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The Barriers of Co-Creative Service Development Models in the Context of Disadvantaged Rural Areas in Hungary

Abstract: The paper is based on the observation of the process of reviving the forgotten culture of household economy, horticulture and livestock farming in disadvantaged rural areas and, through this, to develop a new service model for rural communities to strengthen the role of grassroots initiatives and enhancing the mechanisms of the co-operative model of local economy and democracy. Our research has shown that bottom-up models have several barriers to local governments in rural areas. The change in the political and governmental model of the last ten years has resulted in the restraint of local government autonomy and the vacancy of the role of local governments as public service providers. In this system, we can observe the strengthening of administrative dependence, the devaluation of the local elected political leadership (mayors) and the emergence of new rules of local power. In small settlements with less than 2,000 inhabitants, central state and political dependence intensified. Attempts to strengthen local communities have proved to be a major challenge in a highly centralised model of government. The present study gathers the factors that hinder the success of co-creative approaches in the local context and shows how the public service innovations organised by local governments are determined by the political and economic culture prevailing at the national level.

Keywords: *co-creation, system justification, paternalism, social capital, local power*

Introduction

Over the last two decades, in the face of economic, political and ideological challenges, there has been a growing interest in Europe in tools and methods to support and deepen citizen empowerment. Co-creation, widely accepted as a key concept for public policy-making in the 21st century, has become a fundamental tool and inclusive practice in the institutional framework of democratic societies (Parks et al., 1981; Ostrom, 1996; Needham, 2008; Osborn, 2018; Torfing et al., 2019). The need to modernise the public sector has been motivated by the acceleration of technological innovation and the need to adapt flexibly to change, as well as by high public expenditure. In this economic and social context, co-creation means that citizens contribute to the design, operation and control of services that affect them. At the same time, in recent years, co-creation has become not only a democratic and effective tool for public policy-making but also a way of mobilising the experience, resources and ideas of a wide range of public and private actors to address all issues of importance to the community. Interaction between a wide range of stakeholders in partnership is at the heart of co-creation practice.

Co-creation is not just about making public services better and more efficient, however important that may be. A key element of co-creation is the sharing of power between those affected by the activity. This sharing of power and responsibility is, in most cases, from state actors to affected citizens and is an important principle underlying the effective functioning of representative institutions in liberal democracies.

However, the division of power is not always evident today. We are also witnessing the emergence of several political movements and regimes in Europe that challenge the liberal constitutional consensus and develop a particular interpretation of democratic functioning. Moreover, status and power imbalances are being reconstructed through techniques of power that use or even expropriate, empty or give new meaning to concepts that are supposed to strengthen democratic modes of operation. For instance, regimes that undermine liberal democracy derive their legitimacy precisely from the fact that they are “...reasonably democratic” (Zakaria, 1997, p. 42), i.e., they appear to use the toolset and rhetorical system that essentially serve the community and follow democratic principles.

In our study, we attempt to examine the challenges of applying the co-creation method in Hungary, a political context at the forefront of the re-creation and reinforcement of status and power inequalities. We believe that countries with illiberal political systems have a specific model of the exercise of power, and the outline of this political and social environment allows us to demonstrate the limits of the application of the co-creation method, which is based on liberal democratic principles, and the dangers of its application in a specific political context.

The empirical background of this study is a Horizon 2020 project “Co-creation of Public Service Innovation in Europe”, a 10-country project between 2017 and 2021, which aimed to create innovative models for the democratic renewal of public services using co-creation

methods on a large scale. The 10 participating countries aimed to develop 10 different models of public services. The Hungarian pilot project focused on the development of a new form of public service that supports the development of the local economy and the household economic activities of participating families. The development was carried out using the co-creation method, and although the development itself was successful in many aspects (resources mobilised, community strengthened, innovative potential discovered) and overall (Csoba–Sipos, 2021), in the present study we try to collect the factors that hindered the process of co-creation and interpret them in the context of the Hungarian illiberal power model.

In the first part of the paper, we briefly outline the political and social context of the co-creation method and the changing power-technological toolkit of the illiberal regime. The second part of the paper presents some paradoxes of the co-creation method that are already known from the academic literature without claiming to be exhaustive. The third part of the paper summarises the results of our empirical research, where we analyse the potential obstacles and paradoxes of the co-creation method in a political context that is dismantling democratic institutions and focusing on “illiberal” values.

Theory and Context

The changing social and political environment and a new model of power

Initiatives to renew and strengthen democratic institutions seek to empower citizens by increasing opportunities for participation, deliberation and control. Strengthening the participatory institutional framework of liberal democracies¹ in the countries of the European Union came to the fore around the turn of the millennium, as the crisis of liberal democracy (declining participation, apathy) became more pronounced and as political ideologies and groups emerged within the Union and forms of (public) power were established that were not based on a liberal constitutional consensus. In these countries, “hybrid regimes” (Diamond, 2002) or “externally constrained hybrid regimes” (Bozóky & Hegedűs, 2018) that challenge democratic institutions reinforce a strong and uncontrolled concentration of power. In political regimes that promote “new authoritarianism” (Krastev, 2011), democratically elected governments deliberately ignore, often restrict or dismantle constitutional limits on power, and in ‘illiberal democracies’ (Zakaria, 1997), citizens are deprived of their fundamental freedoms. Viktor Orbán’s “illiberal form of government” (Bíró-Nagy, 2017; Mudde, 2017; Bottoni, 2023) is a prime example of a new form of centralised power in Hungary.

¹ The term liberal democracy is used in this paper in the sense given by Holden (1993). In this sense, the term ‘democracy’ refers to a collective form of decision-making in which the people rule, while the term ‘liberal’ emphasises that this people is composed of individuals who are largely capable of governing themselves.

The centralisation of power-sharing goes hand in hand with a gradual increase in system justification among citizens (Jost-Banaji, 1999). The essence of system justification theory is that subjugated, disadvantaged groups, by sacrificing self-interest, prefer the superior groups that oppress them. What makes them do this? According to the social dominance theory, lower-status people tend to submit to higher-status people, especially when cumulative individual deficits are widespread in society (Sidanus & Pratto, 1992). The acceptance of submission is also greatly contributed to by the generalisation of dependency and the lack of autonomy, where the person's field of action is greatly reduced and he is a "prisoner of external factors" (Kroger, 2007, p. 104). When people believe that they are incapable of controlling their destiny and that the social order is inevitable, inescapable, and unchangeable, and see no realistic alternative in front of them, they show a stronger systemic justification.

The system of economic and political subordination and authoritarian governance created and successfully applied by Orbán is also based on this psychology of social dominance and the theory of system justification. The strengthening of the self-regulating market after the regime change triggered protectionist backlashes, which led to an excessive strengthening of the state *vis-à-vis* society in the Orbán regime. The right level and form of state intervention in the last decade of crisis is one of the most controversial issues today, not only in Hungary. However, increased state intervention is constantly redefining the roles of the state and citizens, as well as central and local actors. As it is difficult to find a middle ground where the state both protects members of society and does not deprive them of the freedom necessary for democratic functioning, the two extreme poles of power seem to be gaining strength. At one extreme is a reduction in the role of the state, where citizen participation and responsibility are strengthened and decentralised power can be widely used as an effective method of "co-creation". At the other extreme, state involvement increases. The process of centralisation leads to an excessive concentration of power, hierarchical relations and a strengthening of authoritarianism, as has happened in Hungary.

As a result of the economic and social crises of the last decade (migration, pandemic, energy crisis, war), citizens in an increasingly dependent/vulnerable situation very quickly accept the role of "client" offered by the state in exchange for security (Pula et al., 2012). According to the theory of system justification, people have a general psychological need to perceive the systems they belong to as just and legitimate. This reduces their sense of insecurity and threat, and they perceive the hierarchical relations of the system and their place in it – their subordinate position – as just, thus legitimising the system to which they are subject (Jost, 2020; Jost et al., 2004; Jost & van der Toorn, 2012). Moreover, system justification can have a positive impact on individual self-esteem and life satisfaction in the short term (Goudarzi et al., 2020; Harding & Sibley, 2013; McCoy et al., 2013).

Subjected citizens identify with system-justifying ideologies, especially when the state-client relationship is shaped by consensual ideologies (meritocracy, Protestant work ethic) (Jost & Hunyady, 2002; Jost, 2003; McCoy & Major, 2007) and/or is accompanied

by continuous and direct communication of strong legitimating myths (representation of a common enemy image, reinforcement of nationalism, protection against war and crisis) (Sidanius et al., 1991).

Acceptance of hierarchical social structures and levels of oppression may vary between countries and cultures. Cohrs and Stelzl (2010) argue that the presence of scarce resources and perceptions of systemic competition reinforces the acceptance of myths that legitimise hierarchy. Cichocka and Jost (2014) identify a post-communist aftereffect in this paradoxical value system of system justification, which is embedded in the local grievance culture of societies in former socialist countries, and is politically based on the learned powerlessness of social groups that are disempowered and unable to govern themselves.

Since clientelism also serves the short-term interests of subordinate social actors, citizens have little chance of successfully defending themselves against the state, which is supposed to protect them and has centralised resources and power. However, these processes of centralisation meet with little resistance (especially in the rural areas we studied, populated mainly by low-status citizens). This is even though that the losers are increasingly exposed to a paternalism that focuses on punishment, both in the economy and in society (Wacquant, 2012).

The Backside of Co-Creation

As a key innovation model, co-creation has been seen by experts and researchers over the past two decades not only as an effective tool for improving the quality of public services or strengthening democratic ways of functioning but in many cases its use has been seen as a virtue in itself (Voorberg et al., 2015). This positive perception of co-creation prevailed even when there was no valid research on improving the efficiency or effectiveness of public services, or when quality improvements were lacking or could not be clearly demonstrated.

As a result, over the past few decades, co-creation has become an idealised construct that in many cases has not been fully realised. However, the widespread assumption of positive content is fraught with danger, as there are no “silver bullets”. Even when using a development tool considered to be the most effective, it is advisable to examine for what purposes, under what conditions and in what way the model, which is considered valuable in itself, is used. Like any tool, it only works when the environmental conditions are right. This is rarely the case. Despite this, little attention has been paid to defining the conditions for the co-creation model and the potential pitfalls of its application. In recent years, however, it has been repeatedly argued in academic forums that, in addition to the optimistic approach, it is important to analyse the limitations and paradoxes of the co-creation method, because only by addressing these limitations can the method be successfully applied to a large scale (Verschuere et al., 2012; Voorberg et al., 2015; Williems et al., 2016; Steen et al., 2018; Sicilia et al., 2019; Baptista et al., 2020).

Despite the growing number of questions, critiques and paradoxes that have emerged over the last two decades, the academic community still has a serious debt to pay in terms of

the context, practice and impact of co-creation methods (Brandsen et al., 2018). The approach to critical analysis is very diverse, but three main critical dimensions are well captured: the power/political, the economic and the social/social-psychological.

One of the main dimensions of the critical approach is the **power/political dimension**. Although the main expectation of the co-creation method is to strengthen and revitalise democracy, its application in recent years, both in the market and in the public sector, has often had the opposite result. Co-creation is supposed to challenge the relative power imbalances of the actors involved. In practice, however, the opposite is sometimes the case. Existing power positions – formal status, differences in knowledge and expertise, possession of resources – often create barriers to partnership, but they also tend to reinforce initial inequalities, while those in a better position communicate the opposite. Indeed, power-sharing is in most cases not in the interests of all partners, and efforts to maintain power asymmetries can be very present in co-creative processes. For example, Dodge (2012) suggests that some partners may set the level of expertise or technical knowledge required to participate. This “professionalisation” reinforces the selection of participants, limits the democratic nature of user co-production and calls into question the balance between participatory democracy and expertise in the process (Van de Ven et al., 2008; Bovaird et al., 2015; Voorberg et al., 2015). Thus, “co-produced” services will only be accessible to certain social groups. Indeed, in most cases, the powerful professionals involved in the partnership are not prepared to “trust the decisions and behaviours of service users [...] rather than dictate them” (Bovaird, 2007, p. 856). In co-creation processes, they often take the initiative and the participation of other members of the partnership serves to legitimise the decisions of the powerful.

The **economic dimension** of critical analyses of co-creation is the earliest and most widely used aspect. This is logical, since the co-creation method itself was born in market organisations. Involving customers in the co-production process was the first step, followed by co-creative applications in the modernisation of the public sector. In this approach, the terms co-production and co-creation still appeared as synonyms in most cases (Ostrom et al., 2010; Perks et al., 2012; Adamik & Novicki, 2019).

Critical approaches mostly question efficiency and cost rationality and point to paradoxes arising from the market origin of the concept. Although one of the pronounced aims of using co-creation is to better target resources and improve cost-effectiveness, research does not clearly demonstrate that this is the case.

The second group of criticisms within this category concerns the neoclassical economic roots of the market approach to co-creation. In this, rational choice theory is a dominant element again. The basic premise of this theory of the co-creation process is that participants are rational individuals who possess perfect information and seek to maximise their own utility (Hollis, 1987; Binmore et al., 1992). However, research has shown that in most cases access to information (even in the market sector, not only in the public sector) is unequal, so partnership and optimal decision making are not ensured, and the emotional dimension plays an important role among participants in addition to rationality. For example, the

involvement of users may paradoxically prevent them from being critical of the service being developed (Salamon, 2002; Ishkanian, 2014).

These gaps and paradoxes can lead to the questioning or destruction of shared values in both the market and the public sector, rather than the creation of shared value, which is seen as one of the most important benefits of co-creation methods (Bherer, 2010; Voorberg et al., 2015; Brandsen et al., 2016; Bouchard, 2016).

The **social/socio-psychological dimension** of the analysis in previous research is very diverse, so we will only highlight member behaviour here, which is in line with the theoretical framework. The study of participant behaviour has revealed several new paradoxes of the co-creation model.

The first difficulty in initiating co-creation processes is the involvement of participants. Even though “involvement” also means endowment with power and space for action, powerless groups are reluctant to participate in initiatives based on co-creation.

This reflects, on the one hand, an abandonment of self-esteem and self-interest and a rejection of responsibility, due to the generalisation of dependency and learned helplessness resulting from the lack of autonomy that characterises paternalistic structures (Jakobsen, 2013; Bovaird et al., 2015; Rantamäki, 2017; Csoba–Sipos, 2021; Pegan, 2023). On the other hand, another attitude appears in the literature: a sense of indebtedness to the helper and a “trust deficit”, which can prevent people from seeking help (Fledderus et al., 2014; Thomsen, 2017). Moving away from collective solidarity towards a focus on individual responsibility, there is always a condition for assistance that the person seeking help is unable or unwilling to pay (Nederhand & Van Meerbeek, 2018). The behaviour of participants is fundamentally determined by the social context of the co-creation process and the values or expectations that determine individual behaviour. Participants experience the process differently and show different behavioural patterns when co-creation is about genuine shared value creation (Osborn, 2018) than when co-creation is used in a purely legitimising role (Virta & Branders, 2016) or as a means to build social peace (Jalonen et al., 2021; Lee et al., 2015).

Bouchard explicitly calls on researchers “it is especially important to engage in more critical assessments of participative exercises to deepen our understanding of when and why they may be manipulated for less democratic ends” (Bouchard, 2016, p. 517).

In a co-creation-based development process, there is a high risk that some of the elements necessary for optimal functioning will be consciously altered. Therefore, the research question of the potential and limitations of a bottom-up co-creation model that focuses on participation and responsibility in a centralised political and social context that defines itself as an openly illiberal democracy is of particular importance. What is the reception and practical implementation of the method, and what paradoxes are visible in its application? Our study seeks to answer these questions.

Research Methodology and Data Analysis

The aim of the Hungarian pilot of the COSIE project was to develop a new local public service model to support the revival of a forgotten culture of household economy, horticulture and animal husbandry in disadvantaged rural areas. The new service model, developed using the co-creation method, also aimed to strengthen grassroots initiatives in deprived rural areas and develop the capacity for local democracy, not only in the economic sphere. The data collected in the pilot therefore provided an excellent opportunity to explore the challenges and paradoxes of co-creation in a specific policy context.

The pilot involved 74 families from 10 disadvantaged rural settlements with less than 2000 inhabitants. The pilot programme used various participatory tools of the co-creation method (workshops, community reporting activities, social media groups, etc.).

The present study is based on 40 semi-structured interviews recorded with participants and local decision-makers during the development process out of them 10 were follow-up interviews.

The 40 interviews were conducted with:

- 10 interviews with local leaders (8 mayors, 2 NGO leaders) in the implementation phase.
- 20 interviews with coordinators (psychologist, priest, family support worker, local farmer, notary, village administrator, social worker), 10 during the implementation phase and 10 in the follow-up phase.
- 10 interviews with service users in the implementation phase (middle-aged, low-skilled, mostly unemployed, disadvantaged citizens, living in small settlements).

The interviews lasted on average about 50 minutes and were recorded by the authors between May 2019 and May 2020. The main research dimensions of the semi-structured interviews were: the transformation of local power relations and the role of municipalities and mayors; the place of public services in the local governance model; the understanding, effectiveness and outcomes of co-design methods; conflict and problem-solving models at local and national level; and the opportunities and constraints of local economic development.

To analyse the interviews, NVivo 12 software was used with a coding strategy in which the interview sets were coded into thematic clusters, grouped under broad themes – theoretically grounded dimensions such as perceptions of power mechanisms, understanding and reflection on the concept of co-creation, understanding innovation, communication, barriers to co-creation, outcomes of the pilot (changed attitudes, public value created).

Research Findings

In presenting the results of our research, we focused mainly on those elements of the dark side of co-creation that might appear in a political context that is at the forefront of the re-creation of status and power inequalities and that is at odds with the central aims of

the method: partnership, balanced power structures, responsible action based on common interests. We believe that it is in this area of power that the paradoxes associated with the application of the method can be most clearly understood.

In line with the theoretical framework and the most commonly used research dimensions, we have focused our findings on three main themes

- a. *Systemic distortions: the concentration of power and the systemic restriction of local actors' room for manoeuvre*
- b. *Questioning rationality, unequal sharing of information for decision making and unequal commitment of resources*
- c. *The everyday manifestation of system justification*

a) Systemic distortions: the concentration of power and the systemic restriction of local actors' room for manoeuvre

As our interviews show, local decision-makers are well aware of the changing expectations of the government and the redefined roles that the new rural policy imposes on them: moving from a public service model to a more entrepreneurial and, at the same time, bureaucratic one.

An interesting symbiosis will emerge, part business, part public service, part community building. The current models of self-government and settlement will have to be dismantled because the system is not working. (...) I have already said that I am not the mayor of the village, but its manager. I thought of those colleagues who are stuck at the level of not looking beyond the village, the district or even the country. A very painful time is coming to make your settlement liveable. (Mayor)

In this hybrid model, which emphasises both traditional bureaucratic and new market principles, the essence of the government's strategy is to build an autocratic market economy and an extremely centralised system of elected local governments, which involves reducing the responsibilities of local governments and bringing public services under state control (Csoba-Sipos, 2021).

A strong intention on the part of the state to concentrate power, centralise decision-making and reduce the room for manoeuvre of local actors was frequently attested to in interviews with the organisers of the local pilot projects. Government communication emphasises the importance of local and community action, but local leaders are aware of the systematic distortion of power relations.

I can honestly say here that I don't like the current Hungarian position, that centralisation is increasing, and we feel this as a co-operative and as a civil society, that somehow our creativity is not needed, and this makes me terribly upset. So this is because... excuse me, but in '49 the communists did the same thing, didn't they? That they banned

this, they banned that, and then they created the Popular Front, and then they told us nicely, they told us what to do, how to do it (...) this is the same centralisation that we wanted to break down in '90. (Coordinator, Locality 4)

Resources for local development activities are dispersed and centralised through a system of national and EU development tenders. This system limits the possibilities of local decision-makers to implement scattered projects instead of developing local solutions or strategies to tackle prevailing problems.

So now there are some ongoing projects, let's implement them, but how is this going to affect the social structure of our settlement, and in what direction do we want to take this whole thing, the future of our settlement, we don't have a strategy for it, and that's the way these programmes are, I just feel it's ad hoc. (...) And why do I think that is? Well, because it seems to me that very often (...) things are going over our heads. That there are now such [public] employment opportunities, that there are now such development opportunities, and as if they are only thinking about this and we are still running after the burdens of the past and cannot see beyond. (Coordinator, locality 2)

In this milieu, local leaders are not encouraged to challenge the traditional paternalistic and top-down ways of communication and decision-making and have a closed attitude towards citizen participation. This is often supported by a hierarchical view of local society in which vulnerable groups are seen as responsible for their disadvantages.

The people who live here only plan for the short term... you can't think about tomorrow with them. (...) Direct management, constant supervision, control, no responsibility... They work well in large numbers, on command, because that gives direction and security. (Mayor, locality 2)

I don't know, actually, the population was not receptive, people don't like to work. People have become so unaccustomed to work that it's a horror. (Mayor, locality 8)

From the last quote above, it can also be inferred that the mayor blamed the citizens for their moderate interest in the project's activities. This blaming attitude was quite common in the interviews and was only occasionally followed by a self-reflective statement about the inadequate efforts of the pilot or the local staff to reach out effectively to the target group members.

Actually, they didn't have any big ideas, maybe they assumed that we would expect them to have big ideas, and then many of them didn't even dare. I don't know how to

approach them in such cases, it's very difficult and there's a lot of disinterests. (Mayor, locality 2)

For example, I also told you this chicken plucking day that it didn't work out because I couldn't make time for it. So that I work with such a workload that I couldn't. I had absolutely no energy for that. (...) Or, for example, our family helpers are the same way, so I couldn't get them to do that either (Coordinator, locality 2)

As a result, in some of the pilot sites, the interviews also revealed a distorted and hijacked co-creative process in which, instead of building on citizens' ideas and thus mobilising their resources and creating a sense of ownership, participants followed the ideas and instructions of local leaders.

The mayor was at the top, (...) and maybe [name of participant] was the only one who really found out what he wanted, what kind of idea he had. (Coordinator, locality 2)

Well, it was a joint idea. From both of us. The mayor and me. And specifically, we invited them one by one, didn't we, so what would they say? (Coordinator, locality 3)

Moderate success in reaching citizens or appropriating the decision-making process was usually justified by external factors such as lack of resources, competencies, and passivity of citizens. In exceptional cases, however, the lack of trust in collective action was also explicitly stated by the local organisers of the pilot project.

So at the very beginning, when they started to vaguely outline what it was all about, I dismissed the idea that it was going to become something really tangible, something demonstrable. I didn't see much reason for it. Even now I don't think it's going to be a big thing on a settlement level. Yes. But again, this is just my own subjective way of looking at things. And why not? So what would it take for something to come out? I can't think with their head, I can only think with my own head, and I'm also troubled by this common thing. It may have been a burden on the whole thing, it is possible that it also weighed on it. (Coordinator, locality 1)

b) Questioning rationality, unequal sharing of information for decision making and unequal commitment of resources

One of the main obstacles to autonomy and rational decision-making in the pilot municipalities is the complete lack of local capital and centralised resource allocation. Decisions made by municipal leaders in a financially dependent position can be considered rational if they follow the activities and behaviours expected in return for central resources. The paradox of cost-effectiveness in this situation, which is seen as a key virtue of efficient management

and the co-creation method, is that central allocation rewards political loyalty rather than economic efficiency, so efficiency in obtaining benefits/resources is not a rational argument in this political environment.

Fewer and fewer municipalities have sufficient reserves and liquidity to launch such a project. Small municipalities like ours are primarily dependent on public funding. If public funding is reduced to a certain level... then the hands of the municipalities are almost tied... (Mayor, Locality 3)

The **unequal distribution of information and resources** between the central and local levels is also evident at the local level, in line with the hierarchy.

In many places, it's really only the mayor's who benefit from such tenders and initiatives. Or those who sit close to the fireplace because of politics. And the real community, who could be built from, who don't have jobs... and would do it, are not addressed in the framework of such a tender. (participant, locality 9)

The need for unequal information sharing and concentration of power, even in the context of community-based programmes, is explained by local leaders as a result of the following constraints: **social space emptied, social capital devalued, individual values reinforced.**

According to interviewees, the challenge of organising co-creation-type programmes in disadvantaged, small, sparsely populated rural communities is that there is no one left to talk to about common issues.

The people who were here and wanted to work constructively kept leaving because they couldn't bear to see what they had done go down the drain. (local pilot leader, locality 10)

... those who left here to go to work were the best. The weakest stayed, and it's not the weakness of the labour, it's the weakness of the attitude. They just don't want to work, so it's very difficult to get them to work. (Mayor, locality 1)

As a result of emigration and ageing, local leaders feel that **the social capital of the settlement has been eroded** to such an extent that sharing information with those who remain is a serious obstacle.

They don't understand. I keep telling them, there is no point in sharing information. ... The poorest people don't understand ... what they produce ... is a great income. They

don't calculate, they don't count. Families do not live with this level of awareness... they live from today to tomorrow... (Coordinator, locality 2)

Deficit-based paternalism in disadvantaged settlements **reinforces individualism**. In a redistributive system based on centralised resources, it is not worth cooperating because, by its very nature, there is not enough centralised wealth for everyone. Only the winner of the competition initiated by the owner of the centralised resource can satisfy his basic needs in the redistribution of the good. The distribution criteria set by the owner of the resource may even be irrational in economic terms, because they may even make deficits competitive. The one who has the least will have the most claim on the wealth available through redistribution. The competition of deficits or scarcity are a widespread principle of paternalistic structures, where merit and loyalty is rewarded rather than performance itself. The daily reinforcement of individual values in redistributive structures was also a major obstacle for the organisers of the pilot programme based on the principles of co-creation in engaging participants, articulating common interests and developing effective forms of action that reinforce community values.

... now everyone is in their own world and therefore they could not be involved.
(Coordinator, locality 7)

...everyone is in their own world... I can't explain it to you like that because... people are so weird. I don't know what to make of it, whether it's individuality, or carelessness, or stubbornness, or jealousy, or I don't want to show it because it steals my idea. I don't know people at that level to judge it like that. (Coordinator, locality 6)

Here, at least in my opinion, this joint creation is still in its infancy, and I will tell you why ... it would be a very big step ... to bring all these people standing on their own feet under one roof ... a very long procedure and a very tedious thing. (Coordinator, locality 1)

Any attempt to change the principle of distribution (e.g., recognition of performance rather than need, recognition of ability rather than political loyalty creates uncertainty, tension, fear and often resistance among community members: they are deprived of their acquired rights and established patterns of behaviour.

We are afraid that they we will not succeed... (participant, locality 5)

The problem is that the fewer people we have here, the more people in the village eat each other. Even if you have a tractor or whatever, it doesn't matter how much more you have... they look at you with such strange eyes for a long time... Sad, but that's the way it is... I've done it. I'm pretty good [making homemade cakes] and people are happy to

take the cake. I am sure the others in the village are not happy... Well, that's the envy... But if he/she would get up at dawn and make that cake, he/she would know... that it's not just like that and that it's a lot of work... (participant, locality 10)

c) **The everyday manifestation of system justification**

In disadvantaged rural areas, a particular milieu of system justification has emerged over the last decade, in which subjugated, disadvantaged groups give up their self-interest to the maximum in order to maintain their precarious self-esteem. They believe that the given social order is necessary and inevitable because they see no alternative. Although they enter the process of “co-creation”, usually initiated by those “above” them, in the hope of gaining additional resources, they also identify with the subordinate role in this model to avoid the fears and oppressive feelings of self-dependence and contribute to the formation of “asymmetrical partnerships” that stabilise power imbalances.

... everyone does what they think they can do, but we are not informed enough, so we don't have an idea of the possibilities that exist... we are not educated and we don't know how to make them available for us. (participant, locality 6)

The asymmetrical partnership is reflected in the fact that the majority of participants believe that it is the responsibility of public authorities to initiate and manage cooperation between citizens. In a culture that does not recognise grassroots community initiatives, they can only imagine a pilot project based on the co-creation method if the initiating and leading role is played by the local authorities.

Q: And who should initiate the cooperation? A: Well, I think it should be the authorities. You know, if I go to my friend and say, hey, let's form a farmers' association, he'll say I'm crazy. But if [the mayor] says, on behalf of his office, look, I can get you a room, then it's a municipal or state support... so then I think we have a chance. (Participant, locality 7)

In addition to participants' self-subordination, local leaders also find it difficult to break out of paternalistic power relations and perceive exclusive leadership and hierarchical relationships as the expected behaviour of the environment, even in the pilot model programmes.

The mentality of the people has not been addressed ... there is also a lack of autonomy on the part of the people, that they expect to be told what to do. (Mayor, locality 6)

...they want to have a trusting relationship, so that the mentor ... is their mother instead of their mother, or their father instead of their father, so that they can call him at any

time, in any situation, in any situation, trust him, look up to him and believe that yes, what he says will be good for them. And then afterwards, when they see the results for themselves, ... they can be very grateful. (Mayor, locality 7)

The simpler things I think people prefer... that don't require too much thought, don't require too much complexity and thought... you have to guide people and put into their mouths in a guided - excuse me - but controlled way what they might need. (Mayor, locality 2)

...we thought that this whole amount [of the pilot budget] would be taken by the municipality, we would set up a room on our own land and we would start a small chicken hatchery. Then we could distribute them to the needy every year, and then we wouldn't need special programmes and I don't know what else, and then we could help the local people a little. (Coordinator, locality 1)

In a paternalistic, hierarchical structure, the status of local leaders can only be maintained by maintaining an unequal power structure. As a result, grassroots initiatives themselves are viewed with suspicion, not as a means of strengthening community self-government, but as a competition for leadership.

But there is a downside to this [community initiatives]. Because if you don't have strong people in a village and you start to organise yourself, which can be useful for that particular community, but the village will fall apart ... If you have a weak leader, the strongest person in the groups will eventually take over the responsibilities of the mayor because he will be more popular and take control of the other groups as a strong leader. (Mayor, locality 6)

... I think that's why you have to be careful with this kind of cooperation... it makes people a bit reluctant. ... It's a very shaky area. It's probably not even a place to have cooperation. (Coordinator, locality 1)

Even at this level, neither the church nor the municipality can tolerate the operation of such a small social co-operative. Unbelievably, they see it, as a kind of competition. So ... it should not be overburdened, so that others might also be interested in it. (Coordinator, locality 4)

The everyday manifestation of centralised power at the local level and the paternalistic structure that stabilises the asymmetrical partnership is most vividly reflected in the following interview.

[The mayor is] the only person of authority that people can turn to when they need something... since most services are lacking in the village, he is the one they turn to without hesitation in case of problems; not only problems related to public life, but also those related to private life (family conflicts, psychological, financial, childcare problems) (Mayor, locality 9).

The question of whether the role of the local leader could be defined differently, and whether more symmetrical power relations could be established, was answered as follows.

I don't know. Honestly, I don't know. Well, one of the reasons I really see is that it's not in the culture. (Coordinator, locality 2)

In addition to the established power structure and political culture, another major barrier to supporting grassroots initiatives is that most community leaders are not prepared for the role. Indeed, the majority of mayors in small villages do not have adequate professional qualifications. Only the position of notary requires a degree in public administration. Anyone who wins a local political election can become mayor as a public figure.

There are many jobs in this country that require some kind of qualification, including managerial positions. The only exception is the position of mayor. Anyone can be mayor. You don't even need a clean criminal record to be eligible for it. (Coordinator, locality 10).

This context makes it very difficult to change the power structure, especially when it is familiar to both parties and promises immediate results. Professional leadership with a new way of thinking is very risky if it does not immediately meet the immediate needs of the population.

Conclusions

Even “co-creation” programmes based on democratic rules of the game, which are supposed to be jointly implemented, paradoxically achieve strong system integration without experience, realistic alternatives and real support. Both local decision-makers and participants are involved in co-creation programmes, but they do not question the injustice of their subordination and, because of their perceived dependence on the unchanging, they see the structures as consistent for their daily survival. Empty co-creation programmes are implemented in such a way that neither citizens nor local decision-makers see themselves as capable of developing democratic decision-making systems, while those in power communicate co-creation as a high-level method of “citizen involvement”.

The Hungarian pilot of the CoSIE project was regarded as a success story; in most of the 10 observed cases, it supported local communities in understanding novel ways of cooperation, strengthened horizontal relations, and could effectively mobilise local resources in creating public value and launching economic activities. In this process, co-creative approaches had a key role even to the extent that they could be scaled up: national decision makers became aware of its results, understood its importance and recommended the method in the call for the next phase of the Social Land Programme launched in 2020². However, this success should turn us blind neither to the organisational difficulties that the organisers of the pilot had to face nor the deep inequalities – barriers inherent in the social contexts that in certain cases impeded the democratic processes necessary for improving the quality of public services with participative methods.

In these cases, even in the jointly implemented co-creation programme based on democratic principles – in the absence of experience, realistic alternatives and real support –paradoxically, strong system integration was experienced. Both local decision-makers and citizens participated in community programmes, but they did not question the injustice of subjugation, and due to their dependent position, which they believed to be unchangeable, they saw the established structures as consistent for their daily survival. They took part in the implementation of emptied co-creation programmes in such a way that neither the citizens nor the local decision-makers considered themselves suitable for the establishment of democratic decision-making systems. In these cases, the holders of power have emptied the co-creation type programmes, but they have occasionally communicated them as a method of involving citizens at a high level. These mechanisms are supported by the broader context of the illiberal regime, which communicates the strengthening of self-sufficient communities, yet radically reduces the room for manoeuvre of local decision-makers and forces local politicians who previously organised public services into the role of the bureaucratic executive and economic entrepreneur.

The authors of this paper share the opinion of Steen et al. (2018) that these problems can be avoided only “by looking them in the eye”, and the academic and professional communities should learn not only from the success stories but also from failures. Organisers of such co-creative programmes should pay special attention to ensure that local actors implementing the programmes indeed understand the importance of sharing responsibility, are open to embracing citizen participation in decision-making, have adequate competencies to mobilise citizens unused to take part in participative processes, possess sufficient resources (time, professionals) to support activities and, probably most importantly, share the values of equality and democratic participation.

² <https://tef.gov.hu/wp-content/uploads/2020/10/Családi-portaprogram-pályázati-felh%C3%ADv%C3%A1s-szociális-földprogram-pályázati-felh%C3%ADv%C3%A1s.pdf>. This is the first Hungarian governmental document to use the term “co-creation”.

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