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To cite this article: Stephen Osborne, Toshihiko Ishihara, Carmine Bianchi, Maria Cucciniello & Greta Nasi (09 May 2025): Debate: Place-based public service ecosystems and the performance of local public services, *Public Money & Management*, DOI: [10.1080/09540962.2025.2498796](https://doi.org/10.1080/09540962.2025.2498796)

To link to this article: <https://doi.org/10.1080/09540962.2025.2498796>



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Published online: 09 May 2025.



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## Debate: Place-based public service ecosystems and the performance of local public services

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### Introduction

Over 15–16 February 2025, Toshihiko Ishihara and Stephen Osborne co-ordinated an international research workshop at the Osaka campus of Kwansai Gakuin University, with three invited Italian speakers—Greta Nasi, Maria Cucciniello, and Carmine Bianchi. This short article draws out the key lessons of their presentations, together with the keynote presentation of Stephen Osborne, to explore the import of place-based public service ecosystems (PSEs) for the performance of public services.

### Public service ecosystems and place-based public services

In his keynote address, Osborne (2025) explored the import of PSEs as an emerging topic of public management research (*inter alia*, Petrescu, 2019; Trischler et al., 2023; Ojasalo & Kauppinen, 2022; Lebec & Dudua, 2024; Strokosch & Roy, 2025). There are undoubtedly nuanced differences between the way that the framework has been applied by these authors, and others. All, though, agree on three points:

- First, that the purpose of public service delivery should be to add value to both the individual and community/society. In this process, public services and public service organizations (PSOs) are understood as resources that citizens and civic organizations can combine with their needs to create value for themselves and/or for the community/society. In acknowledging this, it is also important to acknowledge that there can sometimes be a conflict between the individual and the community/society about the value that they both seek, and that this must be resolved at the local level (Osborne et al., 2021).
- Second, that the performance of public services is neither a linear process nor one that occurs solely within dyadic relationships between PSOs and their users and citizens. Rather, it is nested within dynamic PSEs that both provides the context for this performance, shapes it, and frames how it is evaluated (Strokosch & Osborne, 2020).
- Third, value creation is not always a positive process. The poor design and/or delivery of public services can lead to value destruction for both the individual and the community/society (Engen et al., 2020; Cui & Osborne, 2022).

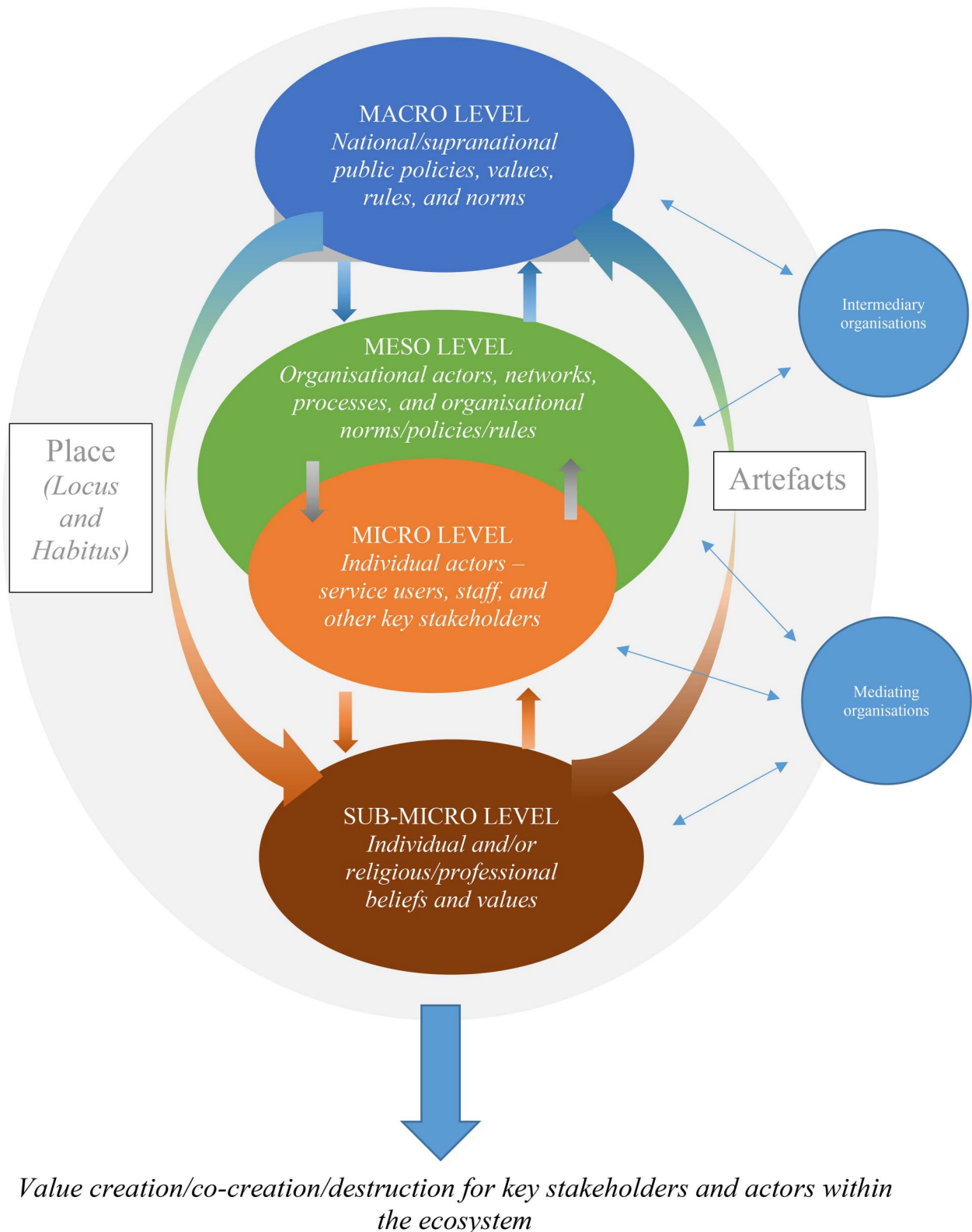
Osborne et al. (2022) conceptualize the PSE over four domains: the macro-level of societal norms and beliefs, often

enacted through public policy; the meta-level of organizational actors and their networks, processes and systems; the micro-level of the individual actors (including public service users, their friends and families, public service staff, and citizens more generally (for example as volunteers with public services); and the sub-micro level of the personal and professional beliefs of these individual actors. The relationships between these domains are facilitated by intermediary organizations between the macro and meta levels (such as industry bodies or think-tanks) and mediating organizations between the micro and sub-micro levels (such as professional bodies/trade unions or religious groups). These domains are nested within a place-based setting that includes both the social and territorial ‘place’ of the ecosystem and its artefacts (such as intellectual property, estate, or digital technology/AI) (see Figure 1). Value creation for citizens and the community/society occurs within, and is shaped by, this PSE (Osborne, 2020; Nasi et al., 2024).

The 2025 Osaka workshop explored the issue of the importance of ‘place’ for local government performance within local PSEs. As used here, ‘place’ refers both to a Bourdieuan sense of ‘habitus’, of the interaction between individuals and their societal location (Rooksby & Hillier, 2005) and to the impact of the spatial and geographic dimensions of a PSE, conceptualized as ‘locus’ (and which has been applied increasingly to topics as diverse as sustainable cross-sectoral innovation development (Rust & Rust, 2024) and philanthropy (Newton et al., 2024)).

### Citizen preferences and local government performance in place-based public services

In her presentation at the Osaka workshop, Nasi (2025) explored if public service performance had an impact upon citizen decision-making about their place of residence, as part of their ongoing research agenda on city competitiveness (Nasi et al., 2022). There is an historical literature on this. Tiebout (1956) famously argued that citizens will move to a location that maximizes their public service preferences. More recently, research has suggested that citizens who are dissatisfied with local public services may react by relocating from one jurisdiction, or place, to another (Van Ryzin, 2013). To explore this further, Nasi’s research examined whether public service performance influenced a citizen’s choice of place or residence and whether this might change over time.



**Figure 1.** The public service ecosystem (adapted from Osborne et al., 2022).

The findings of the research were powerful. Nasi found that public service performance did indeed influence citizen preferences for place of residence. While job opportunities were often highly significant in terms of this residence, this was mediated strongly by public service performance, with healthcare and education performance being the most significant public services influencing this choice. Nasi also found that these priorities might change over time, with

different public services taking priority at different points in a citizen's life.

Crucially for public service managers, how they reported public service performance could also significantly impact upon citizen decisions on place of residence. Consequently, a key priority for city or regional managers wanting to influence residence patterns in their location is to ensure that the reporting of public service performance evaluates

and reflects the priorities of citizens rather than of the PSO or government alone.

Within the PSE, public service performance is thus a key arbiter that moderates not only the relationship between local PSOs and regional and national policies and priorities but also moderates the relationship between the PSO and local citizens. In traditional, linear, models of performance evaluation, performance evaluation is often portrayed as a requirement for local government, either to report to central government or to manage its service efficiency, and sometimes effectiveness (Osborne et al., 1995). Such approaches have formulated performance evaluation as often an internal exercise carried out by local government. More recent approaches have expanded this model to include local citizenry, either as a source of performance information or as a means through which to enhance local government mandate with the citizenry (Charbonneau & Van Ryzin, 2013). Still, though, these approaches have been dyadic and uni-directional: they have sought to provide information to citizens or to glean it from them. A PSE approach takes a more dynamic approach. In the case reported by Nasi, a PSE approach reveals that the performance information provided by local government to its citizens is mediated through the personal beliefs and preferences of these citizens to enable them to make decisions about residence. Performance thus needs to be understood as not just an internal or upward-reported function for local government but also as a key factor in decisions made about place of residence, social and geographic, as part of their 'habitus' by citizens. The beliefs and priorities of citizens are as important in interpreting public service performance in a location as are expressed public policy initiatives and priorities.

Thus, the preferences of citizens will frame how performance is reported, if locality managers want to influence their place of residence, while this performance information will inform the place of residence decisions of citizens. The relationship between citizens and the place-based PSE is hence dynamic and multi-dimensional, influenced by individual and organizational belief systems within the PSE, and not linear and one-directional.

### ***Robust public services and performance within place-based PSEs***

In her presentation in Osaka, Cucciniello (2025) concentrated on the challenge of developing robust place-based PSEs, drawing on the experience of the Covid 19 pandemic in Italy. In this context, 'robustness' is defined explicitly in contrast to the concept of 'resilience'. The latter concept is primarily reactive and focuses on the ability of PSOs to survive environmental turbulence and return to their prior state. Robustness, in contrast, focuses upon the ability of PSOs to adapt and change as a result of such turbulence. It is a forward-looking concept in the context of turbulence rather than a reactive and backward-looking one (Ansell et al., 2023).

From this perspective, Cucciniello reported on how Italian local government responded within its local PSE during the period of extreme turbulence caused by the Covid 19 pandemic. Her research emphasised the need for local government's response to be characterised by 'pragmatism, agility and flexibility' so that it could learn and adapt this

response to changing circumstances rather than continue to adhere to modes of response based in prior experience.

Initial approaches in response to the pandemic emphasised the dominance of central government guidance, itself led by expert advice. While such advice was essential, Cucciniello found that it needed to be combined with evidence from local, place-based PSEs, in order to respond to the pandemic in differing localities. The national advice invariably followed an 'evidence-based' and health education approach. This assumed in particular that opposition to Covid 19 vaccination, and to societal restrictions to curtail the pandemic, were a product of ignorance, and that this could be combatted by effective education. A PSE approach revealed a more complex pattern with local, place-based, sub-cultures over-riding national education and with word-of-mouth and social media in local communities often having more impact in influencing individual beliefs and actions than health education. Robust local governments understood this and mediated the national approach to respond to local, place-based circumstances. A capacity to learn from the actuality of local PSEs, and subsequently to respond to this, was therefore essential. In this context, unsuccessful initiatives were not considered as failure but rather as an opportunity to learn and adapt for the next iteration of response to the pandemic.

Such an approach emphasised the importance of building effective coalitions of stakeholders within local, place-based, PSEs to respond to evolving local conditions during the pandemic and the need to combine formal and informal approaches both to engaging with the local citizenry and to local government performance. This is significant. Emergency response approaches often emphasise the importance of top-down, hierarchical, models in responding to a crisis. In contrast, according to Cucciniello, a place-based PSE approach emphasises flat, horizontal models with distributed leadership across the ecosystem and which focuses on changing and adapting to local circumstances rather than imposing a centrally-envisioned response. Effective place-based PSEs can thus be characterised by a robust approach that privileges adaptation and learning through performance evaluation rather than purely responding to a hierarchical, top-down, agenda.

### ***'Intelligent' performance management***

In his presentation to the workshop, Bianchi (2025) focused on the conundrum of how to use 'intelligent' performance management in order to drive forward effective and equitable public services in locally-based PSEs. In doing so he shifted the focus away from the traditional 'value for money' concerns of economy, efficiency, and effectiveness to question instead how local governments might create value both for citizens locally and for the local community as a whole (Bianchi & Grippi, 2024).

Through a series of case studies, Bianchi demonstrated how often well-meaning local initiatives could be undermined in practice by not understanding how these initiatives would interact with local, place-based, circumstances and factors. In particular he identified four thematic areas that a place-based PSE needed to address: natural and historical assets; language, local traditions and

local formal and informal communication mechanisms; social behavioural patterns, such as patterns of trust, civic mindedness and reputation; and the existence of shared local resources, such as infrastructure, human capital and local artefacts (for example digital technology/AI) (Bianchi et al., 2025). Any local initiative would interact with these thematic areas to shape value creation in the locality, both for individual citizens (individual value) and for the community/society (societal value). Where there was conflict between these forms of local value, then it was the responsibility of local government to mediate.

Intelligent performance management and government systems are required to support this role by visualizing spatial performance patterns, facilitating performance dialogue, enhancing boundary spanning and orchestrating collaboration (to create robust communities), and integrating organizational with individual and community perspectives on performance to create a placed-based understanding of public service performance. This requires the creation of place-based indicators and metrics of value creation for the community across the dimensions of value-in-use, value-in-production, value-in-context, and value-in-society (Osborne & Ishihara, 2025).

## Conclusions

This workshop explored the implications of taking a placed-based PSE perspective for the role and performance of local governments in their communities. It has emphasised how such an approach places an emphasis upon:

- Understanding the nature of place-based PSEs and how value might be created, or destroyed, for individuals and communities/society within them.
- Appreciating the dynamics of these place-based PSEs and how locus/habitus interact with and/or shape these dynamics.
- Creating shared performance meanings across these ecosystems.
- Where necessary, negotiating and resolving conflicts between different perspectives upon value and value creation within these local ecosystems and communities.

In conclusion we would emphasise four points. First, an understanding of performance is required that moves beyond simply financial and input-output metrics to understand the types of value that local government is seeking to create both for the community as a whole and for individual citizens. Such value will always be embedded within both the *spatial/geographic locus* of a community and the *habitus* of the relationships between citizens and their local community. Importantly, this habitus is rarely unitary but is composed of overlapping and sometimes competing sub-communities. Increasingly, therefore, the role of local government is not simply the management of public services but the governance and resolution of these relationships. Local performance metrics need to inform and facilitate this process.

Second, the relationship between local government and their citizens in any locality is not one-way but is invariably *dynamic*: citizens' preferences will inform local government performance management processes as much as the latter will inform the decisions and actions of citizens.

Third, effective local governance within place-based PSEs requires a *robust* approach predicated upon adapting to local conditions and with the ability to change being more important than the ability to return to a prior 'steady state'. Such an approach needs sympathetic handling to combine strong local leadership from the top with distributed leadership across the local community.

Finally, *intelligent performance management systems* within local communities require both an *a priori* understanding of the dynamics of the placed-based local community PSE, together with the configuration of a mix of qualitative and quantitative performance metrics to both capture and support value creation for local citizens and the local community.

## Disclosure statement

No potential conflict of interest was reported by the author(s).

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