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On the road towards reinforced cooperation: Emerging structures for co-production between the public sector and the social economy

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Abstract

The social economy in Sweden is a part of the frame of society primarily based on democracy and social purposes. The organizations within the social economy (e.g. cooperatives, voluntary organizations and nonprofit associations) are neither coupled to public nor to private profit driven business. They are freestanding, mainly financed by member subventions but also through different forms of mandates and financial support from the public sector.

However, new forms of collaborative arrangements between the public sector and the social economy are needed. The social economy in Sweden is increasingly compelled by expectations and inquiries from the public driven sector to take on extended assignments or to modify improved contractual agreements. A one-sided view, where municipalities and country councils mainly are seen as benefit deliverers is expected to be replaced by a more reciprocal composite model of cooperation.

In one of the Swedish regions – the Örebro region, a center for Social economy and social innovations is going to be established as a result of a long term development work during the last three decades. To understand the emergence of the actual situation there is a need to describe and analyze the history of development activities carried out. This is done by the empirical examples given in the study that shows a multi-faceted interplay between individual actors and support structures emerging social economy.

The purpose of this paper is hence to investigate and describe the emergence of these support structures and to contribute to a deeper understanding of this process. An integrative frame of reference is chosen through the lenses of governance and value creation theories.

The result indicates new forms of public governance. The public sector finances the operations and partly controls it through specific contracts/agreements, but ongoing operations take place outside the control of the public sector. This study shows that transitions according to ideal types put attention on different patterns emerging support structures which emphasize the interface between sector domains and the social economy. Approaches on networked governance that account for value creation are particularly needed in future research to gain more knowledge about collective forms in multi-level transitions and the new role of the social economy.

Keywords

Social economy, governance, value creation, network and ideal types.

Introduction

The Swedish social economy includes organized activities driven by genuine social intentions separated from the public sector's domain of activities. This means that the social economy is neither a part of the municipality, county council, nor the state, but can formally acquire financial funding or perform different kinds of commissions for the public sector. Activities within the social economy encompass primarily societal purposes which are based on democratic values, member benefits and public interest. Cooperation and the nonprofit associations are part of the social economy, for example staff owned companies within the healthcare sector, interest organizations as labor unions, pensioner's organizations, non-governmental organizations as Free Churches, educational associations, temperance movements and different kinds of foundations.

Activities within the social economy in Sweden have primarily social purposes and are based on democratic values. The main financial support is given by member benefits but also through different forms of mandates from the public sector. The forms of cooperation between the public sector and the social economy have developed differently in counties and regions¹. However, generally we observe a growing interest in establishing new forms of cooperation (Pestoff 2012). The social economy in Sweden is increasingly met by expectations and inquiries from the public sector to take on assignments or advance improved contractual agreements, at the same time as we notice a shift in terminology, from financial *contributions* to financial *compensations* (Wijkström 2012).

On the basis of this general background, we want to analyze the emergence of support structures for the social economy that has previously been established and are currently further advanced in one of the Swedish regions – the Örebro region. Extensive preparations are presently carried out, preparing for a new partnership on local development and social economy. The new partnership will most likely commence its activities in 2014. It will provide support and guidance to develop social innovations within the social economy as a more autonomous body of operational activities. At a first glance, the formation of the partnership can be seen as an entirely new phenomenon, a unique structure arising providing a novel setting for the social economy. But the formation of the partnership can also be seen as a direct consequence of - and a natural extension of the development that began back in the 1980s and has continued to date.

The purpose of this paper is twofold. Firstly the empirical purpose is to investigate and describe the emergence of support organizations in the Swedish social economy, on the regional level, during three decades. During this period, several involved actors and stakeholders have in different ways contributed to renewal of collaborative arrangements and services aimed at community development. This overall purpose addresses questions about the critical factors related to the emergence of networked governance. The second purpose is to contribute to a deeper understanding of this process. Hence, the essay outlines an integrative approach through the lenses of governance and value creation theories. By applying theories of governance we are able to understand the emergence of actor-field networks and the mutual exchange between the public sector and the social economy in terms of negotiated interaction. A multi-actor view emphasizes the relational positioning of actors in the networks and clarifies the intrinsic link between different perspectives on power and interactive forms of governance (Torfing et al. 2012).

Public value creation is chosen as a central focus in understanding the interactive governance arena evolving, as illustrated by the regional setting of Örebro. In relation to governance, public value creation implies a balanced-centric view in comprehending the impact of converging or diverging interests and expectations. Public value management addresses aspects of value as expressed by perception, expectations, beliefs, aspiration, or judgments concerning measures to elaborate functional support structures. Recognizing that different types of public values can be classified according to several domains of various actor-fields and environments (Jørgensen and Bozeman, 2007), the basis and foci of value creation may differ accordingly. The integrative approach will enable a focus on the formation of public values in a governance environment. This put emphasis on recognizing changing policies and actions taken to promote increased responsibility and autonomy among third sector stakeholders and public organizations. Special challenges are apparent because of the diversity among non-profit organizations, also recognizing the varied set of relationships. In this sense, forming value creating actor-field relationships can be envisioned as a capacity for diffusion of ideas and practices which then may lead to anticipated constructive solutions for various social problems. Furthermore, the notion of co-production (or co-creation) of value is underpinned by the third sector active participation in nurturing community development. Different types of participatory support structures address certain levels of analysis including co-governance, co-management, and co-production (Pestoff, 2012). To sum up, combining theories on governance and value creation, the theoretical contribution will highlight the emergence and significance of multi-level support structures and public value creation in the interactive governance arena of Örebro County. The absence of empirical case study research is often noted. The essay offers such a contribution and provides research based on practitioner collaboration. The empirical contribution clarifies contextual validity and deepens our understanding of the dynamism of the social economy development.

Method

The article is based on studies of documents and interviews with politicians, public servants and representatives from the social economy. The analysis focuses on episodes, i.e. significant moments in the

¹ Currently, Sweden consists of 21 counties/regions. The number of counties will likely change in the coming years due to ongoing governmental investigations and regional initiatives.

history of organizing actors involved in the development of social support systems. This was chosen as a research focus because they offer a way of studying the perceived influence or developmental impact of events which triggered or otherwise challenged the route of progression. The present article aims to provide a comprehensive understanding of these prevalent changes. In future articles we will contribute with in-depth knowledge about the various support structures and problematize these concrete activities in a more precise manner.

The analysis is also carried out with the help of ideal types. An ideal type is a conceptual or analytical model that can be used to understand and analyze a specific phenomenon. The ideal type has never any full empirical counterpart. Instead, the ideal type is an abstraction. It is refined and emphasizes certain empirically occurring features.² It is important to emphasize that the ideal type has nothing to do with highlighting ideals. It does not represent a desirable situation and needs to be kept separated from what should be. The ideal type is ideal in a purely logical sense.³ The use of ideal types allows us to clarify the similarities and differences between different phenomenon, and in clarifying extremes.

A theoretical framework

Governance

During the last decades there has been a large interest in the state and its opportunities to steer the development of the society. It is often described in terms of “from government to governance”. A number of years ago Rhodes (1996: 652 f) emphasized that governance could be understood as “... a change in the meaning of government, referring to a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed”. According to Rhodes, governance represented a new political phenomenon, where political and public institutions were collaborating and co-working with actors in the society to solve collective problems. In order to do this, the institutions had to abandon traditional steering mechanisms such as legislation and different types of enforcing rules. Instead the institutions must use new types of cooperation strategies. What is new in this “new” strategy, noted by Pierre (2009:40 f), is an institutionalized cooperation between public and private. But in Scandinavian countries different forms of cooperation between public and private has occurred for a long time, and has become even more established since the structural funds in the European union started to distribute funds for strengthening the economic development on local level. In a system described in terms of governance, more or less all of the stages of the policy process - from definition of goals and priorities of resources, to implementation and evaluation - can be solved through different models of cooperation between public and private actors (Pierre & Peters 2005) and the surrounding society in general.

There is a large consensus that the role of the state has changed and that new forms of governance is being developed (Pierre & Peters 2000). There is, however, no consensus as to whether this development toward governance is positive or not (Montin & Hedlund 2009). In particular, many researchers draw attention to the democratic consequences of the new forms of governance (Kjær 2004). Sørensen & Torfing (2005) argues that governance has led to a renewal of the democracy and the political system, with the argument that networks can act as linking mechanisms between various elites and between the different levels in the society. They can contribute to more equality in the policy outflow. Others believe that governance does not threaten or challenge the representative democracy because networks and other forms of governance has no major political importance (Ehn 2001). Another group of researchers stresses that governance in different forms is problematic in relation to the representative democracy because policy is being developed outside of the institutions of the representative democracy and it being implemented without direct control of the state. But the problems are not greater than the political control can be adapted. And therefore the representative institutions can and should be adapted to the presence of governance (Kooiman 2003; Sørensen 2002), e.g. by specifying objectives and economic frames, or when the political system itself stimulates the emergence of networks, or when representatives for the political system participates in these constellations. Some researchers believe that governance both threatens and challenges the representative democracy. It is therefore necessary to develop additional forms of civic participation to democratize these networks. One solution is to transfer as much as possible of the state functions to the civil society (with continued public funding) and democratize the civil society as much as possible (Hirst 1994; 2000).

Value creation

Regardless of how a system of governance develops and appears, it consists of individuals and groups of individuals. An inevitable fact of every governance structure is that it generates different types of values.

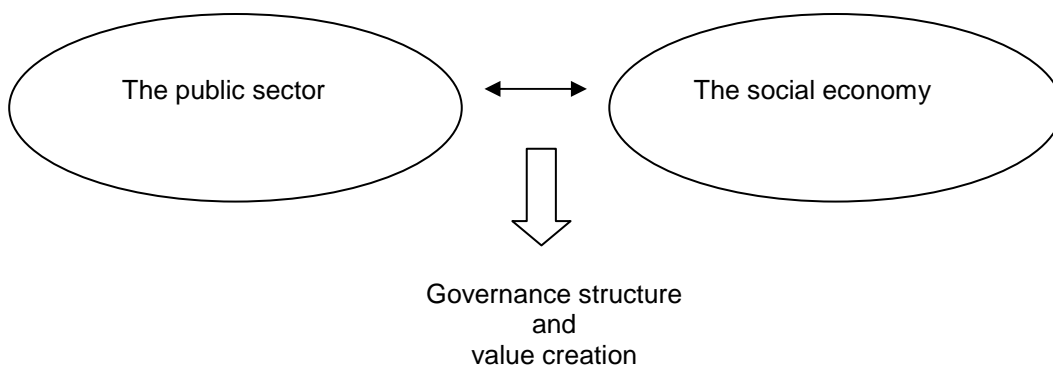
² Weber 1977; Beronius 1986; Eriksson 1997.

³ Boglind, Eliæson & Månsson 2000.

Aspects of value creation can basically be understood in relation to the discourse of Public Value Management (PVM) as an integrative approach. PVM highlights collaborative processes (Thomson and Perry, 2006; Agranoff, 2006), dialogical interaction (Ballantyne, 2004), organizational design and networked governance (Stoker, 2006). Whether PVM is an empirical theory or normative prescription is elaborated on (Alford and O’Flynn, 2009). Several critical arguments points at the unclear scope of the concept of public value and its attachment to political processes. The original normative notion of PVM, which draws on a strategic management approach, suggests that the main task of public management is to create public value (Moore, 1995). This objective corresponds to New Public Management (NPM) which emphasizes the economic management of inputs and outputs to achieve consumer responsiveness (Kelly and Muers, 2002). In contrast, the value creation approach in the development of the support structure for the social economy does not confine the politicized character of public management, as NPM does, but rather consider it as central for achieving a mutual consensus, among involved parties, how to manage operational performance. Value creation primary occurs in a transformational process and bound to a relational context which does not exclude that value can also be created within the organization and measured as economic value added. A broader and more dynamic value definition can focus on social rewards and benefits generated from re-organization that emphasize the importance of the social economy in a relational context.

Combining these two theoretical perspectives – governance and value creation – our main interest is the types of organizations/networks established in the region with a supportive function towards the social economy. With support organizations, we mean those organizations with an overall responsibility to support activities in the social economy. By applying theories of governance we are able to understand the emergence of the mutual exchange between the public sector and the social economy in terms of negotiated interaction. A multi-actor view emphasizes the relational positioning of actors in the networks and clarifies the intrinsic link between different perspectives on power and interactive forms of governance (Torfing et al. 2012). This overall approach addresses questions about the critical factors related to the emergence of networked governance. The approach highlight how the interaction between the public sector and the social economy is perceived and elaborated in terms of power-dependence, distribution of responsibilities and mutual understanding. On an overall level, the approach may be described in the following figure.

Figure 1. An overall understanding of the relationship between sectors, governance and value creation.



However, the model is too rough to be used as a practical tool in the analysis of the social economy support organizations. The model needs to be specified and one feasible way is the construction of ideal types. There are several ways of developing ideal types on the organizational support for the social economy. It is important that the ideal types really capture what we want to illustrate, hence the construction of the ideal types are based on two variables: *initial location* and *transitions*. With initial location we refer to the sector in which the responsibility for the tasks initially was placed. Roughly, three possible positions appear. The first one is a location in the public sector, the other in the social economy, while the third represents a situation where the responsibility is placed jointly in both the public sector and the social economy - a combined location. Using the second variable – transitions - we can distinguish the possible changes, and situations of non-change, over time.

Combining these two variables a table of nine different ideal positions emerges, se below. In the first table (table 1), three diagonal positions are identified, from the top left to the bottom right corner. The positions are

marked with the letters A-C and represent non-change. In these cases, the responsibility for hosting the social economy support organizations is placed either in the public sector, the social economy or in a combined organization. The responsibilities are fixed over time.

In the table 2 the diagonal non-change positions are combined with different types of possible transitions over time. Each transition is marked with the numbers 1-6. Accordingly, changes from the three basic positions (A = Public sector responsibility, B = Social economy responsibility and C = Combined responsibility) are possible, for example from a public sector orientation to a social economy orientation (position 3), or to a situation where the responsibility transfers to a combined responsibility (position 5). A movement in responsibility from the other two ideal types is also conceivable, e.g. from a social economy responsibility to a situation where the responsibility transfers to public sector (position 1) or from a combined position to a situation where the responsibility transfers to the social economy (position 2). Thus, the table and its ideal types can be used to describe the location of responsibility for social economy support organizations. Possible changes are illustrated by arrows.

Table 1. The emergence of social economy support organizations in the perspective of ideal types of responsibilities – status quo.

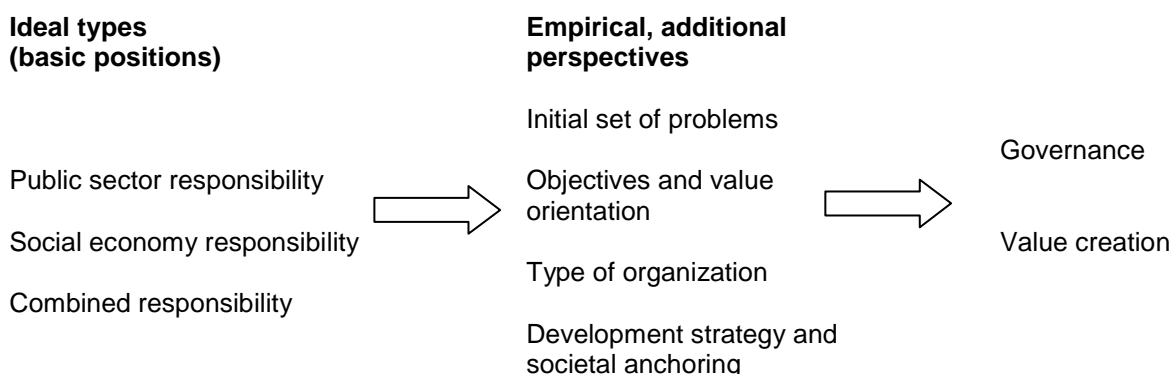
No transitions	Public sector	(A) <i>Public sector responsibility</i>		
	Social economy		(B) <i>Social economy responsibility</i>	
	Combined			(C) <i>Combined responsibility</i>

Table 2. The emergence of social economy support organizations in the perspective of ideal types of responsibilities – changes over time

Transitions from - to	Public sector	(A) <i>Public sector responsibility</i>	(1) From social economy to public sector	(2) From combined position to public sector
	Social economy	(3) From public sector to social economy	(B) <i>Social economy responsibility</i>	(4) From combined position to social economy
	Combined	(5) From public sector to a combined position	(6) From social economy to a combined position	(C) <i>Combined responsibility</i>

As a supplement, and partly as an extension of these ideal types, we use a number of additional and interrelated perspectives in understanding the historical development. Through them, we gain a deeper knowledge and understanding of the empirical phenomenon and they help us to highlight the various support organizations from different angles. In this case, five complementary aspects are of special interest for us: what was the initial set of *problems* in establishing the particular support organization and what are the *objectives and the value orientation* of the respective support organization? What is the organizational form of the respective support organization, are there any particular strategies concerning geographical focus (local, regional, national) and general development, and how is each organization funded? Altogether, the five complementary aspects give us a possibility to understand the different support organizations being established.

Figure 2. Additional perspectives



An empirical starting point

Our empirical focus is the Örebro region, a county with a 283 000 inhabitants.⁴ The county is located in the middle of Sweden and consists of 12 municipalities of which Örebro municipality is the biggest, with a university and a university hospital. Today, the social economy is identified as an important factor in the contemporary regional development strategy. Social economy is used as a collective term, covering many different phenomenon and includes organized activities which are independent from the public sector. The social economy is not, therefore, a part of the municipality, the county council or the state, but can obtain financial support and different "tasks" from the public sector. Activities within the social economy have primary social purposes and are based on democratic values. It has also public value or member benefits as main driving forces (Westlund 2007).

The social economy consists of cooperatives, foundations and the non-profit sector. Even if the social economy has a significant size within the Örebro region, it is important to remember that the social economy organizations varies in forms, appearances, and have different conditions in terms of ability to communicate ideas and receive support in developing operations-based questions. On the one hand, organizations/activities that in different ways are included in national structures stands out. These organizations span over several levels in the society, for example, The Swedish Village Action Movement, consisting of about 4 700 village action groups in the entire country. On the other hand, there are also organizations which are not included in any national structure, e.g. a single compound, only present on the local level, and do not have any equivalent at the regional and a national level, or a social enterprise which operates without connection to other actors within the same field.

In the aftermath of the national amalgamation reforms

In order to understand the development of the support structures for the social economy in the Örebro region it is fruitful to start with a short discussion on the national reforms of municipality amalgamations. During the 20th century there have been two such reforms in Sweden. The first one took place in 1952 and led to a rather dramatic reduction of municipalities, from 2 500 to 1 000. The second amalgamation reform took place from late 1960ies to the middle of the 1970ies. Again, the number of municipalities was reduced, this time to approximately 280.⁵ Both reforms were primarily guided by ideas of efficiency. The national parliament wanted to create larger organizational units with resources available to develop and to build out and successfully manage the Swedish welfare system. Municipalities too small were not considered to have the right conditions. The results of the reforms were municipalities with more resources and a more expert oriented administration. But the back side was a democratic deficit. The number of politicians was heavily reduced, as the same time as the municipalities grew geographically. They were now covering larger geographical areas and the distance between citizens and elected representatives increased. After a number of years ideas were brought forward on the need to develop local democratic experiments, so also in the Örebro region. Local politicians geared several such efforts and the Örebro municipality participated in national experiments to strengthen local democracy (Amnå et al 1985).

Youth unemployment a triggering factor

During this period, inspired by democratic ideas, the first seed to the social economy support organizations is identified, even though the term social economy was not used until the middle of 1990ies. During the first years of the 1980ies there was a significant increase in the number of unemployed young people in the region. The problems were experienced so large that special efforts were considered necessary. In Örebro municipality a project with trade unions, the National Employment Agency, the Social Insurance Agency and Folk High Schools started. Its main purpose was to develop activities that integrated both education and work life efforts. The main target group was unemployed young people. And it was out of this project, we can find

⁴ As a reference, Sweden has a total of 9 million inhabitants.

⁵ There are three democratic levels in the country. The Swedish Parliament, or Riksdag, which has 349 members, is the supreme political decision-making body in Sweden. On the regional level, 20 county councils/regions have the responsibility for healthcare and regional development. On the local level, Sweden is divided into 290 municipalities, which are responsible for matters relating to the inhabitants of the municipality and their immediate environment. There is no hierarchical relation between municipalities, counties and regions, since all have their own self-governing local authorities with responsibility for different activities, according to the Local Government Act. Each county also has a county administrative board, a state government authority. The county administrative boards are important links between people and municipalities on the one hand, and the government, parliament and central authorities on the other. Its function is to implement and clarify government policies throughout the counties. In the reverse direction, county administrative board must also supply the government with information on conditions in the counties.

the roots both to the Cesam Foundation and the Cooperative Development Centre. Let us start with the Cesam track.

Cesam

As a consequence and an extension of the project on youth unemployment, a national conference on the same topic was organized in Örebro municipality 1983. It was primarily initiated by a number of social workers involved in the youth projects. The conference addressed two fundamental and structural problems. The first one was the increasing problem with youth unemployment itself. The second one was the notion of politicians, and decision makers in general, not listening to the voices of young people. The promoters felt that the discussions on youth unemployment in the country were taken place above the heads of young people, and not with the target group itself. Several hundred persons participated on the conference. Politicians and different groups of public servants took part in the presentations and discussions, alongside with a large number of young people, as well as representatives from the Swedish government. The prime minister of Sweden and the minister of social affairs led a separate discussion with the young people. The conference itself was an important event since it highlighted the important issues, but what probably should be noted is the long term and structural consequences of the conference. As the result of the meeting with the young people the Swedish government decided to develop a proposal for a new law on efforts for young unemployed people. The proposal was later presented for the Swedish parliament which subsequently adopted it.

The conference gained a certain attention and the initiators from Örebro were contacted by a large number of municipalities in the country in order to spread knowledge on participatory methods, its work processes and methodology. Later that year an international conference was organized in Swansea, Wales, on community work. The organizer of the conference asked for representatives from different countries with experience of community work. Recommended by Swedish national agencies the initiator from Örebro, among a few others, was invited to the UK conference in order to represent Sweden. During the Swansea conference the Swedish delegation was asked to organize a Nordic network on community work. Back in Sweden the initiator received political support for establishing a national center for community work, with its main office located in Örebro, integrated in the municipal organization. He was appointed as a project leader for Cesam – National center for community work and mobilization. The year was 1984.

Initiating and developing

As one important initial step, a steering board was set up consisting of representatives from the municipality of Örebro, Örebro County Council and Örebro University. The first two stakeholders contributed with financial support giving the organization the possibilities to have a smaller staff, and to be able to carry out certain activities. The board agreed on and established the main task for Cesam, i.e. developing the methodology for community development, with a special focus on civil society organizations and to improve the conditions for active citizenship. Particular attention should be devoted to those groups and individuals who were at risk of ending up in exclusion. In particular, the board stressed the importance of developing so-called future workshops, practical methods which could be used in these contexts. Later on, the future workshops came to be used as methods in the planning of how municipalities could receive refugees and immigrants, how municipalities could manage youth unemployment and a number of other tasks.⁶ In the light of this general “job description” Cesam began performing various missions in the region. Gradually, more and more municipalities and county councils in the country, as well as other statutory bodies, ministries, local groups and civil society organizations have hired Cesam to carry out various assignments.

Ten years after the establishment of Cesam, a relatively large organizational change took place. Cesam now left the municipal organization and entered itself the social economy as a non-profit foundation. Subsequently, Örebro County Council became the only permanent source of funding through a basic grant, giving Cesam a responsibility for community development and active citizenship in the region. There were several reasons for the organizational change, but one of the most important was an assignment to stimulate methodological development within the civil society in the country. The assignment came from the national government and the minister in charge of civil society issues, who wanted to hand it over – and the accompanying funding - to an organization itself part of the civil society, not the public sector. The task was to develop a database on innovative methods and to act as a support center for various innovative and social projects in the country.

⁶ Future workshops as a method was originally developed by Robert Jungk. In his book “*Zukunftswerkstätten, Wege zur Wiederbelebung der Demokratie*”, he outlines his ideas and gives practical guide lines.

The organization evolves and changes

Initially, Cesam was only receiving funding's, assignments and tasks from Örebro municipality and Örebro county council. Hereafter several municipalities, county councils/regions and other organizations in the country have turned to Cesam for various workshops and other types of activities. Today, Cesam takes an active part – and sometimes a leading role - in different types of networks in the region and nation-wide with politicians, public servants, citizens and representatives from the civil society focusing on community development, active citizenship and general issues on democracy. In several cases, Cesams support and efforts have contributed to the establishment or adjustments of public policies and tangible activities within different areas, as well as new organizations and associations in the social economy, and to increased cooperation between the public sector and the social economy.

At the time of the start, the co-workers of Cesam made the assessment that there was no similar knowledge centre in the country. To date, a variety of operators are established in the country, using future workshops and other dialogue oriented methods as tools. Still, the management of Cesam makes the assessment that not one of these players has the ambition to serve as a national knowledge center in the area of community development, which Cesam strives to do. Today, Cesam calls for an increased dialogue with elected representatives on how to get people involved in new democratic forms. The assumption is that neither the public sector nor the market is capable of doing that. Cesams assumption is that today's society, with the economic downturns, has created new different conditions and needs for such a dialogue. That is the field in which Cesam wants to play an important role.⁷ Representatives of the organization is experiencing that there was no resistance to the establishment of Cesam. But during the 30 years that the organization has been active there has been, however, some criticism from different actors. Sometimes resistance has come from a unit in a municipal organization in connection with a project/task, where some public servants or politicians have had the view that the municipality itself should carry out the task and not leave it to Cesam. In other cases, the criticism has come from actors in the social economy, with the argument that their own organization (or equivalent) had been able to implement the task, without support from Cesam.

In conclusion, representatives from Cesam are themselves pointing out a number of factors which have been positive for the organization. First of all, the organization has survived in almost 30 years, and developed practical methods for community work and mobilization. As a result Cesam has been involved in starting approximately 30 networks, cooperatives, foundations and organizations on European level as well as local level. 25 000 people has been involved in Cesams participatory workshops in 20 countries. The organization has acted as a practical "think tank" for the non-profit sector and the public sector. Over time, Cesam has also participated in a number of European cooperation projects and attracted a relatively large international attention. Representatives for Cesam experience that the organization has a higher status at the European level than at the national level.

The Cooperative Development Center

Let us now go back to the events in the early 1980s and the large municipal project on youth unemployment. Some of the activities that took place during this period were training activities where young unemployed people would learn more about cooperatives as a model and learn to develop cooperative businesses. The training activities turned out well and led to a new local project - Örebro Youth Cooperative, which started 1983. The aim was to teach young people without jobs how to start and run cooperative enterprises. The Örebro Youth Cooperative was ended in 1987/88 and enclosed approximately 100 young people each year. Several cooperatives were started as a result of the project and some of them are still active today.

Even if the project was perceived to be very positive, politicians and public servants wanted to develop and expand the project to include cooperative activities in general, not just to focus on young people. Therefore, employees from the Örebro Youth Cooperative started examining how similar activities were being organized and operated in other countries in Europe. They carried out study visits to Italy, Spain, Scotland and England.

⁷ In recent years, Cesam has established three major operations locally. The first one is the Center for economic support (EKSAM), an open forum for people in the municipality of Örebro in need of financial and economic advice. EKSAM offers individual aid, workshops and lectures on private economy. A second major activity Cesam have started is the Nonprofit Development Center. The Center is a resource used for the development of non-profit organizations, associations and volunteers in the municipality of Örebro. A third major activity is the Network for social issues, also with its physical base in Örebro. The network works to highlight, expose and combat factors and social conditions that contribute to the creation of poverty. It also aims to raise public awareness and create structures for social inclusion.

They were particularly inspired by the cooperative development agencies they met with in Scotland and England and saw great opportunities to develop similar activities in Sweden.

During this period they linked a support group to the process. Its purpose was to provide ideas on how a forthcoming organization could be developed, as well as contribute with valuable contacts and networks. The support group consisted of representatives from the established cooperatives and larger cooperative companies. The group was important and contributed to the form and residence of the new organization. The support group emphasized that the responsibility for developing cooperative activities should not be a municipal affair, but a cooperative. Therefore, the municipal employees developed a proposal – which the political leadership in the municipality supported - leading to a situation where the responsibility for the cooperative development issues moved from the municipality to a new established non-profit organization: the Cooperative Development Center. The year was 1984. The main task of the Center was to support the emergence of cooperative businesses. With financial support – and especially formulated assignments - from the municipality of Örebro, the Örebro county council and the county administrative board special advisers were employed. The establishment of the Center attracted much attention because it was one of the first regional cooperative development centers in the country. Many municipalities from the country visited the new center and it was a period characterized by networking and facilitation work, both at national and European level.

To allocate regional resources

The new center had a financial support from the municipality of Örebro, Örebro County Council and Örebro county administrative board. But a major success during this period was also a support from the national level. Within the former Ministry of industry resources were allocated to support cooperative activities in the country. The original idea was that the funds would be allocated through the national Cooperative Institute. But by pressure from the newly established regional cooperative development center in Örebro, and by a number of similar organizations that began establishing in the country, a new solution developed. The funds could now be distributed regionally; a task transferred to the new The Cooperative Development Center in Örebro. An important explanation for this solution was the additional funding from the region actors (the municipality of Örebro, the Örebro County Council and Örebro County administrative board).

In the late 1980s, there was a risk of closing down the organization, because the present operation manager felt there was no future demand for advice on cooperative businesses. It was, at the same time, difficult to finance the organization. In order to solve the situation, Cesam was asked to investigate how the long-term funding for the Center could be resolved. Cesam managed to get a three-year funding and one of its employees was asked to take over as head of organization.

An increased European cooperation and the concept of social economy

As the cooperation with organizations and networks in other European countries became more developed the concept of social economy started to enter the vocabulary. During 1995 the Cooperative Development Center started using the concept as a central term in all its activities. Together with the other cooperative development centers in the country, they initiated a special magazine on social economy for approximately five years. The magazine was issued with four to six numbers per year.

The organization transforms to Coompanion

In 2007 a considerable change was implemented. Around the country similar regional organizations had developed and a national discussion on national coordination had begun. Each regional Cooperative Development Center had its own history and background, and had emerged from different local and regional needs. They had different designations. Some development centers had their bases in the regional educational associations. Others had their foundations in community development, while others had emerged from the cooperative movement. Some development centers had emerged as government initiatives, from municipalities and/or counties. Because of this complexity many of the representatives found that it was time to create a national "uniformity". The discussion went on for many years and several regional representatives considered that uniformity was not necessary at all. Representatives from the Örebro Centre belonged to this category, arguing that uniformity certainly contributes to a major national force, but it does not provide for needs that are local and regional. The discussion went on for several years and the result was the emergence of a common organisational structure. Each county replaced the regional development centers with an organization called Coompanion. Today, Coompanion is financed by organizations, public sector (e.g. the County Council of Örebro), consulting revenues, EU funds and the state. Funding from national agencies (Swedish Agency for Economic and Regional Growth) enables Coompanion to provide advice free of charge. Coompanion is organized as a non-profit organization.

Network on local development and social economy (L&SEC)

As a direct consequence of Sweden's membership in the European Union a variety of activities took place in the region. Since virtually every EU project called for public co-financing the municipalities and the county council was approached by several actors who wanted to apply for project funds for local development, not just Cesam and the Cooperative Development Center, but also representatives from Swedish Rural Economy and Agricultural Society, The Swedish Village Action Movement, and other regional organizations. All had the same interest in ensuring a public co-financing in their own project proposals. It was soon obvious there was a need to bring these calls on a more structured way.

Several local and regional actors from both the public sector and the social economy were active and driving during this period. A few individual public servants within the county council is identified as particularly active, which, together with representatives from Cesam and the cooperative development center, led the work in various working groups where they jointly developed applications to the structural funds. In the working groups representatives for a range of organizations which had the whole county as working area were included. Since the structural funds focused on local development, it was mainly this theme that caught the interest in the working groups. Some of the applications were accepted and projects focusing on local development and the social economy were started.

During this period Cesam was asked by the county council to implement a series of seminar on local development in the region. Representatives from various organizations from different parts of Europe participated and the regional interest was great. Participants from both the public sector and the social economy took part in the seminars. The seminars followed by a study tour – organized by Cesam - to England and Scotland to learn more about local development. 25 people from the region participated. During the study tour the delegation developed a proposal for the formation of a regional network of local development and the social economy. Not long after coming home to Sweden the network local development and social economy (L&SEC) was formed and established. All of the municipalities in the county became members, together with the county administrative board, the county council, Cesam, the Cooperative Development Center (Coompanion), but also the Swedish Rural Economy and Agricultural Society, The Swedish Village Action Movement, The Federation of Swedish Farmers and e.g. various educational associations. Since 1997 L&SEC is organized as a network with its main purpose to strengthen the resources and cooperation between authorities and organizations involved in local development and the social economy.

Gradually the role of L&SEC became substantially clearer and more acknowledged. During 2001, it was agreed on in the county to give L&SEC a responsibility to distribute funds and linking special project advisors to smaller projects. After a while the funds became more comprehensive and L&SEC was given another role. L&SEC received the funding applications, proposed decisions before the county administrative board took the formal decision. After a few years the funds ran out and L&SEC has step by step developed to a forum in which the participating actors are discussing how one can support each other. Extensive preparations are presently carried out, preparing for a new regional partnership for local development and social economy. The new partnership will most likely commence its activities in 2014. It will provide support and guidance to develop social innovations within the social economy as a more autonomous body of operational activities.

Discussion

Ideal types and responsibilities

Returning to the discussion on different ideal types it is possible to make some general observations. We have seen the emergence of three types of support organizations, representing different ways of structuring the cooperation between the public sector and actors within the social economy. Respective organization has its own "path" of development, but taken together, they represent an interesting line of progression. It shows a gradual change where the forms of collaboration are further developed. Even if there were no official policy, initially, that explicitly stated the importance of the third sector or the social economy, there was a gradual development in which the responsibility for the current issues were placed outside the public sector.

In establishing Cesam, the issue of dividing responsibilities was more or less non-existing. The public servant who was given the assignment to lead the organization did already have a municipal employment and hence Cesam became a part of the municipal organization. In ideal-typical terms the situation corresponds to the first of the three basic positions, i.e. *Public Sector Responsibility* (position A). Knowledge of, and interest in, the social economy's intrinsic value and autonomy in relation to the public - and private - developed over time and when the government wanted to give Cesam a special mission, it stressed the importance of Cesam being a part of the social economy, and not the public sector. This situation illustrates the change from the basic position A to position number 3 in the second introductory table, where the responsibility is transferred *from*

the public sector to the social economy. This is a distinct change in the development of Cesam as a support organization, leaving the public sector and entering the social economy. However, any major changes in the direction of operations cannot be discerned. Cesam took part in the same networks and worked with the same type of actors as before.

The emergence of the Cooperative Development Center was somewhat different. Already in the outset, the importance of the new organization being a part of the social economy, not the public sector, was emphasized. Such requests were clearly put forward by representatives from the cooperative movement itself, with support from the public, and when the new organization started it had its residence in the social economy, which is similar to the basic position B in the table (*Social Economy Responsibility*).

The establishment of L&SEC represents a different situation. Since the collaboration between the actors was formed as a network of stakeholders from both the public sector and the social economy, the responsibility was jointly. Using the discussion on ideal types, the situation represent the table's third basic position (C = *Combined Responsibility*). No changes have taken place.

Table 3. Ideal types and transformation of responsibility.

Transitions from - to	Public sector	Cesam		
	Social economy	↓	The Cooperative Development Centre/Coompanion	
	Combined			L&SEC

Additional perspectives

Focusing on the reasons and the initial sets of problems being singled out, leading to the formation of the respective support organization, some important conclusions can be drawn. Cesam and the Cooperative Development Centre were the first to be established. As we have seen, the two organizations are rooted in the same time period and in one of the important social issues. The large youth unemployment was the common denominator for the two organizations evolving and this issue was the initial problem for both of them. But where a second important problem for the Cooperative Development Centre was the lack of good and fruitful jobs for young people, Cesam were facing a more fundamental problem of how to strengthening the forms of democratic influence and opportunities for participation in the society. The second initial problem for Cesam was the notion of political decision makers not listening to young people.

Years later, the initial set of problems for L&SEC was rather different. The reason for the establishment of this support organization was, as we have seen, an organizational tangle. A large number of organizations and actors in the region were involved in trying to understand the European Union, how to approach its structural funds and how to apply for funding's. The initial set of problems had nothing to do with substantive issues at all, as was the case for Cesam and the Cooperative Development Centre. It was basically an issue of lack of cooperation and how to establish an effective and structured platform for discussion on social economy. The problems concerned the forms and arrangements for the cooperation between these organizations and involved actors.

As a direct consequence, the three support organizations have had different objectives and various ways to realize and implement the values they pursue. Following its identified initial problems, the main objective of Cesam has always been to increase the opportunities for citizens to participate in the society and developing an active citizenship, not just for young people, but for people in general, using dialogue oriented methods as practical tools. The explicit ambition to serve as a national center for community work and mobilization is evident. Cesam has had regional tasks and during certain periods assignments in other parts of the country and at national or international levels.

The Cooperative Development Centre has never had these national ambitions. Instead, it has constantly focused on the Örebro region. Even if the organization was transformed into Coompanion, and thus was included in a national network with similar organizations in the entire country, and takes an active part in European projects it has not left its regional focus. Compared with Cesam, this makes it both easier and more difficult. Cesam is able to act on a larger “market”, but experiences a competition in the use of dialogue oriented workshops in the country. On the other hand, since The Cooperative Development Centre has a regional assignment, it is easier for the organization to boost its profile in the region, at the same time as its scope of assignment is narrowed.

Despite the substantial differences between Cesam and the Cooperative Development Centre, there is, in this respect, a significant similarity, which becomes evident in comparisons with L&SEC. Both Cesam and the Cooperative Development Centre can be regarded as single-actor organizations. L&SEC is, on the other hand, a formalized multi-actor network where a large number of actors and organizations are participating. The accountability and responsibility of the network is formalized in a special contract with the public sector. The establishment of L&SEC – and the partnership to be - represents a shift towards an increasing focus on the support organizations role in public value creation and an expanding formation and a progression in favour of network governance. Various forms of financing occur. The three actors receive basic funding from public authorities in the region. In conjunction with decision on the funding, the support organization also receives formulated tasks that specify what should be achieved, and sometimes how these tasks should be implemented. Basic funding is often complemented by special project funding and task funding. Quite often, the EU funding plays an important role.

Table 4. Additional perspectives on the three support organizations

	Cesam	The Cooperative Development Center/Coompanion	Network on local development and social economy
Initial set of problems	1. Youth unemployment 2. Decision makers not listening to young people	1. Youth unemployment 2. Lack of good jobs for young people	Lack of coordination between actors within the social economy and the public sector
Objectives/value orientation	Increase opportunities to participate	Increase the proportion of cooperative solutions in society	Coordinate activities and financial support within the social economy
Type of organization	Unit in municipal organization → Non-profit foundation	Non-profit organization	Network
Development strategy and its societal anchoring	National ambition with a regional anchorage	Regional organization in a national structure	Regional ambitions
Funding	Basic grant Mission fundings	Basic grant Mission fundings	Basic grant

The organizational solutions that emerge over time reflect different aspirations. On the one hand, the organizations seek to ensure the social economy's independence. Questions of power, autonomy and integrity in relation to the public sector are of great importance, in arguing that the social economy must be able to receive support from an organization not belonging to the public sector, not colored by party political ideologies or bound to any religious grouping. There is an intrinsic value in support organizations being independent from the public sector. Cesam, the Cooperative Development Center and L&SEC illustrate respectively these ideas. At the same time the development of the three support organizations also rests on a strong desire to create a kind of consensus and a common platform for dialogue between the public sector and the social economy in the region (cf Stoker 2006). Hence, Cesam, the Cooperative Development Center and L&SEC are developing into some sort of intermediary organizations. It is obvious that each support organization is characterized by certain core values. Since they have received public funding during the years, and a formal responsibility for these issues, it is not difficult to conclude that these values are prioritized, and also embraced, by the public sector.

Support organizations, governance and value creation

From our chosen theoretical framework the discussion on the development of support organizations for social economy contributes with interesting observations. On the basis of Rhodes conclusions (Rhodes 1996) on governance representing a new political phenomenon, where political and public institutions were collaborating and co-working with actors in the society to solve collective problems, we are able to point at similarities in the context of social economy support organizations in the Örebro region.

The development of Cesam, the Cooperative Development Centre and L&SEC all represents, in different ways, important building blocks in the new political phenomenon Rhodes identifies as governance. The public sector has delegated different types of responsibility to these support organizations, such as counseling, method development and general supportive functions, and provision of funding. The development put emphasis on value creation in different organizational settings, leaving a single-actor structure to value creation through collaborative relationships. The three support organizations plays key roles in the process where political and public institutions are collaborating and co-working with actors in the society to solve issues on local development in the social economy. .

However, the institutionalized cooperation that is emerging is not a co-operation between public and private (c f Pierre 2009:40 f). Instead, it is an institutionalized cooperation between the public and the social economy. From a governance perspective the discussion does not primarily illustrate a situation of reduced control from the public, but rather a situation where control and public steering develops in new forms. The three support organizations have actively, and in different ways, taken part in the entire policy process – both in the Örebro region as well as in other municipalities and regions – from definition of goals to implementation (c f Pierre & Peters 2005). Actors financing the activities have a positive image of respective organization, but criticism is also perceivable. While previous discussions have been overall and wide, they have shown that views sometimes are put forward emphasizing the support organizations having an excessive impact on the policy development (c f Hedlund & Montin 2009).

This bring about a perspective of organizational change and renewal which focus on value creation not limited to a single actor but rather concerns interactions in relationships among several actor-fields including the public service users, public servants, politicians. It recognizes that relational service and performance outcomes involve communicative interaction (Ballantyne and Varey, 2006) which put emphasis on trust among interacting parties (Spano, 2009; Kelly and Muers, 2002). A balanced-centric 'golden thread' approach to value creation proposes congruence among the institutional, political and corporate dimensions (Spano, 2009) that develop legitimacy and capacity through the support structure. In addition, value creation includes the key components of service, performance outcomes and trust/legitimacy (cf. Try, 2008). These dimensions verge on the various domains of actors placed in the public values universe (Jørgensen and Bozeman, 2007, p. 359).

Conclusions

The present text has been aimed at investigating and describing the emergence of support organizations in the Swedish social economy, on the regional level, during three decades, and to contribute to a theoretical understanding of this process. The text has a comprehensive approach and demonstrates the emergence of the support organizations.

First of all, we can conclude that two of the organizations – Cesam and the Cooperative Development Center - have grown out of the same time period (early 1980ies) and coupled to the same societal problem, (youth unemployment). The third support organization – L&SEC - was formed about 15 years later with a primary purpose to increase the coordination between involved actors.

Secondly, from a governance and value creation perspective the emergence of the support organizations illustrate new forms of public governance. The public sector finances the operations and partly controls it through specific contracts/agreements, but ongoing operations take place outside the control of the public sector.

Thirdly, the various support organizations illustrate different ideal types. In two of the organizations there are no transitions over time. They represent two distinct ideal types: social responsibility and economy combined responsibility. However, in one of the cases a clear responsibility change over time takes place, from public sector responsibility to social economy responsibility.

Fourthly, we can conclude that the three organizations collectively represent a change over time. From a situation where the responsibility was placed in the public sector, it gradually shifted via a social economy responsibility to a shared and joint responsibility for the public sector and the social economy.

Over time, we see a gradual change in which there is an increased effort to integrate public sector and social economy actors and to jointly find solutions to the challenges faced. The third organization (L&SEC) is an interesting example of an attempt to contribute to a systematic and multi organizational value creation process, not represented by the other two organizations. Cesam and the Cooperative Development Center are strong organizations which individually influence the allocation of resources in both the public sector and in the social economy. They represent certain interests, as opposed to L&SEC that formally represents a diversity of interests. But while the establishment of L&SEC is based on an ambition to integrate and create conditions for a joint value creation between different interests, it is possible that such an organizational solution is still not sufficient.

This study showed that transitions according to ideal types put attention on different patterns emerging support structures which emphasize the interface between sector domains and the social economy. Approaches on networked governance that account for value creation are particularly needed in future research to gain more knowledge about collective forms in multi-level transitions and the new role of the social economy.

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