Co-Produced Social Policy: Integrating Social Entrepreneurship and Policy Entrepreneurship into a New Tool of Government

Gordon E. Shockley, Ph.D.
Arizona State University, School of Community Resources and Development
411 N. Central Avenue, Suite 550
Mail Code 4020
Phoenix, AZ 85004 USA
shockley@asu.edu

Peter M. Frank, Ph.D., Provost and Professor
Grove City College
Grove City, PA
frankpm@gcc.edu

Abstract

In this conceptual paper, we bring together two types of non-market entrepreneurial behavior – social entrepreneurship and policy entrepreneurship – with the theoretical aid of three concepts of Lester Salamon and propose several propositions regarding social entrepreneurship and social-welfare provision. First, we argue that social entrepreneurship is analogous to social policymaking, except that it is carried out by non-state actors and operates in a bottom-up rather than top-down manner. We propose that social entrepreneurship and social policymaking share the same function in addressing public problems by innovating in social- welfare provision. We seek to expand the popular and, to a certain extent, academic view of social entrepreneurship as (often) heroic changemakers (sometimes co-opted by elites) move toward a functional conception of social entrepreneurship that acknowledges it as primarily a community-level instrument of social-welfare provision. Second, building on the analogy between social entrepreneurship and social policymaking in social-welfare provision, we employ Salamon's associated new-governance concept of "third-party government" to understand the implications seeing social entrepreneurship as social policymaking by NSAs. We propose that social entrepreneurship as social policymaking by NSAs is third-party government. We also find that state capacity is the critical variable in the use of the third-party government concept. In strong state capacity contexts, social entrepreneurship is indeed third-party government in Salamon's sense. In weak state capacity contexts, by contrast, social entrepreneurship becomes a government substitute. Issues of accountability arise in each context. Third, bringing together the analogy between social entrepreneurship and social policymaking from Part 1 and the accountability issues of third-party government from Part 2, we reconceptualize social entrepreneurship as "co-produced social policy" and offer it is a new tool of government in Salamon's sense of a tool of public to solve public problems. In addition to social entrepreneurship, co-produced social policy also relies on the relatively academic concept of *policy* entrepreneurship to address accountability issues by bringing social innovations into democratic political institutions. Policy entrepreneurship also facilitates the scalability of social-welfare provision from social entrepreneurship, transforming community-level social innovations into large-scale change. In the conclusion, we suggest that co-produced policy possesses the potential of revitalizing democratic governance.

Co-Produced Social Policy: Linking Social Entrepreneurship and Policy Entrepreneurship into a New Tool of Government

Introduction

One gift of Lester Salamon's prodigious scholarship is the concept of the "tools of government" to capture the stock of policy instruments available to modern states to induce change within their polities (Salamon, 1989, 2002b). The controversial German philosopher Martin Heidegger warns that no technology is neutral: each implicitly possesses an ideology or at least a political dimension (Heidegger, 1977). According to Salamon, the same holds true for tools of government. Necessarily, the choice of a tool is "profoundly political" as it affords "some actors, and therefore some perspectives, an advantage in determining how policies are carried out" (Salamon, 2002a, p. 11). The political nature of tools challenges conventional wisdom of public administration that can be traced back to Woodrow Wilson's classic article in *Political Science Quarterly* (Wilson, 1887) that articulated the politics-administration dichotomy: "…administration lies outside the proper sphere of politics. Administrative questions are not political questions. Although politics sets the asks for administration, it should not be suffered to manipulate its offices" (Wilson, 1887, p. 210). But the political nature of government tools cannot be denied. Therefore, in liberal democracies, tool choice must take into account how it "affects democracy, citizenship, and civic participation" (Smith & Ingram, 2002, p. 567). The purpose of this paper is to conceptualize a new tool of government to Salamon's toolkit that holds the promise of contributing to either the revitalization of democracy in developed welfare states or its beginnings of in less developed states: coproduced social policy.

We reconceptualize social entrepreneurship as "co-produced social policy" and link it to policy entrepreneurship in three parts, each part with at least one proposition. In Part 1, we propose that social entrepreneurship is analogous to social policymaking in innovating in the provision of social welfare. Specifically, social entrepreneurship is social policymaking by non-state actors (NSAs). Indeed, we argue for a functional equivalence between social entrepreneurship and social policymaking by NSAs in social-welfare provision. Social entrepreneurship has been one of the more popular and high-interest areas of social-science research and community practice over the past few decades. Since the work of Bill Drayton and Ashoka (e.g., Bornstein, 2007; Drayton, 2002; RooyMedia, 2005c; Sen, 2007); other entities like the Skoll and Schwab Foundations for social entrepreneurship; practitioners like Fazle Abed (Alvord, Brown, & Letts, 2004; RooyMedia, 2005b) and Nobel Peace-prize winning Muhammad Yunus (Alvord et al., 2004; RooyMedia, 2005a; Yunus & Weber, 2007); and pioneering scholars (e.g., Dees, 2001; Dees & Anderson, 2006; Light, 2006, 2008; Martin & Osberg, 2007; Nicholls, 2006b), social entrepreneurs have been recognized as "transformative forces" across the globe as well as social "changemakers" in every community. Thus, social entrepreneurs are often celebrated as heroic individuals having a "specific and rare personality type" (Bornstein, 2007, p. 42). This early, heroic conceptualization of social entrepreneurship can be unwieldly and has brought significant criticism—for example, the criticism that social entrepreneurship has been co-opted by elites and fails miserably in changing the world for the better (Giridharadas, 2018).[1] Frank Moulaert et al. (2013) offers a social-economy conceptualization of social entrepreneurship. When social entrepreneurs respond to "'problems of poverty, exclusion, segregation and deprivation or opportunities' for improving living conditions cannot find satisfactory solutions in the 'institutionalized field' of public or private action" (Moulaert, MacCallum, Mehmood, et al., 2013, p. 3). The last clause pointing to the dearth of satisfactory solutions in the 'institutionalized field' of public or private action" disregards or discounts the governance potential of social entrepreneurship. In Part 1, therefore, we seek to augment these the understanding of social entrepreneurship by recognizing that it is analogous to social policymaking by NSAs in the provision of social welfare.

In Part 2, we extend the analogy between social entrepreneurship and social policymaking in social-welfare provision by recognizing that social entrepreneurship fits Salmon's concept of "third-party

[1] "…the powerful fighting to 'change the world' in ways that essentially keep it the same, and 'giving back' in ways that sustain an indefensible distribution of influence, resources, and tools" (Giridharadas, 2018, pp. 8-9).

government," a concept that was among the first to acknowledge the "shift from direct to indirect or 'third-party' government" (Salamon, 1995, p. 19). The logic is this: if social entrepreneurship is social policymaking by NSAs in social-welfare provision, then it qualifies as third-party government. Social entrepreneurship as third-party government reveals "accountability challenges" (Salamon, 2002a). And the nature of the accountability challenges varies the level of state capacity – the administrative organization and expertise that the government has its disposal (e.g., Skocpal, 1992; Skocpal & Amenta, 1986) – in social welfare-provision. We propose that social entrepreneurship as social policymaking by NSAs is third-party government. We also find that state capacity is the critical variable in the use of the third-party government concept. In strong state capacity contexts, social entrepreneurship is indeed third-party government in Salamon's sense. In weak state capacity contexts, by contrast, social entrepreneurship becomes a government substitute. Issues of accountability arise in each context.

In Part 3, based on the analogy of social-welfare provision in Part 1 and the third-party-government analysis in Part 2, we conceptualize social entrepreneurship as "co-produced social policy" as a tool of government in Salamon's sense of an instrument of public action to address public problems (Salamon, 2002a, pp. 1-2). Coproduction in its simplest form consists of government and citizens jointly contributing to the production of public goods and services (Brudney & England, 1983, p. 62). In form and effect, social-welfare provision through social entrepreneurship can be usefully seen as the result of the joint effort – that is, the coproduction of regular producers (i.e., government) and consumer producers (i.e., citizen producers-social entrepreneurs) – in social-welfare provision and social change from the bottom-up. The other half of co-produced social policy comes from linking *policy* entrepreneurship to social entrepreneurship. Policy entrepreneurship – or the manipulation of management of political processes and institutions to attain policy change (e.g., Kingdon, 1995; Mintrom, 1997; Mintrom & Norman, 2009) – serve as key agents in the policy process and facilitate two essential features of co-produced social policy. First, we propose that policy entrepreneurs can scale up the social welfare provision by connecting and engaging social entrepreneurship at the local level with the political institutions and processes, potentially transforming their social-welfare provision into large-scale public policies. Second, by engaging political institutions, we propose that policy entrepreneurship can address the accountability issues of third-party government in high-state-capacity contexts. In the conclusion, we consider the democratic possibilities of this new tool of government of co-produced social policy.

Part 1. An Analogy between Social Entrepreneurship and Social Policymaking

In Part 1, we put forth the proposition that social entrepreneurship is analogous to social policymaking by innovating in social-welfare provision. Specifically, social entrepreneurship is social policymaking by non-sate actors (NSAs). Indeed, we argue for the functional equivalence between that social entrepreneurship and social policymaking by NSAs in social-welfare provision.

1. Social entrepreneurship is analogous to social policymaking by non-state actors by innovating in social-welfare provision.

Social-welfare provision is one of the distinguishing features of the modern state. Otto von Bismarck in late-nineteenth-century Prussia arguably established the prototype for institutionalized social-welfare provision through the state in the West (Cammett & MacLean, 2014a, p. 2). Bismarck sought to construct mighty fortress of a German state under his Prussian leadership and used early tools of rudimentary social-welfare provision to unify the German peoples under his Prussian leadership (Ozmet, 2004, p. 208). In Great Britain, the state started providing "social insurance protection, state education and public housing, by a mix of both central and local government" in the very early twentieth century (Alcock, 2017, p. 27). And today, as Gøsta Esping-Andersen (1990) laid out in his durable framework of the "three worlds of welfare capitalism," modern states in the West (and increasingly globally) "are now predominantly occupied with the production and distribution of social well-being" (p. 1). Indeed, the modern state has a rich legacy of social welfare in the 20th century as it has orchestrated large-scale social change when it has the capacity – the overall administrative organization of government as reflected in the resources, expertise, as well as available political, social, and economic institutions (Skocpal & Finegold, 1982) – to do so. Consider some examples from American policy history. President Franklin Delano Roosevelt's administration was able to counter many of the effects of the Great Depression in the 1930s, which produced "…dramatic economic changes [that] led to the rise of large social movements, which put pressure on governments to relieve citizens' suffering" (Phills Jr., Deiglmeier, & Miller, 2008, p. 39). The U.S. federal government responded with its first-ever social policy with the programs of the Social Security Act (Jencks, 1993, p. 1). The U.S. federal government's social innovations reached new heights in President Lyndon B. Johnson's Great Society programs in the 1960s. The modern state has innovated by developing and implementing a wide range of policy tools to provide social welfare to at least a portion of their polities at different times.

In fact, social welfare has not been a priority in developed states for developed welfare states only. "Policymakers the world over claim that they prioritize the improvement of general well-being by ensuring that all citizens are able to meet their basic needs a pursue economic and social advancement" (Cammett & MacLean, 2014a, p. 2). Yet, the modern welfare state as well as government in less developed countries have not always had the administrative apparatus and policy-making capacity – and, surely, will – to innovate and create new solutions to provide better and more consistent social welfare. Salamon implies that not only governments can wield the tools of government because they are "an identifiable method through which collective action is structured to address a public problem" (Salamon, 2002a, p. 19). It therefore follows that non-state or nongovernmental actors (NSAs) can and have conducted social-welfare provision. NSAs historically have entrepreneurially developed their own instruments to provide welfare to their communities. Social-welfare provision is an antique concept going back at least to the Middle Ages (Garland, 2016, p. 18; Moulaert & MacCallum, 2019, pp. 20-21) and, more fairly, even longer than that as even the most communities have had to provide minimal welfare to its citizens. No doubt it was an evolutionary advantage to premodern tribes to take care of their respective communities. Until the modern state developed, NSAs have built institutions, devised their own tools to provide social welfare, and induced social change throughout history. NSAs provided social welfare to people centuries before the rise of the welfare state and modern institutions of social policymaking. Seemingly all cultural traditions feature historical, legendary, or mythical

NSAs performing this function. Here are somewhat stylized examples of NSAs from the Western tradition providing social welfare and spurring social change. For example, monasteries and local church parishes administered early charity for centuries. Feudal lords had responsibility to those in their thrall. In the nineteenth century, Florence Nightingale, who while a British nurse in the Crimean War (1853-56), developed sanitary codes and administrative capacity in war hospitals that evolved into the modern nursing profession. Muscovy, the base of the early modern Russian state, survived till the age of Peter the Great due to wealth from trade in the Asia and across the Urals and the work of two NSAs: the "strength and solidarity" of local *mir* communities and the popular standing of the Orthodox Church (Hosking, 2001, p. 148). The localized, fragmented, and sometimes arbitrary nature of early NSA-provided social welfare limited its efficacy.

Even with the rise of the modern state, NSAs have continued to provide social welfare to communities. They operate in every institutional setting, for example, from non-governmental organizations (NGOs) in Kenya to nonprofit social service agencies in the United States, work-integrated social enterprises in the U.K. and everything in between (see generally, Cammett & MacLean, 2014b; Rees & Mullins, 2017; Savas, 2000). The Rev. Martin Luther King, Jr. was an NSA as the civil rights movement of the 1950s and 1960s for racial equality crystallized into the landmark civil rights legislation. King's movement worked *outside* the federal bureaucracy but *within* American civil society with the tools of the state to force political, social, and cultural change. "Your whole structure must be changed." King declared in a 1967 speech. "What I am saying today is that we must go from this convention and say, "America, you must be born again!" (King Jr., 2006/1967, p. 111). And it was "born again" with massive federal legislation for civil rights (e.g., Garrow, 1990). More recent contemporary examples of NSAs providing social welfare[2] would include Gloria de Souza (India), an elementary school teacher in a Bombay Jesuit school, sought to introduce experiential education into India elementary education. Even though this form of education radically differed from state-approved public education, it eventually spread in the municipal government of Bombay then to a national level throughout India (Bornstein, 2007, p. 20). Erzsébet Szerkes (Hungary) sustained a program of assisted living

[2] These are taken from various chapters of Bornstein (2007).

for disabled people in a communist, Eastern Bloc country throughout the 1980s. Not only were there no such programs in Hungary at the time, but communist ideology discriminated heavily against the disabled as necessarily. Probably not coincidentally in 1989 and the fall of the Berlin Wall, the Hungarian Ministry of Welfare suddenly recognized her program and began to fund it. The above are all NSAs that have entrepreneurially developed their own tools at the community level to provide at least some social welfare and induced social change outside the apparatus of the state. And, most pertinently, all these NSAs are considered social entrepreneurs (see Bornstein, 2007).

The analogy between social entrepreneurship and social policymaking rests on the fact that they both seek to innovate – that is, find new solutions – in providing social welfare. In evolutionary biology, analogies and homologies identify "sameness" in structures, processes, development, genetics, or behaviors that can provide evidence of common ancestry and points of biological differentiation (Hall, 1999, pp. 2-3). A homology denotes a correspondence in type of structure, such as parts or organs between different species, but the structures perform different functions in the different species (Oxford English Dictionary, n. 2.a). The body part resulted from evolutionary divergence from a common ancestor – such as dolphin fins and monkey arms – both originating in a common mammalian ancestor but performing different functions in dolphins and monkeys today. By contrast, an analogy is a resemblance of function between parts or characteristics in different species but perform the same function (Oxford English Dictionary, n. 8). An analogy indicates different structures that share similar functions and result from evolutionary convergence from different ancestors. For example, batwings are analogous to insect wings in that they both share the function of enabling flying, but, since they do not originate from a common ancestor, are structurally very different. *We argue here that social entrepreneurship and social policymaking are analogous in that they share the same function: to innovate in providing social welfare.* Yet they differ in in their institutional origins. Social entrepreneurship originates in civil society, communal relations, and private action and thus is a bottom-up process of social change from the community level. On the other hand, social policies originate in a top-down process of social change within political institutions. Social change from social entrepreneurship and social policies both serve the same function of social-welfare provision and are tools of government, but each tool has developed from a different institutional origin in (to continue the evolutionary metaphor) "biological convergence."

In conceiving of tools of government, Salamon remarks that each tool features "its own distinctive procedures, its own network of organizational relationships, its own skill requirements—in short, its own 'political economy'" (Salamon, 1989, p. 8). The political economy of the tool of social policymaking emanates from the welfare state. *In The Great Transformation: The Political and Economic Origins of Our Time* (1944), Karl Polanyi proffers a compelling thesis for the capitalist origin of welfare state. His "double movement" thesis maintains that in the 19th century in which the "principle of economic liberalism" on which free markets are established for economic activity stimulated the "principle of social protection aiming at the conservation of man and nature as well as productive organization" to counterbalance the harmful effects of free markets (p. 132). (See also Garland, 2016, p. 137). The welfare state also developed to assume the responsibilities of traditional forms of obligation of NSAs, such as "eurgetism" which "dictated that wealthy individuals should donate bread and circuses—as well as monuments, civic buildings, and public amenities—as marks of prestige, generosity, and patriotism" (Garland, 2016, p. 17). The welfare state could provide more universal, more dependable, and more consistent social welfare than NSAs. Indeed, many times unrest and even revolution resulted from inconsistent and/or meager social-welfare provision. To strengthen and stabilize their nations, modern states began to develop social policymaking capacity. Social policies are conceived, developed, institutionalized, implemented, and modified in the political economy of the welfare state. Direct government provision of welfare from policy design through implementation became the hallmark of the modern welfare state for much of the 20th century.

Direct government was the foundational tool of government (Leman, 2002, p. 50). And welfare directly from government has been quite successful—some would argue too successful (see Leman, 2002, p. 74). The welfare state's social policymaking results in policies directed at providing social welfare in five broad categories: social insurance, social assistance, publicly funded social services, social work and personal social services, and economic governance (Garland, 2016, pp. 46-52). In the toolkit of the modern welfare state, government-centered welfare provision retains in whole or in part "command and control" of the provision and imposes its policies from the top-down. This applies to all levels of government, from local, regional, national, and even multinational political structures such as the United Nations and the World Bank. The predominant instrument to determine, produce, and distribute social welfare is governmental social policymaking. “The process of policymaking,” Paul Sabatier (1999) states, “includes the manner in which problems get conceptualized and brought to government for solution; governmental institutions formulate alternatives and select policy solutions; and those solutions get implemented, evaluated, and revised” (p. 3). This is the essence of government-centered social policymaking for social-welfare provision. Moreover, on the research side, the last few decades have been the golden age of policymaking theories. Widely utilized theories of the policymaking process include “policy-stream” and “policy-window” constructs (Kingdon, 1995), the Advocacy Coalition Framework (Sabatier & Jenkins-Smith, 1993), and the punctuated equilibrium theory (Baumgartner & Jones, 1993, 2002). Tools of government – which are more general than programs but less general than policies (Salamon, 2002a, p. 20) – have developed concurrently with the welfare state. “A massive proliferation has occurred in the tools of public action,” Salamon (2002a) writes, “in the instruments or means used to address public problems” (pp. 1-2). These can range from direct tools – direct government action, government corporations, economic regulations, public information, and direct loans – to indirect tools – social regulation, contracting, loan guarantees, grants, tax expenditures, government-sponsored enterprises, and others (Salamon, 2002a, p. 39, Table 1-11). The multiplicity of governance tools has further refined and/or complicated the modern state’s capacity for social policymaking and social-welfare provision.

We propose that social entrepreneurship has arisen as yet another tool in social welfare-provision. Social entrepreneurship, we proffer, is analogous to social policymaking in the modern state, yet it is conducted not within political institutions but rather by NSAs at the community level. We define social entrepreneurship as discovering opportunities for social-welfare provision. Our preferred definition of social entrepreneurship is grounded in the economics of Israel Kirzner (1973, 1997, 1999, 2009) and Joseph Schumpeter (1926/2003, 1934/2002, 1950) into what might be called a “classical” conception of social entrepreneurship (Shockley & Frank, 2011b; Swedberg, 1995, 2006, 2009). As such, social entrepreneurship here is defined here as alertness to opportunities to make small-scale, community-level change (Kirznerian social entrepreneurship) or to create the conditions for large-scale, society-wide changes (Schumpeterian social entrepreneurship). It is an equilibrium-based conception that accommodates a functional conception of social-welfare provision. The equilibrium construct from Kirzner and Schumpeter is consistent with other theories. For example, Moulaert's social-economy approach to social entrepreneurship (mentioned above) focus on social-welfare "…search for improvement or fulfillment of human existence, a better equilibrium in living together, together with the evolution of relations between human beings and the initiation of actions to improve the human condition" (Moulaert, MacCallum, & Hiller, 2013, p. 16). Like social policymaking in the welfare state, the analogous objective of social entrepreneurship targets social welfare in those same five broad categories of 1) social insurance for workers (i.e., protection against injury, sickness, old age, disability, or unemployment); 2) social assistance for families (i.e., income support for basic needs); 3) publicly funded social services (i.e., subsidized access to education, healthcare, etc.); 4) social work and personal social services and support for dysfunctional families; and 5) economic governance, though the middle three categories (2-4) are the most common targets of social entrepreneurship.

Social entrepreneurs innovate in provide social welfare just like social policymaking in the welfare state finds new solutions in social-welfare provision. Consider Table 1 in which well-known cases of social entrepreneurs provide a certain bit of welfare that always starts small. As an exercise, cover up column 1 and look at each instance of social-welfare provision in column 2. A government-centered program could have provided any of the social welfare just as easily as the social entrepreneur. Expressed another way, social entrepreneurs and social policymakers both provide social welfare.

Table 1: Social entrepreneurship and social-welfare provision

1. Social entrepreneur	2. Social welfare provided	3. Welfare state category
Gloria de Souza (India)	Experiential education into India elementary education.	Publicly funded social service
Jeroo Bilimoria (India)	Program of child protection for abandoned in the form of Childline, a hotline, in Bombay.	Social work and personal social services

Erzsébet Szerkes (Hungary)	Program of assisted living for disabled people in a communist, Eastern Bloc country.	Social insurance
Vera Cordeiro (Brazil)	Reform of Brazilian public healthcare from the bottom-up by instituting patient follow-up protocols.	Publicly funded social service
J.B. Schramm (USA)	College Access through College Summit to orient high school students from disadvantaged areas to a college-going culture.	Publicly funded social service
Veronica Khosa (South Africa)	Care for Aids Patients through the non-state organization Tateni that sought to "complement the formal healthcare system, seek partnerships with all organizations in the community, enhance home care skills of family members and neighbors…" (Bornstein, 2007, p. 198).	Publicly funded social service

Source: David Bornstein (2007), *How to Change the World: Social Entrepreneurs and the Power of New Ideas*. Oxford and New York: Oxford University Press

A fallacy of many government policies, tools, and programs is that they are administered in the same way. It is "commonly assumed," Salamon (1989) writes, that "government programs have essentially the same basic structure, involving the provision of some good or service by a set of public servants/bureaucrats" (pp. 7-8). Salamon's observation still largely holds true today. It is the obverse of each policy tool of government having its own political economy. *Political institutions of the welfare state defines the political economy of social policymaking; the community contextualizes the political economy of social entrepreneurship.* The crucial difference between social-welfare provision by the state and that by social entrepreneurs lies in its institutional origin. Government-centered social-welfare provision and the tools accompanying any social policy is at least in part a top-down process that originates of policymaking. By contrast, social entrepreneurship seeks to provide social welfare to communities from the bottom-up, as Table 1 implies. In addition to our classical conception, the community-level origin pervades other theories of social entrepreneurship. Consider Martin and Osberg's popular and useful definition of social entrepreneurship as entrepreneurial context, opportunity, and outcome: there is a problem in a community that needs to be addressed for equity – not efficiency – considerations; someone identifies the problem and seizes the opportunity to address it; and the desired social outcome is achieved as the problem is resolved or at least ameliorated (Martin & Osberg, 2007). Bornstein (2007, p. xx) describes "Social Entrepreneurship 3.0" as “building platforms that enable more people at every age to think and behave like changemakers *and* to help them work together powerfully in teams and in teams of teams” (p. xxi). Social Entrepreneurship 3.0 approximates the functional definition of social entrepreneurship as social policymaking by NSAs in social-welfare provision that we hypothesize. Zahra, Gedajlovic, Neubaum, and Shulman (2009) write of (in order of increasing magnitude) “social bricoleurs” who “act on locally discovered opportunities with locally available resources;” “social constructionists” who “build, launch and operate ventures which tackle those social needs that are inadequately addressed by existing institutions, businesses, NGOs and government agencies;” and “social engineers” who “tackle complex social problems not remediable within existing institutions” (pp. 524-526). All three types occur outside of political institutions and originate in the community. The evolutionary convergence of analogous social-welfare provision (i.e., same functions, different origins) of government-centered social policymaking and community-based social entrepreneurship establishes the foundation for the new tool of government that we conceptualize below in Parts 2 and 3.

Part 2. Social Entrepreneurship and Third-Party Government

In Part 2, we consider the implications of the analogy between social entrepreneurship and social policymaking in social-welfare provision by deploying Salamon’s concept of “third-party government.” Third-party government is a cornerstone of Salamon’s new governance paradigm. The principles of “classic” public administration emphasize programs and agencies; hierarchal organizations; competition between public and private solutions; command and control procedures; and management skills. By contrast, in the new governance paradigm, tools of government supersede program and agency; networks replace hierarchical organization; public and private sectors collaborate instead of compete with each other; and negotiation and persuasion with enablement skills are more effective than command control with management skills. (Salamon, 2002a, p. 9, Table 1-4) Third-party government partakes from each element of the new governance paradigm as third parties occupy nodes in networked, public-private collaborations that enabled by negotiation and persuasion. In Lester Salamon’s words, the concept of third-party government encompasses the broad…

> shift from direct to indirect or 'third-party' government, from a situation in which the federal government ran its own programs to one in which it increasingly relies on a wide variety of 'third parties''—states, cities, special districts, banks, hospitals, manufacturers, and others—to carry out its purposes. (Salamon, 1995, p. 19)

Kettl (2015) calls this the "increasing interweaving of governmental functions deeply into every fiber of the nongovernmental sectors." Third party government resonates in the analogy between social entrepreneurship and social policymaking in social-welfare provision. In its essence, social entrepreneurship as social policymaking by NSAs is third-party government.

2. Social entrepreneurship as social policymaking by NSAs is third-party government.

The cases of rural electrification in the United States in the 1930s and Brazil in the 1980s assists in applying the concept of third-party government to social entrepreneurship as social policymaking my NSAs. Fabio Rosa, a Brazilian civil engineer who had an idea of how to provide electricity to the vast rural areas in the jungles of Brazil. After decades of dictatorship ended in the early 1980s and democracy was reintroduced, Brazil had no government-works tradition like the New Deal's Rural Electrification Administration under which the Tennessee Valley Authority was founded (see below). The lack of rural electrification condemned rural Brazil to joblessness, poverty, and other ills resulting from no development. Rosa identified an opportunity to electrify rural areas without incurring prohibitive costs. This would lead to a rural future of economic development as electricity, cheaper irrigation, solar energy, and Voisin or rational grazing would lead to more efficient land use. More efficient land use would then increase employment and incomes of rural populations, ultimately leading to less rural depopulation. Precisely like social policymaking, Rosa's social entrepreneurship of providing inexpensive rural electrification produced significant social and economic change to Brazil's rural areas. (Bornstein, 2007, Chapter 3)

By contrast, rural electrification in the United States was achieved by social policymaking. As one of his many New Deal initiatives using the strength of the federal government to counter the Great Depression, President Franklin D. Roosevelt entrepreneurially proposed the Tennessee Valley Authority (TVA) to provide electricity among many myriad other economic and infrastructure programs and projects to the very rural, poor, and undeveloped Tennessee Valley, which covers most of Tennessee, portions of Alabama, Mississippi, and Kentucky, and small slices of Georgia, North Carolina, and Virginia. As Roosevelt sent the bill to Congress, he declared that the government-managed organization TVA would be "a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise" (quoted in Cohen, 2009, p. 148). Congress chartered the TVA in May of 1933. Almost 100 years later, the TVA is still in existence and driving economic development in the region (www.tva.gov, 2018). Thus, the governmental policymaking apparatus provided rural electrification in the United States.

Rural electrification in Brazil and in the United States illustrates the analogy between social entrepreneurship and social policymaking. On the one hand, social policymaking characterizes the rural electrification from the TVA. Roosevelt administration deployed social policymaking to devise the TVA to provide social welfare for the Tennessee Valley region from the top-down. On the other hand, Rosa's social entrepreneurship as an NSA identified an opportunity to provide inexpensive electricity to rural areas of Brazil and provide social welfare to rural communities in Brazil. In both cases, social policymaking was accomplished; the key difference is that the Roosevelt administration's policymaking was top-down and government-centered, while Fabio Rosa's was bottom-up and initiated at the small community level. In both cases, however, the identical functional objective of social-welfare provision in the form of rural electrification was achieved. While there is a material difference between "social welfare *provision*" and "a coherent, universal, rights-based social *policy*" (Gough, 2014, p. 30, emphasis in the original), the sameness in behavior to achieve the same primary objective points to analogy. Both were social innovations that were needed to improve people's wellbeing, though the institutional origins differed (Van Wijk, Zietsma, Dorado, De Bakker, & Martí, 2019, p. 888).

Although the homology between social entrepreneurship and social policymaking seems to hold in the comparison above, there is a crucial difference in state capacity in the USA and that in Brazil. Governments with sufficient state capacity "have, or can quickly assemble, their own knowledgeable administrative organizations" to implement policies (Skocpal & Finegold, 1982, pp. 260-261). Expressed more ominously, the modern state's capacity derives from its ability to extract resources from society and to deploy "these to create and support coercive and administrative organizations" (Skocpal, 1993, p. 433). Yet, however expressed, efficacious social welfare provision requires strong state capacity. The capacity to support social-welfare provision, protect the freedom of its citizens, and to ensure the integrity of participatory policymaking facilitates effective governance. The dysfunction of weak state capacity can be seen in legislative bodies that do not perform oversight or regulatory functions well, poor judicial systems, opaque and incredible electoral systems, dysfunctional civil service, weak or non-existent local governments and/or civil society (Hope Sr., 2011, p. 63). Instead, effective social-welfare provision requires governmental capacity evident in "political parties that are institutionalized, programmatic, and have a national as opposed to regional (subnational) orientation; a legislature with strong policymaking capabilities; an independent judiciary; and a well-developed civil service system that attracts individuals with high human capital to the public sector" (Tommasi, 2011, p. 200). While all these elements of state capacity are essential to the efficacy of social-welfare provision, most pertinent to this paper is the relationship between state capacity and third-party government.

We propose that the nature of third-party government state capacity correlates with the role of third-party government. Salomon's new governance paradigm discussed above assumes strong state capacity. Strong state capacity supports government in establishing and its relationship with nodes in networked, public-private collaborations that are enabled by negotiation and persuasion. Strong state capacity can also enable effective social entrepreneurship (Shockley & Frank, 2011a). As Salamon (1995) notes, third-party government is shared responsibility in exercising the tools of government as "they involve the sharing of a far more basic governmental function: the exercise of discretion over the spending of federal funds and the use of federal authority" (Salamon, 1995, p. 21). The case of the Roosevelt Administration and rural electrification demonstrates the criticality of a developing state capacity for social-welfare provision in the USA from the Roosevelt administration's New Deal policies (Skocpal, 1988, p. 295), but also that Salamon's new governance paradigm might not be that new after all. On the other hand, weak state capacity retards collaboration with third-party government. The corrupt and weak Brazilian state was a major factor in delaying rural electrification in its rural areas for 50 years after the USA. And Fabio Rosa the social entrepreneur took the initiative from the bottom-up without cooperation, much less collaboration, with government. *In fact, we propose that in states with weak state capacity, social entrepreneurship often transforms from third-party government to a government substitute*. The examples of this abound. Perhaps most famously, the social entrepreneurship of Muhammed Yunus' Grameen family of ventures as well as Fazle Abed's BRAC also became a government substitutes in post-civil war Bangladesh in the early 1970s (Mair & Marti, 2009; RooyMedia, 2005a, 2005b; Sen, 2007; Yunus & Weber, 2007). The level of state capacity correlates with the nature of the relationship between government and third parties. This leads us to modify the earlier proposition (#2) and create two variants:

3. Social entrepreneurship as social policymaking by NSAs is third-party government *in institutional contexts of strong state capacity*.

4. Social entrepreneurship as social policymaking by NSAs is a government substitute *in institutional contexts of weak state capacity*.

The correlation between state capacity correlates with the nature of the relationship between government and third parties matters because it also alters one of the greatest challenges posed by third-party government: accountability (Salamon, 1995, p. 22). Accountability issues arise because third-party government is necessarily outside (democratic) political institutions and the accountability they furnish through constitutional structures, regulations, procedures, and democratic elections (Salamon, 2002a, p. 38). Even in strong state-capacity contexts, government holding third-party government can be extraordinarily difficult, as exemplified in Skelcher's (2000) "overloaded," "hollowed-out," and "congested" states as a "plurality of forms of governance and mechanisms of accountability" (p. 6, Figure 1). In weak-state capacity contexts, government substitutes enjoy the freedom of operation with very little if any oversight or regulation and, therefore, regulation. Government substitutes in social-welfare provision is likened to an extreme and degenerate form of privatization. Savas (2000) defines privatization as "relying more on the private institutions of society and less on government to satisfy people's needs. It is the act of reducing the role of government or increasing the role of the other institutions of society in producing goods and services and in owning property" (p. 3). In weak-state capacity contexts, government assumes very little responsibility for social-welfare provision. Moreover, social-welfare provision is vulnerable to gross inefficiencies and unfairness if not graft and corruption.

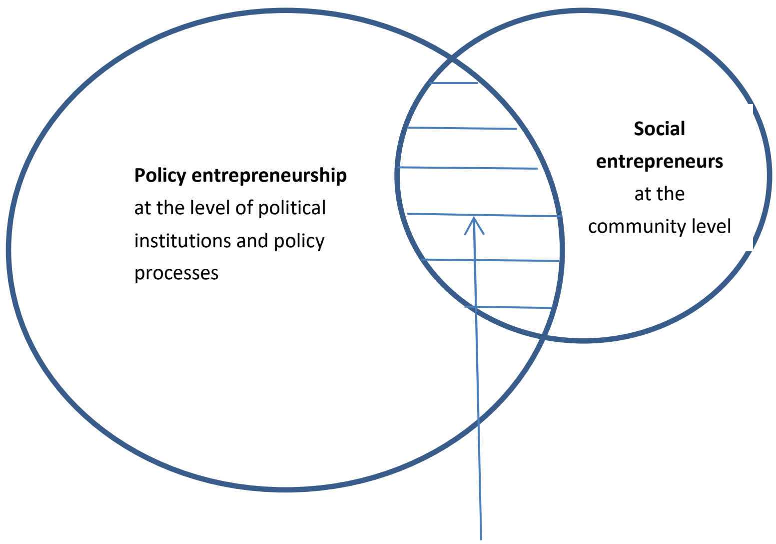
Part 3. Co-Produced Social Policymaking: Integrating Social Entrepreneurship and Policy Entrepreneurship

In Part 3, based on the analogy of social-welfare provision in Part 1 and the third-party-government analysis in Part 2, we further reconceptualize social entrepreneurship by integrating policy entrepreneurship into new tool of government in Salamon's sense of an instrument of public action to address public problems (Salamon, 2002a, pp. 1-2): "co-produced social policy". Our propositions to this point underscore that policymaking not only transcends traditional governmental boundaries but sometimes replaces it as well (Kettl, 2015). Coproduction in its simplest form consists of government and citizens jointly contributing to the production of public goods and services (Brudney & England, 1983, p. 62). In form and effect, social-welfare provision through social entrepreneurship can be usefully seen as the result of the joint effort – that is, the coproduction of regular producers (i.e., government) and consumer producers (i.e., citizen producers-social entrepreneurs) – in social-welfare provision and social change from the bottom-up. The other half of co-produced social policy comes from linking *policy* entrepreneurship to social entrepreneurship. Policy entrepreneurship – or the manipulation and management of political processes and institutions to attain policy change (e.g., Kingdon, 1995; Mintrom, 1997; Mintrom & Norman, 2009) – serve as key agents in the policy process and facilitate two essential features of co-produced social policy. First, we propose that policy entrepreneurs can scale up the social welfare provision by connecting and engaging social entrepreneurship at the local level with the political institutions and processes, potentially transforming their social-welfare provision into large-scale public policies. Second, by engaging political institutions, we propose that policy entrepreneurship can address the accountability issues of third-party government in high-state-capacity contexts.

Many authors have recognized that government has a role in social entrepreneurship, very recently even Ashoka itself (Ashoka, 2021). For example, elaborating on the earliest theories of social entrepreneurship, Paul Light expanded the locus of social innovation activity by insisting that it is a cross-sectoral phenomenon (Light, 2006, pp. 30-31; 2008). This of course includes government, though the exact cross-sectoral relation is not specified. On the other hand, Roger Koppl has asserted that entrepreneurship is not merely a commercial activity but rather a universal behavior ubiquitous in all sectors and human endeavors (Koppl, 2006; Koppl & Minniti, 2008), including public sector behavior. And many others have observed that government is involved in many facets of social innovation (Kettl, 2015; J.-L. Klein, Fontan, Harrison, & Lévesque, 2013; Korosec & Berman, 2006; Leadbeater, 1997; Rodin, 2010; Wolk & Ebinger, 2010). Leadbeater (1997) describes the rise of the social entrepreneur in a way that approximates the rise of the policy entrepreneur, too, as he/she meets unmet social needs arising from the structural problems of Britain's faltering welfare state: "Social entrepreneurs will be one of the most important sources of innovation…to underpin the values and philosophy of an active, problem-solving welfare system" (p. 2). Although these theorists acknowledge that government participates in social entrepreneurship, they do not specify the purpose or intentions of governmental involvement. We argue that the integration of policy entrepreneurship advances the functional definition of social entrepreneurship as social policymaking by NSAs that we have put forth in this paper.

The concept of policy entrepreneurship has also emerged as a key component in theories of policymaking. William Riker and Kingdon deserve much of the credit for promoting and injecting into political-science research the powerful idea of policy entrepreneurship for political and policy studies. Riker endowed his conceptualization of policy entrepreneurship with the primary function of destabilizing previously stable voting situations (see Riker, 1980, 1982), culminating in *The Art of Political Manipulation* (1986) and its notion of "heresthetics" as the art of "managing and manipulating and maneuvering" (p. ix) a voting situation in order to accomplish a desired policy outcome. And in addition to and as part of his model of policymaking, Kingdon introduced into policy analysis an influential functional conception of policy entrepreneurship, the main function of which is the "coupling," or joining problems, policies, and politics either by promoting preferred policy alternatives or by "[lying] in wait for a [policy] window to open" (p. 181). Baumgartner and Jones' theory of punctuated equilibrium, for example, explicitly rest their theory of policy entrepreneurship on Riker's and Kingdon's theories (see Baumgartner & Jones, 1993, Chapter 1). In *Agendas and Instability in American Politics* (1993), they characterize policy entrepreneurship as investing resources to influence the process of policymaking (much like Kingdon does): "The willingness of a political actor to invest resources in a given lobbying struggle is likely to be related to two things: The probability of success…and the expected benefits" (p. 22). Similarly, Mintrom (1997) adds in policy entrepreneurs to influence the process of policy diffusion (p. 740) and Shockley (2008) conceives of policy entrepreneurship as returning stability to a policy domain (p. 168). Policy entrepreneurship thus has been joined with theories of the policy process in order to understand how the policy process can be influenced to achieve policy outcomes. Policy entrepreneurship thus has been joined with theories of the policy process to understand how the policy process can be influenced to achieve policy outcomes. Like our conception of social entrepreneurship, we prefer a classical conception of policy entrepreneurship based on the entrepreneurship theories of Kirzner and Schumpeter (P. G. Klein, Mahoney, McGahan, & Pitelis, 2010; Schneider, Teske, & Mintrom, 1995; Shockley, Frank, & Stough, 2003). It is equilibrium-based theory, too, that sees policy entrepreneurs finding opportunities for policy change (P. G. Klein, 2008; Mintrom & Norman, 2009; Mintrom & Vergari, 1996; Petridou & Mintrom, 2020) and returning stability to a policy domain (Shockley, 2005, 2020). For our purposes in this paper, policy entrepreneurship integrates we integrate social entrepreneurship into *co-produced social policymaking* as a new tool of government.

Figure 1: Coproduction Model of Social Welfare Provision



Source: Adapted from Brudney and England (1983, 61).

To Salamon, a tool of government is not just metaphor. Rather, it is a "bundle of attributes" the encompass 1) the nature of the good or activity; 2) vehicles for the delivery of good or activity; 3) the organizations involved it its delivery; 4) and the rules that define the relationships between the organizations (Salamon, 2002a, p. 20). Substituting entrepreneurship for organizations, ***co-produced social policy*** *encompasses innovations in social-welfare provision that are initially delivered at the community level by social entrepreneurship and then scaled up to wider, more large-scale delivery by policy entrepreneurship operating within political institutions and the policy process.* Salamon also presents four dimensions by which to understand each tool of government: 1) coerciveness (restricting behavior instead of encouraging or discouraging it); 2) directness (authorizing, financing, and overall management by the same entity); 3) automaticity ("extent to which a tool uses an existing administrative structure rather than creating its own administrative structure"); and 4) visibility ("extent to which resources devoted to a tool how up in the normal government budgeting and review processes") (Salamon, 2002a, pp. 25-35). Co-produced social policy limits coerciveness; protects directness by originating at the local level; activities automaticity by the policy entrepreneurship; and ensures visibility at levels of both the community and political institutions. In this way, co-produced social policy holds the promise of serving as a new tool of government in social-welfare provision. (See Figure 1.)

Table 2. Profiles of social entrepreneurship (Coproduced social policy)

Profiles of social entrepreneurship (Coproduced social policy)
Gloria de Souza, an elementary school teacher in a Bombay Jesuit school and Ashoka's first fellow, sought to introduce experiential education into India elementary schools. As much as this innovative teacher tried to get her colleagues to adopt her pedagogy, the typical response was that it would not work in India. After pursuing experiential education at her private Jesuit school, de Souza realized that her success would never reach a large audience unless she elicited the help of government and, in particular, the Bombay public school system. She first successfully persuaded the Bombay municipal school board to adopt these experiential methods, and then the Indian national government amplified them by incorporating it into its national curriculum.
Jeroo Bilimoria, another Indian social entrepreneur's social innovation was the creation of a child protection system in the form a 24-hour hotline for street children in distress. Childline was operational in Bombay in 1996. In order to expand her innovation, she needed to access the public communications infrastructure. And she gained that access. Childline had expanded to forty-two Indian cities by 2002, and the mature franchises were training the start-ups. The Indian Ministry of Telecommunications gave Childline exclusive use of the number 1098 that allowed her to expand her social innovation into 42 cities. The lessons of Childline eventually led to the incorporation of "several Childline recommendations in revisions of India's Juvenile Justice Act and mandated Childline as a lead child protection agency" (Bornstein, 2007, p. 90).
Javed Abidi also depended on the ratcheting up of his social innovations for disability rights through the specific opportunities created by the Indian national government. His social innovation originated while working at the Rajeev Gandhi Foundation: "Needs [for people with disabilities in India] seemed endless," Bornstein (2007) writes. "Abidi decided that his strategy would be to support innovative work in education, transportation, surgery, assistive devices, and rehabilitation" (p. 220). Leaving the foundation, he began to work in politics and public policy, culminating in the enactment of the *Indian Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Bill of 1995*. When the law was lightly and inconsistently applied and enforced, Abidi initiated lawsuits against Indian Airlines, the Ministry of Civil Aviation, and the Ministry of Welfare.

Co-production by social entrepreneurs and policy entrepreneurs energizes this new tool. Coproduction in its simplest form consists of government and citizens jointly contributing to the production of public goods and services (Brudney & England, 1983, p. 62). It thus can range from common but often overlooked forms such as volunteer firefighting, community watches, and parent-volunteering as teacher aides in public elementary schools to much more complex creation of public value (Bovaird & Loeffler, 2012). In form and effect, social welfare provision through social entrepreneurship can be usefully seen as the result of the joint effort – that is, the coproduction of regular producers (i.e., government) and consumer producers (i.e., citizen producers-social entrepreneurs) – in social-welfare provision and social change from the bottom-up. This sounds very much like third-party government. Solomon's concept of third-party government acknowledges the "shift from direct to indirect or 'third-party' government, from a situation in which the federal government ran its own programs to one in which it increasingly relies on a wide variety of 'third parties'—states, cities, special districts, banks, hospitals, manufacturers, and others—to carry out its purposes" (Salamon, 1995, p. 19). Co-produced social policy as a tool of government is precisely that and raises issues of accountability.

Table 3. Profiles of policy entrepreneurship (Coproduced social policy)

Profiles of policy entrepreneurship (Coproduced social policy)
Gloria de Souza displays the basic idea of government adopting a social innovation and widely replicating it, thus amplifying its effects. By partnering with the government-run public education system, her social innovation could reach far more children and thus change the faltering system that was held over from colonial rule.
The profile of *Jeroo Bilimoria*, another Indian social entrepreneur, adds complexity to the basic idea by not only adopting and disseminating a social innovation but actually utilizing the asset specificity of (i.e., unique resources specifically available to) a national government. The scaling of Bilimoria's social innovation depended on the asset specificity of Indian national government.
Javed Abidi: Increasing levels of state capacity (as in India's case over the past few decades[3]) can also contribute in additional ways by not only replicating and imitating a social innovation like Childline but also by performing more traditional government functions, such as passing legislation, implementing it, and testing it in court. While the unwillingness and incapacities of Indian government created opportunities for the amplification of Abidi's social innovations, the Indian national government had developed enough capacity to facilitate basic governmental functions.

The distinction between top-down social policymaking and bottom-up social entrepreneurship discussed in Part 1 is important because the bottom-up social welfare provision from social entrepreneurship displays a "coproductive" quality to it. (See Table 2.) One classical economic definition of coproduction "involves a mixing of the productive efforts of regular and consumer producers" (Parks et al., 1981, p. 1002).

[3] For example, India's Planning Commission, which advises the Indian national government on economic policy, "said in April that it is taking steps that would increase the national poverty rate to 37.2% of the population, from 27.5%. That will increase the official tally of the poor by about one-third, bringing it to roughly 408 million." (Sharma, 2010, p. A16)

The key to coproduction is the "consumer producer," or "individual consumers or groups of consumers, *acting outside of their regular production roles*," who contribute to "the production of some of the goods and consumers they consume" (see also Brudney & England, 1983, p. 64; Parks et al., 1981, p. 1002, emphasis in the original). In social-service provision, the regular producers are government, including both policy makers and bureaucrats, while the consumer producers are social entrepreneurs and their communities. In another classical definition, Elinor Ostrom inserts an organizational emphasis to coproduction by defining it as "the process through which inputs used to produce a god or service are contributed by individuals who are not 'in' in the same organization" (Ostrom, 1996, p. 1073). In social welfare provision, the producer organization of concern is government, specifically the agency entrusted with providing that social service, while the "extra-organizational" producers are once again the social entrepreneurs and members from their communities. For coproduced social policy, active citizen participation from the bottom-up is essential to the kind of social welfare being produced. Coproduced social policy produces not top-down, generalized solutions but informed, customized solutions based on the circumstances of a community. Localized, decentralized social entrepreneurs usually are the most appropriate and best-positioned – indeed, the most efficient – actors to solve their communities' social problems (Frank & Shockley, 2016). Coproduction varies by (1) the extent to which citizens are "involved, not only in the implementation but also in the design of professionally produced services" and "the proximity of the tasks that citizens perform to the core services" of the governmental organization" (Brandsen & Honingh, 2016, p. 432). Community-level social entrepreneurship ensures citizen engagement. Coproduced social policy facilitates social entrepreneurs and members of their communities to coproduce their own social welfare.

5. Co-produced social policy can scale up innovations in social-welfare provision *in institutional contexts of strong state capacity*.
6. Co-produced social policy can address the accountability challenge of third-party government *in institutional contexts of strong state capacity*.
7. Co-produced social policy can help to build democratic institutions *in institutional contexts of weak state capacity*.

Policy entrepreneurs at the level of political institutions and policy processes must also be constructively and actively engaged in coproduced social policy. (See Table 3.) Social-welfare provision at the community level from social entrepreneurship soon requires some government intervention. In fact, to resource innovations in social-welfare provision, social entrepreneurship typically requires interaction and cooperation with government. Social entrepreneurship often depends on the state for diffusion, institutionalization, and legitimization of social change (Nicholls, 2006a; Nicholls & Murdock, 2012; Shockley & Frank, 2011a). Policy entrepreneurs, however, supply more than resources. In a high-state capacity institutional context, the social entrepreneurs' innovations at the community level are "handed off" to policy entrepreneurs that introduce them to the policy process and manage them within democratic political institutions. This potentially generates two crucial benefits. First, the policy entrepreneurship can scale up of the community-level innovation in social-welfare provision by manipulating and managing them into social policies. This can diffuse more widely the social entrepreneur's innovations and provide more social welfare. Second, it can address the accountability issues of third-party government. By introducing them into policy processes within democratic political institutions, it subjects them to those institutions' transparency requirements and the protocols of democratic policymaking. Both benefits could help to revitalize democracy in strong state-capacity contexts. In their recent work *Reconstructing Democracy* (2020), Charles Taylor, Patricia Nance, and Madeleine Beaubien argue that the "degeneration of democracy is strongly connected to the erosion of local communities" (Taylor et al., 2020, p. 6). To revitalize democracy, they argue, communities will need to "find clarity about what to ask for, or what future to envision for their community or region" (Taylor et al., 2020, pp. 5-6). What is the value of co-produced social policy in weak state-capacity institutional contexts? The policy-scaling and accountability benefits of the tool quite possibly would not obtain if political institutions were weak and democratic policy making process non-existent or undependable. But coproduced social policies could help build those institutions and plant the seeds for democracy. Ashoka's Bill Drayton observes, "the democratic revolution is very centrally led by the social entrepreneurs" (RooyMedia, 2005c, 3:00). This is because of the co-production element. Social entrepreneurship empowers the citizen sector by providing voice and new freedoms in living as communities see wish. For developed and less developed states alike, that is the promise of co-produced social policy as a new tool of government.

Conclusion

Co-produced social policy as a new tool of government embodies Salamon's new governance paradigm in that it encourages collaboration between the state, people, and third-parties to innovate in social-welfare provision (Salamon, 2002a, p. 8). In so doing, coproduced social policy opens many exciting possibilities for lasting, positive wellbeing. Wolk (2008) captures the essence of coproduced social policy: "In partnership with government," he writes, "social entrepreneurs can augment their ability to generate and implement transformative, cost-effective solutions to the most challenging societal problems facing our nation and the world" (p. 2). In order understand the concept of coproduced social policy, this article has demonstrated that social entrepreneurship and social policymaking are analogous instruments of social welfare provision; that social entrepreneurship is third-party government; and that co-prodcued offers democratic possibilities in developed and less developed states alike. But all these parts of presume a certain level of capacity for the government and society.

In addition to the state, civil society also needs capacity. For government and social entrepreneurship to coproduce social policy, both must be healthy, democratic, and embedded in a vibrant and relatively free civil society. Coproduced social policy necessarily depends on the "enhancement of the competency of individuals, public sector institutions, private sector entities, civil society organizations and local communities to engage in activities in a sustainable manner for positive development impacts … (Hope Sr., 2011, p. 60). Social entrepreneurs and citizens cannot coproduce without a measure of freedom, trust, and community consensus. Governmental coercion or widespread corruption will undermine the coproduction of social welfare. Similarly, for the state to effectively coproduce, it must have a constitutionally constrained capacity that facilitates rather than discourages or, worse, punishes public participation. Fukuyama (2004) uses the example of the function of United States' capacity that "has a system of limited government that has historically restricted the *scope* of state activity. Within that scope, its ability to create and enforce laws and policies is very strong" (Fukuyama, 2004, pp. 7, emphasis in the original). A constitutionally constrained government enhances citizen participation and social entrepreneurship, thus facilitating coproduced social policy. As Bornstein (2007) suggests, "the emergence of the citizen sector and social entrepreneurship are an adaption to the changing demands of the global environment, a departure from the top-down, centralized problem-solving model that dominated the past century." (pp. xviii-xix).

It should be emphasized that coproduction involves both government and civil society, which as the nongovernmental and noncommercial sphere encompasses the social entrepreneurs and communities. Successful social welfare requires both government and citizen participation (Ostrom, 1996, p. 1083). Coproduced social policymaking is more than "bureaucratic responsiveness" by government or "compliance with laws or city ordinances" (Brudney & England, 1983, p. 63). Also, not all forms of coproduction – such as volunteer firefighting, community watches, and parent-volunteering in public elementary schools (Bovaird & Loeffler, 2012) – fit within what is here being conceptualized as coproduced social policy. Instead, coproduced social policy is a particular type of coproduction, that is, the *collective* cooperation of government and civil society to provide social welfare to communities from the bottom-up (see also Brudney & England, 1983, p. 62; Nabatchi, Sancino, & Sicilia, 2017, pp. 770, Table 772). Leadbeater (1997) captures the spirit of coproduced social policy when he observes that social entrepreneurs "innovate *new welfare services* and new ways of delivering existing services" (p. 2, emphasis added). Citizen-social entrepreneurs actively coproduce social welfare with policy entrepreneurs within political institution.

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