



OPINION

European Economic and Social Committee

Co-creation of services of general interest as a contribution to a more participative democracy in the EU

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a more participative democracy in the EU
(own-initiative opinion)

TEN/772

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1. Conclusions and recommendations

- 1.1 The co-creation of services of general interest (SGIs) by civil society organisations and directly by citizens is one of the most effective tools for stimulating participative democracy, and thus for bolstering European integration. For this reason, in this opinion the European Economic and Social Committee (EESC) is proposing concrete measures to improve the framework conditions in the EU in this area, in order to further enhance the protection of citizens' rights and benefits.
- 1.2 Crisis situations such as the recent Russian aggression against Ukraine and the resulting displacement of millions of people, mostly women and children, particularly highlight the crucial role played by civil society, with its immediate capacity to spontaneously, but also successfully, combine or implement co-creation models and procedures, especially with regard to social and educational SGIs, in areas where there is already experience of genuine co-creation.
- 1.3 Historically, civil society actors have always offered social and other services of general interest, when public authorities had not yet identified the need for them or because commercial companies did not regard their provision as profitable. In most cases, the State then entered the arena later on as a provider or client and regulator, and also as a guarantor of service quality. In this context the principle of subsidiarity between the Member States and the EU, as laid down in Article 5(3) of the Treaty on European Union (TEU), must also be applied with respect to SGIs. Moreover, regarding SGIs, the subsidiarity principle should also be a guiding principle in the relationship between all levels of public administration of the Member States, as well as between public authorities and civil society organisations.
- 1.4 While legal and political responsibility for the provision of SGIs remains with the elected officials of the relevant representative bodies, and is regularly evaluated by citizens by means of elections, it is the public authorities that supervise the proper provision of SGIs. The EESC supports targeted implementation of the co-creation approach: SGIs should be developed jointly with users, communities and civil society organisations to ensure firstly that they meet people's real needs and secondly that they enable democratic participation. This is particularly true in cases where salaried employees cooperate with volunteers or self-help structures.
- 1.5 The Member States are therefore invited to develop and/or improve tools to ensure that the public and civil society organisations are involved throughout the process of providing services of general interest. This includes providing proper framework conditions for non-profit social economy activities, as set out in the EESC's opinion of 18 September 2020 on *Strengthening non-profit social enterprises as an essential pillar of a socially equitable Europe*¹, and implementing Article 77 of Directive 2014/24/EU on public procurement² in a way that reserves contracts for health, social and cultural, as well as educational, services, as listed in that article, to not-for-profit organisations.

¹ [OJ 2020/C 429/18](#).

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>.

- 1.6 The EESC points out that the high-quality provision of services of general interest in the interests of the public and the economy is dependent on, and must be provided with, adequate resources, i.e. funding and staffing.
- 1.7 Although the framework conditions for the provision, and thus the co-creation, of SGIs are primarily the responsibility of the Member States, regions and municipalities, there is also an urgent need to encourage the Member States to develop co-design concepts by creating a toolkit that facilitates the use of co-creation models. Such initiatives should encourage all relevant stakeholders in the Member States to promote the co-creation and provision of SGIs by civil society organisations.
- 1.8 The EESC proposes that the Commission publish a working document on this subject as a basis for further work, aiming at the creation of a "toolkit", which should encourage and guide national, regional and local authorities towards enhanced use of co-creation models. This document should, among other things, consider co-creation in light of Article 14 of the Treaty on the Functioning of the European Union (TFEU) and Protocol 26 to the TEU and the TFEU, taking account of the European Pillar of Social Rights, the specific role of the non-profit social economy in co-creation and the framework conditions necessary to that end. The document should also include proposals for EU and national support for innovative co-creation projects, taking into account research components, and a set of best practices. Based on the toolkit as described above, after wider consultation at EU level, a green paper and then a white paper could be launched.
- 1.9 For its part, the EESC will set up a forum to exchange ideas and best practices in this field, involving civil society organisations, the social partners, universities and research projects, in order to maintain and develop the discussion process at European level.

2. **Background**

- 2.1 The further development of participative democracy in the European Union is one of the key challenges for strengthening European integration in order to combat populism and nationalism. The co-creation of SGIs by civil society organisations and directly by citizens is one of the most effective tools for stimulating participative democracy.
- 2.2 For a number of years, the EESC has been involved in modernising and developing SGIs in cooperation with various stakeholders from civil society and the world of academia and research. Within the Committee, the Permanent Group on Services of General Interest is mainly responsible for this work.
- 2.3 In 2019, the EESC started working with the Co-creation of Service Innovation in Europe (CoSIE) consortium³, which comprises universities, municipalities and civil society organisations from nine Member States (Estonia, Finland, Greece, Hungary, Italy, the Netherlands, Poland, Spain and Sweden) and the United Kingdom. The Permanent Group on SGIs followed up on innovative experiences and conclusions from the CoSIE project in two

³ <https://cosie.turkuamk.fi>.

seminars: "Co-creation of services of general interest: the role of citizens and their organisations" held in Brussels on 15 April 2021 and "Citizens serving citizens: co-creation and provision of services of general interest by civil society organisations" held in Lublin, Poland, on 1 and 2 December 2021, in cooperation with the city of Lublin and involving partners from Ukraine.

- 2.4 Co-creation is intrinsically linked to wider debates about public service reform. The focus of the new public management (NPM) paradigm was on increasing effectiveness, applying managerial models from the private sector, and building provider-consumer relationships in public services, in which the needs, demands and choices of service users served as the starting point. This was a dominant model in the 1990s and 2000s, but received criticism for not being as effective and efficient as expected as well as for its limited innovative potential⁴. The focus of post-NPM trends ("paradigmettes"⁵) of public service innovation are built upon an active, jointly producing citizen instead of a passive individual consumer motivated by atomised self-interest, and they also focus on enhancing integration and coordination between networks of user groups and stakeholders instead of disintegration. Co-creation is regarded as a key concept in the post-NPM models⁶.
- 2.5 The outcomes of the work that the EESC has carried out in this area so far show that the co-creation and provision of SGIs by citizens and their organisations boost participative democracy and also develop the social economy in the EU, amongst other crucial roles that SGIs play as an indispensable enabler of all other activities in society.

3. Services of general interest

- 3.1 As part of European integration, with its characteristic tension between unity and diversity, a new concept was developed to refer to services governed by specific rules and standards. The aim is to ensure that all citizens and stakeholders have access to essential services that form and will continue to form the basis for a decent life and that are and will remain vital for participation in society: SGIs. SGIs can be provided in different settings, either in competitive markets as economic services of general interest or as non-economic services of general interest that are excluded from these markets. The Commission distinguishes⁷ here between services of general economic interest (SGEIs), non-economic services and social services of general interest (economic or non-economic). Article 106 TFEU applies to SGEIs⁸ and economic services.
- 3.2 This concept has gradually been enhanced and clarified.

⁴ Drechsler, W. (2009) Towards a Neo-Weberian European Union? Lisbon agenda and public administration, *Halduskultuur—Administrative Culture* 2009, 10(1), 6-21.

⁵ Çolak, Ç. D. (2019) Why the new public management is obsolete: an analysis in the context of the post-new public management trends, *Croatian and Comparative Public* 2019, 19(4), 517-536, <https://doi.org/10.31297/hkju.19.4.1>.

⁶ Torfing, J., Sørensen, E., & Røiseland, A. (2019) Transforming the public sector into an arena for co-creation: Barriers, drivers, benefits and ways forward. *Administration & Society* 2019, 51(5), 795-825, <https://doi.org/10.1177/0095399716680057>.

⁷ https://ec.europa.eu/info/topics/single-market/services-general-interest_en.

⁸ Enshrined in the Treaty of Rome; currently Article 106 TFEU.

- 3.2.1 SGIs are part of the EU's shared values and play a role in promoting social and territorial cohesion in the EU⁹. In this regard, the EESC points to the EU's shared values regarding services of general economic interest within the meaning of Article 14 TFEU, as set out in Protocol No 26 on services of general interest annexed to the TEU and to the TFEU. Further developing the principles set out here could result in improving efficiency and eliminating shortcomings.
- 3.2.2 There are three dimensions to these shared values: the discretion of national, regional and local authorities in meeting the needs of users; respect for diversity and differences in the needs, preferences and democratic choices of users, and for different geographical, social and cultural situations; a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights¹⁰.
- 3.2.3 These services are an essential component of the economic and social systems of the EU Member States and, overall, a key element of the European social model. European citizens and businesses quite rightly expect a wide range of reliable, stable and efficient services of general (economic) interest to be available in high quality and at an affordable price. These services ensure that collective needs and interests – public interest missions – can be met. The EESC explicitly points out that the high-quality provision of these services that are so essential to the public and the economy is dependent on, and must be provided with, adequate resources, i.e. funding and staffing.
- 3.2.4 Access to SGEIs is a fundamental right¹¹ and is included in the European Pillar of Social Rights¹². While Principle 20 of the Pillar explicitly refers to "essential" SGIs, other Pillar principles cover important services of general interest such as education, housing and assistance for the homeless, long-term care, inclusion of people with disabilities and health care, to name but a few.
- 3.2.5 Single market and competition rules do not apply to non-economic services of general interest; only the general principles of the EU apply to them (transparency, non-discrimination, equal treatment, proportionality)¹³.
- 3.2.6 The EU and the Member States "take care that such services operate on the basis of principles and conditions, particularly economic and financial conditions, which enable them to fulfil their missions."¹⁴

⁹ TFEU – General provisions, Article 14.

¹⁰ Protocol No 26 to the TEU and the TFEU.

¹¹ Article 36 of the Charter of Fundamental Rights.

¹² Point 20 of the pillar.

¹³ Protocol No 26 to the TEU and the TFEU.

¹⁴ Article 14 TFEU.

- 3.2.7 SGEIs are subject to the rules contained in the Treaties, in particular to the rules on competition, in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them¹⁵.
- 3.3 SGIs aim to meet the needs of all citizens and stakeholders, taking into account their development in time and space, and are dynamic in nature. They can cover areas such as safety and security, health, social services – including the inclusion of people with disabilities, long-term care and social housing¹⁶ – and education, as well as the essential services explicitly mentioned in Principle 20 of the European Pillar of Social Rights¹⁷.
- 3.4 With respect to SGIs, the principle of subsidiarity between the Member States and the EU is laid down in Article 5(3) TEU. The EU sets out a general framework of principles geared towards meeting the needs of all citizens and economic and social players, while the Member States and regional and local authorities establish and implement SGIs. Moreover, regarding SGIs, the subsidiarity principle should also be a guiding principle in the relationship between all levels of public administration of the Member States, as well as between public authorities and civil society organisations.
- 3.5 SGIs are exposed to multiple tensions between: guaranteeing fundamental rights; local objectives of economic, social and territorial cohesion; the objectives of sustainable development, environmental protection and the fight against climate change; and implementing the social market economy, the single market and competition rules. Evolutionary balances must be found on a case-by-case basis, in a pragmatic manner and with the involvement of all stakeholders, in order to meet the needs of each individual and community.

4. **Co-creation of services of general interest**

- 4.1 Civil society actors have always offered social and other services of general interest, because public authorities had not yet identified the need for them or because commercial companies did not regard their provision as profitable. In most cases, the State then entered the arena later on as a provider and regulator, and also as a guarantor of service quality.
- 4.2 Territorial entities provide services of general interest themselves, or commission them. While political responsibility rests with the elected officials of these governments, and is regularly evaluated by citizens by means of elections, it is the public authorities that supervise the proper provision of SGIs. There are two different approaches that can be taken: top-down, i.e. initiatives by national, regional or local authorities; and bottom-up, i.e. co-creation involving citizens and/or civil society organisations. This opinion refers to the latter approach. The EESC supports the broad implementation of the co-creation approach: SGIs should be developed in cooperation with users, communities and civil society organisations to ensure both that people's needs are met and that democratic participation is enabled.

¹⁵ Article 106 TFEU.

¹⁶ In view of the worsening housing crisis in many Member States, affordable housing is also increasing in importance as an essential service.

¹⁷ "Water, sanitation, energy, transport, financial services and digital communications."

- 4.3 However, the areas as well as the level of the implementation of co-creation is context-dependent. Not all services, communities and service providers – particularly those in critical infrastructure areas such as energy and water supply – fit a radically new way of approaching services and sharing responsibilities, but every step towards enhancing the power of co-decision and fostering effective solutions in a collaborative way proves rewarding. To maximise user involvement, the "ladder of co-creation"¹⁸ might be recommended, with different levels of systematic engagement of relevant public and private actors, starting from a lower level of engagement (when public agencies aim to empower citizens in order to enhance their capacity to master their own lives and encourage them to co-create the services they are offered by the public sector) through to the highest level (when collaborative innovation based on joint agenda-setting and problem definition, joint design and the testing of new and untried solutions as well as coordinated implementation drawing on public and private solutions is facilitated).
- 4.4 Co-creation implies the adoption of strength-based or asset-based ways of working. An asset-based approach mobilises the resources (material and immaterial), capabilities and aspirations of service users instead of only recording and satisfying their needs. This approach builds on the assumption that all citizens have valuable, frequently unrecognised assets (culture, time, lived and learned experience, practical know-how, networks, skills, ideas) that they can contribute to the development and delivery of services. The methodological toolkit of co-creation embraces a number of methods, from satisfaction surveys, such as in e-commerce, and polls, to the various ways of expressing opinions using digital tools, focus groups and panels, to participatory methods (e.g. social hackathons, open space technologies, LivingLabs, world cafés, service blueprints, design thinking, user journeys and various online participative tools).
- 4.5 However, co-creation is not a technical solution and it cannot be achieved via a single exercise. It is an approach that penetrates the service design and delivery processes at various stages. In its more radical forms, the toolkit extends to forms of co-governance that promote a power shift and sometimes a transfer of ownership of services to people and communities. This includes the formal involvement of people with lived experience in governance agreements, reciprocal agreements, cooperatives and community organisations.
- 4.6 The precondition for a successful co-creative process is to invite all potential user groups in order to be able to represent their interests. Biased participation favouring those citizens who have more resources and are more willing to participate might lead to undemocratic processes.
- 4.7 Another sine qua non of co-creation is trust between participants in the process, which can only be built between service providers and stakeholders if there is transparency about what the service should be achieving via its co-creation processes and the extent to which it shares the scope and reach of the service openly with the co-creators¹⁹.
- 4.8 Co-creation should always take place in the context of national, regional and local needs planning. Conflicts between different needs profiles must always be taken into account. When

¹⁸ Torfing et al., *ibid.*

¹⁹ <https://cosie.turkuamk.fi/arkisto/index.html>

these needs are recorded, public debates can take place to discuss suggestions for how to prioritise them and to provide criteria to be used by the relevant mediation and decision-making bodies in order to ensure high quality, reliable provision and accessibility, equal treatment and respect for users' rights. Indeed, the benefit for society as a whole must remain the ultimate goal of SGIs. The co-creation process must under no circumstances unintentionally lead to a reduction in the quality of services, unjustified price increases or reduced access to services.

- 4.9 Co-creation is a dynamic interaction between service providers, service users and other stakeholders that involves various potential stages:
- 4.9.1 co-initiation: jointly determining the objectives and purposes of individual services from the very beginning of the process;
 - 4.9.2 stakeholder engagement: engaging new actors (users, clients, service deliverers) and keeping them engaged during the process;
 - 4.9.3 co-design: jointly designing the service;
 - 4.9.4 co-implementation: jointly providing services;
 - 4.9.5 co-management: jointly organising and managing services;
 - 4.9.6 co-governance: jointly formulating policies;
 - 4.9.7 co-evaluation: jointly assessing the effectiveness and efficiency of services or the decisions made based on a set of criteria.
- 4.10 In this context, it is worth mentioning that there are already innovative models in use in which the provision of a public service is not possible at all without the active involvement of users²⁰.
- 4.11 It is essential that SGIs should be developed as part of a collaborative effort with users, communities and civil society organisations in order to ensure that they create and enrich the value in SGI offerings – i.e. increased wellbeing or shared understanding of the common good that can be a basis for developing policies, strategies and services. In a co-creative service development process, people who use services work with professionals to design, create and deliver services²¹. Therefore, in this process, the roles of the innovator, service provider and service user converge.
- 4.12 The added value of co-creation always lies in the active cooperation that takes place between the public authorities with legal or political responsibility for the provision of SGIs, the service providers and the users, who should be involved in the democratic co-creation process. Co-creation thus enhances the democratic legitimacy of political decisions.

²⁰ For example, "services publics partagés" (shared public services) in France: <https://service-public-partage.fr/>.

²¹ Social Care Institute of Excellence (2015) *Co-production in social care: what it is and how to do it?* SCIE Guide 51.

- 4.13 This added value particularly helps to enhance democratic participation when service providers are civil society organisations or from the non-profit social economy, where full-time staff cooperate with volunteers or self-help structures, or when civil society organisations representing the interests of users can exert a real influence on public or private service providers. In addition, co-creation also has a moral dimension; it strengthens communities, cohesion and trust between actors²².
- 4.14 This can also be seen in crisis situations. A recent example is civil society organisations providing services (especially in the social and educational fields) to and with the participation of war refugees from Ukraine. Civil society's immediate capacity to spontaneously, but also successfully, implement co-creation models and procedures proved crucial and possible in territories that had already experienced successful co-creation processes.

5. Policy initiatives at EU level

- 5.1 Though the framework conditions for the provision, and thus the co-creation, of SGIs are primarily the responsibility of the Member States, regions and municipalities, national, regional and local authorities need to be encouraged to provide adequate support for the provision of high-quality services of general interest. To this end, there is an urgent need to encourage the Member States to develop co-design concepts by creating a toolkit that facilitates the use of co-design models. Such initiatives should encourage all relevant stakeholders in the Member States to promote the co-creation and provision of SGIs by civil society organisations, in part because the co-creation approach greatly helps to adapt services to changing needs, modernise them and gear them towards the future.
- 5.2 To this end, the EESC calls on the European Commission to adopt a cross-cutting approach, taking into account its various areas of responsibility and all stakeholders, in order to develop a toolbox incorporating different forms of co-creation, pilot projects that have been carried out and the conclusions to be drawn from these projects.
- 5.3 More specifically, the EESC proposes that the Commission publish a working document on this subject as a basis for further work, aiming at the creation of a "toolkit", which should encourage and guide national, regional and local authorities towards enhanced use of co-creation models. This document should, among other things, consider co-creation in light of Article 14 of the Treaty on the Functioning of the European Union (TFEU) and Protocol 26 to the TEU and the TFEU, taking account of the European Pillar of Social Rights, the specific role of the non-profit social economy in co-creation and the framework conditions necessary to that end, as set out in the EESC's opinion of 18 September 2020 on *Strengthening non-profit social enterprises as an essential pillar of a socially equitable Europe*²³. Moreover, the document should refer to the implementation of Article 77 of Directive 2014/24/EU on public procurement²⁴ in a way that reserves contracts for health, social and cultural, as well as educational, services, as listed in that

²² C. Fox et al. (2021) *A New Agenda for Co-Creating Public Services*, Turku University of Applied Sciences, <https://julkaisut.turkuamk.fi/isbn9789522167842.pdf>.

²³ [OJ 2020/C 429/18](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN).

²⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>.

article, to not-for-profit organisations. Furthermore, the document should also include proposals for EU and national support for innovative co-creation projects, taking into account research components, and a set of best practices. Based on the toolkit as described above, after a wider consultation at EU level, a green paper and then a white paper could be launched.

- 5.4 For its part, the EESC would set up a forum to exchange ideas and best practices in this field, involving civil society organisations, universities and research projects, in order to maintain and develop the discussion process at European level.

Brussels, 21 September 2022

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