

# **Strengthening public service production, administrative problem solving, and political leadership through co-creation of innovative public value outcomes?**

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### **ABSTRACT**

Local governments increasingly find themselves trapped in a crossfire between rising expectations to service delivery and societal problem solving and scarce public resources. In order to make ends meet some municipalities have turned to co-creation as a tool for enhancing innovation. This paper aims to enhance our understanding of how local municipalities can make the most of their strategic commitment to co-creation. It explores whether the use of co-creation is limited to resource mobilization in the field of service production and administrative problem solving, or whether it is also used as a tool for stimulating policy innovation, enhancing local political leadership and renewing local democracy. The article compares the use of co-creation in three different Scandinavian municipalities. The main finding is that the three municipalities differ in terms of the local impact of co-creation. While all three of them aims to reap the fruit of co-creation in service production and al, to some extent' at the level of administrative problem solving, only of them use co-creation as a tool for strengthening the capacity for policymaking and the exercise of political leadership. Rather than trying to generalize our findings, we use the variation between the three cases to analyze the barriers to the political use of co-creation and the expansion of new forms of interactive political leadership and democracy.

***Key words: Political leadership, co-creation, innovation, public value***

### **Introduction: from administrative to political co-creation?**

This paper aims to enhance our understanding of how local municipalities benefit from their strategic commitment to co-creation and which drivers and barriers they are encountering. We are particularly interested in whether the use of co-creation is limited to resource mobilization in the field of 'public service production' and 'administrative problem solving', or whether it is also used as a tool for improving 'policy development' at the apex of local government by means of stimulating policy innovation. Co-created policymaking may help to enhance local political leadership by providing societal inputs and support to the political processes through which policy problem are identified and defined and new solutions are designed and implemented (Tucker, 1995; Ansell and Torfing, 2017). Exploring the various uses of co-creation and its contribution to enhancing local political leadership enables us to assess whether local municipalities fully exploit the potential of their gravitational shift from being legal authorities and efficient service providers towards becoming platforms and arenas for the co-creation of public value outcomes (Ansell and Torfing, 2020).<sup>7</sup>

After years of budget cuts, rationalization campaigns, and attempts to outsource public service production to private contractors, local governments display a growing interest in mobilizing societal resources by co-creating public value outcomes with users, citizens, civil society organizations and other relevant actors. Local municipalities are caught in a cross-fire between the citizens' rising expectations to public services and the persistent scarcity of public resources. At the same time, the professional and political ambitions to solve complex societal problems such as climate change, social inequality in health, and gang-related crime rise in tandem with the recognition that the power to solve these problems is distributed among a large array of public and private actors (Crosby and Bryson, 2005). In the attempt to escape this impasse, local governments look beyond their own organizational boundaries and seek to mobilize the resources of local citizens and stakeholders. While a few years ago, local municipalities were focusing, primarily, on how to enhance citizen participation in user boards, town-hall meetings and urban planning hearings, they are now aiming to involve local community actors more actively in processes of co-creation in which the all the different participants are expected to deploy their different resources, ideas and energies in processes of creative problem solving and thus stimulate service and policy innovation.

Co-creation is the new fad and fashion and has had considerable impact on the co-production, co-management and co-delivery of service production (Brandsen, Steen and Verschuere, 2018). However, the question remains whether the new forms of collaborative problem solving are used to strengthen political leadership by providing input and support to local policymaking, or whether they are merely a tool for public managers and employees who are under pressure to deliver more for less and, therefore, aim to tap into the resources of local communities to solve pressing problems and deliver new and better services in response to unfulfilled social needs. Co-creation emerged as a strategy for enhancing the production of value-in-use in the private service sector (Norman and Ramirez, 1993; Prahalad and Ramaswamy, 2000, 2004), but it has also great relevance for the public sector that primarily produces discretionary services through relatively enduring processes in which service users play a central role and co-produce services with professional public employees. What is often overlooked, however, is that co-creation may also help public managers to transform entire service systems and to solve complex societal problems (Osborne and Stokosch, 2013). Co-creation may even strengthen local politicians' ability to define local policy problems, design new solutions and mobilize support for their implementation (Ansell and Torfing, 2017). This last addition is important since local politicians tend to suffer from tunnel vision, decoupling from policy develop and insulation from societal actors (Kjær and Opstrup, 2016) and thus stand to benefit a lot from engaging in co-creation processes that can provide valuable inputs and much needed support to local policymaking. Indeed, co-created policymaking is an important democratic innovation that seeks to involve societal actors in the definition of policy problems and the design and implementation of new and better solutions. As such, it tends to bring us from a resistance democracy in which citizens merely get a chance to oppose, criticize and block public policy solutions to an interactive democracy where politicians, citizens and relevant stakeholders engage in collaborative policy making (Rosanvallon, 2008, 2011).

A potential barrier to co-created policymaking, however, is that politicians are afraid to lose their sovereign political power and tend to think that interaction with local citizens and stakeholders clashes with traditional perceptions of democratic accountability. Another barrier is the lack of platforms and arenas for sustained interaction between elected politicians and local citizens and stakeholders. A final barrier is the limited time budget of local politicians who are often spare-time politicians with sparse remuneration. These and other barriers are likely to prevent co-creation from penetrating the border between administration and politics. As such, our hypothesis is that municipalities with a strategic commitment to co-creation may

use co-creation as a tool for service improvement and perhaps also administrative problem solving, while failing to exploit the potential that co-creation has for strengthening political leadership through the soliciting of knowledge, ideas and resources of lay actors.

To further explore the extension and use of different co-creation and the associated barriers, we look at Scandinavian municipalities with a strategic commitment to co-creation. The long tradition for public-private collaboration, the large amount of social capital, and the extensive devolution of public tasks to the local municipalities in Scandinavia provide a fertile ground for both administrative and political use of co-creation in the production of public value outcomes. Within Scandinavia, we have chosen to focus on two Danish municipalities and one Norwegian municipality that are not only strategically committed to co-creation, but have recently aimed to reform the working conditions for the local politicians. The purposive selection of three most likely cases provides tough conditions for confirming our descriptive hypothesis about the failure of co-creation to penetrate the local political institutions and the exercise of political leadership.

The paper creates a rapprochement between theories of co-creation and theories of political leadership, but its main contribution is to provide new empirical knowledge about local governments' use of different forms of co-creation. Our main finding is that the three municipalities differ in terms of the local impact of co-creation. In the first municipality, co-creation merely plays a role in public service production and administrative problem solving and the impact on policymaking is limited. In the second municipality, co-creation primarily exerts itself at the level of public service production and local problem solving, but the administrative embrace of co-creation is supplemented with some rudimentary forms of political co-creation initiated by the City Council. In the last municipality, however, we find a combination of administrative and political co-creation and a relatively strong link between the two. Rather than trying to generalize our findings, we use the variation between the three cases to analyze the barriers to the political use of co-creation and the expansion of new forms of interactive political leadership.

The plan of the paper is as follows. First, we define co-creation, reflect on the background for its recent emergence as a governance strategy in local municipalities and discuss the benefits that co-creation might yield in administrative service production and problem solving and in the political development of policy solutions. We then introduce the three cases, further motivate their selection and account for the data that we have collected and analyzed. The next section analyzes and compares the varying constellations of administrative and political co-creation in order to explore whether co-creation goes all the way from co-produced services via co-created problem solving at the administrative level to co-created policymaking at the political level. The discussion reflects on the empirical findings and aims to identify the drivers and barriers for a full-blown expansion of co-creation at the municipal level that will include co-created policymaking. The conclusion summarizes the argument and points to some future research avenues.

## **Theoretical Framework**

New ideas about co-production and co-creation in the private sector arose in the field of service design where designers began to focus more on the needs and experiences of service users and developed a participatory approach to service production and service delivery that treated the users as co-producers and co-creators rather than as customers (Sanders and Stappers, 2008; Prahalad and Ramaswamy, 2004).

In public administration research, the concept of co-production was promoted by the Ostroms who insisted that multi-organizational arrangements will often be better at producing public goods than a single integrated bureaucracy (Ostrom and Ostrom, 1971). In support of this assertion, empirical studies demonstrated that the performance of the local police is improved when the police co-produce services with local citizens and community actors (Ostrom and Whitaker, 1973) and that the provision of public sanitation and primary education in developing countries can be enhanced through contract-based collaboration between public and private actors who are committed to co-creation of public value (Ostrom, 1996). The explanation is that co-creation mobilizes resources, knowledge and ideas that would not otherwise be deployed in the production of public service solutions.

In the 1990s, the interest in co-production and co-creation declined markedly, partly as a result of the rise of New Public Management that aimed to turn public service users into customers operating in newly created quasi-markets in which public and private service providers compete for contracts (Hood, 1991). The recent revival of co-production and co-creation in public administration research is based on criticism of New Public Management for failing to harness the resources, ideas and energies of service users and service contractors (Alford, 2002, 2008; Bovaird, 2006). In accordance with the service-dominant logic that informs the literature on co-production in the private sector, it is argued that clients and users in the public sector often play an active role in producing the services they consume and that the efficiency and quality of these services depend on client co-production (Osborne, Radnor and Nasi, 2013). Other researchers have broadened the concept of co-production to involve the contribution of voluntary third sector organizations to the production of public value outcomes (Brandsen and Pestoff, 2006; Brandsen, Steen and Verschuere, 2018).

The concepts of co-production and co-creation are often used interchangeably (Payne, Storbacka and Frow, 2008; Voorberg, Bekkers and Tummers, 2015), but we will here stick to the notion of co-creation that seems to capture a broad range of collaborative outcomes including the co-production of discrete services through sustained interaction between clients and public service providers. We define co-creation as the process through which two or more actors from the public and private sector collaborate voluntarily and in a balanced and reciprocal way in order to define common problems and challenges, design new solutions and implement them in practice (Nabatchi, Sancino and Sicilia, 2017; Torfing, Sørensen and Røiseland, 2019).

It should be noted that the early involvement of societal actors in the problem definition phase takes us beyond the traditional forms of citizen consultations, public hearings and town-hall meetings in which more or less complete proposals are presented to a public audience in order to muster support for their implementation. Since the citizens' input come late in the process where there is already a political majority in favor of specific proposals and the administration is ready to implement them, the impact of these traditional forms of citizen participation is limited. The limited impact is a source of frustration both among the participating citizens who feel it is a waste of time and among the decision makers who realize that they are not as responsive as they would like to be.

In much the same vein, the emphasis on collaboration takes us beyond the construction of quasi-markets in which public purchasers interact with private service providers based on contracts that are enforced based on hierarchical monitoring and control. Finally, the demand for a voluntary, balanced and reciprocal interaction eliminates out those cases of so-called 'co-creation' where public authorities try to dump the responsibility for social service provision at

the feet of disempowered communities that are too weak to shoulder the burden and too weak to protest.

The key concept of ‘collaboration’ deserves some further clarification. Hence, collaboration is frequently associated with the cumbersome process of securing unanimous consent to a particular proposal (Straus, 2002). However, in real life we often have to be content with less than a total consensus. In fact, the demand for unanimous consent will often prevent public and private actors from making progress towards a solution as veto actors will block the process. Should the actors eventually agree upon a solution, it is often based on the least common denominator that nobody really wants and everybody knows is an inadequate solution. To avoid both of these situations, we shall here define collaboration as the constructive management of difference in order to find a joint solution to common problems based on a rough consensus that allows those who agree with a particular proposal to go on with it despite tacit dissent and suppressed grievances (Gray, 1989; Torfing, 2016). This notion of collaboration allows consensus seeking to co-exist with conflict and risk taking.

Recently, we have seen a growing interest in co-creation amongst both practitioners and public administration scholars (Horne and Shirley, 2009; US Government, 2009; OECD, 2011; European Commission, 2019). The renewed interest is fueled by the disappointment with New Public Management that despite its reinvigorating focus on results and user-satisfaction has failed to deliver on its promise to provide more and better service at lower costs (Hood and Dixon, 2015). Today, governments at all levels are struggling to meet social needs and public demands with budgets that have been subjected to an extended period of fiscal austerity based on annual across-the-board cuts (Pollitt, 2010). In addition, they are challenged by a growing fragmentation of the landscape of public governance in which power is shared by a growing number of agencies, contractors and stakeholders and no one seems to be in charge (Crosby and Bryson, 2005). Finally, they are recognizing the pervasiveness of wicked problems that can neither be solved through hierarchical top-down command nor by enhancing market competition (Roberts, 2000). For these reasons and inspired by ideas associated with New Public Governance (Bingham, Nabatchi and O’Leary, 2005; Osborne, 2006, 2010; Torfing and Triantafyllou, 2013), public decision makers are turning to co-creation because it offers a tool for mobilizing additional resources from citizens and other societal actors, enhancing collaboration across sectors and organizational silos, and spurring innovation by facilitating knowledge sharing, mutual learning and creative problem solving (Ansell and Torfing, 2014). Often, this turn towards co-creation is supported by the development of on-line collaboration platforms that facilitate many-to-many interactivity (Meijer, 2011, 2014).

The growing interest in co-creation amongst public administration scholars has fostered different attempts to break down the basic concept of co-creation into different sub-categories. Nabatchi and her associates distinguish co-creation according to different phases in the service cycle and thus talk about ‘co-commissioning’, ‘co-designing’, ‘co-delivering’ and ‘co-assessing’ services (Nabatchi, Sancino and Sicilia, 2017). Brandsen and Pestoff (2006) reflect on the role of voluntary community organizations in the co-creation of services and distinguish between ‘co-production’ where users contribute to the production of their own service, ‘co-management’ where the third sector collaborates with public service delivery agencies in providing services, and ‘co-governance’ where the third sector participates in planning the delivery of services. Finally, Osborne and Strokosch (2013) supplement the original focus on ‘consumer co-production’ that aims to empower users to play an active role in discrete processes of service delivery with a new focus on ‘participatory co-production’ in which users participate in strategic planning and design in order to improve the functioning of entire service

systems and ‘enhanced co-production’ that aims to involve relevant and affected actors in developing new and innovative service systems.

While applauding the more or less explicit ambition of these competing categorizations to move beyond the original focus on how individual clients can co-produce their own services (Brandsen and Honingh, 2016) and to consider more collective forms of co-production that involves a broader range of actors (Alford, 2014), it is interesting that none of the above categorizations escape the original focus on service production. This is surprising since not only services and service systems, but all kinds of public value outcomes, including planning, societal problem solving and policymaking, can be co-created by sharing power, resources and responsibilities between public and private actors across levels, jurisdictions and sectors.

In an explicit attempt to broaden the scope of co-creation, we shall here supplement ‘co-creation of services’ that focusses on co-production of public services and service systems through a sustained interaction between users, citizens, third-sector organizations and frontline personnel with ‘co-creation of administrative problem solving’ where public managers and employees involve citizens and relevant stakeholders in solving societal problems based on joint deliberation and ‘co-creation of policymaking’ where elected politicians involve a broad range of relevant and affected actors in a creative problem solving aiming to reframe policy problems and design and implement new and bold policy solutions. This attempt to branch out the generic concept of co-creation, defined above, in the direction of service production, administrative problem solving and political policymaking enables us to analyze and assess the extent to which local municipalities exploit the full potential of co-creation. Hence, the three different forms of co-creation might be more or less developed at the local level, although some of them are likely to be more prevalent because they are well-known and thoroughly tested. However, for a municipality to reap all the fruits of its strategic commitment to co-creation, all three forms of co-creation should be exploited in full. As such, the pertinent question to ask is whether co-creation is merely a tool for activating users, citizens and voluntary organizations at the level of service production and collaborating with relevant stakeholders when solving societal problems, or whether it is also having an impact on policymaking at the level of politics?

The literature on collaborative governance in networks and partnerships contains numerous studies of how public and private actors co-create solutions to complex problems and challenges (Kickert, Klijn and Koppenjan, 1997; Agranoff and McGuire, 2003; Klijn and Koppenjan, 2004; Sørensen and Torfing, 2007). So far, however, there has been little focus on co-created policymaking, but the scholarly attention and interest is growing (Edelenbos, 2005; Agger and Sørensen, 2014; Lees-Marshment, 2015; Ansell and Torfing, 2017; Karsten and Hendriks, 2017; Hertting and Kugelberg, 2017). The common thread in the argument advanced in this new literature is that elected politicians can strengthen their political leadership through sustained interaction with relevant and affected actors that can help them to better understand the problem at hand, inspire the development of new and better policy solutions, and create a broad-based ownership to the new and bold solutions that facilitate their implementation.

There is much to gain from co-created policymaking. The political leadership of local councillors is under pressure because elected politicians spend most of their time processing cases in sector-specific permanent committees. Moreover, the elected politicians are often involved merely in the final stages of the policy development process where they are supposed to discuss and endorse policy proposals made by public administrators. Finally, yet importantly, public managers tend to monopolize the policy-relevant contact and interaction with relevant citizens and stakeholders through which relevant input is provided and political

support is fostered (Kjær and Opstrup, 2016). Co-created policymaking offers a possible cure against the risk of tunnel view, decoupling and insulation of elected politicians as it involves them in processes of multi-actor collaboration that aim to construct a common ground for defining policy problems and designing and implementing new policy solutions.

The input and support that the elected politicians get from this kind of co-created policymaking will tend to strengthen their political leadership since the essence of leadership is to respond to the problems, demands and needs articulated by different constituencies, give direction and contribute to the formulation of innovative, yet feasible, policy solutions, and finally muster support for their implementation, adaptation and consolidation (Ansell and Torfing, 2017). Co-created policymaking helps to strengthen the political leadership of local councillors, but it will not be the traditional kind of sovereign political leadership where the local politicians have all the power and all the responsibility. It will be a new kind of interactive political leadership in which politicians share power with societal actors in and through collaborative processes taking place in forums and arenas (Crosby and Bryson, 2005) that supplement the traditional government institutions such as the permanent committees and the City Council assembly. The design of institutional platforms for sustained interaction between elected councilors and local community actors is an important democratic innovation that installs elements of participatory and deliberative democracy at the heart of representative democracy thus creating a new democratic hybrid (Sørensen and Torfing, 2019).

In the empirical analysis, we will explore the drivers and barriers for local municipalities to go all the way and extend co-creation from the administrative level of service production and societal problem solving to the political level of policymaking. We will look for drivers and barriers pertaining to the role perceptions of the politicians, the political culture, the available institutional support structures, and the practical organizational procedures for policymaking based on collaboration (Ansell and Gash, 2017; Ansell and Torfing, 2017). Politicians may be unwilling to share power with local actors because they cling to the traditional perception of politicians as sovereign political leaders. In addition, the political and administrative culture in local municipalities will often support the traditional division of labor between politicians, administrators and citizens that assigns separate roles to each actor rather than encouraging joint deliberation and action. Even if local politicians were keen to engage in co-created policymaking, they may lack platforms and arenas for sustained interaction and may be uncertain about how collaboration with local actors can be combined with their formal political responsibility for making authoritative political decisions and with their democratic obligation to ensure accountability. Hence, despite the potential benefits of co-created policymaking that include knowledge sharing, resource mobilization, creative problem solving and joint ownership over new and innovative policy solutions, the barriers may overshadow the drivers and prevent local municipalities from going all the way.

## **Methodological reflections**

In order to provide tough conditions for the empirical evaluation of our descriptive hypothesis about the relative absence of co-created policymaking, we have selected three local municipalities that are both strategically committed to co-creation and have endeavored to reform the political working conditions of the local politicians in order to strengthen their political leadership. If co-creation should penetrate the world of politics and lead to co-created policymaking and a more interactive political leadership it should be in such municipalities.



We selected the three municipalities through a three-step procedure. First, we combined a Delphi study involving expert academics and practitioners, media-based crowd-sourcing, and reputational snowballing techniques to identify 24 Danish and 22 Norwegian municipalities that had recently reformed their democratic political institutions (step one). We then selected four Danish and four Norwegian municipalities that had introduced markedly different reforms of the political working conditions (step two). Further studies revealed that five of these eight municipalities had a strong commitment to co-creation. Excluding two extreme cases that we knew had recently introduced a new model for co-created policymaking in collaboration with the authors, we were left with three municipalities (Steinkjer, Guldborgsund and Hedensted) that would facilitate a tough trial for our hypothesis. The cases are presented and compared in Table 1 (step three).

**Table 1: Presentation and comparison of the three case municipalities**

	<b>Steinkjer</b> (Norway)	<b>Guldborgsund</b> (Denmark)	<b>Hedensted</b> (Denmark)
Number of inhabitants	22,000	61,000	46,000
Rural/urban environment	Rural	Rural/urban	Rural
Socioeconomic problems	Negligible	Considerable	Negligible
Political orientation of mayor appointed by council majority	Liberal	Independent	Liberal
Number of elected councilors	47	29	27
Number of permanent committees	4	6	6

The data used in our qualitative case studies were collected during the second half of 2017 and the first half of 2018 and consisted of a mixture of semi-structured qualitative interviews, relevant policy documents and observations of meetings. The amount of data collected in the three municipalities is shown in Table 2. The informants were selected partly based on reputation and importance in relation to the subject matter and partly out of concerns for maximizing variation in terms of age, gender, position, political affiliation etc. We retrieved relevant documents from the municipal webpages and observed relevant meetings if such were planned to place during our short visits to the rather remote local municipalities.

**Table 2: Data collected in each of the three cases**

	<b>Steinkjer</b>	<b>Guldborgsund</b>	<b>Hedensted</b>
Interviews	20 8 elected politicians 3 public managers 5 frontline staff 6 citizens	19 7 elected politicians 5 public managers 4 frontline staff 3 citizens	13 6 elected politicians 3 public managers 2 frontline staff 2 citizens
Documents	Several of which the most important is: <i>Strategy, research and innovation</i> (Steinkjer Municipality, 2015)	Several of which the most important is: <i>Our Shared Guldborgsund</i> (Guldborgsund Municipality, 2016)	Several of which the most important is: <i>Sustainable Welfare</i> (Hedensted Municipality, 2016)
Observations	1 council meeting and 2 meetings with citizen involvement	No observation due to lack of relevant meetings at the time of data collection	1 thematic council meeting

We transcribed the semi-structured interviews and observation notes, and the transcripts and retrieved documents were coded focusing on the processes, experiences with and assessments of co-creation at the frontline level of public service production, the administrative level of planning and public governance, and the political level of policymaking. The criteria for identifying cases of co-creation was that citizens and other relevant actors were involved in collaborative processes that aims to leverage societal resources and are based on power sharing and joint decision-making. We also looked for how public managers and elected politicians supported and participated in co-creation processes at lower levels of governance. Finally, we had codes for drivers and barriers to co-creation at the political level. Drivers were identified by looking for factors that directly or indirectly supported the use of co-creation and barriers were identified by looking for factors that either discouraged or impeded the use of co-creation.

Although our research is informed by an overall hypothesis about the reluctance to use co-creation as a tool for qualifying local policymaking and strengthening political leadership, our study is explorative in nature and aims to create a nuanced understanding of the local exploitation of the potential benefits of co-creating public value outcomes. In particular, we are interested in exploring the barriers to co-creation of local policymaking in the area of local planning, place-based regeneration and regional development that is a central task for local municipalities in rural areas.

A key methodological challenge is that we draw cases from two different countries. However, Danish and Norwegian municipalities are very similar in most respects, except for the fact that in Norway the power balance between the administration and the elected politicians is a little more in favor of the administration than it is in Denmark where the elected politicians are more involved in making policy recommendations to the city council. Also, there seems to be less collaboration between the political majority and the opposition in Norway than in Denmark. Finally, it is not allowed to have municipal meetings behind closed doors in Norway, whereas that is perfectly possible in Denmark. All of these differences provide slightly less favorable conditions for co-created policymaking in Norway than in Denmark.

Another methodological challenge is timing. Hence, in the comparative case analysis, we are comparing snapshots taken at different points of what might end up being very similar paths. This means that the differences may be mitigated over time and that the barriers to co-created policymaking that we detect might prove to be less significant than the analysis suggests. A second round of data collection sometimes in the future will solve this problem.

## **Main findings: from administrative to political co-creation?**

This section reports the main findings about the strategic commitment to co-creation and the relative impact of co-creation at the level of service production, administrative problem solving and policymaking case by case, before comparing the three cases with each other.

### ***Steinkjer***

Steinkjer is an economically well-consolidated Norwegian municipality situated in a rural area with many distinct localities and villages and an active and well-organized civil society. The *Municipal Planning Program* from 2016 points out a number of challenges for Steinkjer. The biggest challenge is the structural reforms in public administration and governance at the national, regional and local level. Regional counties are amalgamated and Steinkjer itself will merge with a neighboring municipality in 2020. The structural changes are

disruptive, but they also create opportunities for increasing the number of inhabitants and jobs, especially if the local areas are developed and appear attractive. Other important challenges are the creation of sustainable transport, the mitigation of life-style diseases, and integration of refugees. The municipality aspires to take responsibility for societal development, but seeks to share this responsibility with other public authorities, private firms and voluntary associations in civil society. The official planning documents talk about the ‘four voices’ that should influence the future development of Steinkjer: public professionals, private business, citizens and elected politicians. Hence, without mentioning the concept of ‘co-creation’, there is a strong commitment to collaborative problem solving. This is supported by the interviews. One of the executive managers explains.

We are inspired by the ‘Municipality 3.0’ thinking from Skanderborg Municipality in Denmark. Whereas in ‘Municipality 1.0’ everything is decided top down by the municipality, in 2.0 the citizens raise a lot of demands and expect them to be met by the municipality, and in 3.0 the municipality aims to get the citizens and local communities to contribute to solving public problems and tasks.

There are relatively few reports from our informants about examples of co-creation at the *level of public service production*. However, the long-term policy plans contain strong recommendations for involvement of both parents and children in quality development of public schools and for voluntary fractioning of garbage by private households. There are also plans for using holistic individual health plans as the vehicle for internal co-creation between different parts of the administration and external co-creation with other municipalities and voluntary organizations. Finally, there is mentioning of a project aiming to improve the sustainability of the value chain for local commodity production through co-creation between the municipal utility company and local businesses (Steinkjer Municipality, 2005, 2010, 2017, 2018). These examples of co-creation are all verified by internet searchers.

In 2010, the municipality created a new policy for stimulating voluntary work and promoting co-creation between the municipality and third sector organizations. It also helped establishing local voluntary centers that support local associations and citizen activities based on a partnership agreement with the municipality that provides a large part of the funding. The municipality uses partnership agreements in different areas to create responsible and mutually beneficial co-creation with citizens and voluntary organizations.

At the *level of administrative problem solving*, Steinkjer has a flagship program that uses co-creation as a method for area-based local development that has great strategic importance for the attempt to attract citizens between 25-45 years. The method is called ‘Bolyst’ that literally means ‘living enjoyment’ ([www.bolyststeinkjer.no](http://www.bolyststeinkjer.no)). The development of the Bolyst-method took inspiration from local experiences with laying down fiber-cables and received special-purpose funding from a national ministry (KMD) in the period 2013-2016. It now has the status of an integrated coordination method in Steinkjer Municipality. The goal is to enhance the livability and attractiveness of distinct local areas, both in order to retain the present inhabitants and to enhance further settlement. Additional goals are the empowerment of the local communities and mobilization of their resources as well as the enhancement of horizontal co-creation among administrative agencies and vertical co-creation with citizens and voluntary organizations. The Bolyst-method encourages local communities—often organized into local citizen councils with a relatively broad participation—to identify local problems, challenges and needs such as traffic regulation, access to public transport, new walking paths, better sports facilities etc. The problems can either have a social or a physical character and solving them should be a part of a holistic ambition to improve the local community. The local

communities are also encouraged to think about possible solutions. The municipality then puts together a municipal Bolyst-team with the right professional and cross-disciplinary competences to help further develop the solution and to plan and coordinate its implementation. Together, the local initiators and the municipal Bolyst-team organize an open meeting in order to invite inhabitants to join a local workgroup that will assume responsibility for co-creating the solutions with the municipal Bolyst-team and ensuring progress towards completion of the project. When the right solutions are found and the division of labor between the local and municipal actors is agreed upon, the municipality gives the local community a last chance to opt out, or to down-scale or perhaps divide up the project, if it appears too big and unmanageable. The whole process is led by a public process manager who helps to align the participants' expectations and interests and coordinate their efforts.

At the municipal level, a special Bolyst-coordinator has the responsibility for forming the municipal Bolyst-teams, opening doors for the projects to get funding and necessary permits, and monitoring results. Although the Bolyst-method is developed and administered by the administration, it is politically endorsed by the city council. However, as we shall see, the politicians play a marginal role, except when it comes to decisions on project funding and when the projects require changes of existing plans and regulations. From an administrative perspective, the Bolyst-method is a tool for resource mobilization and its strength is that the implementation of the co-created solutions is channeled through the daily operations of the administrative departments. Hence, no special budget is needed in order to finance the area-based development program. The Bolyst-method is praised by the local inhabitants who feel that they are listened to and taken seriously. Several of them claim that it has opened a new line of communication and cooperation between the local communities and the city hall. The citizens are satisfied with the fact that the municipality comes out to them rather than the other way around and that it is the citizens rather than the municipality that sets the agenda. The citizens readily accept that co-creation involves co-funding.

At the *level of policymaking*, council and committee meetings take up most of the time and energy of the local councillors. They also participate in mandatory hearings and consultation processes in relation to the development of municipal policy plans in different areas, but this type of interaction with citizens and stakeholders is fairly thin and formal. Moreover, our informants tell us that it is mostly men above fifty years who participate and that the agenda is set by the administrative planning department. The law prescribes the formation of local councils for disabled, elderly, youth etc., but these are only used for consultation and have little if any policy impact. There are no other arenas for sustained interaction with local citizens and stakeholders in relation to policy development. The local councillors do not participate in their capacity as elected politicians in the co-creation processes spurred by the Bolyst-method, but some of them participate in their capacity of being local citizens in Bolyst-projects where they live. This participation is frowned upon by most informants as it creates doubts as to whether the politicians pursue their own local interests or the interests of the municipality as a whole.

Nevertheless, most of the political informants say that the Bolyst-method has a positive impact on their political leadership. First, it enables them to focus on their strategic leadership role because the citizens are urged to raise and get response to their many case-specific petitions through the Bolyst-method. Second, the Bolyst-method provides a constant stream of input in terms of problems, ideas and proposals that help qualify the political decisions of the elected councillors in the permanent committee and city council meetings. Several informants criticize the lack of a strategic political engagement in the local co-creation processes because they fear that the Bolyst-method will shift power in an important area from

the city council and elected politicians to the local citizens and the administrative Bolyst-team. One informant points out the risk that Bolyst-projects may jeopardize council decisions and jump the queue of projects waiting for funding. The reason why the local politicians do not participate in the co-creation processes spurred by the Bolyst-method is that these processes are not considered as a part of the policy process. To put it differently, if the co-creation processes were defined as political, they could not have been conducted with such a limited degree of political intervention.

In sum, it is clear that the co-creation practices that are found at the level of service production and administrative problem solving have not yet reached the world of politics. Nevertheless, the use of the Bolyst method as the level of administrative problem solving has helped to mobilize local resources in an area of strategic importance and shortened the distance between the local communities and the city hall.

### ***Guldborgsund***

In the beginning of the 2010s, Guldborgsund suffered from de-population, economic crisis, soaring unemployment, severe budget problems and bad reputation as a declining peripheral area. In response to the downturn, a new independent mayor, John Brædder, was appointed in 2010. In 2015, he urged the City Council to redefine the role of the politicians and the municipality. He and his political colleagues were tired of making annual budget cuts and being under pressure from central government to consolidate the budget in order to avoid being put under administration. In response, the city council decided to make some drastic expenditure cuts over the next four years—laying off 800 employees—in order to make room for a more visionary growth strategy that could take the community forward. The political discussions in 2015 led to the so-called ‘Rostock conclusions’ that emphasized the municipality’s role in facilitating bottom-up co-creation involving local citizens, civil society organizations and private firms. Co-creation was seen as tool for empowering local communities, enhancing local problem solving and countering societal decline. As the mayor puts it: ‘co-creation is to make 2 + 2 equal 5’. The politicians aimed to enhance their problem-focused interaction with local citizens and stakeholders and the administration embarked on 100 days of co-creation that aimed to identify and enlarge existing co-creation initiatives and launch new ones. Together with a consultancy firm, the municipalities conducted 50 interviews with local actors in order to identify their hopes and dreams for the future development of the municipality. This led to the formulation of a new planning strategy entitled *Our Shared Guldborgsund* (Guldborgsund Municipality, 2016) in which there is a strong strategic commitment to co-creation that is described as a core governance principle. A central ambition is to stop thinking in terms of ‘us’ (the municipality) and ‘them’ (the local citizens and stakeholders), and instead think of a ‘we’ and jointly mobilize public and private resources in the pursuit of needs-based, integrated problem solving and local development.

At the level of public service production, the new co-creation strategy aimed to spur the development of local projects. There are numerous small-scale projects where citizens are involved in painting the kindergarten, cleaning up the beach, cutting the grass along public roads, etc. One of the more spectacular projects is from a local elderly care center that involved the leader of the institution, the staff, the relatives of the elderly and voluntary citizens from the neighborhood in transforming a large boring parking lot into a luscious garden with a lawn, fruit trees and flowers and a small Danish-style allotment with an adjacent henhouse. There is also a small playground and a petanque court. Everything was built after normal working hours and is maintained by a combination of staff, elderly residents and their relatives and local volunteers. In the summer, ice cream and hotdogs are served on a weekly basis and there is a well-attended annual flea market. The allotment is very cozy and attractive. The elderly

residents meet with each other and get fresh air every day. Their relatives come to visit the elderly more often because they can sit in the garden and the grandchildren are keen to come along as they can play around in the garden and use the playground. The local leader and her staff are thrilled about how the allotment has helped to create an interface between the residents and the local neighborhood and they find that they have received adequate administrative, economic and political support from above to their local co-creation project.

Another example is the Adopt-a-Tree program. The municipality offers to pay for new trees if the local citizens agree to water and nurse them. A local guy, we interviewed, contacted the municipalities to get some trees that could help slow down the traffic in his street. He and his neighbors helped to plant them and also planted some spring flowers. There are now trees and flowers along the whole street and they are all maintained by the residents. As a result, the interaction between the local residents increased and they now have a strong community feeling and organize local flea-markets and have a face book group that brings people together in improving their neighborhood. Similar projects are found in many localities all over the municipality. When the municipality decided to save money on planting tulips in public pocket gardens, a group of citizens offered to do it for free if the municipality provided the bulbs. The tulips have the colors of the municipal code of armor and helps to brand it as a green municipality. In connection with that, a social entrepreneur got some government money to launch a Seed for Change project that involves volunteer citizens in planting and maintaining urban gardens that are authorized and partly financed by the municipality. The project soon spread to the rural country side. The Technical and Environmental Department has been very helpful throughout the process. The social entrepreneur felt that she was warmly welcomed by the municipality that offered all the help she needed.

One of the technical managers tells that the administration is frequently contacted by social entrepreneurs who wants to launch joint projects. They tell them to create a local network and then come and have a meeting to plan the co-creation process. A local group submitted a proposal for the development of the local harbor. Another group submitted a critique of the first proposal and provided an alternative proposal. A third group had a slightly different idea. The municipality told them to form a local harbor association and come up with a joint proposal. Then the co-creation with the municipality could begin.

The citizens' efforts 'to-do-something-yourself' has triggered support to the so-called 'Love Storm Lolland-Falster' that is a huge face book group aiming to improve the reputation of the local area by getting people to act as ambassadors. The Love Storm initiative was a response to a series of TV programs trashing the area in which municipality is located.

The participation of voluntary community organizations in local co-creation projects is supported by the Local Voluntary Centre that has a board comprising representatives from the local organizations and a couple of employees jointly financed by the municipality and the state. The Centre supports the local voluntary community organizations (around 2,200 volunteers in the area of social welfare alone) and the development of their digital infrastructure and helps them to get into contact with the municipality to organize projects that will be used by the municipality. It organizes a big annual conference where politicians and administrators are invited to speak with representatives from the local organizations. According to our informants, this dialogue often sparks off new projects and initiatives. It also helps to create a joint understanding of how public institutions can work with volunteers and draw on their resources and energies without expecting them to act as hired hands.

At the *level of administrative problem solving*, co-creation is considered as a core tool for mobilizing local resources, competences and ideas and creating ownership to new and bold solutions. The new planning strategy from 2015 was a result of a co-creation process involving a broad range of actors, urban development is co-created with public and private actors from the local neighborhoods, the collective transportation system was made cheaper and more user-friendly through extensive dialogue and exchange with the users, and participatory budgeting has been used to develop villages outside the urban center, although with limited success as it failed to mobilize additional local resources. More recently, a municipal branding strategy was co-created with citizens that have participated in nominating and selecting the 'local gold' in terms of outstanding persons, events and localities. The strategic emphasis on co-creation is combined with a focus on effects. To support and improve the strategic use of co-creation as a tool for creative problem solving, the administration has created a joint knowledge forum and a master program on co-creation for public managers. A new set of local leadership guidelines requires that local managers constantly scan the possibilities for having their employees to initiate co-creation and that the co-creation efforts of the employees are evaluated in regular staff development talks. Nevertheless, many of our administrative informants admit that there is still some way to go before co-creation becomes a part of the organizational DNA. Several politicians agree with this assessment. Co-creation has not yet become a shared mindset.

The politicians endorsed the strategic turn to co-creation and has provided special funding for administrative co-creation initiatives. There seems to be a broad political ownership to the co-creation strategy, and some informants estimate that the local councillors are more contact with the citizens than ever before. However, the impact of co-creation at the *level of policymaking* is somewhat limited. First, the politicians are not involved in the local co-creation projects at the level of service production. The co-creation of the allotment in the elderly care center has won national recognition, but the local councillors have not been interested in how the local experiences can feed into local elderly policy. The different co-creation projects involving planting of trees and flowers has only marginally inspired the politicians to change the way that they are developing political strategies for urban development. The exception is the above-mentioned reform of public transport and the development of the Lindholm neighborhood that we come back to later. The local councillors continue to spend most of their time in council and committee meeting in which they discuss and endorse policy recommendations from the executive administrative leadership. There is little political discussion in the council meetings, but some relatively constructive political debates in the permanent committees where the council decisions are prepared. Here the new four-year budget means that political decisions cannot be postponed to the annual budget negotiations. Before each council meeting there is a thematic meeting with cross-cutting political discussions, but attendance in these meetings is dwindling. At the thematic meetings, the administration provides input for discussion amongst the politicians and external guest are rarely invited. Hence, the thematic meetings do not provide an arena for co-created policymaking.

The city council in Guldborgsund also have a so-called § 17.4 committee that brings together politicians, citizens and stakeholders in year-long discussions of shifting themes relating to the overall political goals: job, education, population growth and sustainability. The composition of the external committee members shifts every year, but the political members and the councillor chairing the committee stay the same over the four year period. The well-confirmed story is that the committee was only established to find a formal political post for the said councillor. To begin with, there was no real ambition to create an interface between politicians and the local citizens and stakeholders. However, the politicians have discovered that co-creation with relevant and affected actors produces a lot of good and innovative

solutions that are later implemented through the normal committee system. Therefore, some politicians suggest that there should be more such committees after the election.

Along with people from local housing associations, sports clubs and schools, a local businessman was invited to participate in the §17.4 committee focusing on the enhancement of social sustainability in a neighborhood called Lindholm. He supports the idea of citizen involvement in the urban re-generation and ethnic integration project and thinks that the co-creation process has relatively strong political and budgetary support. However, he finds the procedures and paperwork very bureaucratic and he is disappointed that the 17.4 committee has no real decision power, but is merely advisory. The politicians are only there to listen and get inspiration and they have to go back and consult with their party groups before the discussions can move on. The politicians are more positive. One says that: 'We get a lot of good ideas from the local actors and they have ownership of the new solution'. Another politician claims that it has been his best year as a local councillor. However, there is only one § 17.4 committee and only 5 politicians have served on it, so the positive experiences are not shared by the city council as a whole.

Hence, the general impression is that co-creation of policy development is limited. When asked about the role of citizen involvement and co-creation in relation to political decisions one of the councillors replies that: 'Co-creation of policy decisions is where we are still lagging behind. When it comes to policymaking, we still use the classical forms of hearings and consultations.' Nevertheless, on the whole, the co-creation strategy seems to be relatively successful in turning the tides. More people are moving to the municipality, more jobs and education opportunities are created and perhaps most importantly the local community has become empowered and the reputation of the municipality is improved considerably. Many of the politicians that we interviewed assert that the turn to co-creation has helped to bring them closer to the citizens and thus helped to fight off anti-politics sentiments.

### ***Hedensted***

In 2007, three small municipalities were amalgamated into Hedensted Municipality. The financial crisis put severe strains on the budget and the new council struggled to make ends meet. In 2011, it decided to spur radical innovation to get more out of the shrinking budget. Radical innovation proved to be difficult because it fostered some big internal conflicts, but the municipality learned that involvement of relevant and affected actors was crucial to create new and better solutions. This lesson was drawn from the work with the so-called 'disruption groups' in which politicians and administrators invited external actors to disturb the common way of thinking and doing things. In 2014, the city council agreed on a new municipal strategy for 'sustainable welfare' that basically assumes that social welfare is something that is provided in and through relations and communities (Hedensted Municipality, 2016). Consequently, co-creation and collaboration with civil society was seen as a vital tool for providing sustainable welfare. The core ambition of the new strategy for sustainable welfare is to help citizens to move well through life. This requires passing through education to employment, having access to social care when needed, and being able to live a life full of exciting cultural and leisure activities and supported by a good physical infrastructure. The administration and the political committees are structured holistically around these five core aspects of citizens' life (there is also a technical and economic committee).

Moving citizens well through life is not a task for the municipal organization only, but necessitates mobilization of active citizens and local communities. Hedensted Municipality consists of 31 local areas with small villages and the political vision is to preserve and develop these localities through the creation of partnerships between the municipality, the citizens and a



large number of well-organized civil society organizations. The vertical co-creation of welfare through the mobilization of local citizens and stakeholders is combined with a horizontal co-creation across the administrative and political silos in the municipality.

Co-creation at the *level of service production* emerges spontaneously in response to local problems or ideas. A good example is from the local area of Uldum, where there were concerns about a group of children with few social contacts and no spare time activities. Local school and day-care leaders invited their parents to a meeting and it was agreed that the parents in turn would open the school two nights per week and organize different activities for all their kids. This arrangement led to a well-functioning after-school ‘evening-care’ with games, sports activities and social interaction. To further stimulate interaction between local day-care institutions and local citizens, the former regularly inform the latter that they can use the public facilities in the evening for community meetings and local events.

Another example is from the largest town Hedensted in which conflicts erupted around the use of an abandoned area near the town center. Instead of taking a vote and making an authoritative planning decisions, the politicians donated 1 m. Danish Kroner to a citizen group with open participation, so that it could decide how to develop the area. This has led to the development of a City Park with trimmed scrubs, new trees and plants, walking paths and an outdoor stage for performances during spring and summer time.

A last example is ‘Families on the move’. Families in which both the adults and their kids have social problems or special needs were found to be targets of a large number of uncoordinated municipal initiatives and interventions resulting a large number of different action plans. Such families are not always good at explaining what they need and they are pushed around in different directions by scores of well-intended social workers. To change all that a new project put the families in charge of regular meetings in which the families ask the social workers for help and advice and based on that draw up their own action plan. This means that the families are empowered to say no to particular offers and initiatives and that tends to take away the stress and anxieties that the families often feel in their interaction with the municipality.

At the level of *administrative problem solving*, Hedensted Municipality works closely with local areas to solve emerging problems and support their development and attractiveness. After years of depopulation, this endeavor has high strategic priority. The method applied is less formalized than the Bolyst-method. There are permanent administrative contact points for all the 31 localities and there is an administrative coordinator for the local citizen councils that have now been established in two thirds of all the localities. The local citizen councils are open forums gathering active citizens and people from the local organizations, public schools and private firms in a network with regular meetings. In at least seven cases, the municipality has worked together with local citizen councils to create and implement a local development plan.

The chairman of the local citizen council in Uldum tells that interaction with the municipality used to be rare and based on information exchange. Some time ago, there were rumors that the municipality planned to shut down some local facilities in the wake of the municipal amalgamation reform. The chairman wrote to the municipality and he was surprised to receive a personal reply from the municipal CEO and the mayor. Soon after, a meeting between the local citizen council and a group of politicians and administrators headed by the mayor and the CEO was set up and that sparked off a co-creation process with town walks, brainstorming sessions and planning workshops that fostered a new development plan for the central part of Uldum. The implementation of the plan was financed by the municipality, but

the local actors also chipped in with resources and local citizens have responsibility for maintenance of the new grass areas. They had a similar experience in Løsning, another a small village suffering from loss of local shops and service facilities. After a critical article in the local newspaper, the mayor and the CEO came out to meet with the local citizen council. Other politicians and administrators participated in the subsequent meetings in which a joint development plan for enhancing the attractiveness of the village and the local area was drawn up and financed by the municipality. The local actors and volunteers also committed resources and manpower in the implementation phase.

The administration also use co-creation as a tool for strategic problem solving in specific policy areas and has been a driving force in the formation of § 17.4 committees that could help to design new solutions to pressing problems (see below). It has also used participatory budgeting providing small amounts of money for the citizens to spend themselves based on a simple voting procedure, but this has mostly been in order to empower the local areas and citizens. The politicians support this initiative, but they also recognize that giving the citizens the right to decide how a part of the public budget is spent goes against the use of co-creation as a tool for strategic problem solving and policymaking.

At the *level of policymaking*, the politicians spend a good deal of their time in council and committee meetings. The council meetings are supplemented with thematic meetings based on input from the administration followed by a questions and answers. The political informants agree that the council meetings are not about policymaking and that the thematic meetings merely serve to prepare the councillors for future policy discussions by providing relevant information. Political decision making takes place in the standing committees that make recommendations to the city council. To avoid the imminent risk of drowning in sector-specific case processing in the standing committees, the city council has established a rather innovative so-called ‘dialogue meeting’ that takes place two hours before the parallel standing committee meetings. It is a closed meeting and all politicians can put new issues on the agenda right up to the beginning of the meeting. They can also choose a particular dialogue form such as speaker’s corner, group discussions or party-based deliberation. At the meeting, the politicians take an open-ended discussion of three or four agenda items without any pre-prepared policy papers. It is not a formal decisionmaking arena, but the politicians may informally decide whether to continue a particular discussion in a thematic meeting, in an ordinary council meeting or in parallel standing committees meetings. They may also initiate a co-creation process with external actors. The dialogue meeting is a forum for open-ended collective political discussions as the party groups have no time to coordinate their views. This arrangement stimulates crosscutting political discussion. It is basically the politicians’ meeting, although some executive administrators are also present and may participate in the debate. Occasionally, guest are invited to provide input to the discussions. The politicians are very positive about the dialogue meetings. One claims that: ‘We have become far more agenda-setting than before and much better at drawing in other people than those from the administration in the policy debates’. Discussions in the dialogue meetings are taken from scratch and they bring different political views and opinions together in the creation of new policies.

Executive political and administrative leaders to the initiative to form a § 17.4 committee focusing on the rising costs of elderly care and social welfare, but there were only politicians and administrators in it and no external participants. Hence, it did not provide an arena for co-creation. There has also been another § 17.4 committee focusing of collective transport that had eight politicians and five citizens as members. This committee co-created new public transport solutions with the Youth Council and the Elderly Council. The

participants were excited about this new way of working, and more §17.4 committees are planned in the field of municipal branding, youth education and improvement of the quality of senior living. Despite the growth of this kind of politically initiated co-creation, it is not a central tool for strengthening interactive political leadership. The administrators are keen to have more § 17.4 committees that can help them in strategic problem solving, but the councillors as a whole have yet to discover their value.

The most important arena for co-created policymaking is the involvement of the councillors in their capacity of politicians in area-based development. Development of the local areas is important for attracting new citizens and firms and there is a council decision that the politicians should participate in the development of local development plans. As mentioned above, both the mayor and other politicians are actively involved in the area-based co-creation processes that are initiated by the citizens. It is new to have politicians present at local meetings focusing on area-based development, but both political and administrative informants claim that it works well. The development of local policies and infrastructures become more needs-based and the politicians bring political vision and commitment to the table and bring home valuable information, knowledge and ideas that they use in other policy processes. The big challenge is to avoid that the politicians become too active and take over the local development plans. The danger is big in the time before a local election where the politicians want to draw attention to themselves.

Despite the many arenas for co-creation policymaking, some politicians think there is room for improvement. One mentions public transport where the solutions would have been much better if the citizens had been more involved and the politicians are merely trying to patch up policy solutions that do not work. Nevertheless, co-creation practices play a large and increasing role in policymaking and is not merely confined to service production and administrative problem solving.

### ***Cross-case comparison***

Co-creation may help to mobilize resources in service production, to bring forth new ideas and create ownership to administrative problem solving, and to enhance political leadership by means of providing input and support to local policymaking, thus stimulating innovation and legitimacy. Despite their strategic commitment to co-creation, the three municipalities that we have analyzed do not seem to reap all these fruits to the same extent. As shown in table 3, the three municipalities have different co-creation profiles indicated by their different scores (one to three x's) on the three levels of co-creation. In Steinkjer, co-creation is relatively strong at the level of administrative problem solving, due to the Bolyst-method while co-created service production is limited and co-created policymaking almost negligible. Guldborgsund is very strong on co-created service production and strong on co-created problem solving, but co-create has limited impact on policymaking. Only in Hedensted has co-creation managed to have an equally strong impact on administration and politics, and also here there is considerable room for improvement, especially at the political level.

Our hypothesis about the relative absence of co-created policymaking and interactive political leadership is confirmed despite the strategic commitment and willingness to transform the working conditions for the local councillors. There are some rudimentary attempts in Guldborgsund and more serious efforts in Hedensted to use co-creation as a tool for policymaking, but political co-creation is clearly weaker than administrative co-creation. Instead of speculating about whether this finding has some general validity, we shall try to explain by looking at the drivers and barriers for interactive political leadership.

**Table 3: Comparison of municipal co-creation strategies**

	Steinkjer	Guldborgsund	Hedensted
Co-created service production	X	xxx	xx
Co-created problem solving	Xxx	xx	xx
Co-created policymaking		x	x(x)

## Drivers of and barriers to the development of an interactive political leadership

Local councillors will only use co-creation as a tool for policy development if they take a political decision to do so and transform the way that politics is conducted in and around the local council. The traditional emphasis on council and committee meetings that are prepared in party group meetings must be supplemented with new institutional designs if co-created policymaking is to gain momentum. The political will to experiment and adopt such designs depends on the empirical presence of a particular set of drivers and barriers that may pertain to discursive, cultural, institutional and practical matters.

While our analysis does not enable us to discern the relative weight of different drivers and barriers, we can identify the empirical presence of particular drivers and barriers in each municipality and reflect on the impact that they may have on the prevalence of co-created policymaking.

While co-created policymaking is almost negligible in *Steinkjer*, there are some important drivers for the elected politicians to co-create policy development. The first driver is the political support to the Bolyst-method that provides a platform for co-creation with local citizens and stakeholders that the politicians may use more systematically to provide input to their policymaking. Another driver is the collaborative political culture and the high level of trust between the politicians that enable them to participate in open-ended policy dialogues with external actors. That being said, the catalogue of barriers to co-created policymaking in *Steinkjer* is long. First, political leadership is generally perceived as a question of positioning oneself politically, creating political alliances and mobilizing political support rather than identifying problems and designing solutions, which is a key feature of interactive political leadership. Second, there is a high concentration of political power in the hands of a strong and resourceful mayor, the executive leadership group in the city council, and the office of the administrative CEO who tends to produce policy proposal that are endorsed by the mayor and well-prepared and thus difficult to go against. When political power is concentrated in the hands of a few strong actors it may work against co-created policy development that tends to distribute power among a wider set of public and private actors. A final barrier is that, according to leading politicians, the administration is more focused on daily operations than on development and innovation. Hence, if there is no demand for innovative solutions, co-creation may not be in demand at all since traditional forms of bureaucracy will do just fine to help the daily operations along. Given the relatively weak drivers and many barriers, it is not surprising that so far, there has been little emphasis on co-created policymaking in *Steinkjer*.

*Guldborgsund* has introduced some rudimentary forms of co-creation in the field of policy development. There seems to be strong drivers for that and for continuing this development. First, political leadership is generally perceived as a question of setting the overall course for the municipality and designing solutions in response to local problems and needs. Second, the political culture is characterized by trust, collaboration and broad political agreements rather than party political positioning. Third, there are many new and younger council members who are more supportive of co-creation and innovative policy development than the older council members who tend to focus a lot on single issues. Fourth, the amalgamation of five small municipalities into a bigger one has strengthened the focus on strategic policymaking rather than issue-specific case processing and that prompts the politicians to come closer to the citizens. The politicians recognize the need to interact more with citizens and one of them reports that ‘it is nice to meet citizens who are satisfied because they have been involved in political decisions’. The fifth driver is institutional and has to do with the shift from goal and framework steering to a new focus on public value outcomes. According to several informants, this shift makes it easier for politicians to engage in a dialogue with citizens and stakeholders since the burning question is how these outcomes can be achieved. A final driver is the crisis period that *Guldborgsund* has been through. Hence, as a political informant remarks, it is easier for politicians to stick together and try something new in times of crisis.

In the light of the many and strong drivers, the limited impact of co-creation at the level of policymaking must be due to the presence of strong barriers. The empirical analysis reveals two such barriers that may explain why neither politicians nor administrators have accelerated the use of co-creation as a tool for policymaking. The first barrier is the presence of some relatively traditional perceptions of political leadership that hinder a turn to co-created policymaking. Our data does not allow us to say anything about the prevalence of these perceptions, but some of the politicians tend to think that the political mandate they are given by those who voted for them is undermined by co-creation that allows small groups of citizens to have a special influence. There are also some politicians who claim that politics is basically about prioritizing with the available budget frame rather than trying to please the citizens through lengthy dialogue that gives the impressions that they can have it all. Finally, there are those politicians who equate political leadership with establishing a slim majority rather than finding a common ground for joint problem solving. Politicians that share one or more of these perceptions will tend to be skeptical of co-created policy development.

The second barrier concerns the administrators’ expectation to the politicians. Some administrators clearly expect the politicians to define overall visions and goals that answer the ‘what’ and the ‘why’ question, so that they can implement the visions and goals and thus answer the ‘how’ question. The expected division of labor between goal-formulating politicians and implementing administrators is disrupted by co-creation in which problems, goals and solutions are mutually adjusted in the course of interaction. In sum, the analysis suggests that some rather traditional role perceptions among both politicians and administrators may hamper the acceleration of co-created policymaking.

Since *Hedensted* is the only municipality that is well under way with co-creating policy solutions, we must expect to find many and strong drivers. This expectation is largely confirmed. First, like in *Guldborgsund*, political leadership is generally associated with setting the political direction for the municipality and designing solutions in response to local problems and needs. Co-creation may help the local politicians to do just that. Second, as in the other municipalities there is a strong collaborative political culture and a high degree of trust

between politicians and administrators that is conducive for co-creation. Third, there seems to be a general recognition amongst the politicians that they must avoid being caught in the political silos that merely reflect administrative division of labor and thus reclaim their ability to develop and pursue crosscutting political visions in close interaction with relevant and affected actors. As such, many politicians emphasize their role in setting the political agenda and the need to get input from the citizens. The latter is reflected in the repeated assertion that the municipality is a community ('we') rather than an organization ('us' versus 'them'). Fourth, the new and younger generation of politicians are much better at strategic policymaking and have no problems leaving the issue specific case management behind. They also described as more used to focusing on problem solving, which is a key point in co-creation. Finally, co-creation is depicted as tool for stimulating democratic participation. Several informants talk about how the interest in voting, joining a political party and running for office is declining but they also note that people are still keen to participate ad hoc when it comes to improving the quality of life where you live local conditions and that co-creation offers a way of plugging into this new participatory pattern and thus strengthen democracy.

We also detected barriers to co-created policymaking in Hedensted, but interestingly these are not barriers to co-created policymaking as such, but rather problems found in the implementation process. One such problem is that all the meetings involving internal or external co-creation are added to the ordinary meetings and that puts a strong pressure on the politicians' time budget. Another problem is that not all politicians are confident speaking up in meetings with citizens. Hence, about two thirds of the councillors are active in the dialogue meetings and the meetings with local citizens and stakeholders while the last third is not very active. A third problem is similar to what we saw in Steinkjer where some politicians participate as citizens in area-based development meetings, thus making it difficult to maintain their objectivity as politicians when they are voting on funding of local development plans. A fourth problem is that it can be difficult for the politicians to have a sharp political profile when they co-create political solutions with politicians from other parties and a broad collection of citizens and stakeholders. A fifth problem is that some politicians find it difficult to navigate between the citizens' demands and the interests of public employees; both seem to have legitimate demands and conflicts easily arise. A final problem is that the local press complain about the closed dialogue meetings that undermines democratic transparency, but stimulates political debate.

Further expansion of co-created policymaking in the three municipalities call for different kinds of proactive transformation strategies. In Steinkjer, a two-pronged strategy may work: on the one hand, there seems to be room for experimenting with finding a role of politician as a part of the Bolyst-method and, on the other hand, the executive political and administrative leaders may ponder the need for policy innovation and seek inspiration from Bolyst-method to how co-creation may help to produce innovative policy solutions. In Guldborgsund, the strategy by which to accelerate co-created policymaking must seek to challenge the traditional perception of sovereign political leadership and spread the positive experiences with interactive political leadership to all of the councillors by letting them participate in new § 17.4 committees. Finally, in Hedensted, a trial and error strategy may help them to overcome the problems associated with a turn to co-created policymaking. For example, the standing committee may consider to delegate more responsibility for case processing to the administration in order to reduce the number of meetings and create more room for interactive political leadership in relation to the local citizen councils and in new § 17.4 committees.

## Conclusion

After a long époque of bureaucratic rule and a shorter spell of marketization and performance management, we now seem to enter an era in which co-creation increases its role and impact in public administration and thus adds a new layer of public governance to the existing ones (Andersen et al., 2017). In order to better understand the governance aspects of co-creation, this paper has aimed to broaden the scope of co-creation by pointing out the relevance of co-creation practices for public administrators' attempts to solve pressing societal problems and elected politicians' endeavor to develop well-informed, innovative and robust policies. The conceptual expansion links co-creation to political leadership, thus arguing that the core functions of political leadership may be strengthened if elected councillors engage in collaborative interaction with citizens and local stakeholders.

While there are many studies of co-creation at the level of service production, there has much less interest in how co-creation can be used as strategic tool for administrative problem solving and political development of new policies. Our paper has aimed to fill this gap by providing a relatively detailed empirical account of how local municipalities aim to co-create administrative and political solutions with citizens and other societal actors. The analysis adds important insights to the existing literature by looking at co-creation at different levels.

The potential benefits of a shift towards co-creation in terms of resource mobilization, public innovation, and democratic legitimacy are relatively clear, but there is no guarantee that local governments will fully exploit this potential. Our comparative case study of three Scandinavian municipalities reveals that co-creation is not only used at the level of service production, but also provides a tool for administrative problem solving. However, the case study also shows that co-creation still plays a marginal role at the level of policymaking. Hence, our hypothesis about the presence of strong barriers hindering co-creation to transgress the administrative realm and play a role for the exercise of political leadership is largely confirmed, despite that embryonic forms of interactive political leadership found in Hedensted and to a lesser extent in Guldborgsund. There are many and strong barriers to political exploitation of the potential benefits of co-creation in all three municipalities, and to those identified in Steinkjer we can add the three aforementioned barriers that are specific to Norway. As such, it is no surprise that interactive political leadership is least developed in Steinkjer.

The municipal reluctance to use co-creation as policy development tool is considerable, but it might not last long. Not only do we find some relatively strong drivers and some rudimentary forms of interactive political leaderships that may be expanded in the future, there are also shining examples of co-created policymaking in both Danish and Norwegian municipalities that may serve as sources of inspiration (Sørensen and Torfing, 2019). Possibility of a future breakthrough for interactive forms of political leadership is interesting as it will sustain the transformation of local municipalities from primarily being legal authorities and service providers to becoming platforms and arenas for co-created service production, problem solving and policymaking. Moreover, a systematic involvement of local citizens and stakeholders in policymaking challenges the traditional forms of representative democracy and the formal chain of government linking politicians to administrators and thus results in a democratic innovation that is similar to the 'interactive democracy' described by Rosanvallon (2011). Rather than creating in a zero-sum game between representative democracy and more participatory and deliberative forms of democracy, this democratic innovation may result in a

creative integration of both forms of democracy in a hybrid form of democracy (Sørensen and Torfing, 2019).

Before getting this far, we need to consolidate the existing knowledge. The strength of our explorative qualitative case studies is that they can detect and describe new developments in public governance and identify the scope conditions for this developments. However, to compensate the weakness in terms of the inability to generalize the results and verify the causal mechanisms, we need medium or large n studies building in the insights provided by the case studies. Hence, future studies must aim to studies must studies the drivers and barriers co-created policymaking. Another challenge is to find ways of measuring the impact of co-created policymaking on the governance capacity of local governments and on democratic legitimacy and trust in government. These immediate research tasks may provide stepping stones for more ambitious attempts to study the political and democratic implications of co-created policymaking.

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