

CONTEMPORARY THOUGHTS ON RESPONSIBILITIES DEVOTED TO ECONOMIC AND SOCIAL DEVELOPMENT BETWEEN PUBLIC AND PRIVATE SECTOR

Andrea Čapkovičová

Charles University in Prague

Abstract. Article deals with the problem of rural development from the perspective of service provision with an emphasis on core/basic services. It identifies roles of sectors in service delivery and conceptualizes devolution of responsibilities between them. Based on identified roles and responsibilities, article presents different forms of partnerships between sectors. Discussion leads to construction of typology table for services according to activity type, consumer contact, service market, profit orientation of a partner, service urgency and contract arrangements. The use of the table is demonstrated by practical examples of selected services.

Key words: partnership, countryside, social policy, development policy, services, service delivery

INTRODUCTION

The approach of the EU in community development asserts the principle of equity and convergence despite the fact that it is internally any homogenous unit. Financial resources devoted for its development aim at securing regional economic assimilation as well as improving the living standards in regions [Spellerberg et al. 2007]. In practice, member states may choose the strategy to fulfill these common goals. They may apply the regional or national strategy. From the concept of rural development it is clear that the aim is to secure comparable living standards for people living in the countryside to living standards of urban areas. At this situation, it is important to differentiate between needs that are universally defined standards independent from the place of living, and on the other hand, opportunities that are unique to every concrete location [OECD 2006].

In the process of devolution of desired living standards we focus on involved actors. These interfere into the management and production of standards as well as to economic development. From the point of view of delivery mechanism, the relationships between providers are considered to be crucial in addition to delegated responsibilities towards set priorities. Efficiency and effectiveness of these relationships relate to their success. Our aim is to focus on the devolution of responsibilities and delivery mechanism of basic (core) services for people living in the countryside, as well as to contribute to ongoing debate on existing partnerships between actors in the countryside in the process of their delivery.

DEVELOPMENT APPROACH FOR QUALITY LIVING IN COUNTRYSIDE

Generally it holds that people living in the countryside are paying so-called economic and social costs related to quality of life [Williams et al. 1975]. The key issue remains to secure same access to core services and needs to rural as well as urban people [OECD 2010]. On the other hand, we can make the statement that the right for equal standards is to some extent reduced by the burden of personal decision for living in the countryside [OECD 2010]. Spellerberg et al. [2007] state that this disproportion between city and countryside may be mitigate by considering positive attributes of countryside (e.g. quality of environment, peaceful place for living, etc.).

For successful community development we need to consider unique characteristics of living in the countryside in addition to generally hold laws and requirements. As Cavaye [2001] points, well-functioning local community has high potential to cope with changes. Local community consists of network of actors (local, extralocal) and most importantly of their internal (informal) connections. Through these, they dynamically affect each other what in community-led development consequently leads to synergic effects (community passion).

CONCEPT OF EQUITY AND EFFECTIVENESS IN COMMUNITY DEVELOPMENT

The debate about rural development policy, and community development in wider perspective, obtains the question of their equity and efficiency [OECD 2006]. The question of equity relates to social site of policy that should secure minimal and equal standards for all citizens. On the other hand, efficiency originates from the principle of competitiveness, and so, it reflects to what extent the local potential is able to secure and stimulate its further development (development policy). Rowe [2007] describes the principle of efficiency through the process of service delivery. According to him, those measures are efficient that are able to take the maximum of limited sources. The equity may be defined by provision of equal conditions for all citizens. OECD document [2010] presents both principles in wider regional and national context. The goal of equity principle is to reduce financial disparities among people and localities, most particularly there, where the responsibility lies on subnational organizations. Efficiency furtherly benefits from

agglomeration advantages and focuses on support of those localities that are even now relatively wealthy. Consequently, they can make higher profit of development activities more effectively than their “poorer” partners. The development of opportunities is unique to each and every locality while the general needs may be conceptualized flatly. The difference between them is based on the quality of its provision and the cost (e.g. economies of scale, suburban advantages, etc.).

Needs as public goods

As a result of the decomposition of rural policy on its two essential components (social, development), we pay our attention particularly on its social part. In a sense of equality of needs and opportunities, the question of social needs of countryside becomes the crucial part of an European agenda in terms of rural development. In order to secure core public services, so-called social contracts are being made, by which the government (public sector) becomes the partner to its citizens [OECD 2010]. The services are defined like statutory entitlements and the role of government is to secure the provision by overcome their underprovision. It also reflects the moral and objective mission of government.

We understand public services as public goods [Williams et al. 1975, Kodrzycki 1994], that are particularly sensitive to market imperfections or to its absence respectively. According to OECD [2010], the provision of public services is not exclusively limited to one-site transaction that benefits individuals but it creates so-called shared value for public as a whole. The character of this transaction involves the process of social interaction as an addition to provision and transfer. By this, the formal and informal ties are strengthened, and it enhances the trust as well as communication among community members (municipality representatives, citizens) [Cavaye 2001].

SERVICE MARKET

The process of public service provision depends on attributes of particular locality. Key factors are considered to be the municipality size, character of settlement, accessibility but more recently also soft factors representing the quality of human and social capital. We may not neglect the market environment that exists for the service in the location. On one hand, there is the demand for the service (need of citizens) that is according to Williams et al. [1975] based on viability of individuals and households. As a result of negative development in countryside (ageing, out-migration, lack of job opportunities), the economic base shrinks. The most negatively affected are municipalities through reduced tax income and as a consequence the provision of core public services for lower number of citizens brings additional cost [OECD 2010]. Not rarely it results in underprovision of public goods and the increased dependency of municipalities on governmental loans or regional equalisation policies.

The ongoing process of rural restructuring [Woods 2005, Marini and Mooney 2006] to different extent leaves an impact on particular service what is further affected by its market type. Services may be provided on the basis of competitive markets or monopoly [Girth et al. 2012]. Basic comparison of these market types is shown in Table 1.

Table 1. Comparison of monopoly and competitive market in service provision

Specification	Market type		
	monopoly		competitive market
Size of competition	no competition	limited competition	number of competitors
Profit orientation of partners	no contracts	non-profit	for-profit
Partners	other municipalities, voluntary sector		private entities
Key word	social (public) value		profitability
Service regulator	local government (municipality)		market
Type of services	core/basic services		supplementary services
Welfare category affected	social welfare		economic welfare

Source: own composition.

Profitability and social (public) value become the most pronounced key terms in provision of services. Escalona-Orcao and Diez-Cornago [2007] connect the profitability with demand that should be located in a reasonable radius in order to secure that condition. For Kodrzycki [1994] and Girth et al. [2012] the key term is the cost saving. This may be achieved most effectively on competitive markets in contract arrangements. The same principle of taking the advantage of economies of scale holds for capital-intensive investments and programmes of infrastructure. In the case of provision of core services (e.g. social and health services), the practice of monopoly brings higher certainty for social welfare, especially for groups of most vulnerable citizens.

In order to be profitable on competitive markets, we need to consider size of competition, and so the number of participating bidders for provisions of the service. Naturally, small markets are disadvantaged because of high volatility in supply of potential competitors [Girth et al. 2012] as well as remote small villages (limited competition, remoteness) [Kodrzycki 1994]. Under the condition of being profitable in provision of certain service we need to consider: size of potential consumer market, presence of potential competition but also the locality. In the case that all these aspects are of negative nature and the service represents basic living standards of citizens, it is necessary to intervene. We may interpret this that it is the role of government (through local municipality) to secure provision of the service in question even for higher unit cost. Therefore, countries as required to regulate those services for which there is no competitive market, and additionally secure compliance with contract conditions and protect service users (consumers) [Torres and Pina 2002].

Service market providers

The realisation of activities related to provision of basic standards and enhancement of development opportunities in countryside is based on principle of interaction among participating partners from local or extralocal environment. These activities may be described as optional or mandatory [Haugen et al. 2012]. Optional activities are

characterised by time and space flexibility (leisure time activities, social activities), on the other hand, mandatory activities are more fixed either to time or place (work, school). With respect to activity type, we may identify the relationships' arrangements between partners and their intensity. As key actors we may consider local municipality, governmental bodies, EU, local entrepreneurs, extralocal investors, non-governmental sector (voluntary sector) and most importantly the local citizens. Figure 1 displayed the process of competence devolution among participating partners in provision of core services (mandatory activities, social policy) and enhancement of opportunities (optional activities, development policy) that runs in the countryside.

In the first case, we focus on needs of individuals and households. In the second case, our attention is paid on market and economic environment – opportunities. At the same time, we make the difference between preconditions for rural development (1) and security of long-term viability of countryside (2) [OECD 2010]. The position of citizens is becoming essential as they define the demand from the consumer point of view and supply as producers and economic units.

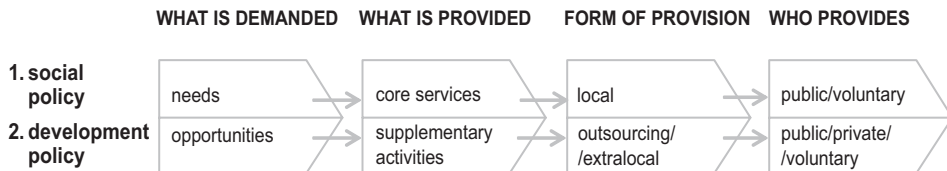


Fig. 1. Process of competence devolution in social and development policy

Source: own composition.

In next section, we focus on preconditions for rural development that are defined specifically by basic (core) services in the countryside, and so the area of our interest is social policy. The problem of development policy is tackled partially. We make use of the knowledge of Cavaye [2001], who points out that the process of involvement and partnership among participating members is important from the perspective of positive and effective development. Viable communities are at the same time dependent on organic (partnerships) and mediated development (centrally defined and managed policy).

DELIVERY MECHANISM OF SERVICES

As we previously mentioned, the process of basic service provision is mutually connected with the process of interaction between participating actors. This runs either on horizontal or vertical level. Williams et al. [1975] indicated weakening of horizontal cooperation in favor for the vertical one. As Hulst et al. [2009] point out, the vertical cooperation (between actors on different management level) generates advantages of better coordination of activities between independent actors and often overlapping jurisdiction of participating partners. At the same time, it enhances the use of economies of scale and the use of technological as well as financial know-how. Regional networks are getting the substantial position additionally to strategies of locally-led development [Cavaye 2001].

Traditional model of command and control [OECD 2011A] was founded on a hierarchical relationship government – provider. Gradually, this mechanism is overcome and the provision is oriented more on market-type arrangements that secure higher efficiency of allocated sources and higher satisfaction of clients. It prevents the situation when centrally managed policy contributes to bigger divergence in development. From the point of view of centrally managed policy making process, it would be difficult to explain the fact that different methods are used for the same service in countryside than in urban areas [OECD 2010]. It also helps to reinforce community cohesion and sense of community, when the knowledge of who provides the particular service is under the best interest of consumers in the locality [McVittie et al. 2007]. In order to understand effective service provision in countryside, we focus on relationships (discuss accountability and responsibility of actors) and limitations that exist in the process of their effective realization.

Accountability

As far as we consider public services as public goods, the public sector represents the role of their provider (benefit society at large). The result for public intervention is that market cannot guarantee them, respectively, it cannot cover the whole area [Rowe 2007]. OECD document [2010] declares the role of public sector especially in those services that are highly nationally valuable and for which exists clear statutory responsibility (e.g. health care, education, fire, police). We may distinguish the first-contact services (also core service, e.g. social and health services) that represent standards of living in countryside. These are most commonly provided locally by municipality or by cooperation agreements between municipalities. The main benefit originated from this form is that it strengthens the relationships between the municipality and its citizens. Services provided directly by municipality (as a representative of public sector in locality) reflects its position (essential mission) and practical mission (avoid potential scarce supply) [Kodrzycki 1994]. In other cases, these services can be either provided by private or public sector. By entering of public sector (on governmental level, or municipality level) into contractual partnership with private provider, the traditional forms of municipality management undergo internal restructuring [Mohr et al. 2010]. The drawback of contractual arrangement (either with other municipality, or other sector) is that it generates additional contract and monitoring cost [Kodrzycki 1994]. We may conclude that albeit the municipality is not the only and direct provider of a service, its role is to supervise or control. We cannot abstract it from any decision making in provision of basic living standards in certain locality. Cavaye [2001] connects the question of accountability with the changing attention from tangible outcomes to their importance of community organisation and change of attitudes. From the development point of view, it is important for individuals and groups to have their head, and so the certain level of representation. Locally, this depends on leadership potential, usually connected with the municipality management.

Responsibility

Responsibility in service provision may be categorised according to different kinds of subjects to which it is devoted. For example, we may distinguish political, financial or

decisive responsibility. Provisional decision about what services will be provided to its citizens and how will be paid for it is under the responsibility of municipality. Production decisions are functionally and technically in the competence of private (and other) sectors [Kodrzycki 1994, Mohr et al. 2010]. Williams et al. [1975] adds into the debate of competence devolution that the dependancy of local municipality on provision of public services is on external institutions for technical and financial assistance. Additionally, local municipality is able to fine-tune broadly defined governmental policy and other programs according to local conditions (adjusting, decisive). However, we need to distinguish between competence (responsibility) devolution in provision of basic services and others. In the case of existing threats of underprovision of basic services, the weight of responsibility is transferred on public sector in full range, in other cases, the decisions on technical or distributional function may be delegated to other actors.

Limitations

Rural areas are usually described as lagged from the perspective of their equipment and accessibility. Not rarely they are being called as peripheral, what is not exclusively connect only with their location [Fuduric 2008]. They represent marginalized locations that to some extent lag behind the others. Regions on periphery are under the biggest threat of economic changes what is even more reinforced by the crisis of public finance [Spellerberg et al. 2007].

On the other hand, we may look at these drawbacks as the opportunity costs that are compensated by specific and unique rural attributes (social life, networking). The character of living in countryside represents the counterweight to homogenization that is the result of globalization and technological development [Spellerberg et al. 2007]. With respect to locality and character of link between the locality on higher levels, the localities are differently resistant to limitations and they also differ in a way of overcoming them. It is likely that less resistant units will more easily adapt to the process of urbanization. Categories of limits are represented by municipality size, changes in countryside (ageing, out-migration of young and economically active) and finally localisation that is related to availability and accessibility of the location.

Municipality size is important for the cost site of service provision. The problem of small villages is their small consumer number but also the limited number of management capable representatives that would be able to negotiate contract conditions [Mohr et al. 2010]. Despite this, the form of contract arrangement is used quite often, especially for specific and specialized services. Kodrzycki [1994] states that if the price of service provision by public sector is higher than the price of private sector, it is advisable to enter into contract. The problem explains on example of small villages that are not able to enjoy economies of scale due to higher unit prices. As an effective example of contracts of small villages, Mohr et al. [2010] describes localities near to bigger cities, where is higher number of potential partners and so the bigger market.

Changes in countryside represent limits of service provision from the perspective of internal changes – endogenous factors (demographic changes, reduction of young population, spatial change of economic performance, weak traffic networks, etc.) and external changes that represents exogenous factors (globalization, technological development,

cultural change, policy change). Population ageing is another significant factor of increasing demand for specific services, such as social, health and public services [Doheny and Milbourne 2012]. Furtherly, changes in countryside strongly relates to marginalization of most vulnerable population groups. Its magnitude is strongly dependent on location (close to urban areas – on periphery) and specifically on traffic accessibility.

Last category of limits is represented by localtion and related availability and accessibility. According to OECD [2010], in provision of services is crucial not only the need for them but also the ability to receive them that is connected with accessibility. Unfortunately, the location is usually strongly influenced by disadvantages generated of peripheralty (character of relief, distance from regional or national centre, quality of road network, availability of public traffic). The magnitude of their importance is even higher in the case if the municipality is not able to effectively provide the service in place and insufficient family income is not able to cover expenses related to use of car that would otherwise help to increase flexibility. Escalona-Orcao and Diez-Cornago [2007] describe this by so-called penalization of higher cost of inaccessibility. Generally it holds, that accessibility is not attained so much through proximity but largely and increasingly through another key aspect – mobility. Mobility is then more related to individuals than structurally-led change. In this process, consumers are more concern about symbolic and qualitative value of provided service than its availability [Haugen et al. 2012].

FORMS OF RELATIONSHIPS BETWEEN PARTNERS AND CONTRACT ARRANGEMENTS

On the local level, there exist wide range of possibilities for partnership and cooperation between actors. They originate from natural devolution of competences and responsibilities. In the social policy that is out main concern, the dominance of municipality was identified. It posseses different functions (political, managerial, budgetary, monitoring, control), therefore we may say that its participation in any kind of partnership is considered to be inevitable. At the same time, we consider its mission and accountability. It is an elected body that represents in first place the interests of voters and secondly, it takes responsibility for provision of minimal standards that secure quality of life generally. Roles and position of municipality (public sector respectively) depends on social values, entrepreneurship and market capacity, non-governmental sector and also the spatial division of population. The fundamental role of public sector on governmental level is to secure availability of basic services. With respect to their categories (core, supplementary), it is up to municipalities, voluntary sector and private entities to furtherly participate in their provision and apply innovations as well as search for cost-effective methods of their provision [OECD 2010].

Figure 2 presents roles of municipality in the cycle of basic service provision in countryside either of core or supplementary nature. It also displays devolution of responsibilities from the perspective of municipality. Forms of partnerships defined below will be based on position of municipality as a representative of public sector in place with respect to participating partners and contractual relationship.

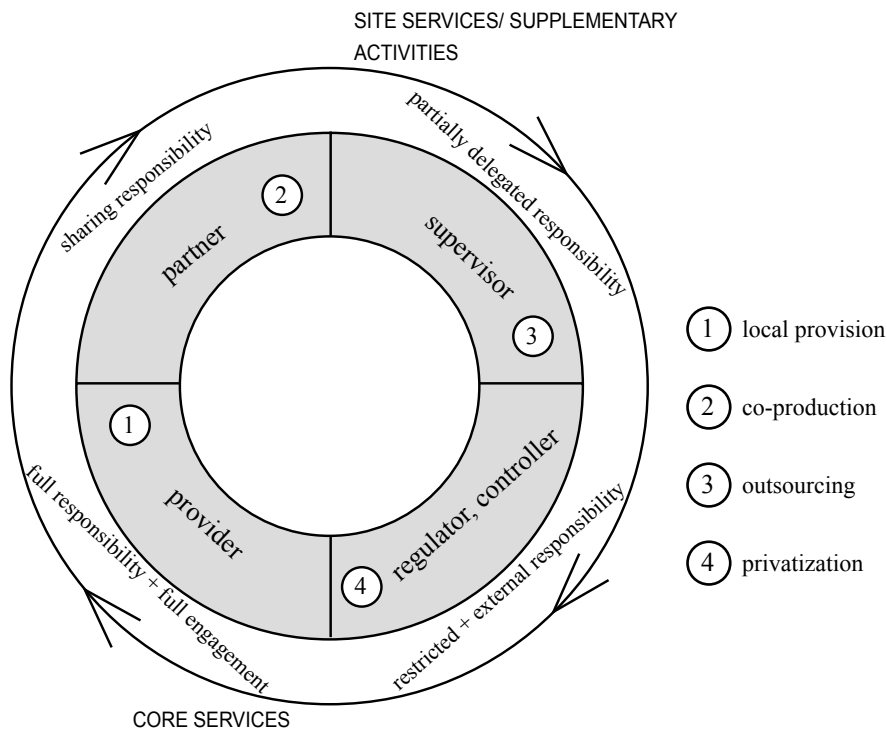


Fig. 2. Municipality roles in provision of services in countryside
 Source: own composition.

Local provision

Service provision operated directly by municipality demands its full engagement and full responsibility. McVittie et al. [2007] point that the local provision of services by local people helps to create local networks and improve the quality of social capital. According to existing situation, municipality may enter into partnership with voluntary sector or neighbouring municipalities. These partnerships are characterized as non-profit and so they identify service types to which they are binded to. These services are classified like core services that may also be defined as public goods for which there is no market. At the same time, they are directly connected with needs and secure basic conditions of living. Their typical characteristic is the ability to be generalized.

Co-production

Co-production may be described like cooperation of public sector and partners that are either local or they participate in service provision in wider region (extralocal). OECD [2011A] defines different types of co-production according to level of input that is devoted to existing partnership (sporadic and distant, intermittent or short term, intensive and enduring or long term). For public sector in general (and municipality particularly), the

form of co-production originates considerable advantages, mostly economic ones. In the case that service provider (private entity, partnerships of more municipalities, etc.) operates on wider market, beneficiaries may enjoy economies of scale reflected in the price of service. Besides these, the chain effect of co-production enhances the innovative potential of existing relationships among partners. Partnerships generate new ideas, suggestions from users, community networks of families and friends [OECD 2011B]. On the other hand, sharing of responsibilities (their delegation) between partners lower direct costs of service provision. However, these are reduced by the share of monitoring and control costs that exist on the site of municipality responsible for service definition locally.

The classic example of co-production arrangements are multi-purpose, respectively single-purpose arrangements [Hulst et al. 2009]. Multi-purpose arrangements represent typical example of cost reduction strategy (initial, managing) when partners may share costs of different services or they may share the cost between each other in the case that multi-purpose arrangement operates on the level of several municipalities. The additional value of these arrangements is in boosting social networks and social interactions [OECD 2011B]. In practice (especially in case of more “sensitive” services such as core services) it may happen that multi-purpose arrangements are not able to optimally serve desired location with services, and so it is more advisable for this kind of services to use single-purpose arrangements.

Intergovernmental agreements

By fulfilling the mission of provision of services for citizens, municipality may enter into partnership with other (usually neighbouring) municipalities. In that case we talk about generation of intergovernmental agreements. This form of partnership is most effective for group of small villages that may enjoy benefits of different sources [Mohr et al. 2010]. As a result, they benefit from economies of scale (range of suppliers), scale and flexibility of extralocal cooperation. Minor drawback may be identified on project-related cooperation that no longer and no deeper develop partnership relations between participating municipalities in order to be more effective in future. Besides previously mentioned multi-purpose or single purpose arrangements [Hulst et al. 2009], this form of partnership may exist on basis of purchase or exchange of service from neighbouring municipality. The most common object of this kind of partnership are core services when it is necessary to avoid their underprovision or non-existence respectively.

Public – private projects

Conceptually, the form of co-production at this type of projects aims at provision of those services that are most important for community (for securing basic living standards) and their absence would lead to lower quality of life. As it was mentioned previously, the role of public sector is to define in general terms the need (and service standards) and the provision may be delegated to other sectors (private, voluntary). Therefore, the public sector is able to provide economies of scale and advantages of market competition. More than form of co-production dominates in this type of partnership outsourcing that is characterised later. It comprises services that are not of fundamental mission of municipality and offer to provider more space in decisions about their provision. In both cases (co-production and outsourcing), private partner is for-profit oriented.

Public – voluntary projects

Activities of voluntary sector are more preferable in cooperation with public sector and more trustful than for-profit oriented companies [Girth et al. 2012]. This is especially important for those services for which the accessibility, regularity and loyalty are of particular interest (core services). This is illustrated by the example when the private company is not able to fulfill its commitments what leads to additional costs for municipality (delay cost, cost of searching an alternative partner). On the contrary, the co-operation with voluntary sector helps to avoid that kind of situation. It is also preferable type of co-operation in the group of small villages with limited market and therefore choice of partners [Mohr et al. 2010].

Public – public coproduction

Specific type of co-production is partnership between municipality as a representative of public sector and its citizens (user of provided services) [OECD 2011A]. They may participate in design process or delivery of service. The key issue in existence of this kind partnership is the transfer of attention from production inputs and outputs into outcomes in 1970s [OECD 2011A]. By characterising public services as public goods, these inevitably create the public value (and value for public). In this sense and for the reason of their public impact, regular and long-term public – public partnership together with participation of citizens are considered to be a willing method for how to achieve certain level of services and their provision (qualitative and quantitative).

Outsourcing

The main difference between co-production and outsourcing is that public sector usually applies outsourcing in the situation when it delegates or transfer decision making about those services and related activities that can be defined as supplementary or site. The most typical examples are leisure-time, cultural or social activities. At the same time, it helps to reduce the risk generated from potential underprovision of core services (that would be provided by municipality simultaneously with supplementary activities) and on the other hand, it helps to stimulate local market and competition. However, municipality does not give up its position in governance of this part of local development and holds its role as regulator (controller – privatization) or supervisor (contracting-out). As a supervisor, it oversees the fulfillment of contractual conditions – duration and subject of the contract. Reversely, privatization offers much more freedom for participating actors in service provision and public sector has very restricted and limited responsibility (depending on concrete service). This is the reason why we substract the privatization from outsourcing as an individual form of partnership.

As it was mentioned previously, this form of partnership is most commonly presented by public – private arrangements either in form of projects or contracts. Similarly to co-production, they reduce initial cost (cost efficiency) and improve flexibility of production as well as innovativeness of provided services [Hulst et al. 2009]. It is important to consider additional monitoring cost. We also need to precisely control the process of competence devolution from public to private sector in order to mitigate possible delay or even failure of service delivery [OECD 2010].

Privatization

Although we previously defined privatization as a form of outsourcing of supplementary services, it may be the option also for core services, especially in case of well-functioning market and regulatory mechanism. Especially favourable is this form of service delivery for small villages [Mohr et al. 2010]. They may benefit from contractual agreements with private providers of a regionally privatized service. They are able to effectively apply for-profit strategies and generate advantages of market. Therefore small villages located close to big markets and with good infrastructure may be the most favored. On the other hand, small villages located on periphery suffer from lack of potential bidders in the situation when they decide for external service provision.

Besides full-privatization, privatization may exist of different forms [Kodrzycki 1994] according to level of responsibility transfer from public to private sector (especially in case of core services):

- 1) municipality decides about amount of provided service – production is under the competence of private provider,
- 2) franchise – private sector provides service in geographic borders of municipality – municipality regulates the level of service and price,
- 3) municipality holds its in order to secure demand for service – individuals may choose their service providers.

Kodrzycki [1994] explains the advantages of private provision by highlighting cost site, higher quality and higher flexibility. However, it may also happen that private entity underrates demanded quality. Another problems connected to externalization of services are moral hazard and mis-specification of service requirements [Torres and Pina 2002]. Another risks originates from opening a space for corruption and weaker municipality control over core services (especially health and social ones). These are the reasons why other forms of partnerships are more preferable for them.

Broadband Internet

By technological and especially information development, the social welfare of countryside faces another challenge. The development of broadband Internet initiates the new era of service delivery. It can easily connect providers, regulate the competition and bring necessary services there where people live, no matter of distance [Gutierrez 2010]. However we need to be cautious about this non-direct provision. Therefore, it should be used mostly as a consultation or information mean.

TYPOLGY TABLE OF SERVICES

For synthesis of information above, we develop typology table that helps us to describe individual provided services in countryside. It consists of information about: (a) activity type from the perspective of the body responsible for local development (municipality), (b) contact type between provider and consumer that divides the services into

categories core-supplementary, (c) service market that pre-defines potential partnerships, (d) profit orientation of partners, (e) service urgency – addition to division in (b) and (f) typical type of arrangements in provided service group (Table 2).

Table 2. Typology table – theoretical background

Type of	Service group A	Service group B
– activities	mandatory	optional
– contact between service providers and consumers	first/direct contact	non-direct contact
– service market	monopoly	competitive market
– partnership with respect to profit	non-profit oriented partners	for-profit oriented partners
– service urgency	crisis-oriented	up-standard
– contract arrangements	local provision, intergovernmental agreements, public – voluntary projects	outsourcing, privatization

Source: own composition based on Williams et al. [1975], Mohr et al. [2010], Girth et al. [2012], Haugen et al. [2012].

As an example of use of this typology table, we compare health and leisure-time services offered locally (Table 3). First group represents standard and precondition of rural development. Its provision is tightly connected to quality of life in countryside (social welfare). In case of leisure-time services, these may be identified as supplementary,

Table 3. Typology table – practical example

Type of	Health services	Leisure-time services
– activities	mandatory – represent minimal standards	optional – represent supplementary activity
– contact between service providers and consumers	first/direct contact – usually provided at the ambulance, necessity of personal contact	non-direct – providers do not necessarily be personally presented during service provision
– service market	emergency services usually operates on monopoly basis	competitive markets may exist for different leisure-time services (sport facilities, cultural facilities, etc.)
– partnership with respect to profit	partnerships usually with non-profit oriented partners (other municipalities, voluntary sector)	for-profit oriented partners operating on a commercial basis
– service urgency	crisis-oriented – underprovision and absence may be crucial for community	up-standard of living, community may exist without these services
– contract arrangements	public-based contracts (intergovernmental, local provision, public – voluntary)	contracting out to private entities

Source: own composition based on Table 2.

that are not direct representatives of standards but they significantly contribute to long-term viability of rural areas. They may help to improve attractiveness of countryside and stimulate further economic development (associated activities, migration of young people, etc.).

CONCLUSIONS

For being able to secure viability of countryside, we need to ensure preconditions for rural development (core services) that help to avoid rural exodus (out-migration, ageing) and strengthen social welfare. This is subject to social policy. For the longterm preservice of this state, we need to add supplementary services that represents development policy and furtherly enhance economic welfare.

In the process of service provision, the role of municipality is very important. It may act as a provider, partner, supervisor, regulator/controller respectively. The profile of concrete services prescribes forms of partnerships that may arise for their provision. With respect to provision of core service and so the social policy realization, the responsibility is increasingly delegated to public sector (municipality) that may usually enter into partnership either with other municipalities or voluntary sector. In the case when the subject for provision are those services that are not necessary for minimal quality of life (or core services of well-functioning market), municipality may enter into contractual arrangements with private sector. They may share responsibilities, partially or fully delegate. In all cases, municipality leaves its space for monitoring and control, especially in core services in order to avoid their shortage or underprovision. At the same time, we need to consider limitations of responsibility devolution related to internal and external environment. Roles of public or private sector in service provision need to be judged under the existing market conditions and other factors (municipality size, accessibility, changes in countryside).

REFERENCES

- Cavaye J., 2001. Rural Community Development – New Challenges and Enduring Dilemmas. *The Journal of Regional Analysis & Policy* 31 (2), 109–124.
- Escalona-Orcao A.I., Diez-Cornago C., 2007. Accessibility to basic services in one of the most sparsely populated areas in Europe: the province of Teruel (Spain). *Area*. 39 (3), 295–309.
- Doheny S., Milbourne P., 2012. Modernization and Devolution: Delivering Services for Older People in Rural Areas of England and Wales. *Social Policy & Administration* 47(5), 501–519.
- Fuduric N., 2008. *Entrepreneurship in the Periphery: Geography and Resources*. Aalborg University, Aalborg.
- Girth A.M., Hefetz A., Johnston J.M., Warner M.E., 2012. Outsourcing Public Service Delivery: Management Responses in Noncompetitive Markets. *Public Administration Review* 72 (6), 887–900.

- Gutierrez M., Belanger K., Clark V., Friedman J., Forrest Redfern J., Weber B., Fluharty Ch., Richgels J., 2010. Rethinking Rural Human Service Delivery in Challenging Times: The Case for Service Integration. Report. RUPRI Rural Human Services Panel, Rural Policy Research Institute (RUPRI), February.
- Haugen K., Holm E., Strömgen M., Vilhelmsen B., Westin K., 2012. Proximity, accessibility and choice: A matter of taste or condition? *Papers in Regional Science* 91(1), 65–85.
- Hulst R., van Montfort A., Haveri A., Airaksinen J., Kelly J., 2009. Institutional Shifts in Inter-Municipal Service Delivery. An analysis of developments in eight Western European countries. *Public Organiz. Rev.* 9, 263–285.
- Kodrzycki Y.K., 1994. Privatization of local public services: lessons for New England. *New England Economic Review*. May, 31–46.
- Marini M.B., Mooney P.H., 2006. Rural economies. In: *Handbook of rural studies*. Cloke et al. (Eds.). SAGE, London.
- McVittie A., Moran D., Hall C., 2007. The Non-Market Benefits Of Rural Service Provision. Proc. The Agricultural Economics Society's 81st Annual Conference, University of Reading, 2–4.04.2007.
- Mohr R., Deller S.C., Halstead J.M., 2010. Alternative Methods of Service Delivery in Small and Rural Municipalities. *Public Administration Review* 70(6), 894–905.
- OECD, 2006. *The New Rural Paradigm. Policies and Governance*. OECD Publishing, Paris.
- OECD, 2010. *Governance and Public Service Delivery in Rural Areas*. In: *OECD Rural Policy Reviews: Strategies to Improve Rural Service Delivery*. OECD Publishing, Paris.
- OECD, 2011A. *New forms of partnership with citizens for public service delivery*. In: *Together for Better Public Services: Partnering with Citizens and Civil Society*. OECD Publishing, Paris.
- OECD, 2011B. *Success factors and challenges in partnering with citizens for public service delivery*. In: *Together for Better Public Services: Partnering with Citizens and Civil Society*. OECD Publishing, Paris.
- Rowe F., 2007. *Innovation in Rural Public Services*. In: *Rural Innovation*. S. Mahroum et al. (Eds.). NESTA, London.
- Spellerberg A., Huschka D., Habich R., 2007. *Quality of Life in Rural Areas: Processes of Divergence and Convergence*. *Social Indicators Research* 83, 283–307.
- Torres L., Pina V., 2002. *Changes in Public Service Delivery in the EU Countries*. *Public Money and Management* 22, 41–48.
- Williams A.S., Youmans R.C., Sorensen D.M., 1975. *Providing rural public services: Leadership and Organizational Considerations*. WRDC Special Report No. 1/Special Report No. 449. Western Rural Development Center/Oregon State University Agricultural Experiment Station.
- Woods M., 2005. *Rural Geography*. SAGE, London.

AKTUALNE UWAGI NA TEMAT ODPOWIEDZIALNOŚCI ZA EKONOMICZNY I SPOŁECZNY ROZWÓJ OBSZARÓW WIEJSKICH W PODZIALE NA SEKTOR PRYWATNY I PUBLICZNY

Streszczenie. Artykuł dotyczy zagadnienia rozwoju obszarów wiejskich z punktu widzenia dostarczania usług, ze szczególnym naciskiem na usługi podstawowe. Określono w nim rolę sektora publicznego i prywatnego w dostarczaniu usług oraz dokonano konceptualizacji odpowiedniego podziału odpowiedzialności pomiędzy sektorami. Na tej podstawie zaproponowano różne formy współpracy i partnerstwa pomiędzy sektorami, a następnie

przygotowano typologię usług według rodzaju aktywności, kontaktu z konsumentem, rynku usług, nastawienia oferenta na zysk, niezbędności danej usługi oraz sposobu kontraktowania. Tabele zilustrowano przykładami wybranych usług.

Słowa kluczowe: partnerstwo, obszary wiejskie, polityka społeczna, usługi, dostarczanie usług

Accepted for print – Zaakceptowano do druku: 10.12.2013