

POLICYBRIEF

No. 7, 2025

Co-Creation in the Public Sector: Challenges and lessons learned

Noella Edelmann; Mariana Lameiras
noella.edelmann@donau-uni.ac.at; lameiras@unu.edu

Highlights

What is co-creation?

a synergy between what a government does and what citizens do; the process that involves **public and private actors in a collaborative endeavour** to define common problems and design and implement new, better or innovative public solutions, with the scope of **achieving public value creation on a grand scale**;

Managing co-creation in the public sector requires considering the **stakeholders**, including actors from the state, economy, and society. They can contribute to different phases of the public service cycle: service design, service delivery and service monitoring.

Involves considering its **sustainability**.

Phases of co-creation:

Co-design, co-delivery, co-assessment.

Main highlights

Recognition and knowledge of **framework conditions**.

Consideration of **sustainability** of co-creation processes in the public sector to retain stakeholder engagement.

Involvement with external stakeholders may escalate existing issues. **Awareness of potential co-destruction** in co-creation is essential.

Recognition and awareness of **factors negatively impacting co-creation** (such as administrative culture, data ownership and privacy).

1. Introduction

The transformation of public administrations towards collaborative, holistic, and sustainable governance includes investing in public services that increase the value for citizens and businesses while also responding to users' needs. Rather than viewing public goods as exclusively government-provided or believing that public-private competition automatically improves service quality and cost, collaborative governance creates partnerships between public institutions and other stakeholders [1]. It implies establishing new organisational practices and routines, such as involving state, market, and societal actors who contribute their own resources and competencies. Co-creation is a collaborative practice, a key component in the European public sector's policy-making and service design, endorsed by directives such as the Berlin Declaration. This approach to governance, which engages diverse stakeholders both within and outside traditional institutions, can be widely applied to public administration - particularly in developing strategies and policies to address complicated challenges [1]. It has many benefits, such as contributing to higher service quality, delivery and efficiency, and enlarged opportunities for participation and enhancing the quality of information the organisation provides. Ultimately, co-creation aims to lead to improved user satisfaction with public services. Yet, co-creation also faces significant challenges, such as changes in organisational culture and attitudes towards external involvement and the need to effectively address ethical issues that might arise from co-creation processes and outcomes [2].

1.1. Context

Co-creation is often associated with increased forward-thinking, interaction with stakeholders, collective action, and the development of innovative solutions to help cope with complex public problems and citizens’ expectations of public services. Torfing *et al.* [1], for example, define co-creation as the process that involves public and private actors in a collaborative endeavour to determine common problems and design and implement new, better or innovative public solutions, with the scope of achieving public value creation on a grand scale. It brings together different stakeholders to understand their needs, generate ideas, and develop valued solutions, thus offering numerous benefits.

Hence, when managing co-creation in the public sector, it is important to consider who the stakeholders are. The stakeholders can be actors from the state, economy and society, and they can contribute to different phases of the public service cycle, such as service design, service delivery and service monitoring [4]. Thus, co-creation is often described along a three-step approach that entails three phases (Figure 1, of authors’ compilation):

Co-design: before creation/delivery of the service. It consists of consultation and ideation of service design elements to ensure a user-centric experience. Helps to increase trust and willingness of users to adapt/use the service;

Co-delivery: concurrent to the service. This includes knowledge and competencies on both sides (local professionals and laypeople) relevant to the success and effectiveness of service co-delivery. Helps to enhance communication between service providers and users and ensure an integrative user experience;

Co-assessment consists of assessing the service after its delivery, allowing learning, adapting, and improving from experience while providing additional user-centricity. The sharing of information supports the agency of the stakeholders and empowers them.

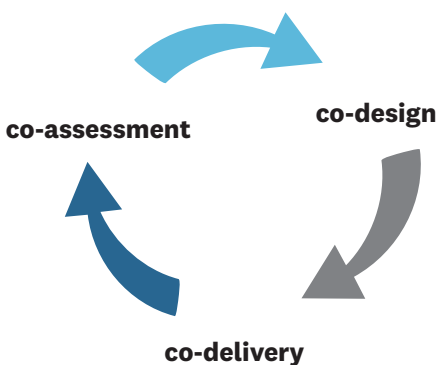


Figure 1: Phases of co-creation

Pre-requisites of co-creation:

- Technologies complementing production processes;
- Legal options;
- Credible commitment;
- Incentives that encourage input.

In addition to such pre-requisites, it is important to consider the impact it is supposed to have on the public sector and to ensure that it is sustainable.

2. Research & Findings

2.1 Case Study

To investigate co-creation, several methods can be used, depending on the stakeholders to be engaged, the organisations involved, the topic, the engagement tools to be used, and the outcome to be achieved. Quantitative and qualitative methods, such as interviews, workshops, surveys, or living labs, can be used.

In this case, the findings presented here are derived from a case study of the Austrian public sector, where 41 experts (33 from the government sector, six from the private sector and two from the non-profit sector) were interviewed on co-value production of the digital transformation of public administrations in Austria. The data collected was qualitatively analysed to identify the users involved, how public administrations involve the users, what the expected outcomes are and how digital technology is used in digital co-creation.

2.2. Findings

Co-creation in the Austrian public sector:

Value is generated for both Public Administration (PA) and citizens; Citizens, PA, user communities, and businesses are the users more involved (Table 1); Citizens should be involved since the early stages, not only through direct participation but also by collecting their input (Figure 2); Online platforms are the most commonly used instrument.

| | |
|----------------------------|----|
| Citizens | 32 |
| Public Administration (PA) | 8 |
| User Communities | 8 |
| Business | 8 |
| Further Stakeholders | 3 |
| Educational Institutions | 3 |
| European Union | 1 |
| Media | 1 |
| Political Actors | 1 |

Table 1: Users in co-creation in the Austrian public sector

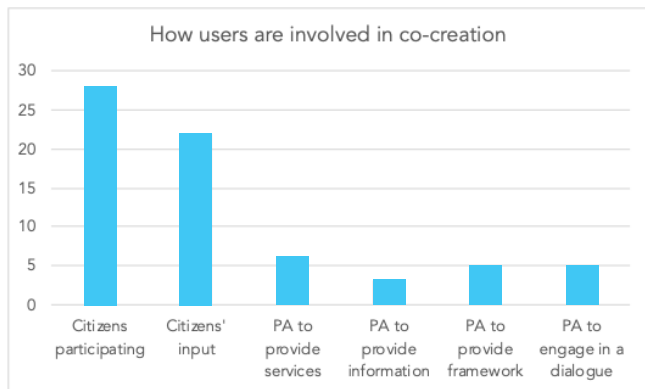


Figure 2: Involvement of users in co-creation in the Austrian public sector

Stakeholders involved in co-creation:

Several different user groups can be involved; even the internal staff of the public sector organisation implementing co-creation is an important stakeholder. However, in most co-creation efforts, citizens are seen as having the most prominent role. Yet research shows that the relationship between public sector organisations and citizens needs to be actively shaped and structured to avoid the rhetoric academic idea of citizens as solely “beneficiaries and contributors of knowledge, rather than evaluators that help design and deliver the public services” [2, p. 14].

Co-creation as process and as outcome:

Co-creation can be an organisational process developed for an organisation. It can also be the outcome. The distinction is important as it helps to establish the expectations and ethical procedures [3]. In addition, the experience of co-creation a participant has will determine whether they will participate and contribute again.

Sustainability:

Sustainability is understood as the ability to support or sustain what is considered valuable over a concerted period, and co-creation is a means to enhance sustainability in public sector contexts. In the co-creation context, sustainability requires the continuous interaction of various stakeholders. Continuously engaging citizens and other stakeholder groups is important to make service design and delivery more participatory and, hence, more sustainable. However, political actors also play a role in setting the regulatory environment that circumscribes human action and what technology can or cannot do. The role of business actors should also be expanded so that they can drive innovation in public sector contexts, too.

3. Conclusion

Co-creation processes have not yet become a standard in the public sector, and research often focuses on the delivery of on-site public services, so co-creation in digital contexts remains limited. The responsibility for participatory processes in the public sector lies with public administrators and political leaders, who have to ask key questions such as “Who should participate?”, “How?”, “Where?” and “What are the purposes and consequences of their involvement?”. Digital co-creation projects in the public sector must ensure good data governance to guarantee trustworthiness, and the outcome must have high standards and be unbiased and trustworthy.

RECOMMENDATIONS

1. Framework conditions and the development of integrative and hybrid models and future-oriented learning organisations must be fulfilled: security, data protection, transparency, equal treatment and accessibility.
2. Several factors influence the sustainability of co-creation processes in the public sector, particularly capacity building, continuous learning, and training. In addition, it is important to ensure that stakeholder engagement is sustained as it helps understand key priorities, motivations, and behavior.
3. Public participation plays a unique role in exceptional or crises: the COVID-19 pandemic, flooding, and other natural disasters mean considering carefully who the actors impacted are and understanding their particular and changing needs.
4. In co-creation, the involvement with external stakeholders may inflate co-destruction (conflicting values, limited experiences, skills and biases, lack of tools, knowledge and coordination, lack of time and effort). Being aware of this may mitigate a potential adverse effect.
5. Several factors may negatively impact co-creation processes: conflicting values among internal stakeholders, administrative culture, lack of strategic objectives, lack of skills to collaborate with internal or internal stakeholders, lack of evidence of the benefits of co-creation, ownership of data and privacy, discrepancy between what public managers think service users need with what service users themselves think or state what they want.

REFERENCES

- [1] Torfing, J., Sørensen, E. & Røiseland, A. 2019. Transforming the public sector into an arena for co-creation: Barriers, drivers, benefits, and ways forward. *Administration Society*, 51(5): 795-825.
- [2] Edelmänn, N., & Mergel, I. (2021). Co-production of digital public services in Austrian public administrations. *Administrative Sciences*, 11(1), 22.
- [3] Edelmänn, N., & Voigt, J. (2024) Public administrators' perception of ethical issues in public sector co-creation processes and outcomes: A meta-synthesis of cases. ICEGOV '24: Proceedings of the 17th International Conference on Theory and Practice of Electronic Governance, pp. 14-21.
- [4] Linders, D. 2012. From e-government to we-government: Defining a typology for citizen coproduction in the age of social media. *Government Information Quarterly*, 29: 446-454.

FURTHER READING

- Christopher, A. & Torfing, J. 2021. Co-creation: The new kid on the block in public governance. *Policy Politics*, 49: 211-30.
- Edelmänn, N., Müller, A. P., Steen, T., Gerhardter, B. & Holzbauer, T. 2022. Sustainable Co-Creation in the Public Sector: A Case Study in the Lower Austrian Federal Government. ICEGOV '22: Proceedings of the 15th International Conference on Theory and Practice of Electronic Governance, pp. 111-118.
- Müller, A. P., Flores, C., Albrecht, V., Steen, T. & Crompvoets, J. (2021) A scoping review of empirical evidence on (digital) public services co-creation. *Administrative Sciences*, 11(4): 130.
- Steen, T., Brandsen, T. & Verschuere, B. 2018. "The dark side of co-creation and co-production: seven evils". In: Brandsen, T., Verschuere, B. & Steen, T. (eds.) *Co-production and co-creation: Engaging Citizens in Public Services*. New York: Routledge, pp. 284-293.
- Tams, C. 2021. *The Co-Creation Imperative: If You Build It With Them, They Will Engage*. Available at <https://www.linkedin.com/pulse/co-creation-imperative-you-build-them-engage-carsten-tams/> [last accessed 13/01/2025].

ACKNOWLEDGMENTS

This policy brief is an output of the Visiting Fellowship of Noella Edelmänn at UNU-EGOV, in partnership with Mariana Lameiras.

We thank Naci Karkin, Senior Research Associate at UNU-EGOV, for the valuable insights provided in the final review of the text.

ABOUT UNU-EGOV

UNU-EGOV, part of the United Nations University (UNU), is a think tank dedicated to electronic governance; a core centre of research, advisory services and training; a bridge between research and public policies; an innovation enhancer; a solid partner within the UN system and its Member States with a particular focus on sustainable development, social inclusion and active citizenship.