

## Global trends in a fragile context: public-nonpublic collaboration, service delivery and social innovation

by

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### Abstract

This study aims to enhance the understanding of the nature of collaboration between public and nonpublic actors in delivering social services and achieving social innovation in a fragile context, with an emphasis on the role of civil society organisations (CSOs). The paper focuses on Bosnia and Herzegovina, a Southeastern European country which has faced a turbulent post-conflict transition and experienced challenges in its social welfare policy and practice.

This study uses institutional theory, particularly new institutionalism and institutional networking, as a lens through which to understand public and nonpublic collaboration and social innovation within a fragile context. This study adopts a sequential mixed-method approach. Data were derived from 15 semi-structured interviews with representatives from local CSOs, international donors and public institutions, as well as a survey of 120 CSO representatives.

The collaboration and social innovation in a fragile welfare context have been initiated primarily by nonpublic actors and developed within the triple context of relations between public, civil and foreign donors' organisations. In such a context, coercive, normative and mimetic isomorphisms act as leading drivers, but also as potential barriers of public–nonpublic collaboration and social innovation. They are triggered by influences from multiple actors, challenging power relations and external pressures on local CSOs.

The paper contributes to the growing research interest in the role of nonpublic actors in the provision of public services and public social innovation, but examines these issues from the perspective of a fragile context, which has thus far been overlooked in the literature.

**Keywords:** Public sector, Social services, Civil society, Institutional isomorphism, Foreign donors, Social innovation and cooperation

### Introduction

In the last decade, collaboration between the public sector and civil society organisations (CSOs) has become a crucial part of the provision of public services. Scholars have increasingly connected collaborative arrangements in public service delivery to social or public innovation, as the latter creates possibilities for the diffusion of new policies, services, procedures and organisational forms to find solutions for growing needs in society (Bason, 2018; Borzaga & Bodini, 2014; Bryson, Crosby, & Bloomberg, 2014; Marlene et al., 2014; Rønning & Knutagård,

2015). Indeed, innovations in public service delivery that bring together public sector professionals, citizens, service users, civic associations in seeking constructive and inexpensive solutions through collaborative and network modes have been highly favoured within the new public governance (Brandsen & Pestoff, 2006; Bryson, Crosby, and Bloomberg, 2014; Osborne, Chew and McLaughlin, 2013).

Particularly in the social sector, there has been a shift towards bottom-up initiatives and the inclusion of CSOs in the delivery of social services and early interventions through collaboration with the public sector (Osborne, 2006; Osborne and Brown, 2011; Pestoff, 2014). Due to the growth of CSOs' scopes and missions internationally and the belief that today's complex social problems cannot be tackled by a single government, sector or organisation (Davies and Simon, 2012), CSOs are being called upon through organised groups and collective actions to participate in service provision, deliver sustainable innovative solutions and better measure their performance and impact (Anheier et al., 2014; Bond, 2016; Krlev, Anheier, & Mildenberg, 2019; Moulton & Eckerd, 2012; Pestoff, Brandsen & Verschuere, 2013).

While the relationship between the public sector and nonpublic actors in the provision of social services and diffusion of social innovation has gained increased attention in the literature in the last decade, it has predominately been discussed with respect to Western liberal governments and welfare states. There is a lack of evidence concerning this relationship within challenging, fragile, low-income or post-conflict settings, which usually experience various contextual, administrative and actor-related threats, and where the concepts of good governance, collaborative innovation and efficiency are virtually unheard of within public management. However, the needs for collaboration and social innovation among different actors and across sectors can be expected to be even more required in such challenging settings, although it can be difficult to manage (Stott and Tracey, 2018).

To shed light on the prospects for collaboration and social innovation in a fragile context, the central focus of this research paper is on Bosnia and Herzegovina (BiH), the country in Southeastern Europe that faced the collapse of state socialism and one of the most violent conflicts in recent European history during the 1990s. The country was flooded with international NGOs and bilateral and multilateral organisations which perceived that democratisation, peacebuilding and country recovery could be achieved through cooperation with civil society (Fagan *et al.*, 2012). This resulted in the explosion of local CSOs across the country that were established and supported by foreign funding (McMahon, 2015). Since the highly fragmented and decentralised public welfare sector which was reconstructed after the conflict had a weak capacity for services provision, strategic policy and sector reform, this led to a significant engagement of local CSOs in the provision of community-based services and social projects supported predominately by foreign donors (Keil, 2011; Maglajlic and Stubbs, 2017).

In light of BiH's historical trajectory of post-conflict development and post-socialism transition, the research debate on CSOs in BiH tends to focus on the post-conflict discourse. It

adopts a critical perspective on foreign donors' interventions, completely overlooking the collaboration experiences between different actors in a complex, bureaucratic, challenging and unstable setting as well as the prospective solutions for resource contribution, innovation and welfare provision improvement. Moreover, the social innovation processes and the relationships between the state and civil society from the perspective of less developed and challenging welfare states remain unexplored in the literature (Ayob, Teasdale & Fagan, 2016, p. 650). Even though some researchers have reported promising social innovation potential in the weaker former socialist countries of Central and Southeastern Europe (Asenova & Damianova, 2018; Haxijaha Imeri & Vladisavljević, 2015), there is still a lack of empirical understanding of the role of civic engagement and public-nonpublic collaborations in innovatively addressing social problems. This paper, therefore, attempts to shed more light on understanding collaboration in the delivery of social services and potential social innovation in a fragile and challenging context from civil society actors. It attempts to answer the following questions: how do representatives of civil society, foreign donors and public sector experience public-nonpublic collaboration in the provision of social services in BiH? What are the main demands and pressures that occur in this type of collaboration and how they enable or restrict social innovation in a transitional post-conflict context?

In order to explore the patterns of behaviour in developing public-nonpublic collaboration and potential social innovation, this paper draws on new institutionalism as a theoretical framework from the sociological view of institutions. In particular, it reflects upon institutional isomorphism (DiMaggio and Powell, 1983), and network perspective (DiMaggio and Powell, 1983; Owen-Smith and Powell, 2008; Powell and Oberg, 2017).

To begin, the paper presents an in-depth review of the BiH perspective on public social welfare and local CSO development. The concepts of collaboration and social innovation are discussed in the context of new institutionalism. Further, the methods, data and findings are presented. The findings are derived from 15 semi-structured interviews with representatives from local CSOs, international donors and public institutions, as well as an online survey of 120 CSO representatives active in the field of social services across BiH. Finally, the discussion and the conclusion of the paper reflects on the findings and the application of institutional theory.

## **A country perspective on social welfare and civil society engagement**

After the Bosnian War, a new ethnic-territorial multilayer governance structure was established as part of the General Framework Agreement for Peace in Bosnia and Herzegovina ('the Dayton Agreement'). The structure was divided into two entities, with one entity further divided into 10 cantons. The Dayton Agreement also established the Brčko district as a self-governing administrative unit remaining under international supervision (Sberg, 2008). Such a complicated system of governance also created a complex system of social protection and social welfare, which largely retained the remnants of social policy and social support systems from the pre-war socialist

period. Responsibility for contemporary social policy is divided along ethnic lines, between entity and cantonal levels, and between different public institutions, with a very limited state role (Keil, 2011).

In the absence of significant reforms, BiH's complex system of social welfare produces significant disadvantages in terms of the implementation of administrative, programme or action plans, whilst poverty, social exclusion and unemployment remain some of the biggest challenges in the country, alongside population ageing and emigration (Keil, 2011; Šabanović, 2018). In such a context, effective preventative social services to reduce risks for vulnerable citizens are almost non-existent.

The welfare state of BiH, with its lower levels of benefits and public expenditure for social support programmes, is difficult to categorise into any of the three well-known types of welfare state: liberal; conservative-corporatist; or social-democratic (Esping-Andersen, 1990). Compared to the EU countries, BiH and other countries of former Yugoslavia are likely to be less developed and have a substantially lower GDP, higher levels of debt and deficit and lower budget allocations for the social sector (Matković, 2017). Further, citizens in BiH have a low level of trust in institutions and public and political authorities as a consequence of the country's turbulent past. Pervasive corruption, an absence of the rule of law and increased ethnic tensions persist in the country. This results in a 'social trap' (Rothstein, 2013) in which institutions in BiH cannot cooperate as a consequence of mutual distrust and lack of social capital.

The strong presence of foreign donors in BiH has affected welfare policy and practice in the country, as donors have signed grants or donation agreements and contracts with local socially-oriented CSOs, making the CSOs their local partners in the implementation of the donors' social policy programmes for various vulnerable groups (Žeravčić, 2016). As a result, the country was flooded by local CSOs with different forms and missions, established by international donors. Today, BiH is estimated to be home to between 12,000 and 27,000 CSOs, although many are inactive (Žeravčić, 2016; Ministry of Justice BiH, 2019).

Many CSOs have become very active in the social welfare field and, over the years, have specialised in the provision of social services to various vulnerable groups in need, usually providing their services for free. Shaped by international welfare and social development ideas instrumentalised and funded by foreign donors, local CSOs have implemented social projects and services that did not previously exist. This has enabled CSOs to be more innovative in addressing social problems than the public sector (United States Agency for International Development [USAID], 2018). However, donors' priorities are highly changeable and do not always reflect local needs. Moreover, their predominant project-based funding approach has resulted in temporary solutions and weak systematic changes in the social sector (Deacon et al., 2007; Maglajlic and Stubbs, 2017).

Further, CSO employees in BiH held an elite position due to their connections with prominent foreign donors. Such a situation caused jealousy and dissatisfaction among government and public

sector representatives, who were further concerned that foreign aid could threaten the government and ruling political parties (Fagan, 2006; Sampson, 2012). Such circumstances significantly damaged the perceived legitimacy of local CSOs within public institutional structures and increased the government's resistance to cooperation. Despite the mutual distrust and long-term tensions between public institutions and civil society, a shift occurred following the imposition of measures by the World Bank and other large donors which required greater CSO participation and collaboration with the public sector (Fagan, 2006).

### **Collaboration and social innovation**

In order to understand the nature of collaboration between public and nonpublic actors in the delivery of services and the possibility of achieving social innovation, it is necessary to outline some general perspectives on these topics. Social innovation has been broadly defined in the literature, but some common elements are outlined. This includes, among others, new forms of collaboration of various actors that have a focus on social problems and innovative bottom-up ideas, models and services that address those problems in a more effective way than existing solutions, whilst the role of CSOs as a main driver of social innovation, thus, has been particularly highlighted (Caulier-Grice *et al.*, 2012; Anheier *et al.*, 2014; TEPSIE, 2014; Krlev, Anheier & Mildemberger, 2019). A collaborative problem-solving approach through relations between public-nonpublic actors has emerged since 2000 within new public governance (Osborne, 2006). It emphasises the delivery of public value and democratic principles in order to achieve efficient public administration, which can lead to social innovation in public service delivery (Brandsen & Pestoff, 2006; Davies & Simon, 2012; Osborne & Brown, 2011; Pestoff, 2012).

According to Yan, Lin, & Clarke (2018), public-nonpublic collaboration in a social policy context refers to interactions between two or more parties designed to tackle social problems by connecting, exchanging and redistributing their resources and capabilities to match supply and demand within a specific sector or across different sectors, as well as to facilitate social change. Such relationships can foster new types of formal partnerships and informal alliances. The pooling of resources and sharing of skills increases the scope of institutions' activities and enables knowledge transfer and citizen and service user participation, which stimulate co-creation and collaboration (Voorberg, Bekkers, and Tummers, 2015). Furthermore, partnership as a method of collaboration between public and nonpublic actors is one of the essential elements of social innovation (Davis & Gibbson, 2017; Rey-García *et al.*, 2016; Yan, Lin & Clarke, 2018). According to Selsky and Parker (2010), a partnership driven by social innovation typically involves the following three elements: dependence on other organisations' resources; joint work towards the same aims; and blurred sector boundaries.

Civic participation in collaborative activities with the public sector can be divided into two categories: formal and informal. A formal collaborative approach is usually defined by written agreements and legal contractual relationships with specified rights and responsibilities between two or more parties, whilst informal collaboration occurs more sporadically and without

commitment (Carson, Chung and Evans, 2015; Waddington *et al.*, 2019). The way collaboration is developed and managed in the field of service provision results in the micromanagement of frontline practices, priorities and decisions within the public sector and creates certain challenges for the governance of social services by CSOs (Carson, Chung & Evans, 2015).

Although public - nonpublic collaboration in delivering local social services has developed mutual interdependency that can drive social innovation, interactions between various actors can also pose certain challenges and barriers. In spite of the fact that CSOs are highly valued in the provision of services, such processes do not necessarily centre the voice and roles of service users (Mazzei *et al.*, 2019). Further, CSOs are mostly in a dependent role position. Such a situation can drive the undeniable tensions and pressures for CSOs to operate in a more bureaucratic and professionalised way like the public sector, become more commercialised, or provide services at a reduced price but with a significant impact (Rees & Mullins, 2017). Also, the relationship between public and nonpublic actors creates a significant level of uncertainty and risk as a result of public sector bureaucratic rules, rigid management, political and decision-making styles and different organisational forms and arrangements (Brown and Osborne, 2013; Osborne, Radnor, & Nasi, 2012). This can produce unfavourable effects not only in allocating public funding for nonpublic services but also concerning power dynamics, shared culture, norms and mutual trust, which may negatively affect collaboration, joint decision-making, service development and innovation (Brown and Osborne, 2013; Osborne & Brown, 2011).

### **Theoretical framework**

This paper employs the approaches of institutional isomorphism and network perspective from institutional theory to analyse public-nonpublic collaboration and potential social innovation in service provision. As social innovation involves institutional change and interdependent actions of the multiple actors in finding solutions for societal issues, this theoretical framework is used as a basis for interpreting and understanding findings related to different institutional and actors roles, mechanisms and pressures that govern public-nonpublic collaboration and potential social innovation. Institutional theory has broadened over the years, and it is now seen as a powerful framework by which to understand organisations, their behaviour and their impact on society (Berthod, 2016; Greenwood *et al.*, 2008). As Scott (2008) elaborated in his work, the concepts of institutions and institutionalisation can have different meanings depending on the views of scholars of institutional theory and shifts in emphasis over time.

New institutionalism was developed 'to explain the ceremonial adaption of structures and practices by organisations situated in non-market environments, contexts in which such inefficient structures and practices could survive' (Palmer, Biggart, & Dick, 2008, p. 746). The complex nature of such an environment has become an important aspect of new institutionalism. New institutionalism focuses on the way that organisations interact and operate in a complex environment governed and influenced by institutional rules, practices, routines, beliefs, norms and

symbols (Meyer & Rowan, 1977). The theory has evolved from exploring organisational stability in the early years to now focus on organisational change (Berthod, 2016).

### ***Institutional isomorphism and institutional networking***

Two important perspectives that can be found in the work of new institutional scholars Powell, DiMaggio, are the dimensions of institutional isomorphism (coercive, memetic, and normative isomorphism), and network perspectives. Institutional isomorphism and institutional networking are used in this paper to explain the institutional and environmental factors that shape a CSO's behaviour and relations with the other actors in the highly institutionalised social welfare sector and that can potentially induce social innovation.

Isomorphism is a key concept of new institutionalism, holding that organisations want security and legitimacy, which can be achieved if they adopt the predominant structures and ways of interacting from other organisations in the same field. DiMaggio and Powell (1983) considered the processes of reproduction and similarity in the structures of organisations and identified two types of isomorphism: competitive and institutional. On the one hand, competition is important for free, open markets and organisations fight for customers and resources. However, on the other hand, organisations are firmly embedded in political power structures and seek institutional legitimacy (DiMaggio & Powell, 1983, pp. 149–150). The authors identified three mechanisms of institutional isomorphism: coercive; normative; and mimetic (DiMaggio & Powell, 1983, p. 150).

Coercive isomorphism includes formal and informal pressures imposed on organisations, by both other organisations on which they depend and by cultural expectations, to promote certain behaviours. Mimetic isomorphism refers to the tendency of an organisation to copy an action or activity undertaken by another organisation within the same field. Normative isomorphism means that organisations need to act like others in their field because of social and cultural pressure; professionalisation is seen as a key element of this form of isomorphism (DiMaggio & Powell, 1983). Although these types of institutional isomorphism have been criticised for not adequately explaining the resistance of civil organisations to the forces they face (Claeyé & Jackson, 2012) and for providing only a one-sided focus on institutional change (Beckert, 2010), institutional isomorphism remains a key theoretical framework for studying organisations and the process of change that leads them to increase their similarity in structure.

DiMaggio and Powell's (1983) idea of network perspectives is also key, particularly in terms of connectedness and structural equivalence. Owen-Smith and Powell (2008) also adopted this idea, finding that institutions and networks affect not only one another but also micro-level practice within institutions and the way ideas and practices are transferred. This happens through: '(1) increase[d] interaction among participants; (2) the development of well-defined status orders and patterns of coalition; (3) heightened information-sharing; and (4) mutual awareness and responsiveness' (Owen-Smith & Powell, 2008, p. 597). Interorganisational networks can form

between different organisations and evolve over time, enabling the emergence of new fields, innovations and transformational processes (Powell & Oberg, 2017).

New institutionalism in this study can help to understand how civil society employees and professionals from public and international development organisations experience public-nonpublic collaboration in the provision of social services in BiH and how does this collaboration enable or restrict social innovation in a fragile post-conflict context by giving us perspective on institutional isomorphisms and networking.

## **Research design and methods**

An exploratory sequential mixed-methods approach was adopted for this study to analyse the relationships between CSOs and public social welfare actors in BiH and identify possibilities for social service innovation. Such an approach includes two distinct phases: qualitative followed by quantitative (Creswell and Clark, 2010). For this study, qualitative data were collected through semi-structured interviews with 15 representatives from civil society, the social welfare sector and foreign donor organisations. After the interview data were collected, analysed and coded, certain themes and characteristics emerged that provided a deep understanding of the subject of the study. The quantitative phase followed, building upon the first phase. Applying the themes and characteristics identified in the qualitative phase, an online survey was designed to collect quantitative data to test the prevalence of these themes, and variations from the qualitative findings, within a larger sample. The survey was conducted with 120 employees of CSOs across BiH active in the provision of social services to vulnerable social groups.

### ***Sampling***

A purposive snowball-sampling strategy was employed for both phases. The sample for the qualitative phase of this study included representatives from civil society, foreign donor organisations and the social welfare sector who:

- had between 10 and 20 years' experience in civil society, social services provision and development in BiH; and
- were experienced in cooperation between CSOs, different levels of government and international donors in social services and the social welfare sector.

Interviews were first conducted with representatives of the two most prominent international donor organisations which collaborate with many local CSOs in BiH to implement their programmatic goals for the protection of children, young people and families. Based on these preliminary contacts, there were identified the representatives of another four CSOs that have been active in the provision of social services to various vulnerable groups (predominantly children, young people and high-risk families). Further, those four representatives suggested other potential



participants for the interviews from other CSOs that actively collaborate in the same field of work, as well as international donors and local stakeholders that might be interested in the research.

For the quantitative phase, a purposive snowball-sampling strategy was again selected because, due to the country's complexity, the national database of all active CSOs in BiH is non-harmonised. An additional problem was that local CSOs operate in different forms and have a wide range of missions, scopes of activities and targeted social groups, yet they are all registered under the same designation of 'civic association'. Thus, it was hard to identify the organisations which have experience only in the field of social services provision. Therefore, through contact with the initial CSOs and international donors, it was possible to develop a database of local CSOs which they funded or collaborated with, had a similar mission and were engaged in social services.

### *Qualitative data collection and analysis*

The study involved 15 in-depth semi-structured interviews with representatives from civil society, foreign donor organisations and the social welfare sector from different parts of the country, representing ten local socially-oriented CSOs, three foreign donors and two local governments. The interviews were conducted between January and February 2019. The interviews explored topics related to collaboration, service provision, service user inclusion and social innovation. The interviews took between 45 minutes to 2 hours and 15 minutes and were audio recorded before being transcribed.

The data were analysed using qualitative thematic analyses (Braun and Clarke, 2006). Apart from the researcher's engagement in a detailed re-reading of interview transcripts, the collected data were also analysed thematically using NVivo software by coding the data material. Theming data coding was applied to analyse the interviews by classifying phrases or sentences to describe or capture the meaning of an aspect of the data (Saldana, 2013). After the first cycle of coding, the codes were sorted into three categories and three subthemes, which were generated based on underlying meanings across codes in relation to the overall research topic. Then, a second cycle of coding was conducted, during which the leading three theory-related themes were identified. Table I provides the theming-data coding processes and illustrates generated codes, categories, subthemes (copying and adopting; professionalisation and accountability; external interdependency pressures and barriers) and themes (memetic isomorphism; normative isomorphism and coercive isomorphism). In the text below, the representatives are identified as follows: the representatives of local CSOs (nine directors and one programme manager) are identified as P1 to P10; the representatives of three international donor organisations are identified as P11 to P13, and the two local government representatives are P14 and P15.

*Table 1*  
*Coding themes derived from the analysis of 15 semi-structured interviews*

### *Quantitative data collection and analysis*

Due to the specificity of the BiH context and the inadequacy of the existing instruments, which were created for use in more developed countries, it was necessary to design a tailored questionnaire. The results from the qualitative phase of this study were used to build the second stage and to design the questionnaire for the quantitative phase. It consisted of 24 questions split into five sections, including demographic information, service and programme implementation, partnership with governments and international donors, social innovation and service program evaluation. The first phase of data collection started in April 2019 when an online pre-survey was conducted, and then a revised version of the survey was conducted online between May and July 2019 using SurveyMonkey. The participants spent on average nine minutes completing the survey. During this process, 293 employees of CSOs from the whole country were contacted and asked to participate. Ultimately, 120 CSO employees completed the survey. The number of participants who fully completed the survey was 89% (CR = 107/120). The collected quantitative data were then analysed using SPSS software. Descriptive statistics (percentages) are used to summarise quantitative data and identify the patterns and trends evident in them. The findings are represented graphically in the text using bar graphs.

### *Interpretation of qualitative and quantitative results*

After conducting two phases of data collection and analysis — qualitative, followed by quantitative — the third phase was initiated to interpret both sets of results together. Although the qualitative data in a sequential mixed-methods approach serve as the dominant party in the analysis, the quantitative findings are used further to explain, confirm or refine the qualitative findings in greater depth (Creswell & Clark, 2010). For example, when discussed in the qualitative data, the role of CSOs in the development of social innovation is shaped by international donors, so the quantitative data explored the variety of activities conducted by CSOs that lead to social innovation and which are greatly supported and shaped by the donors. In that sense, qualitative themes and quantitative data, in this study, are integrated to enhance a general understanding of the research problem through additional explorations of the views of respondents from civil society organisations on social innovation, public–nonpublic actors resources-funding distribution and collaboration.

### **Findings**

This section presents the research findings based on the qualitative data from the structured interviews. Quantitative data from the survey are used to further support and clarify the qualitative findings. This section summarises the findings in three parts: a) foreign donors' influences in the field and their effects on local CSOs' mimicry of the social innovation approach, b) demands for CSOs to increase their professionalisation in public service delivery and their accountability for public funding, and c) the pressure by donors and institutional barriers to the public–nonpublic collaboration.

### *Foreign donors-CSOs: Mimicry of the social innovation approach*

During the interviews, the participants explicitly emphasised how projects and services that are fully or partly funded by international donors have enabled local CSOs to establish themselves as service providers and have strengthened their capacities to cooperate with the public sector. It seems that foreign funding helps local CSOs to cross ethnic and administrative barriers and scale up their projects and services in different parts of the country. In fact, during the first 15 years of post-conflict development, CSO activities in the social services field developed separately from, but in parallel to, the public sector. Working outside of the formal social welfare system and being funded from overseas enabled local CSOs to adopt an innovative approach and deliver the types of services that were needed in practice. The majority (9 out of 13) of interviewed participants from local CSOs and international organisations agreed that, when compared to the public sector, the services developed and implemented by local CSOs have adopted relatively innovative approaches and methodologies promoted by the policy frameworks of foreign donor organisations to explore new ways of intervening in the social welfare field. At the same time, local CSOs have been in some way pressured by foreign donors to impose changes within the public welfare sector related to institutional norms, regulations and public budget allocations, as noted by participant P8:

To improve the public administration's response to the needs of our service users, we used the investment and knowledge entered in BiH from outside. From the bottom-up approach, we imposed new and applicable services, procedures, rules, policies and responsibilities within the public social sector. Even we were not always aware of it, we actually helped to create a system and it is innovative for our conditions... Furthermore, our role is no longer only a civil society role, but it turned out that we become a sort of development organisation that is dealing with prevention and deinstitutionalisation, by offering a solution to local governments for vulnerable categories in society.

This statement shows that under the banner of the transnational strategies of foreign donors, local CSOs have executed social projects and services that implemented advanced user-centred and community-based prevention interventions by expanding the coverage of service user groups, reducing costs, initiating public-nonpublic collaboration and improving service standards. As participants P7 and P9 explained, the role of local CSOs as social service providers and potential innovators are significantly shaped by foreign donors and improved the social welfare practice, but these facts are rarely recognised by the public sector. The statement presented above can be supported by data from the survey. All survey participants reported that their organisations have implemented various projects, services and collaborative - related activities within the social sector in response to local social needs over the past two years (Figure 1); these activities are closely linked to social innovation and predominantly shaped by foreign donors' agendas and funding support.

*Figure 1*  
*Activities of local CSOs over the past two years.*

***Public sector-CSOs: Demands for professionalisation and funding accountability***

During the interviews, three of the participants (P1, P3 and P4) referenced the project known as ‘Reforming the System and Structures of Central and Local Social Policy Regimes’. This project was implemented between 2001 and 2005 by the UK’s Department for International Development (DFID) and a local organisation and involved four local governments and several local CSOs in BiH. For the first time since the conflict, the project sought to promote cooperation between CSOs and public organisations in the social sector in BiH. The participants explained that the various models of community-based and prevention services for children and youth at risk of abuse, people with mental health problems, young adults with mental and physical disabilities and elderly populations which were developed during that project are still being delivered by the same CSOs 18 years later. Over the years, CSOs have become more professionalised and perceived as desirable partners in public service delivery as they recruited professional staff, built their organisational capacities through various education and training programmes, and kept the cost of services down. This resulted in the fact that those services are now fully funded by the local government.

As participant P3, from a local CSO active in the field of community-based mental health services, explained:

Projects funded by international donors allow us to overcome certain local and institutional barriers towards the civil society sector, and to strengthen our role as providers of public services with new knowledge, approaches, models that we bring into the field...thanks to that, we have been the main partners for the last ten years to a public institution Centre for social welfare in the field of mental health...That is why we are constantly educating ourselves.

This is especially evident in the municipality of Banja Luka, which was one of four communities involved in the DFID project and has continued advancing the model of collaboration with local CSOs, resulting in the establishment of a so-called extended model of social welfare. As explained by the participant from that municipality, such a model provides a co-production service approach that is not legally required to be provided by the local public institutions and is usually develops through inter-network relations among the municipality, its Centre for Social Welfare and local CSO partners. As participant P14 expressed, the idea is to attempt to institutionalise promising and novel services with service users’ civil associations that possess extensive experience of working within the social sector:

...if a civil society organisation-led service is significant for a larger group of service users, solves their problems which are not adequately responded by the public sector, then there is always the potential for such a service to become sustainable by entering into the system and become financially supported by the local government [...] however, sometimes certain types of preventive services are not always recognised by law and local acts, which can hinder their longer sustainability.

Public subsidies and grants to support CSOs' core activities or service delivery have significantly increased over the years. Nevertheless, to partner with the local public sector and generate the necessary funding for service provision, local CSOs, aside from increasing their professional capacities and accepting institutional norms, also need to show the ability to 'do more with less'. These claims are also proved by the survey findings. Figure II shows that, in the past two years, funding sources for local CSOs were most often available not only from the international organisations and embassies active in BiH, but also from municipalities, and the ministries and government offices.

*Figure II*

*Ease of accessing various CSO funding sources over the past two years, on a scale from 1 (not available) to 5 (easily available).*

This shows that funding for CSOs' activities has changed and the reason can be found in the fact that a drop in donor funds within the country has pushed local CSOs to explore additional opportunities which some of them have found partly within the local resources. According to the representatives of foreign donor organisations and public welfare organisations, to obtain public or foreign funding, local CSOs have to show accountability in the form of possessing infrastructure and human capacities; experience in keeping records, financial management and different forms of reporting; greater involvement of service users; and recognition within the local community. However, when it comes to collaboration with the public sector for the provision of services, the representative of the public welfare organisation explained that the sector sometimes forcibly requires CSOs to increase their capacities in order to be able to work under specific regulations, laws and rules and to maintain the service quality level.

Such external and internal accountability demands seem to be essential factors for public sector organisations to collaborate with local CSOs. However, according to the CSO representatives, the distribution of public budget grants to support CSOs' core activities or implementation of short-term projects is mainly perceived as nontransparent and occurs sporadically rather than systematically. This was confirmed by foreign donor representatives; they claimed that public

funding distribution practices vary and that it is often difficult to ascertain the exact reason that funding has been allocated.

### ***Public-nonpublic collaboration: The pressure by donors and institutional barriers***

Over the years, the question of CSOs participation in public policy and collaboration with the public sector became the top priority for international donors in BiH and the main precondition for obtaining their funds. In order to be able to enter into a relationship with the public sector and institutionalise their social practices, seemingly it is expected from CSOs to adopt formal public sector standards and regulations. According to the interviews, more formal collaboration is usually reflected in the protocols and formal agreements signed between CSOs and public institutions for the provision of services. Sometimes collaboration occurs financially in the form of grants or contracts provided by the local government to finance CSO-led social projects and services, or non-financially through the inputs of knowledge, activities, training or policy solutions from CSOs within the local social sector. If the collaboration is established and includes certain funding to local CSOs, then the local government usually requires the periodic monitoring of funded activities or requests financial reporting from funding recipients, but the quality and frequency of these activities differ among local governments. Often the contribution of the local authority includes the provision of offices to local CSOs through memorandums of cooperation, while service provision might be funded by international donors. Also, as confirmed by international donor participants, the strategies and policies of local governments are often outdated and inefficient, and thus the experiences of the civil sector can support reforms.

However, as the CSOs representatives explained, the relationship with the public administration can be challenging due to the political and administrative fragmentation of BiH and the historical reliance of CSOs on foreign donor support, which has significantly declined. In geographical terms, this means that CSOs can attract support from certain cantonal or entity public social welfare organisations only if they are registered within the same canton or entity. Further, the majority of interviewed participants from CSOs (9 out of 10) has confirmed that when political changes occur after elections, they ultimately harm the CSO sector and public budget allocations for CSO-led services. This is especially evident at the local level. This unfavourable process was described by participant P7:

The government changes in the meantime, new people come to politically appointed positions in the public institutions and then we have to go from the beginning with its activities because new persons do not want to continue what the previous government-*[sic]* supported. And then, if you have a lead person in some public or government institution with a weak expert competency, which is often the case, who additionally has a lower trust in the civil organisations, perceived them as a threat or competition, then things regarding cooperation usually stop there, whilst much earlier implemented or agreed activities or services do not continue, and the cooperation is simply terminated.

The majority of the interviewed participants from CSOs (8 out of 10) had a similar viewpoint, believing that, apart from the unstable political situation, mutual historical tensions and lower trust between actors are also barriers to public-nonpublic collaboration and networking. As explained by participant P6, CSOs, which are more innovative, often come into conflict with the inertia of public sector workers and institutions:

Very often when we want to establish contacts with representatives of public institutions regarding the joint provision of a service, and when offering them cooperation in something innovative, they usually show a certain resistance to accept something that can be perceived as innovative, do not believe in it, and since there are not enough human resources, particularly in the social welfare public institutions, they do not want to invest their time into that. However, after a while, when they realise that such a novelty practice really works and might be of significant help in their work, they become either interested in it or they start showing certain jealousy.

Accordingly, the openness of public actors to external inputs represents an important element of successful collaborative practice. Even though certain institutional mechanisms in the forms of legislation, strategies and actions have been established over the years in BiH to foster closer ties between public institutions and CSOs, the majority of CSO participants (9 out of 10) believed that many local governments still do not prioritise this approach within their policy agenda. For example, participant P1 said:

We are not as civil society organisations truly integrated into the public system, nor recognised as a third sector. We do not consider ourselves equal partners with the public authorities, in fact, they only engage as when they think it is necessary. The civil sector has great strength, in knowledge, skills, flexibility, but our public authorities are not wise enough to recognize that and embrace it.

This statement reflects the viewpoints offered by CSOs involved in the survey, as the results presented in Figure III shows the relatively low frequency of CSOs' involvement in public decision-making processes. Only 30% of participants participate frequently and regularly in such processes.

*Figure III*

*The frequency with which local-level public institutions involve participants' organisations in decision-making processes and public policy development.*

On the other hand, social policies and laws in BiH are often regulated differently from other countries due to the country's complicated system of governance. As participant P4 said, even though social problems are the same across the country, local CSOs that implement foreign-funded projects at a national level must navigate complex entity- and canton-level laws and policies to meet foreign donors' expectations. As a result, they must always duplicate their activities, making

it difficult to operate effectively within their limited capacities and resources. The produced outcomes also differ significantly from one part of the country to another due to the highly decentralised and fragmented administrative, legal, political and institutional arrangements.

## **Discussion**

This section summarises the findings and contributions made. Through the lens of institutional theory, this section highlighted memetic, normative and coercive isomorphisms as well as institutional networking regarding public-nonpublic collaboration and potential social innovation in service provision in a transitional and post-conflict Bosnia and Herzegovina.

### ***Memetic, normative and coercive isomorphisms in a triple context***

The findings show that collaboration and social innovation in the provision of social services in post-conflict BiH operate within the triple context of relationships existing between public organisations, civil society organisations and international donor organisations. Given their different organisational and institutional environments, civil society organisations face diverse isomorphisms in order to achieve security and legitimacy within the social sector; according to DiMaggio and Powell (1983), these can be achieved if organisations adopt the predominant structures and ways of interacting from other organisations in the same field. The data revealed that in the complex nature of a post-conflict environment, local civil society organisations attempt to navigate between different organisational, legal and institutional rules and expectations, which become even more complicated to operate in a highly fragmented and decentralised public social sector in BiH.

Drawing on DiMaggio and Powell (1983), the findings show various mimetic, normative and coercive pressures that significantly influence civil organisations' functioning and behaviour in the social welfare sector, as well as their cooperation with the local government in the provision of social services. Mimetic isomorphism can be found in CSOs' practice of copying approaches borrowed from foreign donors and adapting them to the local social sector, which shaped their behaviour as social innovators. The uncertain post-conflict and transition welfare context, as well as the additional pressure from donors, influenced local CSOs to implement novel projects and initiate new types of corporations to improve the field and advance the public social sector. As DiMaggio and Powell (1983) explained, the copying process usually happens when uncertainty exists within organisational goals, solutions or functioning. In the case of the post-conflict context, CSOs change their scope of work and adopt an innovative orientation in the provision of social services as it has been expected and pressured by donors, but also because of public and government organisations' inefficient response to increased social needs in society.

Normative isomorphism is recognised in two ways - the increased professionalisation of CSOs in the social sector through their cooperation with the public actors and various accountability demands imposed by the public sector to strength the CSOs legitimacy within the



highly institutionalised welfare norms. Networking with public sector organisations helps them act as knowledgeable partners in the field of service provision because of social pressure.

The data indicate that coercive isomorphism is derived from either the public sector mandate or foreign donors' demands. In this case, coercive isomorphism involves the public sector's expectations that CSOs will adopt public sector procedures, contracts and reporting systems to be seen as potential partners and to obtain public funding support. From foreign donors, coercive isomorphism occurs as a pressure for CSOs to follow their policies and agendas and to enter into more productive collaboration with public organisations to achieve the greater sustainability of foreign-funded projects and services. However, the results demonstrate that a complicated and highly politicised system of public administration results in collaboration challenges.

### ***Public – nonpublic collaborative networking and social innovation***

On the basis of the institutional network (Owen-Smith and Powell, 2008; Powell and Oberg, 2017), CSOs' connectedness with international donors and latterly with the public sector produced an interaction that led to the mobilisation of joint resources, new collaborative dynamics and the development of socially innovative solutions within the social policy and practice levels. Entering into a network relationship with the public sector has increased the chance for civil society to become more integrated within the sector and be seen as a promising partner in the joint provision of social services. As further explained by Powell and Oberg (2017), the network between different organisations brings the opportunity to form new fields and introduce novelties and transformational processes. Such opportunities can also be seen in the case of BiH. Over the last two decades, the civil society sector in the country has shown great flexibility, innovation, openness, adaptability and dynamism, allowing efficiency in responding to the needs of vulnerable social groups. As the data revealed, by networking with international donors and public organisations, local CSOs can develop bottom-up services as a new model of practice, adopt innovative practices and service standards promoted by foreign donors and attempt to integrate new solutions within highly complex social institutions. This is closely linked with Westley and Antadze's (2010) explanation that innovation in a social system through changing complex institutions cannot be produced by one actor; it occurs through connections with existing political, cultural and economic opportunities within the given context.

At the same time, trust has an important aspect in inter-organisational relationships, and institutions may play an important role in influencing the process of trust development between organisations (Bachmann and Inkpen, 2011). As the findings indicate, this is a more challenging aspect in a complex post-conflict context characterised by low levels of trust and uncertainty which are deeply rooted within society; establishing trust-based relations requires more efforts from the actors involved.

Although this study explicitly relies on the analytical lenses of institutional isomorphism developed by DiMaggio and Powell, which assume that institutional isomorphisms are driven primarily by environmental influences on organisations as a central idea, it can be observed that

the findings also tend to argue the role of actors, not only in framing institutions but also determining their behaviours. Such a view partly relates to current theorising on new institutionalism, which is opposed to earlier scholars' perspectives, including those of DiMaggio and Powell. According to Karlsson (2008), this contemporary approach reduces the meaning of institutionalised environmental factors by criticising their lack of views on organisational agency's ability to react to institutional pressures in different forms. By contrast, the interactions between organisations and environmental determinants are more promoted. As a result, apart from the influences of environmental constraints, organisations may hold the ability to modify their behaviours, integrate institutional demands and impact institutional practices. This is more correspondent to the work of Baum and Oliver (1991, 1992), but also with the work of Suchman (1995) who explained that organisations seek legitimacy to pursue continuity and credibility as well active and passive support. Therefore, through an analysis of external institutional pressures, the findings suggest that civil society organisations are taking on the role of strategic actors in the building of legitimacy, strengthened by organisational interventions, and they have an innate capacity to conform to the rigid institutional demands that potentially serve as organisational sources for generating collaboration and social innovation in a fragile context. In fact, gaining legitimacy is also critical for local NPOs, as doing so appears to be associated with their increased survival in the fragile and transitional context of multi-actor and multi-level governance systems.

## **Conclusion**

Contemporary debates in the public sector often promote public service innovation as a means of tackling many societal challenges that are stimulated through a collaborative process between public and nonpublic actors, while the public administration still plays a core role in the process. However, in a fragile, post-conflict context, the public sector may not be the primary source of influence or innovation, and it may not possess the ability to address public issues. It turns out that civil organisations can become skilled actors capable of integrating innovative elements into the social services they provide, forcing collaboration when seeking solutions for the users they serve and attempting to influence the public sector by bringing changes supported by international funding that opens the windows of opportunity. This could imply that innovative and collaborative aspects in a context hampered by a post-conflict heritage such as Bosnia and Herzegovina, operate within the triple framework of relationships developed between civil society, international donors and public organisations, even though it is mostly initiated by nonpublic actors with enormous invested efforts and often outside of the domain of public administration.

Despite the above, these processes do not translate easily, as COSs do not operate in isolation. Instead, they attempt to adapt to external demands and barriers of the fragmented, complex and politicised public sector and international donors, who mostly have not only authority but also control resources. In the context in which multiple institutional actors exist, local CSOs are obliged to conform to coercive, mimetic and normative isomorphisms from different institutional actors to operate in the social sector field. Being challenged continuously by multiple actors' directives and complex multifaced networks, local CSOs in such a context face many challenges; this simultaneously decreases the visibility of their collaborative and innovative efforts in the field. Relying further on challengeable foreign donations and inefficient public sector

support that is not overseen by good governance principles makes things even more complicated for nonpublic actors within social sector policy and practice.

It is important to realise that the study is limited by predominant CSOs' viewpoint, and in order to enhance the understanding of this topic, it should be additionally explored from the public sector perspective and with a micro-local level analysis. Despite these limitations, this study expands the existing knowledge on collaboration between public and nonpublic actors in delivering welfare services and creating innovative social practices. The findings of this study have implications for educational programmes in the field of public administration and public policy, social work, sociology and social development, with a focus on a challenging social-political and economic environment. The findings can also increase social innovation practitioners' understanding of the mechanisms of cooperation and the institutional challenges and potential for innovation in a challenging social welfare context, which can help them to better structure their collaborative initiatives, innovation policies and funding schemes.

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Code	Category	Sub-themes	Theme
Foreign donors' agendas and funding Donors networking with CSOs Unmet increased needs by the public sector Donors influence the field Social innovation promotion by donors Funding for innovative projects Generating methods for sector and practice from abroad	Innovative approach demands	copying and adopting	Memetic isomorphism
Co-production of services Variety of community-based and prevention services Professional staff recruitment Organisational capacities building Educations and training Public funding Rules, procedures, law External and internal accountability Meeting expectations for delivering public services	Public sector norms demand	Professionalisation and accountability	Normative isomorphism
Donors influences of CSOs and public welfare cooperation Cross-sector cooperation as a precondition for foreign funds Protocols and formal agreements Fragmented public administration Dependent institutional arrangements Political powers and changes in the public sector Sectors tensions and lower trust Needs and challenges of CSOs participation in public decision-making processes	Public-nonpublic cooperative demands	External interdependency pressures and barriers	Coercive isomorphism

Table 1. Coding themes derived from the analysis of 15 semi-structured interviews



Figure I. Activities of local CSOs over the past two years.

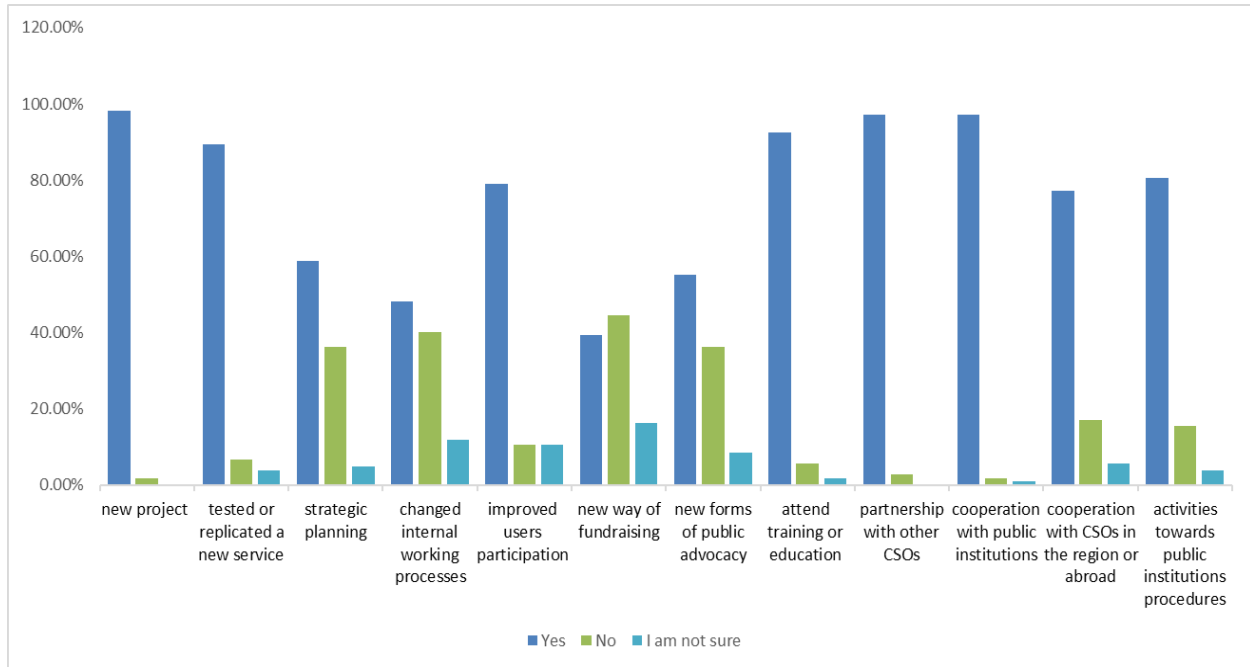
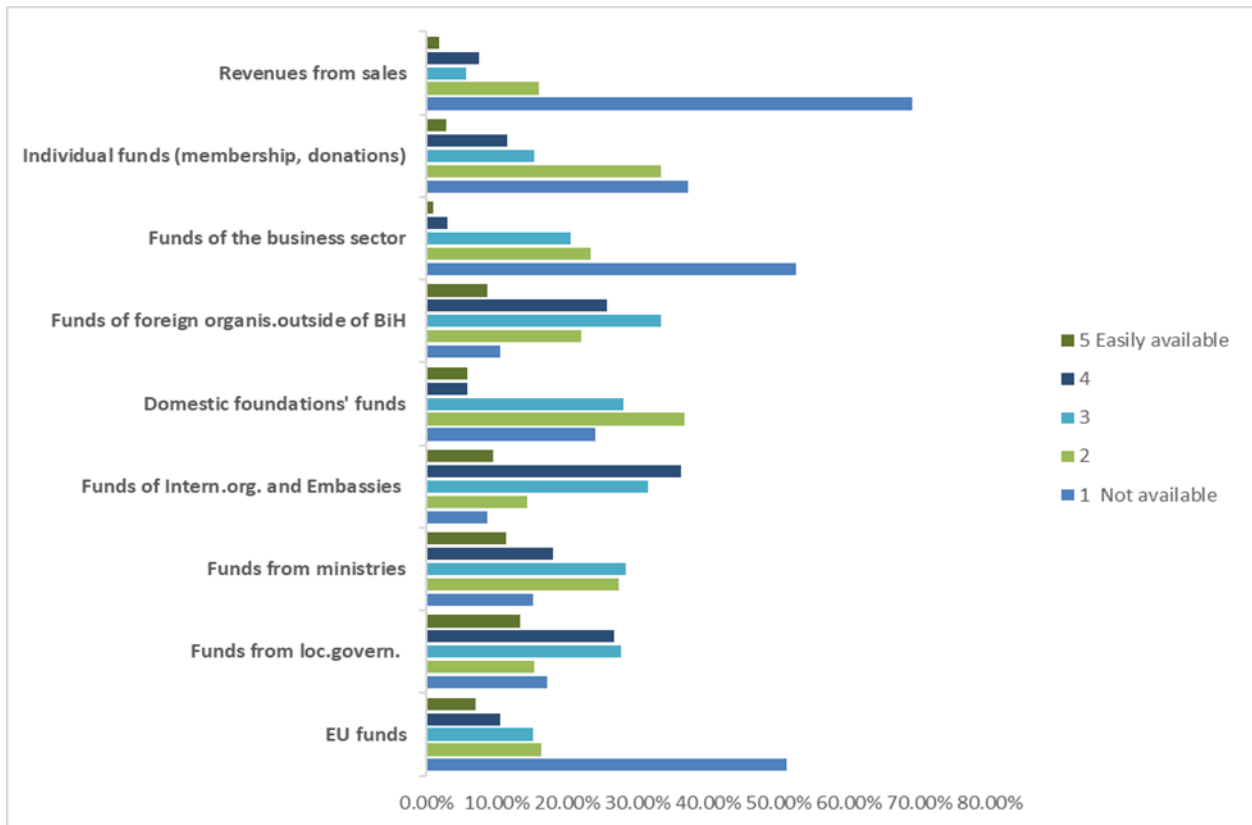


Figure II. Ease of accessing various CSO funding sources over the past two years, on a scale from 1 (not available) to 5 (easily available).



*Figure III.* The frequency with which local-level public institutions involve participants' organisations in decision-making processes and public policy development.

