

1-27-02  
WORKSHOP IN POLITICAL THEORY  
AND POLICY ANALYSIS  
513 NORTH PARK  
INDIANA UNIVERSITY  
BLOOMINGTON, INDIANA 47405-3186  
JLF

# **Catalysts for Democracy: Non-profit Organizations Facilitating Citizen Coproduction of Government Services**

by  
**Becky Nesbit**

Presented at the Institutional Analysis and Development Mini-Conference and  
TransCoop Meeting, Humboldt University/Indiana University,  
December 13<sup>th</sup>, 14<sup>th</sup>, and 16<sup>th</sup>, 2002, Workshop in Political Theory and Policy Analysis,  
Indiana University, Bloomington, Indiana, USA

## **Abstract**

*This paper looks at the intersection of the non-profit sector, the public sector, and the citizens of a democracy. It emphasizes the role of non-profits in fostering coproduction of public services. Non-profit organizations can foster coproduction by overcoming incentives that prevent coproduction. By changing the cost and benefit structure of coproduction and informing participants of the true benefits associated with coproduction. This increase in coproduction is actually an increase in civic participation which serves to strengthen civil society and democratic institutions. In this way, coproduction of services is necessary for a strong democracy.*

## **Introduction**

Citizenship in a democracy means responsibilities as well as rights. And one of the responsibilities of a citizen is to participate in governance. Many fear, however, that as our country evolves and as the state of the world changes, that citizens are confronted with many disincentives that discourage participation in their democracy or the coproduction of government services.

Non-profits organizations are sometimes seen as one means of stopping these frightening changes and reversing the decline of social capital. Non-profit organizations can and do encourage citizen participation on several levels—from advocacy to coproduction. Although the literature has extensively discussed coproduction issues and the role of non-profits in democracy, little has been done to bring these ideas together in a comprehensive framework that will inform public policy.

The paper investigates and explores the role of the non-profit organizations in promoting citizen participation and coproduction of government services, especially human and social services. The Institutional Analysis and Development (IAD) framework helps illuminate the incentives created by the interaction of the government, non-profit organizations, and citizens. An understanding of the incentive structures of coproduction can inform public policy about how to use non-profit organizations to stimulate citizen participation and coproduction.

This paper begins with a discussion of the concepts of coproduction, democracy, and non-profits as a means of setting the stage for the analysis to follow. After that, a thorough analysis of the intersection of the non-profit sector, the government, and citizens is conducted within the IAD framework. This analysis will discuss the incentives

facing citizens when making the coproduction decision as well as the incentives facing government officials who may or may not want to encourage coproduction. As the incentive structures are developed in the paper, opportunities for non-profit influence on these incentives are also discussed.

## **Background**

The success of a democracy is determined largely by the effort that citizens of that democracy are willing to put into it to make it work. Democracy isn't something that just happens. It has to be coaxed along. And as more and more countries are making the transition to democracy, academics and world leaders alike want to know how to create a civil society that can sustain a healthy democracy.

Many claim that the federal government is too large and inefficient. Because of these claims, there has been a huge push in recent decades for privatization of government services—not just construction and public utilities, but human services as well. Proponents of privatization claim that private and non-profit organizations can provide services more effectively than the government. Effectiveness is not the only goal at stake by big government. Big government also detracts from citizen participation (Brudney, 1985). If the government does everything, there is no incentive for citizens to do anything.

Big government detracts from social capital, and a healthy stock of social capital is needed to produce a dense civil society. And it is civil society that drives democracy and makes it work by overcoming individualism (Fukuyama, 2000). Citizen participation is evidence of good social capital and civil society. This participation can take place in

many ways—through voting on issues, through electing representative leaders, or even just through complying with laws.

There are two specific forms of participation that are the focus of this paper. The first is coproduction, which deals with citizens working with the government to produce services. And the second component of democracy is the importance of voluntary associations and voluntary action, specifically voluntary action through non-profit organizations.

### **Coproduction and Democracy**

Coproduction is essentially the involvement of the consumers of a service in the actual delivery of that service (Brudney, 1985). Education is a prime example of a service requiring coproduction. If students aren't engaged in the classroom experience through doing homework and being prepared for class or being called upon to give answers or demonstrations, then the quality of education suffers. But when students actively participate in generating their own education, they learn more and do better. Through the active involvement of those receiving the service, service delivery is improved and the overall quality of the service increases.

Coproduction in the services offered by political institutions is vital to the functioning and health of a democracy. Coproduction is a form of citizen participation in the daily operation of political institutions and is a component of good citizenship (Rosentraub & Sharp, 1981). If citizens are apathetic and passive consumers of government services, then they aren't fulfilling their basic role as citizens. They must be actively engaged in making democracy work on a daily basis.

Several authors have proposed classifications or typologies of coproduction. Whitaker distinguishes between hard services, such as building bridges and infrastructure, and the soft services, which include human services like health care and family services (Whitaker, 1980). Rich made a distinction between active and passive coproduction. Passive coproduction is compliance to law—not littering the streets or staying within the speed limit. Active coproduction actually requires the citizen to perform certain tasks, such as taking a garbage can to the curbside for pickup (Rich, 1981).

Perhaps the most complete definition of coproduction has been proposed by Brudney and England. They suggest that coproduction should only include those actions that are completely voluntary and not merely compliance with laws or rules. Further, they specify that coproduction must be active and have positive results or externalities (Brudney & England, 1983).

Coproduction isn't restricted to the individual. Groups and organizations can also be coproducers of service delivery. In fact, Brudney and England proposed a typology of coproduction that included three levels. Coproduction can take place on the individual level, and the individual is the consumer and beneficiary of the service being provided. A group of individuals can also be coproducers by aggregating and articulating demands. Finally, there is collective coproduction where the results benefit the whole community (Brudney & England, 1983). Another typology of coproduction identified three levels of individuals, ad hoc groups, and formal non-profits as the main coproducers (Sundeen, 1985).

In fact, groups and organizations offer significant opportunities to individuals to participate in coproduction. Collective coproduction has even been considered more important than individual coproduction because of the potential for a bigger impact on the community (Brudney & England, 1983). Although group or collective coproduction might have the potential for a great impact on a larger group of people, individual coproduction is still paramount. Many human services are aimed at changing a person's behavior, and without that person's cooperation and coproduction, those changes are impossible.

Voluntary associations are considered another important element of democracy. One of Tocqueville's observations about the functioning of democracy in America was the variety of associations that Americans participating in and how it honed their democratic skills (Tocqueville). Voluntary action creates more social capital and capacity for coproducing services. The type of voluntary association that is the focus of this paper is the formal non-profit organization.

Non-profit organizations are venues of coproduction. Non-profits organizations often provide human services directly to the public, and these are precisely the services that require the most coproduction. In addition, non-profit organizations are catalysts for group coproduction through larger scale voluntary efforts. In these two main ways, non-profit organizations provide opportunities for citizens to be involved in coproduction and thereby participate in democracy. The balance of this paper is devoted to analyzing the nature of this relationship and how non-profit organizations can be catalysts for coproduction and are thus necessities for modern democracy.

## **Samaritan's Dilemma**

If coproduction produces higher quality services for consumers, then why don't more consumers coproduce? Government service provision is plagued with motivation and information problems, and that creates a real-world dilemma—how to overcome the incentives that prevent coproduction. Therefore, in order to overcome these perverse incentives, we have to understand how they are created and maintained and how they affect coproduction behaviors. For this we turn to a game theory model that describes these motivational issues.

Several game theory models deal with motivation problems—public good problems, common pool resources problems, and the Samaritan's Dilemma are three of the most common models used for government services and common goods. While it might seem that the lack of coproduction would be best described by a public good game, I argue that the Samaritan's Dilemma best describes the coproduction situation. There are two parts two public goods—provision and production. In the provision stage the actors determine which public goods or services to produce, how much to produce, and who will receive the benefits. The production stage is the determination of who and how the good will be produced and how it will be carried out. When discussing coproduction we are concerned with production alone. We assume that the provision decisions have already been determined, and we want to focus on the actual production of the good.

Public good problems deal more with the provision stage of government services^—what should be provided and how much of it. And the provision stage has its own set of incentives that prevent citizen participation. But this paper focuses on the incentives surrounding citizens coproducing services that they receive from the



government. A Samaritan's Dilemma describes a situation where a benevolent actor, such as a philanthropist, NGO, or the government, wants to provide some needed service to a person or group of people who can choose to either coproduce the service or not.

Figure 1 depicts a simple Samaritan's Dilemma.

[Insert Figure 1 about here]

In its simplest form, the game has two actors—the government and the citizen. The government must choose which can either provide some needed social service to the citizen or not provide the service. The citizen has the choice of coproducing the service or not. When the government doesn't provide the service, then all parties receive a payoff of 0. When the government provides the service and the citizen coproduces, they both receive a payoff of 4. If the government provides the service and the citizen doesn't coproduce, then the government's payoff is reduced from 4 to 3 because of the extra costs associated with service provision. The citizen, however, receives more benefit (increase from 4 to 5) because the citizen no longer has the cost of coproducing. In this game, the Nash Equilibrium is the government providing the service and the citizen not coproducing—not an optimal outcome from a social perspective.

[Insert Figure 2 about here]

To further illustrate the nature of the Samaritan's dilemma, the payoffs can be generalized into functions. Figure 2 depicts this situation. Once again both parties

receive 0 payoffs when the service is not provided. For the other squares, net payoffs are calculated by subtracting costs from benefits.

The payoffs to the government are highly dependent on the coproduction situation. When there is no coproduction, the government only receives a low benefit (LB) compared to the higher benefit (HB) received when the citizen coproduces and the service quality is enhanced. Not only does coproduction change the benefits, but it changes the costs as well. The government incurs one production cost (NPC) when the citizen doesn't coproduce and another production cost (CPC) when the citizen does coproduce. Therefore, the net payoff to the government is  $HB - CPC$  when the citizen coproduces, and  $LB - NPC$  when the citizen doesn't coproduce.

Just like the government, the citizen only receives a low benefit (LB) when he or she doesn't coproduce and a high benefit (HB) under coproduction. When the citizen does coproduce, he or she incurs a coproduction cost (CC) of time or money, which gives her a net payoff of  $HB - CC$ . But when she doesn't coproduce, the citizen receives the full low benefit of LB.

Under all circumstances, the dominant strategy of the government is to provide the service. As long as the benefits exceed the costs, there is more benefit from providing the service. The citizen's strategy depends on the magnitude of the higher benefit. If  $HB - CC > LB$ , then the citizen will choose to coproduce, but if  $HB - CC < LB$ , then the citizen will choose not to coproduce. If the high benefit is significant enough to offset the coproduction costs, then the Nash Equilibrium of the game is for the citizen to coproduce and the government to provide the service. Otherwise, the Nash Equilibrium is to not produce government provided services.

Although the costs to the government won't change the Nash Equilibrium, they are still important from an efficiency standpoint. If the government provides the service alone, then production costs are relatively high. If the citizen coproduces, then production costs can fall and save the government money unless the government has to expend resources in order to encourage coproduction. In this instance, production costs under the coproduction scenario (CPC) can be higher than when there is no coproduction. In this way, government expenditures can change the Nash Equilibrium to the more socially optimal outcome, at a higher cost.

Perhaps the most critical parameter in this game is how the citizen perceives her payoffs. If she perceives that there is no added benefit for coproduction, then she will choose not to coproduce. But if she perceives that there is a higher benefit from coproducing and that her net benefit will be higher even with the extra costs of coproducing, then she will choose to coproduce. The critical thing isn't the true benefits, but the citizen's perceived costs and benefits. Even if the citizen can gain from coproduction, if she doesn't believe that, then she will choose the Nash Equilibrium that isn't the socially optimal choice.

Although this is a simple game, it illustrates the incentive problems that characterize coproduction. These incentive problems are best characterized as inadequate information and a lack of motivation. The balance of the paper describes these incentive structures in greater detail and explores the effect that non-profit organizations can have on them as well as the ways that non-profits can facilitate more socially optimal outcomes.

## **Coproduction Incentive Structures**

Non-profit organizations can have significant effects on a citizen's decision of whether or not to coproduce a service and on the government's decision to encourage coproduction. The Institutional Analysis and Development (IAD) framework (Ostrom, Gardner, & Walker, 1994) motivates the following analysis of how non-profit organizations can foster coproduction. By understanding the role of non-profit organizations in the coproduction environment, policy makers can use non-profits to leverage more coproduction in their communities.

, Non-profit opportunities for encouraging coproduction vary depending on the nature of the services being offered. The services where coproduction is most vital are those which require the transformation of the client, meaning some alteration of their behavior or knowledge (Whitaker, 1980). Producing goods to give to citizens requires little coproduction, but services designed to alter the lives of citizens necessitate the cooperation of the intended beneficiaries.

The other factor determining non-profit opportunities for influencing coproduction is the level of collective action required for coproduction. Much coproduction happens at the individual level where the direct beneficiary has to participate in service delivery. An example of this is education. A student is only successful in school to the extent that he coproduces his education by doing homework assignments, coming to class, and studying for exams.

Coproduction can also happen on a more collective level when one individual's efforts aren't enough to bring about the desired change. Teaching sign language to a deaf

child will only be successful if the child's family is taught sign language as well. A sports team is only successful to the degree that all the players actively participate. Preventing neighborhood crime requires the efforts of the entire neighborhood.

The critical aspects of the nature of the service being provided are the degree to which clients' lives must be changed by the services and whether the coproduction needed is at the individual or collective level.

Many non-profit organizations provide the social and human services where coproduction is critical to client success. Some of these non-profit services would include:

- Non-profit organizations providing tutors to people studying for the GED
- Non-profits teaching English as a second language to immigrants
- A non-profit drug or alcohol rehabilitation program
- Non-profits teaching children about recycling programs and taking care of the environment
- A non-profit neighborhood watch program

The variety and scope of these human and social services is too great to describe in detail, but suffice it to say that many non-profit organizations offer services that are heavily dependent on client coproduction in order to be successful.

In these cases, non-profits might be the best way to provide services to hard-to-reach populations. Because of the mission-based nature of non-profits, these organizations are often more willing to expend the effort necessary to reach people in need of services. The government service bureaucracy won't necessarily be committed to involving citizens in coproduction because it sometimes costs them more time, money,

and effort to involve them (Rosentraub & Sharp, 1981). The mission-based nature of non-profit organizations helps promote an organizational culture that is willing to bear extra costs to facilitate the coproduction that is necessary for the success of services. Therefore, through direct provision of human services, non-profit organizations can impact the coproduction of individual citizens who benefit from those services.

In addition to direct service provision, non-profits can coordinate group and collective level coproduction efforts. When choosing whether or not to participate, a citizen makes an assessment of the effectiveness of his/her potential actions. If the resources are presumed to be adequate and the citizen believes that enough people will also contribute to make the action effective, then the citizen will choose to participate (Rich, 1981). If the citizen believes that there won't be enough people contributing to be effective or that there aren't enough resources, then the citizen is more likely to hold back.

In this case, non-profit organizations can be critical. The legitimacy and size of the non-profit organization can be the force necessary to convince people that their participatory actions will be effective. Because non-profits can mobilize people (sometimes a lot of people) to perform certain tasks, others will be more likely to join because they perceive that their joint action through the non-profit organization's coordination will be more likely to be effective. For instance, if a person believes that she will be the only one who will show up for a neighborhood clean up, then she will get discouraged and not go because she won't believe that her actions alone will make a difference. But if a neighborhood organization organizes a clean-up day, then people are more likely to participate because they will know the activity has the backing of the non-

profit organization with its resources, personnel, and volunteer base. The perceived effectiveness of personal involvement increases, and the person volunteers and participates. Thus non-profits can help muster a critical mass of people that are needed to make participation happen and work.

A community's attributes and culture greatly affect the level of participation and coproduction taking place. These variables include the demographic characteristics of the community and their locus of shared norms and values.

A study by Rosentraub and Sharp analyzed coproduction of police services by various communities, and they found significant differences in the level of coproduction taking place based on the community's demographics. They found that Anglos are more likely to coproduce police services than other ethnic groups, such as Blacks and Hispanics. Neighborhoods with higher incomes are also found to coproduce more (Rosentraub & Sharp, 1981). Some reasons for this discrepancy might be the

Non-profit organizations often focus on providing services to poor, under-represented and marginalized groups. Because of this, we can expect more non-profits in communities with greater ethnic and cultural heterogeneity (Smith & Lipsky, 1993). These are precisely the people who are less likely to coproduce services. Because non-profit organizations often focus on providing services to these populations, they can encourage coproduction among those who aren't as likely to coproduce. Many non-profit organizations target immigrant populations who would fall into the demographic categories of non-coproducers. These populations are often crowded out of regular government services because of the extra effort required to involve them, such as

translating documents or supplying interpreters. Non-profit organizations can defray the additional costs of reaching these organizations.

The amount of cohesion in a community is also an indicator of the level of coproduction to expect. Less socially cohesive and integrated neighborhoods with few resources and where individuals have little stake in community have a very low probability of coproduction (Sundeen, 1985). In fact, Sundeen's study identified three main types of communities. The first is a highly cohesive spatial territory where community members have a high level of trust and social capital and are bound geographically to each other. The second type of community is socially disorganized with little cohesion and little spatial identification. The third type of community is cohesive, but only with regard to particular aspects of the community or to nonterritorial groups. Sundeen proposes that each type of community should be approached differently in order to foster coproduction. The local government should be administrators, facilitators, or community developers depending on the local community's capacity for social capital and coproduction (Sundeen, 1985).

This is another area where non-profit organizations can have the advantage. Because non-profits have a variety of different missions and organizational forms, they can respond to different needs. Non-profit organizations often come in the form of more community-based or grassroots operations, so they are closer to the people they serve and can be more aware of their resources, capacities and needs. A local government in a community that requires capacity building and the development of social capital might not have the resources or knowledge necessary to develop and encourage coproduction.



But a non-profit organization can specialize to a community's needs and provide the extra resources needed to foster coproduction.

Sundeen's different types of communities are illustrative of the fact that different communities need different policies. Ostrom warns that policy makers need to be careful not to crowd out existing norms of trust and reciprocity that might already exist in a community (Ostrom, 2000). It is possible to make and enforce the wrong coproduction policies on communities that are already cohesive and that exhibit strong levels of coproduction.

Citizens who are coproducing are jointly responsible for the outcomes of service delivery and thus share in the accountability for program outcomes. This joint responsibility helps instill in them a sense of trust and loyalty to local institutions (Brudney, 1985). This further creates an atmosphere and culture of coproduction because of the resulting cohesiveness of the community. Therefore, coproduction can serve to build a community's capacity for coproduction through fostering trust and legitimacy of coproduction.

Another set of factors that affects coproduction are the rules of the human service environment. One particular set of rules that are greatly affected by the entrance of non-profit organizations are the payoff rules for coproduction. A big component of the payoffs that citizens and the government receive in the coproduction relationship depend on the costs that both incur.

A citizen who wants to engage in coproduction incurs real costs (Whitaker, 1980). These costs can be costs of time to participate in the service or money costs through fees

or transportation costs. But these costs are real and can often offset any benefits to the citizen from coproduction.

On the government side, coproduction does lower the costs of service delivery and the cost of taxes necessary to provide programs, but these cost benefits can only be realized if it doesn't cause a displacement cost in the service bureaucracy (Rosentraub & Sharp, 1981). If the government has to spend a lot of time, money, and effort to get citizens to coproduce, then the benefits to the government are lowered. But government costs can be lowered through coproduction. Citizens taking their garbage cans to the curbside for pickup is an example of coproduction that ends up saving the city a lot of money.

Another huge cost is the cost of information. It is very difficult for citizens to communicate their demands to the government (Whitaker, 1980). Non-profits can reduce transaction costs of citizens communicating with government. Costs are higher in communicating with a centralized service delivery system than a decentralized one, and more decentralized service delivery can be enacted through the use of non-profit organizations (Rich, 1981). Delegating responsibility and service provision to non-profit organizations can help to decentralize services so that it is easier to make demands known. Through advocacy, non-profits can also be the voice the citizens and thus bear the brunt of the costs of communicating with the government.

Non-profit organizations can help to mitigate both of these costs and put the game into an equilibrium where the citizen coproduces and the government provides the service, which is the socially optimal allocation. There are two main ways in which the non-profit can do this. First of all, the non-profit organization can lower the costs of

citizen coproduction. The presence of a non-profit organization signifies extra resources and well as support and participation of other citizens, which increases the perceived effectiveness of coproduction and participation. Thus each individual citizen's personal coproduction cost is lowered.

Non-profits can help to defray costs of time and money. For instance, suppose there is a person who wants to attend some job training being provided by the government. But the costs of attending are too high because of child care costs. A non-profit day care can provide child care at no cost or reduced costs, and thus make it easier for the person to sacrifice the time necessary to attend the job training and be prepared for the classed. So non-profit organizations can lower coproduction costs to citizens.

Non-profits can also lower the costs of production for the government. This can also happen in several different ways. First of all, the government can entirely contract out the service to the non-profit organization and let the non-profit bear the burden of encouraging citizens to coproduce, providing them with information, and monitoring citizen participation. In this way, the government sustains only the cost of the basic service, but not the costs of interacting with citizens who coproduce imperfectly.

Non-profits can also lower costs through advocacy. By aggregating and articulating demands, the non-profits can bring service demands to the government without the government having to incur search costs to determine demand. The non-profit can also lower costs to individuals who find it difficult to articulate demand to the government.

Thus the presence of non-profit organizations in service provision can change the Nash Equilibrium from government provision and citizen not coproducing to one where

the government produces the service and the citizen does participate through coproduction.

One critical role of non-profit organizations can be educating citizens about the benefits of coproduction. If the perceived benefits of coproduction aren't greater than the perceived benefits of not coproducing, then the citizen won't coproduce. Not only do the perceived benefits of coproducing have to be greater than the benefits of not coproducing, but they have to be great enough in magnitude to offset the additional costs to the citizen of coproducing. Citizens often don't realize the benefits of coproduction, and non-profit organizations can provide the citizen with more accurate information. An example of this is Mothers Against Drunk Driving (MADD) launching massive public education programs about the dangers of drunk driving. They helped show the benefits that come from coproducing safe roads and helped to change the behavior of many people. Non-profit organizations thus have the important role of clarifying true costs and benefits and helping to defray coproduction costs as well as the costs of encouraging coproduction.

And finally, the biggest determinant of coproduction is the parties involved—the citizen, the government, and the non-profit organization. The local government's attitude and support for coproduction have a heavy influence on citizens' participation. The government must organize people and coordinate services, and publicize the opportunities for coproduction. The design features of the local service delivery institutions is another important factor that determines the extent of coproduction (Brudney, 1985). The influence that non-profit organizations can have on coproduction is often due to the unique position of non-profits as intermediaries between political

institutions and individual citizens. For instance, neighborhood organizations can serve as liaisons between citizens and service bureaucracy (Rich, 1981). Non-profits can be direct service providers or they can be service coordinators. In either capacity, they profoundly impact the service delivery landscape.

The power imbalance between the citizens and the government also impacts coproduction. Citizens are not often the ones who determine the level of service delivery and what level of coproduction is needed; the government makes these decisions (Brudney, 1985). Therefore, the citizens' lack of leverage can be a factor discouraging coproduction. Non-profits can help to leverage citizens' desires and preferences. Non-profits can often serve as an aggregator of demands on the local level.

As with all common public-type problems and dilemmas, there are always incentives to shirk and not to do one's share of the work. In the public sector, it is often more difficult to monitor and to detect shirking and near impossible to deny access to public services (Parks et al., 1999). Parks, et. al., also discuss how inefficient the public sector is in determining the correct mix of government production and citizen production of goods. But as budgets continue to get tighter, the government will be forced more to involve citizens in coproducing services.

But there is the worry that government will place an increasing burden of provision on the citizen and that service provision will no longer be a coproduced service between the government and the citizen but will rest unilaterally on the shoulders of the citizens due to budget cuts and fiscal uncertainty (Brudney, 1985). This could be another huge disincentive to citizen participation because they often don't have the resources and know-how to efficiently produce services themselves. Coproduction requires the right

mix of government producers and citizen producers working to provide a common service (Parks et al., 1999).

Another temptation is for the government to push resources away from highly functioning citizen groups in favor of less highly functioning areas (Brudney, 1985). For instance, if there are two communities and one of them has a strong neighborhood watch program and the other one doesn't, then the government will be tempted to siphon more resources, such as police officers, to the neighborhood without a neighborhood watch. In this way, the government has an incentive to take resources away from coproducing individuals and neighborhoods, and that will only discourage coproduction more. Coproduction is supposed to increase the quality of the service and provide more benefits, but if the government pulls out too much, then the optimal mix of government and citizen production is again disturbed.

Another issue in coproduction is that accountability becomes muddled as citizens coproduce services. Because citizens jointly produce a service, they are jointly accountable for its outcome. This muddling of accountability further encourages shirking because it is more difficult to determine if a service fails because of the government problems or citizen coproduction problems.

Non-profit organizations can serve as monitors of the level of production being provided by both the government and the citizens. They can help maintain high levels of time and resources commitment from both groups through advocacy and education programs.

Rosentraub and Sharp discussed three main types of incentives that affect citizens' willingness to coproduce and participate. These are solidarity incentives, such

as the opportunity to build camaraderie and neighborliness or to have fun, material incentive, such as financial rewards, and expressive incentives that allow citizens to act on altruistic feelings. Government coproduction programs can incorporate incentive structures that provide these different types of incentives to those participating (Rosentraub & Sharp, 1981).

Non-profit organizations can be a means of providing these incentives as well. Volunteering through a non-profit organization provides opportunities to develop camaraderie and neighborliness and to act on one's altruistic feelings.

### **Linkage among Action Levels**

The lack of coproduction is most evident on the operational level. It is the day-to-day decisions of citizens that determine whether or not they coproduce and to what extent they do so. This paper makes a case for approaching the coproduction dilemma through the collective-choice arena. Public policy needs to be more amenable to citizen coproduction. Government employees need more incentives to encourage citizen coproduction. Citizens need more incentives to coproduce and need to be informed about the benefits of coproduction. And at the constitutional level, more legitimization of non-profit efforts to encourage coproduction is needed. If, at the constitutional level, non-profits are seen as viable means of fostering coproduction, then policies made at the collective-choice level will include the role of non-profit organizations. Then the effects of the policies made at the constitutional and collective-choice levels will be felt all the way down to the operational level where the coproduction decision is made.

## **Conclusions**

Essentially this paper claims that non-profit organizations can be catalysts for coproduction of government services. Non-profit organizations can help overcome many of the perverse incentives that prevent coproduction. They can do this by informing government employees and citizens of the benefits of coproduction and thus change their perceptions of the efficacy of coproduction. Non-profits can also absorb some of the costs of encouraging coproduction and the actual coproduction costs themselves.

In this way, non-profit organizations are democratic institutions. Coproduction of services is a very high-level type of citizen participation. Thus the more coproduction that occurs, the more vibrant our civil society will be.



## References

- Brudney, J. L. (1985). Coproduction: Issues in Implementation. *Administration & Society*, 17(3), 243-256.
- Brudney, J. L., & England, R. E. (1983). Toward a Definition of the Coproduction Concept. *Public Administration Review*, 43, 59-65.
- Fukuyama, F. (2000). *Social Capital and Civil Society*: International Monetary Fund Working Paper.
- Ostrom, E. (2000). Crowding out Citizenship. *Scandinavian Political Studies*, 23(1), 3-16.
- Ostrom, E., Gardner, R., & Walker, J. (1994). *Rules, Games, & Common-Pool Resources*. Ann Arbor: University of Michigan Press.
- Parks, R. B., Baker, P. C., Kiser, L. L., Oakerson, R. J., Ostrom, E., Ostrom, V., Percy, S. L., Vandivort, M. B., Whitaker, G. P., & Wilson, R. K. (1999). Consumers as Coproducers of Public Services: Some Economic and Institutional Considerations. In M. D. McGinnis (Ed.), *Polycentricity and Local Public Economies*. Ann Arbor: University of Michigan Press.
- Rich, R. C. (1981). Interaction of the Voluntary and Governmental Sectors: Toward an Understanding of the Coproduction of Municipal Services. *Administration & Society*, 13(1), 59-76.
- Rosentraub, M. S., & Sharp, E. B. (1981). Consumers as Producers of Social Services: Coproduction and the Level of Social Services.
- Smith, S. R., & Lipsky, M. (1993). *Nonprofits for Hire: The Welfare State in the Age of Contracting*. Cambridge: Harvard University Press.
- Sundeen, R. A. (1985). Coproduction and Communities. *Administration & Society*, 16(A), 387-402.
- Tocqueville, A. D. (2000). *Democracy in America* (H. C. Mansfield & D. Winthrop, Trans.): University of Chicago Press.
- Whitaker, G. P. (1980). Coproduction: Citizen Participation in Service Delivery. *Public Administration Review*, 40, 240-246.

		Government	
		Provide service	Don't provide service
Citizen	Coproduce	(4,4)	(0,0)
	Not coproduce	(5,3)*	(0,0)

**Figure 1: Basic Samaritan’s Dilemma**

		Government	
		Provide service	Don't provide service
Citizen	Coproduce	(HB – CC, HB – CPC)	(0, 0)
	Not coproduce	(LB, LB – NPC)	(0, 0)

HB = high benefit; LB = low benefit  
 CC = coproduction cost (citizen)  
 CPC = production cost (with coproduction); NPC = production cost (no coproduction)

**Figure 2: General Samaritan’s Dilemma**