

# Co-Production in Service Delivery: The Case of Nextdoor.com

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## BACKGROUND:

Service delivery schemes that involve citizens in co-production tend to be celebrated because they offer a possibility of reducing costs as they increase user satisfaction and promote a sense of ownership. There are equity and quality concerns that should be taken into account, especially with the incorporation of information technologies in public service delivery. This issue brief will use the case of Nextdoor.com to analyze the role of information technology as an innovative mechanism to co-produce public services in times of fiscal stress.

Co-production refers to the involvement of “individual citizens and groups in public service delivery”. The most visible examples of co-produced services in New York State are community-policing schemes, like Neighborhood Watch, and volunteer fire departments. Co-production efforts are also common in education, where parents, students, and teachers are important co-producers of student educational outcomes.

Citizen involvement in service delivery has been around for centuries, but it was not until 1978 that Nobel laureate, Elinor Ostrom coined “co-production” in the public administration literature (Meijer 599). In recent years the concept has re-emerged in policy circles as an innovative way to provide public services under fiscal stress. This approach came forth when dissatisfaction with police service provision was increasing. The New Public Management paradigm promotes a leaner, more responsive type of governance in which government facilitates service delivery, but does not necessarily provide services via a centralized public agency.

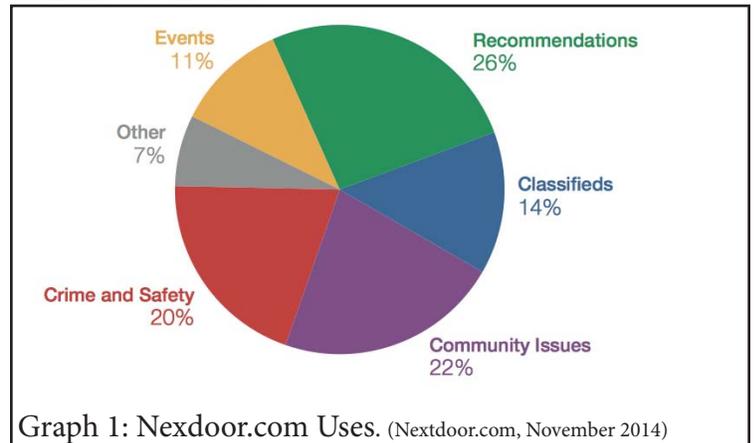
 **Nextdoor**

The private social network  
for your neighborhood.

Nextdoor.com

## THE CASE OF NEXTDOOR.COM:

Nextdoor is a private social network with the mission of “using the power of technology to build stronger and safer communities.” It could be described as a Facebook for residents of a given neighborhood. The platform connects neighbors, allowing them to share information about different issues and create a stronger sense of community. It is mainly used for: 1) Sharing recommendations about issues, like babysitters, handymen, etc. 2) Sharing information related to crime and security and, 3) Posting and commenting about community issues. It was launched in 2010 and it is already used by more than 47,000 neighborhoods in the country. Graph 1 illustrates the way citizens use the site.



Graph 1: Nextdoor.com Uses. (Nextdoor.com, November 2014)

## NEXTDOOR.COM FOR PUBLIC AGENCIES:

Nextdoor for public agencies allows city agencies to create a profile and connect directly with residents. According to Sarah Leary, Co-Founder of Nextdoor, the service was created because most residents use the network to post and read about security and crime, and they were interested in connecting with their local agencies. After being piloted in 250 cities, the service was launched September 2014 for “police departments, sheriff’s offices, fire departments/EMS, and departments of emergency management” in 14,000 municipalities. These agencies can use the platform to inform residents about important issues, coordinate events, and receive relevant information.



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A full copy of the report on which this issue brief is based can be found at [www.mildredwarner.org/restructuring/fiscal-stress](http://www.mildredwarner.org/restructuring/fiscal-stress).

### OPPORTUNITIES OFFERED BY NEXTDOOR.COM:

**Free service:** The use of the platform has no cost for neighbors or cities. Currently businesses do not have profiles, but according to Nextdoor's business model, advertisement from local business will finance the site in the future. Venture capital firms fund Nextdoor currently.

**Community Building:** Nextdoor.com mentions that 30% of Americans don't know their neighbors' names; this in itself is a governance challenge that can affect service provision especially when services depend on collaboration, coordination and trust. Nextdoor uses social capital theories developed by Robert Putnam to emphasize the importance of creating stronger neighborhoods and networks, claiming that social capital can lead to lower crime, better health and better test scores.

The "community building" through Nextdoor happens in subtle ways. For example, trust can increase by opening channels of communication among residents who otherwise don't talk to each other. By creating an enabling environment for low cost collaboration, like helping a neighbor find a lost cat, citizens are prone to get more involved in issues that affect their community. Nextdoor promotes active leadership positions through 'neighborhood leads,' who voluntarily serve others. The notion of individual interest is subtly linked to an idea of collective wellbeing, which can help promote neighborhood cohesion and shape individual behavior.

**Increase communication and proximity:** Nextdoor works as an additional communication channel that can increase direct interactions between citizens and government, which in turn has the potential of increasing responsiveness and proximity.

### REFERENCES:

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### CHALLENGES FOR NEXTDOOR.COM:

**Costs:** Even though the platform is free and easy to use, the human resource costs related to profile maintenance should be taken into account.

**Coordination:** The case of the Shumway neighborhood, in Vancouver, Washington, exemplifies a potential coordination challenge. Shumway City began using Nextdoor for public agencies in August 2014. The City's Neighborhood Program Manager clarified that the "City's page on Nextdoor will not be monitored 24/7 and should not be used to report crimes, water main breaks, medical emergencies, road repair needs or to request city services" (Anon). If citizens use Nextdoor as the only communication channel with local officials, there can be coordination problems and slower responses.

### OVERALL CHALLENGES IN CO-PRODUCTION:

**Minority rights and privacy:** While research suggests that community-policing schemes may reduce crime, Brewer & Grabosky argue that there is a potential dark side if citizens concentrate on "watching the activities of those who are different, deviant or in the minorities, youth, etc." (Brewer & Grabosky 148). While a certain degree of participation is desirable, there is a point where citizen activity might threaten "privacy, interpersonal trust, and the rights of minorities."

**Cost:** Brudney and Duncombe analyze the costs of volunteer firefighter services in Long Island. They conclude that transaction costs of coordination can be high. Even though volunteer schemes are cost efficient, they are not free, and even though it is not frequent, there is a certain tipping point after which the cost of managing volunteers can be greater than the cost of hired labor. They also mention the potential loss in quality when volunteers provide a service.

**Equity.** Jakobsen and Calmare analyze if co-production of education services in Denmark increased the gap between advantaged and disadvantaged citizens. Citizens with a higher income tend to co-produce more than citizens with a lower income. This can lead to an unequal distribution of co-production benefits. However, their results also show that co-production was beneficial for lower-income citizens. They conclude that co-production programs designed to lift original constraints, like low income, "may increase both efficiency and equity in public service delivery" (Jakobsen, M., & Andersen 704).