

# LOCAL GOVERNANCE AND PARTNERSHIPS

A SUMMARY OF THE FINDINGS OF  
THE OECD STUDY ON LOCAL PARTNERSHIPS

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## LOCAL GOVERNANCE AND PARTNERSHIPS<sup>1</sup>

1. To better respond to a new set of concerns of the population and to promote sustainable development, governments today actively seek a broad partnership with civil society and the private sector. It is widely agreed that innovative solutions to the key challenges facing our societies can be found through an open public debate. Yet, it is at local and regional levels, closer to the problems and the individuals, that partnerships are most often formed to address issues of collective implications. Accordingly, partnerships are being established throughout OECD countries to tackle issues of economic development, employment, social cohesion and the quality of life.

2. This note explores the new role that partnerships play in policy frameworks and shows that the main contribution of partnerships is in improving local governance. It identifies a number of obstacles faced by partnerships and proposes a series of recommendations to enhance their impact on governance. This note is based on the lessons learnt through the OECD Study on Local Partnerships and published in OECD, 2001*a*.

### **The new role of partnerships in policy frameworks**

3. The partnerships established recently have little in common with those of the 1980s and early 1990s set up in specific areas facing severe problems associated with economic restructuring. Today, partnerships address a broader range of issues (e.g. sustainable development, the quality of life) and they are set up within networks that often cover all parts of the country. Many of these networks have been created by national governments (see Box 1).

4. Another difference with the early experience of partnerships in crisis areas is that local actors now wish to participate more systematically in the design of development strategies for their area. While a few years ago, the civil society, as represented by its community-based groups and NGOs, was alone in proposing the partnership concept, today it is approached and positively considered by a wide range of actors. The business community feels it important to participate in the steering of public programmes locally in order to address their own concerns about fuelling economic growth. Public services welcome this opportunity to make public intervention more effective. Both the private and public sectors rely increasingly on NGOs and community-based groups to help meet current challenges, particularly labour and skills shortages. Conversely, their partners from the civil society seize this opportunity to move forward their agenda on re-integration for the disadvantaged and skills-upgrading for the low-qualified. Trade unions take a more active role in the definition of local strategies, further defining and developing a new role in promoting improvements in living conditions.

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### **Box 1. National governments and partnerships**

National governments have created, or supported, most of the networks of partnerships that now exist in OECD countries. Through these networks, governments seek the co-operation of partners from the private sector and civil society in the pursuit of various objectives, from stimulating economic development to promoting social cohesion.

Ireland provides good illustrations of such initiatives, which have served as a model in several European countries. Through successive steps, in 1991 and 1994, the government launched a network of 38 partnerships aimed at improving social inclusion. It repeated the experience in 2000, establishing development boards in all counties and cities of the country, tasked with the design of economic, social and cultural development strategies. Another country where partnerships have become a significant element of the institutional framework is Austria. In each of the nine *Länder*, a partnership supported by the federal government now co-ordinates employment measures and provides a platform for co-operation between the main actors in this field, particularly the regional governments, the public employment service, the social partners and non-governmental organisations (NGOs).

The development councils of the *pays* promoted by the legislation in France, the regional growth agreements in Sweden and the local strategic partnerships in the United Kingdom are all a part of this trend. Partnerships also flourish in Australia, Canada, New Zealand and the United States, where they have long been involved in diverse tasks ranging from co-ordinating government policies in the labour market to pooling resources for economic development. In the US, the Workforce Investment Act of 1998 has led to the creation of partnerships in charge of co-ordinating a broad range of policies, from employment and social assistance to education, including those measures targeted on youth. In Norway, a reform proposing the creation of regional partnerships responsible for co-ordinating the implementation of policies, including those issued at national level, is being debated by parliament.

5. The increased interest in partnerships can be illustrated by an example from Belgium. In Flanders, the public employment service (VDAB), along with the training service providers of the private and non-profit sectors, have recently seen a reduction in funds available due to falling unemployment, although the need for labour and specialised skills has still been growing rapidly. In one of the main cities of the province of Limburg, Genk, where the labour demand in certain sectors increases sharply while long-term unemployment remains high, VDAB's local office and the municipality have come together in a partnership agreement. The aim is to co-ordinate, together with willing independent training service providers, the training activities in the greater area of Genk. Nearly all of the 23 providers in the area participate in this exercise. Although they face the risk of being merged or having their funding cut due to the eventual identification of duplicated services through the exercise, the providers value positively the net impact of being networked. As part of the partnership, they can better market their expertise. Community-based providers, working with disadvantaged groups (e.g., immigrants, young people and women) offer a competitive advantage in the current context where expansion of the labour force is encouraged, and the partnership enables this expertise to be made known to the public employment service and the local authorities. Private providers can also increase their visibility to the public and the business community through the organisation of training fairs. The partnership also organises workshops to improve the efficiency of the management methods used by the providers. VDAB, which second two officers, and the municipality cover the operation costs of the partnership.

6. In this example, the partnership initiative helps each partner organisation to meet its objectives. The public employment service promotes labour market efficiency through matching better training services and the needs of the private sector. The municipality both retains investment in the area and helps alleviate social problems. Private service providers have the opportunity to develop further, and

community-based providers draw more people out of welfare, delivering initial training and guiding them through further training activities provided by the public employment service and specialised institutions.

### **A tool for better governance**

7. However diverse their fields of action (labour market policy, economic development, social inclusion, quality of life), all partnerships share a common goal: to improve governance – how society collectively addresses and solves its problems and meets its needs. Through partnerships, civil society, its NGOs, enterprises and different levels of government work together to design area-based strategies, adapt policies to local conditions and take initiatives consistent with shared priorities.

8. Thus perhaps it is no surprise that improving governance should also be considered as their main contribution. Although emphasis is often given to partnerships' activities of implementing programmes and delivering services, the expenses incurred by these activities are insignificant compared to those of their main partners in related policy fields. For instance, the costs of all projects and activities carried out by the Irish partnerships, the most achieved and experienced model of local partnerships in Europe, are estimated at three per cent of all expenditures in active labour market policies, the policy area closest to the remit of partnership in this country. Similar ratios have been obtained in other countries.

9. With regard to improving governance, however, their contribution is rather significant, although hard to assess and, as it will be seen below, far from being optimal. There are at least three main actions, with direct implications for governance, that partnerships consistently carry out in all the countries surveyed by the OECD: i) partnerships stimulate the use of government measures that are in line with local priorities; ii) they assist their partners from the public sector in better targeting these measures to local needs; and iii) they combine the effects of various programmes and local initiatives in order to optimise their mutual impact. These actions are described in turn below.

10. *Stimulating the use of measures.* Provided with modest funds to create and deliver programmes and services, partnerships promote the use of public programmes that can help to meet the goals assigned to them (e.g., social inclusion, economic development, etc.). Devoting efforts to the latter stages of the policy implementation process, partnerships work with the potential users of public programmes: they help individuals to apply for schemes and subsidies; they assist associations and community-based groups in applying for grants; they provide advice on the preparation of business proposals; they inform target groups about the relevant public programmes available and disseminate information on best practices. Examples of such achievements have been observed in all countries examined.

11. *Targeting measures.* Partnerships draw public programmes closer to locally-identified priorities. Opportunities for civil society and other partners to influence the implementation of policies are provided through either informal co-operative arrangements or more official framework agreements proposed by the government, which fully utilise the consultative capacity of partnerships (see an example from Ireland in Box 2). In this way, partnerships advise public services on the targets, terms and conditions to apply to the local implementation of certain programmes in order that these better meet local needs.

12. *Combining measures.* Partnerships identify and seize opportunities to combine and enhance the effect of public programmes and local initiatives. The limited resources granted encourage partnerships to seek synergies that can maximise the local impact of the various activities carried out in line with local priorities. Partnerships have convinced local actors from the private, public and non-profit sectors to pool their resources in joint projects. To carry on with the Irish example above, in several areas, the assistance provided through the CE/JI framework has been combined with training services provided by other

government agencies and economic development initiatives led by local authorities, planned as part of the agreed local strategy.

### **Box 2. The Community Employment/Job Initiative Framework Agreement in Ireland**

In Ireland, the conditions for the local implementation by the public employment service (FÁS) of two schemes promoting re-insertion into the labour market through jobs subsidies in the non-profit sector (Community Employment, CE, and Job Initiative, JI) are defined by partnerships, and more precisely by their working group on employment. The involvement of partnerships is embedded in a national policy framework, the CE/JI Framework Agreement. The principle aim of the agreement is to ensure that the CE and JI programmes meet the needs of disadvantaged areas, in terms of the type and the range of projects supported and the mix of participants involved.

The framework agreement gives the working groups, comprising FÁS and the other partners concerned, responsibility for setting detailed objectives, monitoring performances, and exchanging information with regard to the schemes' operations. The working groups also develop their own plan in relation to the implementation of the framework agreement. Additional flexibility under the framework agreement is provided by a share of 10 per cent of the budget available to projects and participants who may not meet the eligibility criteria of the schemes. The partnerships have no responsibility for the appraisal of projects, nor for the delivery of the measure, which remain the responsibility of FÁS.

The direct costs of the implementation of CE and JI in Ireland in 2000 were 403 million Euro, which is significant compared to the funds available for partnerships to design and implement their own activities (estimated at 23 million Euro in 1997). Defining the targets for the CE and JI schemes is thus an important instrument for the partnerships in addressing their own local agenda. This arrangement also fosters effective co-operation between partners. The local public employment service obtains useful information that aids effective implementation of the programme and helps achieve the objectives set by the national headquarters. As it remains responsible for implementing the programme, the partnership's involvement does not appear as a threat to its area of responsibility.

Source: OECD (2001a)

### **A potential yet to be fulfilled**

13. Despite the growing interest in partnerships observed and the achievements described above, the potential for improving governance using this tool has not been fulfilled. The experiences surveyed as part of the OECD Study on Local Partnerships show that the *benefits from partnership have often remained geographically limited and focused on specific issues*. Partner organisations have participated in the joint development of projects that could meet their direct needs, but interest in pursuing co-operation -- and in broadening this to other activities -- has often decreased once objectives were being met (see also Turok, 2001).

14. Faced with a limited degree of involvement from some important partners, notably the public services, partnerships led by the civil society and social partners have raised funds and delivered their own services. Separate service structures have then co-existed, reducing information exchange and opportunities for learning across organisations. Public services have learnt few helpful lessons from such partnership experience to help improve their methods of working with disadvantaged people and areas (see Box 3).

### **Box 3. Partnerships or separated structures?**

In the United States, the employer organisations, in particular local chambers of commerce, have often encouraged non-government and community-based organisations to deliver employment and training services to unemployed people and disadvantaged groups. In Cleveland, the partnership for economic development led by an organisation of employers (Cleveland Growth Association) supports the Center for Employment Training, which provides a wide range of services to disadvantaged groups. Under the direct advice of the Growth Association, training is specialised and designed to meet the needs of enterprises in the area. In Chicago, a group of business companies (Chicagoland Business Partners) supports the provision of employment and training services by DePaul University, which is linked to a number of community-based organisations in connection with disadvantaged groups.

Thus, in these areas, the services delivered by private/non-profit partnerships are supplied through a structure separate from public services. Two (or more) service structures are in operation at the same time despite efforts deployed to gather all services supplied in one single location through a one-stop system (under the Workforce Investment Act of 1998).

The existence of two separate networks limits the scope for greater direct involvement of public services in matters related to disadvantaged groups to the extent that other partners are developing a specialisation in these fields. These initiatives contribute to the relative isolation of the public services and weaken their capacity to integrate policies and services in view of improving the effectiveness of their action. Public services have in certain cases lost ground in their own field of expertise, as the objectives they seek to achieve are also being pursued independently by the private and non-profit sectors operating through separate networks. In Cleveland, one of the main aims of the Growth Association is to enhance the efficiency of the labour market, typically the main goal of the public employment service. As part of its mission, the partnership helps local firms to find workers and promotes the upgrading of workers' skills, with little involvement of the public service.

Such degrees of duplication and segmentation in activities have also been observed in Ireland, where a network of local employment services has been set up under the supervision of the area-based partnerships, and in Southern Italy, where the employment services have little involvement in partnerships, even if most partnerships voice needs in the training area. As a result, many partnerships attempt to carry out activities to upgrade the skills of low-qualified workers and to improve job matching independently from the public employment service.

Source: OECD (2001a)

15. A failed cross-fertilisation between public services and other constituencies through partnerships makes the effectiveness of the overall services delivered to the population increasingly dependent on the involvement of the private and voluntary sectors. In areas where the business community is not involved in local human resource development, as often happens in deprived urban areas where the business community is relatively absent, voluntary associations are left without significant support, assistance or direction. With no relevant experience in such conditions, the public service is not sufficiently well-equipped to help, and this results in an uneven quality of services (Eberts and Erikcek, 2001).

## Reconciling public accountability and participatory democracy

16. Improving the effectiveness and appropriateness of decisions in public policy implementation through partnership is not an easy task. It raises a fundamental challenge: that of harmonising public accountability and participatory democracy. Elected officials and public officers are accountable respectively to their constituencies and to the government. Similarly, trade unions and employer representatives are accountable to their own members in the first place. However, civil society and NGOs have little or no accountability. For partnerships to be effective in fostering co-operation and co-ordination, ways must be found to reconcile standard accountability frameworks with the use of collective strategic planning exercises involving various types of actors.

17. It is precisely to address this central challenge that the LEED Committee requested the Study on Local Partnerships in 1999. The Secretariat conducted a study in seven countries (Austria, Belgium/Flanders, Denmark, Finland, Ireland, Italy and the United States) to explore the performances of local and regional partnerships between government, civil society and the private sector in improving governance. The objective of the study was to identify and compare across countries: i) the mechanisms used by partnerships to pursue their main functions (i.e. fostering co-operation, conducting a strategic planning exercise and implementing the strategy) and ii) the methods used by the partnerships and their constituencies to meet a series of conditions for partnership efficiency defined through research work and expert seminars and agreed by the LEED Committee (these are: flexible management frameworks, institutional commitment, social partners assuming local responsibilities, mobilisation, legitimacy and administrative efficiency). A follow-up study is currently being conducted in Belgium/Wallonia, the Czech Republic, Mexico, Norway, Spain and Sweden.

18. The analysis of the partnership mechanisms in the seven countries and of the problems partnerships encounter in meeting the efficiency conditions has shed light on *three main challenges* that partnerships are facing. These are: (i) inconsistencies in the national policy framework and weak vertical co-ordination; (ii) a narrow approach to policy implementation taken by public services seeking to maximise efficiency in service delivery; and (iii) weaknesses in accountability due to blurred lines of responsibility.

19. The main obstacle to partnership effectiveness is the *inconsistency of national policy frameworks*. Governments have created networks of partnerships and given them goals to achieve, but without ensuring that the prospective partners from the government could take an active and consistent part in the activities to reach these goals. Public services have rarely been required to integrate in their mission the policy objectives assigned to the partnerships in which they were expected to participate. This has made it difficult for them to take part in joint activities at local and regional level.

20. A concrete example is labour market authorities, which have as their main objective to ensure an efficient functioning of the labour market. Their action to promote geographical mobility to eliminate unemployment disparities is sometimes conflicting with that of regional governments in depressed areas that strive to revitalise their localities and retain their younger population groups. Reducing unemployment is an objective that, in certain circumstances, may need to be balanced with others, such as promoting sustainable development, social cohesion and the quality of life. Strategic planning exercises carried out in partnerships can be useful in this context, and lead to the adoption of more comprehensive development strategies that reflect widely-shared priorities.

21. The effect of inconsistencies in national policy frameworks is reinforced by the adoption by public services of *performance management methods aimed at ensuring high levels of efficiency* in reaching targets. Methods of management by objectives and results may encourage public services to take a narrow approach to implementation, even in decentralised frameworks, as they provide incentives to

concentrate on the units of service output which are measured and reported. Maximising efficiency in public services sometimes generates screening effects, whereby less costly cases are served first, and can reinforce compartmentalisation in delivery. As the Irish example has shown (Box 2), it is possible to surmount this obstacle through sound partnership mechanisms and thus reconcile efficiency in service delivery and adaptation to local needs.

22. A third major obstacle to the effectiveness of partnerships is the *issue of accountability*. Partnerships have failed to have their work monitored and evaluated properly. The accountability framework of partnerships has emphasised achievements in terms of policy results (e.g., jobs created, unemployed placed into jobs, business start-ups, etc.). However, partnerships have been allocated few resources to achieve significant results on these criteria, as shown above. Accordingly, their main task is to help partners better implement existing programmes, not to create new ones.

23. Evaluating partnerships in terms of policy results gives incentive to raise funds and deliver services directly, sowing the seeds of competition with partners from the public service evaluated on similar criteria. This often blurs the lines of responsibility between partners and partnership, a major source of accountability failure. Blurred responsibility encourages double reporting between partner and partnerships, a situation whereby both the partner organisation administering a programme and the partnership involved in its implementation report the same positive results (and ignore negative ones).

24. Partnerships should be evaluated by their constituencies in terms of how the latter actually benefit from working in partnership, for example by: increased use and better targeting of measures; greater responsiveness to local conditions; identification of opportunities for broader impact through joint activities; and a higher degree of satisfaction among the population and the partners involved. By neglecting to monitor and evaluate the performance of partnerships in improving governance, the prevailing accountability frameworks have *failed to improve the working methods of either the partnerships or their constituent partners*.

### **The strategy to improve governance through partnerships**

25. Benefits from taking a cross-sector approach drawing on resources and skills of other actors at various levels have been identified by public service officers as well as representatives from local government, social partner organisations and the wider civil society. For public services, partnerships are instrumental in improving the effectiveness and appropriateness of the programmes they implement and the services they deliver. Yet partnerships are not always used this way by their constituencies. Opportunities to improve governance are missed due to inconsistencies in the national policy framework, a narrow approach to policy implementation and failures in accountability, described above.

26. A strategy can be implemented to maximise the impact of partnerships on governance. Adopting this strategy has implications not only for partnerships, but also for their constituencies: the government, and its relevant public services; local and regional governments; trade unions and employer organisations; NGOs and community-based organisations. Improving governance through partnerships requires four specific objectives to be met (this strategy was reviewed by TDPC and adopted by the LEED Committee. Detailed recommendations can be found in OECD, 2001a):

- i. to make policy goals consistent at national level;
- ii. to adapt the strategic framework for partnerships to the needs of the partners;
- iii. to strengthen the accountability framework for partnerships;

- iv. to provide flexibility in the management of public programmes.

***i) Make policy goals consistent at national level***

27. The partnership experience shows that the *potential to co-ordinate policies at local level is limited by the degree of consistency across the policy objectives pursued by the various government departments* at national level. In order to make partnership relevant and effective, the partners must aim at common or compatible objectives at national level, which can be pursued more concretely and attained more efficiently in partnership at local or regional level. Thus, local co-ordination work carried out by partnerships *should be complemented by a similar process at central level*. The creation of a network of partnerships should be accompanied by a mechanism through which local and regional experience is fed back to the top to highlight deficiencies in the national policy framework. A mechanism should also exist to facilitate the necessary trade-offs between government departments (and social partners) in view of achieving full consistency among the national policy objectives related to the goals of the partnerships. As a result, all the partners whose participation is needed should be accountable for the outcome achieved by partnerships.

28. Once partners have made their objectives consistent, and agreed on the role to be given to partnerships in policy implementation and in improving governance, they should identify the benefits they expect from mutual co-operation, and what they must in turn contribute to the partnership to make it work effectively. Evaluation criteria should be established on this basis by the partners themselves. This should help solve the accountability failure identified above.

***ii) Adapt the strategic framework for partnerships to the needs of the partners***

29. While public services have identified an interest in working in partnership, an uneven degree of ambition among the other constituent partners sometimes undermines their incentive to actively participate in the partnership process. Paradoxically, strong involvement by community-based organisations and NGOs may discourage public service officers from sharing information and from engaging in open discussion on how to surmount obstacles to cross-sector decision-making. Nevertheless, experience shows that various types of partner organisations are prepared to invest in a partnership when it can help them achieve their goals. This is reflected by examples of partnerships in which the operating costs have been entirely financed by the local partners, *e.g.* municipalities and public service offices.

30. The strategic framework for partnerships should *enable public service officers and local officials to achieve their policy objectives* through participation in defining and implementing the partnership strategy. More particularly, strategies designed by partnerships should ensure consistency of objectives across levels of governance, and seek to consolidate those that are common to groups of local partners, such as neighbouring municipalities (see Box 4). This will encourage them to use the partnership as a tool to improve the quality of their own actions locally, and, in turn, stimulate wider participation and mobilisation.

#### **Box 4. Spatial consistency of objectives: the Tyrol example**

Spatial consistency of objectives can be illustrated by an example of objectives pursued across levels of organisation. In Tyrol (Austria), the regional government has integrated in its regional development strategy the objectives formulated by a partnership bringing together three districts at sub-regional level and inspired by the situation found at municipal level. The objective of “strengthening the local supply chain” is consistently referred to in the economic strategy designed at each of four different levels: (i) the Land of Tyrol, (ii) the partnership of the region of Tiroler Oberland und Außerfern which covers a part of the Land, (iii) the district (Imst) covered by that partnership, and (iv) in one of the municipalities located in that district, Tarrenz.

Spatial consistency of objectives has thus promoted a bottom-up approach in policy design, and reduced the risk of inconsistency between economic development actions carried out across levels. It stimulates co-operation and commitment across administrative levels to the extent where activities executed at a given level help achieve goals at others. From a geographical perspective, this increases horizontal co-operation, as other areas may become more aware of the objectives pursued by their neighbours, due to consolidation and greater visibility, and identify them as relevant for their own area. Neighbouring areas are then given the opportunity to assess whether the work of partnerships has had any impact on the design of government policies at higher administrative levels. In Tyrol, districts not covered by the partnership have asked to implement some of the projects carried out in Oberland und Außerfern.

Source: OECD (2001a)

#### ***iii) Strengthen the accountability framework for partnerships***

31. Joint co-operative actions may be accompanied by a *blurred distribution of responsibility*, providing partners with incentives to claim responsibility for positive results while ignoring failures. Various other ways to undermine the accountability of partnerships have also been identified: an uneven degree of participation by partner organisations, *ad hoc* representation of their delegates, absence of mandates guiding delegates’ action, and weak reporting mechanisms. Weaknesses in the accountability framework harm commitment from those institutions most responsible, such as the public services ultimately accountable to parliament, and elected municipal officials. Strong accountability is a prerequisite for effectiveness in policy co-ordination and legitimacy of resource-allocation decisions.

32. To strengthen the accountability of partnerships, partners from all sectors (public services, social partners, non-government) should have a *clear policy on the issues addressed by the partnerships*. They should, accordingly, define mandates and reporting mechanisms for their delegates. Partners should agree on appropriate representation mechanisms for each sector, and on a clear distribution of responsibility when public programmes are implemented with the partnership’s involvement. They should seek to separate the functions of strategic planning and project appraisal involving public funds to avoid conflicts of interest (see Box 5).

### **Box 5. Separating the partnership functions in Italy**

Some countries have separated the tasks of strategic planning and appraising projects. In Italy, neither the board of directors nor the working groups of partnerships (territorial pacts) are involved in the approval of projects and the allocation of funds. The board agrees on a number of strategic objectives and on a series of criteria for the selection of projects to support. Through a tendering procedure, an accredited bank receives the proposals, ranks the different projects following the criteria and selects a number of projects depending on the funds available.

This separation of responsibilities is conducive to good governance. Public accountability is enhanced as the beneficiaries of the projects selected are not involved in the approval of projects, limiting the scope for conflicts of interests. Cohesion among partners improves, because the board is not responsible for finding agreement on competing proposals; moreover, they are allowed to propose projects themselves through the tendering procedure, and this helps sustain their commitment. In addition, greater division of labour promotes greater efficiency in management. It can be argued that, with business projects analysed by financial institutions, the right skills are used for the right tasks.

Source: OECD (2001a)

#### ***iv) Provide flexibility in the management of public programmes***

33. In light of the partnerships' strengthened accountability framework, the degree of flexibility provided in the management of policies related to the goals assigned to partnerships may be revised to meet the growing needs of local public service offices. Insufficient flexibility provided in public management may limit the scope of the benefits that local officers can reap from working in partnership, preventing them from translating their participation in the definition of a local joint strategy into concrete involvement in its implementation. Furthermore, a weak capacity to respond to local priorities by public services, social partners and local governments undermines the scope for fully co-operative relationships within partnerships to the extent that it may convey incentives to partnerships to develop their own measures involving service delivery. *Partnerships should be involved in the targeting of public programmes related to common goals, while the main responsibility for implementation should remain with public services.*

### **Conclusion**

34. The work undertaken by the LEED Committee confirms that partnerships are a good tool for improving governance. Partnerships allow for the integrated, or "holistic", approach to policy development, which is so often advocated as a way to achieve social cohesion and sustainable development (see for instance OECD, 2001b). In gathering within a same structure the relevant partners from the public, private and civil-society sectors, partnerships add information to decision-making processes, increase the appropriateness of implementation of government policy and co-ordinate with it actions of other actors. Partnership promotes modern public management methods based on contracting relationships and empower local stakeholders in the implementation of more lasting solutions.

35. Partnerships have also proved useful in helping public services improve the effectiveness of the programmes they implement: partnerships *stimulate the use of measures* that correspond to shared priorities; they help *adapt programmes to local needs* and conditions, taking advantage of the knowledge

of the various partners on the local problems and target groups; and they identify and *draw on synergies between government programmes and local initiatives that can enhance their mutual impact*. Partnerships do not generate costs as such: they are a way of working, a tool that can be used by the various partners to improve the effectiveness of their actions.

36. However, as the work clearly shows, *it is not because government sets up a network of partnerships throughout the country that better co-ordination of actions will necessarily occur*. The effectiveness of partnerships is harmed by inconsistencies in the national policy framework, a narrow approach to policy implementation and failures in accountability. Further adjustments are needed in the policy management frameworks of the different partners to improve governance and the appropriateness of collective actions. To this end, the LEED Committee proposes the *Strategy to Improve Governance through Partnerships* presented in this note.

37. The Strategy is designed to make more effective the ways society collectively solves its problems and meets its needs. It should be part of broader government initiatives to reconcile economic competitiveness, social cohesion and environmental progress.

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