Dr. Ferenc Farkas

Professor and Chair of Management,
Faculty of Business and Economics, and former Vice Rector,
University of Pecs, Pecs, Hungary.

Service Co-production and the Nonprofit Sector:
A European Perspective
Professor Ferenc Farkas
Relations to the Nonprofit Sector (1990- to date)

• Soros Foundation Budapest (Scholarship)
• Hungarian Nonprofit Information Center (Board member)
• ISTR (member, former Board member, nine conferences)
• NML (Advisory Board member)
• Voluntas (reviewer)
• Hungarian Nonprofit Researcher’s Association (Board member)
• Centre for Voluntary Sector LSE (visitor)
• Israeli Center for Third Sector Research (visitor)
• Mandel Center for Nonprofit Organizations CWRU (visitor)
• And: CVSS: I am very delighted to be here!
The Nonprofit Sector in Hungary

1. Facts
   • Population of Hungary 10 million
   • Number of NPOs (2011) 65,740
   • Total revenue of the sector cca 6,000m USD (4,5% GDP)
   • 150,000 full time job
   • 420,000 regular volunteers in the sector

2. Tendencies
   • Growing professionalism, one hand
   • Decreasing power within the society
   • Growing influence of the policy on the sector
   • Political (etnic, religious) fragmentation within the sector is increasing, significaly, other hand
The Third Sector in European Policy

Different background by countries of EU:

- Welfare state regimes
- Welfare mix concept (and of ...)

The results from the Third Sector European Policy (TSEP) project (2009):

- Debates about the nature of the third sector

New complications for Europe:

- The Question of Level (individual → national → EU)
- Emerging Differences (country by country, region by region)
- Keeping off Policy makers from the Sector
- **New ways of the Capacity Building for the Sector:**
(1) The concept of Social Economy Current Developments and Challenges (In CEE Countries)

- Main Context: the crisis of the welfare state → social economy became a hopeful solution
- The playfield has emptied in order to be populated by new actors and new types of organizations
- Discourse of ideas, practices and reflections of and about social economy is limited
- Significant EU support both political and financial ↔ low level of realization (scandals, wasting money and efforts, only a few success, e.g. „community supported agriculture” concept in Hungary or „authentic cooperatives” concept in Czech Republic or „Social integration centers” in Poland

Question addressed to the audience:

What is the role of hybrid organizations in development of the third sector?
(2) Service Co-production

A Research Plan

Participants: 9 European institutions from 8 countries (mainly uni-s)
State-of-the-art: The Third Sector for the wellbeing of older people in shrinking cities of declining areas of Europe

Questions addressed to the audience: Is our focus relevant?

N.B. on:
• older people
• shrinking cities
• declining areas
Definitions and fields for research

• Co-production refers to an arrangement where citizens produce, at least in part, the services they use themselves.

• Co-management refers to a situation where different organization’s work alongside each other to co-ordinate the delivery of a service. Actors use their respective resources to directly contribute in practical ways to a service.

• Co-governance is about actors from different organizations and sectors coming together to determine policy priorities and to translate these into strategic plans for public services (Pestoff, 2012).
In Focus on Impacts:

• Study of co-production with directly impact on (1) people (2) policy and (3) scientific knowledge

• Active engagement of older people in service design and delivery
• Co-production takes place „on the ground”
• New models of public service delivery across the policy areas
• Service provision development by doing field – work and survey

**Question addressed to the audience:**
Motivation – commitment – engagement of older people in the co-production which is the realistic goal?

Impacts are expected on different levels: cities – regions – nationals and EU
(3) A mini case (study) from Hungary: Autonómia Foundation

Is well known mostly for the development work and the self-help and employment projects is has carried out in Roma (Hungarian Gipsy) communities

• Established in 1990 (grant giving F.)
• Main focus on groups of poor people
• Local partners and grantees Roma organizations
• First business-type projects for them
• Due to economic transformation the labour market has collapsed → no job → deep poverty within the unskilled Roma population
• Big variety of programs and projects for social economy to cope...
• Only a few was successful

The social cooperatives and social economy can not provide a solution to the employment and subsistence problems of the Roma population – at least not in itself

Socially sensitive economy!
Thank you for your attention!