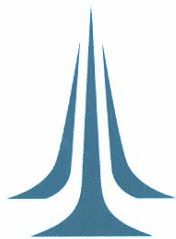


# **Employment, Economic Development and Local Governance in Latvia**

## **The Pros and Cons of Partnership**

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## **Introduction**

I am very pleased to be at the seminar in Riga to contribute to the dialogue about recent local governance developments in Latvia. I have been asked to comment on the arguments for and against Partnerships but I must, in the first place, declare my hand. I am a believer in Partnerships. I have seen their value, their ability to change the lives of very disadvantaged individuals through new initiatives involving collaborative action, their effectiveness in mobilizing local effort to bring about significant changes for marginalized communities in rural and urban areas, the positive contribution to deepening and improving local governance and democratic processes and the strategic approach engaged in, resulting in changes in national social and economic life and policy. I am therefore biased in their favour. However, we in Ireland, with over 10 years experience in Partnerships, have also, I suggest, a realistic appreciation of the challenges there are in actualising the hope and opportunity that true partnership approaches can offer.

Clearly your experience here in Latvia and in other countries in the Baltic region differs from ours. The institutional contexts, the players, the histories vary considerably. We are all, however, learners in the effort to enhance local governance and policy effectiveness in areas of concern to us. Seminars such as this provide opportunities for networking, sharing information and experience and learning. They challenge us all, to think outside our respective 'boxes'. I hope that within what I say, there are familiar echoes, some points that confirm your own approaches or suggest new ideas.

In order to set out some of the pros and cons of Partnerships, I will describe briefly the Irish experience and the role of ADM. This is the context in which my comments are grounded. I propose to summarize some views of the strengths of Partnerships. I will outline a number of challenges, which we have faced and indeed in many cases continue to address. I will try throughout to include reflections on points raised during the seminar.

## **Summary of the Irish Context**

### Origins of Partnership

The OECD study on "Local Partnerships for Better Governance" published in 2003 states, previously, Partnerships were established mainly as a response to an acute problems threatening a particular area, such as the decline of a vital industry that triggered the need to mobilize available resources. Today, however, local actors wish to participate more systematically in the design of strategies for their area. This wish for greater local participation has often come about as a reaction to the poor results attained by policies only weakly linked to local conditions. It has also been a reaction to the persistence of social exclusion and its associated problems, despite recent economic growth. Partnerships are seen as a means to an improved quality of life".

This paragraph encapsulates the rationale and evolution of the partnership movement in Ireland. The first 12 were established in 1991 as a response to a particularly acute problem of long-term unemployment. In 1993 the

Government recognized the importance of harnessing local community leadership and local initiative and made this one of its priorities for national development. This led to an expansion of the number of Partnerships to 38 in 1994/5 through a formal designation of further acutely disadvantaged areas. At the same time, smaller local organisations in other pockets of disadvantage were invited by public advertisement to participate in the partnership process. In Ireland today there are 72 Area and Community Partnership Companies. They range in size from county-based structures to smaller local bodies. Funded under the Local Development Social Inclusion Programme of Ireland's National Development Plan 2000-2006, Partnerships are now exchequer funded. Prior to this, they received their support from the EU. Of the groups funded, two were formerly established as Territorial Employment Pacts.

Sixteen years ago there were very serious economic problems. The public finances were out of control, poverty and unemployment were increasing and there was significant emigration. It was during this period that the partnership movement was established and grew. Factors that influenced its development were:

- National social partnership, which is the process by which government and the social partners have, since 1987, agreed strategic plans, set priorities in the social, economic and fiscal arenas and agreed national pay and other conditions for workers. At local level, the first Partnerships were established as a result of one of these national agreements. Their structures are composed of the same sectoral groupings, which participate in the national social partnership arrangements. The link between the two can be seen in the rationale for working together, the operating processes and the networking mechanisms that build vertical and horizontal communication channels within and between the different sectors.
- Developments in the role of civil society have been a key influence. The Irish Government has recognised the contribution of, and fostered an increased role for the community and voluntary sector through a variety of initiatives. Partnerships have benefited from this recognition and in turn have contributed significantly to enhancing good local governance. They have provided funding for the community and voluntary sector and supported its participation across a range of decision-making fora. In so doing they help harmonise the diversity within the communities.
- Ireland has been a major recipient of EU Structural Funds and this is one of the reasons for our economic growth. However, to characterize this relationship mainly in terms of funding is to vastly understate the influence of the EU in Ireland. The European Union has consistently encouraged partnership, subsidiarity and territorial approaches.
- The need for better co-ordination in the delivery of state services has been a factor in the development of Partnerships. In a period of economic growth and increasing wealth, which is the experience in Ireland at the present time, all people benefit. However, some benefit to a far greater extent than others. In the Ireland of 2005, the gap

between rich and poor has increased and there are sections of the community who experience reduced life chances and real inequalities. Addressing social inclusion for these groups is currently, and into the future, likely, to be a national priority. There is a recognition that many issues that prevent full access, participation and equality of outcome for marginalized communities are of a multi-dimensional nature. They require multi-faceted or holistic responses. Partnerships' focus in activating collaborative approaches to addressing social inclusion issues has been, and remains, deeply relevant in this context.

- The reform of Local Government has been an on going concern in Ireland. It is a small country and perhaps it is inevitable that the result of strong central Government has been the gradual erosion of powers and the consequent weakening of Local Government. Many services are for the most part delivered on a national basis and to a great extent people did not feel involved as participants in decisions about their own areas. Partnerships developed in partial response to this environment and in the early years links between the two were not optimum.

#### Profile of the Irish Partnerships

Partnerships are not for profit private companies, which focus on combating disadvantage and social exclusion. The board of each consists of representatives from the community and voluntary organisations active in economic and social development in their areas; state agencies with responsibilities in fields such as education, employment services, social welfare, justice etc; the social partners at local level composed of, as appropriate, farming, employer and trade union organisations and elected public representatives.

Each Director brings their particular contribution to the Partnership table and helps in the development of a shared vision for the area and the people who live in it. This takes the form of a strategic plan, which is appraised by Area Development Management Ltd. ADM allocates financial support towards the implementation of the strategy of the plan and the Board of the Partnership then implements the plan in consultation and in participation with the local community. Actions are targeted at the areas within the catchment of the Partnership, which are most in need e.g. depopulated rural areas or local authority housing estates in inner cities. Actions are also targeted at particular groups of people who are most excluded such as young people at risk, the elderly, the unemployed, refugees and asylum seekers, very low income farmers etc.

Partnerships have the opportunity to exercise considerable discretion to respond flexibly and innovatively to local need. They decide priorities within broadly defined areas of eligibility under the themes, services to unemployed people, community development and educational and youth based initiatives. The scope of the actions therefore can be wide ranging and have a relevance to an array of policy areas. Partnerships pilot new initiatives, act as brokers of services and catalysts to stimulate particular actions, make contracts with local community groups for delivery of local responses, and/or support state bodies to refocus services to make them more accessible. Contributing to the

co-ordination of mainstream programmes as they affect socially excluded people, Partnerships do not replicate the work of other bodies. Their actions add value to, or plug gaps in relation to what is already provided. Where possible, actions should be pilot and innovative rather than straight service delivery. There is an emphasis on learning lessons from the local experience. This in turn can be used to inform the development of policy at local and national levels.

Just as important as what a Partnership does is how it sets about carrying out its work. This is a process of strategic planning involving consultation and participation of a wide range of actors and interests in an area. Critically, the Irish model aims to reach deep into disadvantaged communities to involve socially excluded groups themselves at every level. The aim is to ensure that they are not only beneficiaries of the actions, but are participants in board structures and decision making processes. It is also important that there are effective practices and procedures to encourage maximum involvement of all sectors and that systems are in place to support accountability and communication links back to nominating organisations. The quality of the contribution of a given Partnership to enhancing social solidarity and good local governance relates significantly to the quality of the above mechanisms. Partnership reflects the interdependence between the partners with no one sector able to fully achieve its goals within a significant degree of support from the other sectors. In turn this leads to the joint ownership of decisions.

The budget that the average urban Partnership receives through ADM is in the region of Euro 1M.

#### Programme Management at National Level

ADM like a Partnership is a private, not for profit company established by our Government in agreement with the EU. It was set up to support integrated local social and economic development. Until recently, the directors were drawn from the social partners, the community and voluntary sector at national level, beneficiaries of the programmes and representatives from the state sector. The Government concluded a review of ADM last year. Changes that resulted were that the board of the Company is to be nominated by Government and our name altered. ADM continues its current management functions on behalf of a range of government departments and the EU, and, with the agreement of the Minister, has recently been asked to expand our remit to manage other initiatives.

From the outset, ADM has had a role in the development, management and support of the programmes, which have funded Partnerships. We have assisted in their start up phase, issued good practice and other guidelines. We provide information and offer a wide variety of strategic supports to assist them achieve optimum impacts from their work. This can take the form of statistical data to support planning, tools to further gender and other mainstreaming priorities, awareness raising exercises concerning particular target groups, the provision of networking opportunities and the development of framework agreements and protocols with state agencies in relation to particular services provided. We learn lessons from the programme, issue

policy documents and, together with Partnerships; attempt to influence the development of national policy. In particular, ADM appraises the strategic plan of each Partnership and allocates financial support towards its strategy. We enter contractual arrangement with them in relation to the implementation of their plans and monitor and analyse expenditure and performance, the latter partly through an 'on line' performance monitoring system. In association with the Partnerships, we carry out studies and research on a regular basis under agreed themes. ADM also has internal audit and human resource sections. These sections carry out audits of Partnerships and provide advice on human resource issues at local level. In turn, ADM provides financial and progress reports to government departments and to Monitoring Committees. We are ourselves, subject to audit by the Irish Comptroller and Auditor General and by the European Union.

### The Advantages of Partnership

Partnerships have contributed to the economic growth that has taken place in Ireland and in particular to bringing the benefits of that growth to disadvantaged communities. They have had a direct effect on the individuals within those communities, who gained employment, set up their own business, accessed educational opportunities or improved the quality of their lives in many concrete ways. They have also contributed to positive changes in local governance and the culture and practices of public administration. If I quote from an OECD report, some of the attributes of Partnerships are: 'Their practical problem-solving approach, needs-driven agenda and action-orientation have resulted in the provision of new and enhanced services and facilities, which have directly assisted many poor and unemployed people. They have brokered informal alliances and cross-sector networks that have improved the flow of information between functional authorities and helped better to co-ordinate their employment and social programmes.' Achievements I suggest, fairly generally recognised are:

- The Partnerships ability to reach and target those who are most excluded and provide opportunities, which they would, not otherwise access. We are finalising 2004 figures, but the cumulative data for 2000-2003 confirms that there was 93,000 very vulnerable individuals supported by Partnerships during this period in relation to services to the unemployed. Assistance took many forms including job placement, work experience, assistance in the development of enterprises in social economy or other fields, the provision of literacy or educational or training supports. Partnerships work closely with the national authority in this arena and deliver a local employment service on their behalf. Of those who participated in training, 54% received formal certification. 4,600 local community groups with a focus on disadvantage were supported by Partnerships. There were over 1000 environmental initiatives. These figures relate in many case to new initiatives for particular groups such as disabled people, ex-prisoners or low income, marginalized farm families. There has been proven experience of developing and delivering innovative solutions to meet local needs and the Partnerships have utilised their flexibility to good effect, to pilot more experimental approaches.

- Building the capacity of communities to participate has been a very important achievement of Partnerships from the Irish perspective. To quote the Secretary General to the Irish Government, 'structured participation at both local and national level bears the hall mark of the Partnerships work-we have gone beyond the point of wondering about the legitimacy of participative democracy- concerns are about structuring it in ways that are sustainable and effective'. Social inclusion focused community development as an approach, a methodology and as a fundable action area within Partnerships' work, has established the foundation upon which other social and economic objectives have been achieved. It has raised the confidence, participation and voice of communities. In strengthening these, it has also enhanced local governance. The networking supported, the building of community engagement, has also contributed to deepening social capital. A value for money report entitled "Local Development Initiatives" by the Irish Comptroller and Auditor General (2000) stated that 'local development bodies are characterized by substantial voluntary inputs at board and subcommittee levels. This is in keeping with harnessing local knowledge and expertise to achieve common objectives". It also stated "co-operation among the bodies and with other organisations (state, local government, community and voluntary sector and business) at local level to achieve agreed objectives, contributes to the unique innovative role of the local development initiatives".
- Another recognised attribute of Partnerships is that they have a proven track record of establishing linkage across a variety of service providers. They have been to the forefront of a shift of attitudes with regard to the co-ordination of local service delivery and have built collaborative relationships around responses to issues that confront communities. For every Euro that the Partnership receives directly from ADM, they frequently lever three times that amount from other sources in pursuit of their social inclusion goals.
- Their ability to assess, interpret and respond to individual and local needs through strategic planning and implementation processes has reverberated from the practices of Partnerships themselves, to enhancing capacity within the wider community. Through local consultation and frame works that bring key players together, there is a means to identify and agree priority areas that need to be addressed.
- Administrative capacity and accountability have been good. The confidence of the public and funders, including ADM is critical for the future of these organisations. Partnerships have clear transparent financial, tendering, monitoring, evaluation, HR and other procedures in place. Training and guidance were necessary in the early stages to achieve the level of capacity displayed now. Clear communication mechanisms and an information strategy for the public are also required in relation to their work.
- A history of using monitoring and evaluation to inform practice and policy is a further achievement. Horizontal learning and mechanisms that increase its transfer have strengthened over time, while more, of course, needs to be done. Networking between Partnerships and

within and between their constituent parts at local and national levels has been very useful, both in terms of sharing best practice and in consolidating perspectives used to influence policy making fora. The opportunities for international comparison and analyses as provided by the OECD and other organisations have been immensely valuable in critiquing and supporting national efforts.

- Some of the actions piloted locally have been utilised by ADM and the Partnerships to present persuasive arguments that have achieved policy change. Particular examples lie in areas such as transport, access supports for very disadvantaged students to third level education, the provision of community led childcare, a local employment service and developments in the area of social economy.

### The Challenges Facing the Irish Partnership Model

There are of course issues and questions to be addressed. A flavour of some of these are:

- The challenge associated with targeting and tackling social inclusion objectives. Many of those who were on the margins of Irish society during times of high unemployment have benefited from the upturn in more recent years. Those who remain are harder to reach; structural barriers to their inclusion have in some ways deepened. Needs presented can be complex resulting in increased challenges for Partnerships in terms of their repertoire of skills and extent of the resources required. Achieving full and meaningful participation of target groups at all levels in the partnership process is an ongoing developmental task.
- There are some uncertainties and conflicting views about the primary role and remit of Partnerships going forward. Partnerships in Ireland have typically played a number of roles as indicated earlier, brokers, service delivers, laboratories for exploring new responses to 'age old' problems, facilitators of co-ordination and co-operation at local level. Stakeholders at different institutional levels and from the variety of sectors may place emphasis on specific priority functions. Clarification and careful consideration is required in relation to this and other matters in the evolving national context.
- The visibility of the work continues to be a challenge. By the nature of their achievements, Partnerships work is the result of the collaboration and input of many. Claims of credit for 'success' are counterproductive. Unfortunately in this situation, it can be difficult to profile Partnerships to the public and this has potential challenges for the valuing of their work.
- The measurement and monitoring of 'success' is an ongoing challenge. Semi- autonomous organisations must, of course, be accountable and demonstrate the actual benefits emerging from their activities. Monitoring and reporting outputs and results of Partnership work is an ongoing task. Targets are set locally and nationally and these are reviewed and analysed at several different levels. ADM and Partnership are also committed to an ongoing research process, focussing on both qualitative and quantitative dimension. The monitoring of impacts can be difficult where Partnership budgets are

relatively small in the context of larger scale resources going into similar areas of activity at national level. Partnerships and ADM are nonetheless, exploring a proposal to make some progress here. Monitoring the contribution of Partnerships to improving local governance requires effective sets of governance indicators and ADM, in the period ahead, plans to place more emphasis on this, arguably more useful approach to confirming their value.

- Another challenge we have faced is the link between area based partnership structures and the role and remit of local government. Partnerships were criticized initially because they did not have the democratic legitimacy of local authorities and were seen as a threat in some quarters. However, they are now, in the majority of cases, active contributors in supporting coherence between local development and local government, particularly in the social inclusion arena. They have elected representatives on their boards and make significant contributions to County Development Boards. CDBs have been charged with establishing partnership type structures to bring together all the key stakeholders within the county to develop, and monitor, 10-year economic, social, and cultural strategies. A further issue impacting on the local landscape and on the concerns of Government was a view that there was a plethora of local structures in Ireland with perceived overlapping briefs. This issue was addressed by the setting up of a Department of Community, Rural and Gaeltacht Affairs, which has led a process of review of community and local development structures. There are broadly welcomed initiatives to underway to support greater coordination and integration. While there remain some uncertainties, Partnerships ongoing position has been reconfirmed.
- A further challenge relates to institutional learning. There is no doubt that the work of the Irish Partnerships has influenced policy design and implementation. However we have still some way to go to draw fully on the rich vein of knowledge and experience that Partnership can offer. Channels are present, consultative and other arrangements are in place but undoubtedly vertical learning has not been as systematic as is desirable
- Finally the capacity of all players to participate needs to be further supported and this needs to be reinforced by frameworks of commitment from the centre.

Partnership can make a substantial contribution to good governance and the welfare of communities. While processes can be complex, slow and challenging, the results can be quietly spectacular. The challenge of strengthening partnership merits our fullest attention.