff if you then don’t run your organisation well and it doesn’t get delivered”. (R12, Former Chief Executive, Org E)*

*“There is a tension between wanting to and being expected to be a professional organisation, and wanting to and needing to appeal to your clients or your prospective clients. [ . . . ] There’s the desire I have to be a professional organisation for the sake of the staff who work here, and the belief that still exists in some sectors that says if you’ve got pictures on the wall and a comfy chair, you’re wasting money”.* (R6, Former Chief Executive, Org B)

One of the unique selling points of non-profit organisations in providing public services is their grassroots nature, which is assumed to make them better able to work directly in the community and with their service users. This proximity between staff and service users is seen to be a strength of the third sector, allowing staff to engage in co-production that is more informal and based on community engagement. This point is also echoed in the quote from RL 2019 in the previous section as well as arguments made by several other respondents that their organisation has always worked closely with service users and members of the community, and that this approach is jeopardised by more business-like practices. The shift towards being more professionalised thus creates pressures for non-profit staff to maintain professional distance from service users. With the emphasis on service delivery and maintaining performance as a business that come along with NPM, co-production takes on a more pragmatic appeal as a way to more efficiently access the needs and expertise of service users. Thus, the commitment of professionals to maintain co-production is likely to be challenged if co-production cannot be seen to lead to tangible results.

#### 4.4. Citizens as Customers

The fourth key element of NPM is the way that citizens are framed and understood in relation to public services. Pestoff (2018) contends that the role of citizens changes under each public administration regime: from beneficiaries under traditional public administration, to consumers under NPM and finally to co-producers under NPG. The way that service users are described by professionals is significant because these discourses shape power relations and professional practice. The overlapping of public administration regimes/ideologies in the UK has meant that there remains something of a co-existence of these conceptualisations, and many non-profit professionals do not see a contradiction between citizens as customers and citizens as co-producers. Several interviewees referred to ‘customers’ when talking about their approaches to co-production. For example, one interviewee was involved in the evaluation of interventions for older people which were delivered by a range of small community organisations (‘delivery partners’):

*“We did quite a lot of work with the delivery partners in terms of explaining what we wanted and the way that they felt would be most appropriate for their customer group, whether that meant we went and spent a day in their projects just getting a feel for it . . . so that our faces would become familiar to the service users. And then identifying customers who might be interested in doing this [co-evaluation]”.* (R28, Project officer 1, Org G)

Though most of the respondents described people as ‘residents’, ‘service users’ or simply ‘local people’, some spoke intentionally about clients, with one respondent (R10) indicating that this was an intentional decision to position them as customers rather than charity cases or beneficiaries.

*“The reason I like the word client [is because] the client is in control. [ . . . ] I think it’s more of an empowering word than service user. It tells you something about the way you see the organisation relating to that person as an individual. So as a client, well you’re in charge here, really. So that’s why we deliberately use that”.* (R10, Partnership Manager, Org D)

Positioning service users as consumers in this way reflects a predilection towards particular avenues of involvement, especially those that prioritise the needs of individuals such as personalisation, ‘consumer co-production’ (Osborne and Strokosch 2013) or

‘pragmatic co-production’ (McMullin 2022b). In these activities, the aim is to empower service users as customers who have a *choice* as to the services they benefit from, but this focus limits the potential broader impact of co-production, such as broader system reform or collective benefit. For instance, many respondents discussed providing personalised services (or taking a ‘person-centred approach’) as a way to improve service provision and outcomes for individuals, but with the important collective benefits of co-production (such as increased social capital, decreased inequalities, and better democratic accountability) left unexplored.

There is not inevitably a direct link between the conceptualisation of citizens as customers and whether co-production approaches are sustainable over the longer term, but it is possible to draw some inferences. The terms used to describe citizens are important because they convey particular values and assumptions about status (McLaughlin 2009). The notion of ‘customer’ places the citizen in the position of having power only insofar as they can exercise their choice between different options, and professionals thus are unlikely to see a purpose in engaging them in co-production if there is not a direct benefit to that individual. The co-production examples evidenced in the case studies that showed a preference for discourses of citizens as customers only focused on involvement of citizens in discrete services, rather than empowering service users to contribute to making broader strategic decisions or deliver enduring social services. This challenge of sustainability relates to the issues of limited-term contracts as well: service users are positioned as customers whose involvement is pragmatically employed to improve particular services, only insofar as the length of the contract for such services lasts.

## 5. Discussion and Conclusions

Though an oversimplified version of the narrative of public management reform positions co-production as occurring as governments move from NPM to NPG, the picture is more nuanced. Non-profit organisations can and do engage service users in co-production while simultaneously operating in a context primarily characterised by NPM. Indeed, as the examples in Sheffield demonstrated, some elements of NPM can complement co-production practices—such as contracts that specifically encourage or expect co-production, and a more professionalised organisation that can mainstream and diffuse co-production practices.

While we do not yet have a robust evidence base about the sustainability of co-production under NPG, it is clear that NPM presents numerous, critical barriers to co-production that is sustainable and able to create long-term change. The use of tools such as competitive tendering, restrictive contracts, and performance measurement approaches come directly into conflict with some of the conditions needed for sustainable co-production. The need for organisations to constantly reapply for funding puts their organisational sustainability at risk, and by extension, their ability to build relationships and trust with citizens over the longer term through the co-production process. The types of co-production that are most compatible with NPM values are those that focus on direct, measurable outputs and individual approaches. Therefore, individual co-production (personalisation and consumer co-production) is prioritised over more collective co-production approaches (McMullin 2022a). The danger of co-production under NPM is that focusing on customer satisfaction, personalisation and efficiency is a slippery slope into a communitarian regime, where communities are given the responsibilities to provide public services under the guise of empowerment but such responsibilities are not coupled with sufficient support, resources and choice required to make co-production sustainable (Pestoff 2018; Pill 2022).

Returning to the frameworks for sustainable co-production, Jaspers and Steen (2019) and Steen and Brandsen (2020) argue that there is a need for supportive policy frameworks and funding mechanisms, a focus on capacity-building, and mutual commitment of citizens and professionals to continuing co-production. The first element—policy and funding—is where we see the clearest obstruction from NPM. As the evidence from non-profit organisations showed, competitive tendering, restrictive contracts and a strict application of performance measurement have primarily been blockages for non-profits hoping to

engage service users in co-production over the longer term. Capacity-building is also hindered by the short-term nature of contracts and grants—non-profits do not have the luxury of planning beyond the few years that funding allows, which limits their ability to build longer-term staff and citizen capacity to engage in co-production. Finally, though mutual commitment to co-production is not directly obstructed by NPM, we see that the unintended consequence of these tools and values is that professionals' attention is diverted from co-production toward other tasks. This thus diminishes the commitment of both professionals and citizens to take part in co-production.

From a discursive point of view, though respondents often did not see an inherent contradiction between the ideas of co-producing with 'customers', the notion of citizens as customers delimits the opportunity space for their involvement to those activities in which they personally will benefit. As previous studies have shown, more sustainable public value is created with a focus on collective rather than individual co-production (Bovaird et al. 2016). This, in addition to the discourses around being more business-like, positions co-production as a tool for individual value. Divorcing co-production from the more democratic benefits thus privileges ad hoc from more sustainable activities.

Given these challenges, the question remains: how can co-production be made more sustainable in contexts where NPM is prevalent? While the capacity for non-profits to effect macro level changes may be limited (i.e., moving away from NPM and towards NPG), there are ways that TSOs can approach the various barriers put forward by NPM to try and engage in co-production that is more sustainable. Although funding, the lack thereof, and the restrictions of limited-term contracts are perhaps the most significant barriers to sustainable co-production in an NPM-dominant context, non-profit organisations can seek out funding from non-public sector sources for services that they wish to co-produce. The community development case studies demonstrated how this can be done effectively—in response to public sector austerity, these organisations began to fund some of their services through social enterprise activities, ensuring organisational stability and thus enabling co-production that is not tied to short-term grants/contracts. However, arguably this 'hollowing out' of the state shifts responsibility onto third sector organisations without creating the necessary policy and systems changes needed to embed and mainstream co-production more broadly across service systems.

From the point of view of public organisations, contracts and performance measurement can be adapted to promote rather than inhibit sustainable co-production. For instance, one of the key themes that emerged about the programme run by Organisation G was that the expectation that every co-production activity be recorded and quantified took professionals' attention away from the true purpose of involvement and reduced it to a tick box exercise rather than meaningful co-production. Instead of measuring co-production quantitatively, more innovative evaluation methods such as theory of change and appreciative inquiry approaches (see e.g., Durose et al. 2017) can promote continuous learning and improvement that facilitates the co-production process. Examples of commissioning that focuses on outcomes rather than outputs can help to create a more conducive opportunity space for co-production (Loeffler and Bovaird 2019; Mortensen et al. 2021).

This paper has sought to contribute to theory building regarding the under-researched area of co-production under NPM. Although co-production is possible under NPM, the types of co-production that flourish in these types of regimes are less likely to be sustainable over the longer term. The pressures to behave like private businesses curb non-profits' unique characteristics as being community-rooted, flexible and mission-driven in ways that make co-production practices difficult. In order to ensure that co-production creates the types of long-term value for citizens that is envisioned, public service contracts should be adapted to prioritise social over economic value, which may require new methods of performance measurement and evaluation. Further research is needed that explores the interaction between NPM and NPG in other countries beyond the United Kingdom, in order to explore whether the findings from this research are particularly context specific or representative of broader experiences. In addition, there is a need for more research

that compares the sustainability of co-production undertaken by non-profit organisations compared to public organisations.

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## Appendix A. Interviews

Respondent	Job Title	Interview in 2015/2016	Interview in 2019	Case Study
R1	Deputy Chief Executive	X		Context org A
R2	CEO	X		Context org B
R3	Commissioner	X		Context org C
R4	CEO	X	X	Org A
R5	Community Development Officer	X		Org A
R6	Former Chief Executive	X		Org B
R7	Project Manager	X		Org B
R8	Chief Executive	X		Org B
R9	Development Manager	X		Org C
R10	Partnership Manager	X	X	Org D
R11	Project Coordinator	X	X	Org D
R12	Former Chief Executive	X		Org E
R13	Youth Club Manager	X		Org E
R14	Project Manager	X		Org E
R15	Chief Executive	X		Org E
R16	Senior Programme Manager	X	X	Org F
R17	Community Development Worker	X	X	Org F
R18	Practitioner 1		X	Org F
R19	Practitioner 2		X	Org F
R20	Head of Personalisation	X		Org G
R21	Coproduction coordinator 1	X		Org G
R22	Coproduction coordinator 2	X		Org G
R23	Board member 1	X	X	Org G



Respondent	Job Title	Interview in 2015/2016	Interview in 2019	Case Study
R24	Board member 2	X		Org G
R25	Head of Partnerships		X	Org G
R26	Service Improvement Lead		X	Org G
R27	Staff member (affiliated organisation)		X	Org G
R28	Project officer 1		X	Org G
R29	Project officer 2		X	Org G
R30	Staff member (affiliated organisation)		X	Org G
R31	Volunteer 2		X	Org G
R32	Volunteer 3		X	Org G

## Note

- <sup>1</sup> This research was conducted as part of a broader comparative project about the similarities and differences in co-production practices in England and France.

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