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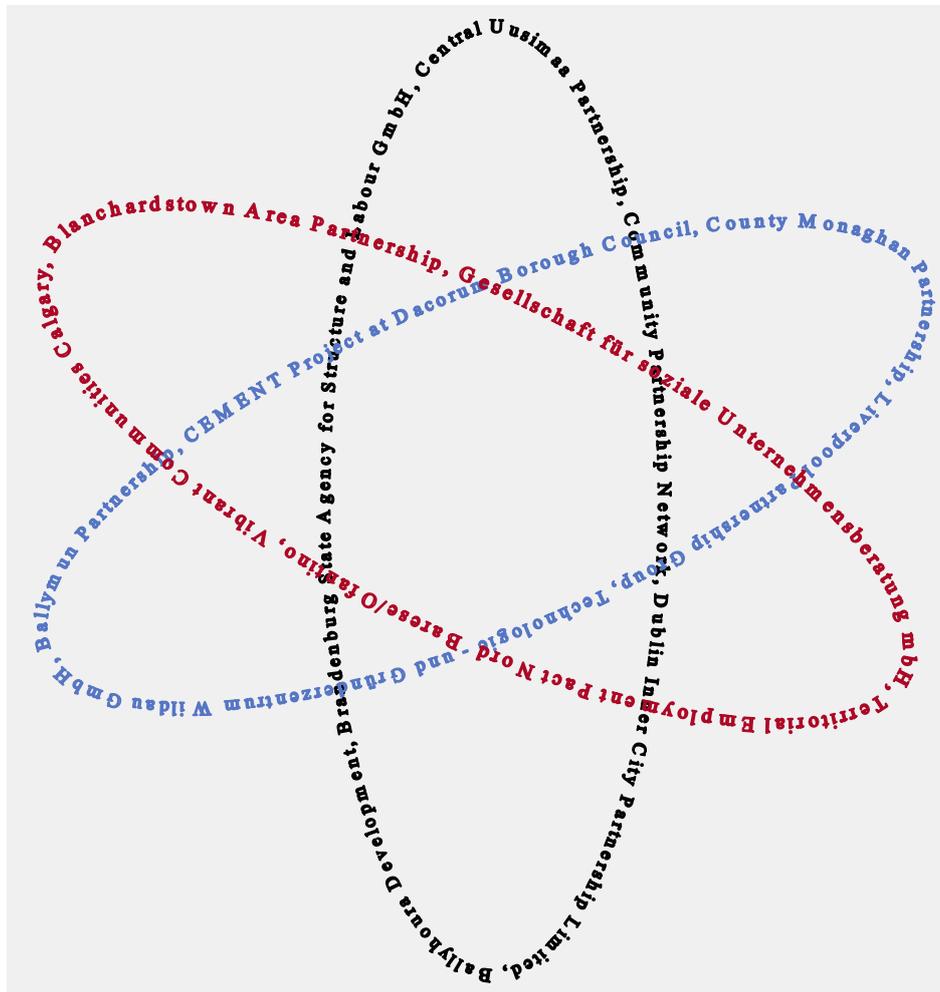Development

Local Economic and Employment Development
Programme

OECD LEED **forum** on
**partnerships and
local governance**

ENHANCING THE CAPACITY OF PARTNERSHIPS
TO INFLUENCE POLICY

SEMINAR MATERIAL

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INTRODUCTION

Are partnerships a "black box" in the process of improving governance or a tool for influencing public policy? A simple answer to this question would be that partnerships can be both. Partnerships are often perceived as "black boxes" with visible inputs and outputs, but no clear mechanism for transforming the former into the latter. However, they are increasingly aiming to play a more active role in both the delivery and design of policy. Partnerships attempt with their work to tailor policies to local needs and to ensure in turn an effective delivery of policy and programmes developed at a higher tier. Often the work of partnerships runs along given policy goals and objectives.

However, it seems that more and more partnerships across the OECD member countries, mainly those with a rich track record of community engagement and communication with government partners, are becoming interested in influencing the establishment of policy goals and objectives. Such partnerships thus endeavour to become an integral part of both policy design and delivery processes at local, but also at national levels. Previous OECD LEED research has identified a series of mechanisms through which partnerships can impact on the design and delivery of public policy, including: fostering co-operation across organisations, assessing the coherence of the various actions conducted and proposing ways to improve this, conducting strategic planning exercises aimed at setting common objectives in order to better achieve policy goals, and implementing local strategies through for example, proposing or appraising projects, designing specific measures and delivering services.

Building partnership that can genuinely feed into the policy design process, influencing the way policies and programmes are implemented in the region, is a difficult task. To build a solid strategic capacity, significant efforts must be made. Partnerships must acquire a critical mass through ensuring the commitment of the main public services and government agencies concerned; a strong participation from business; and an unchallenged representation from civil society. Public accountability and transparency must be exemplary, and performances monitored and assessed properly. Partnerships must build a strong analytical capacity and have access to critical information. Thus the capacity of partnerships to influence policy raises a number of organisational issues related to the establishment of partnerships, and their role and legitimate position in the policy development process.

The OECD LEED Forum on Partnerships and Local Governance, created in 2004 with the support of the Austrian Federal Ministry of Economy and Labour. Representatives, developed a new series of capacity building activities to open an international debate and exchange of experience around mechanisms for influencing public policy, principle interests of partnerships and their rationales, underlying policy frameworks, and the potential contributions and added values resulting from partnerships involvement in policy design and delivery.

Two forum capacity building events on "Enhancing the Capacity of Partnerships to Influence Policy" were held by the OECD LEED Programme through its Trento Centre for Local Development in close co-operation with the Forum office unit at the Centre for Social Innovation (ZSI) in Vienna Austria. The seminar in Vienna, Austria (5-7 December 2006) and the seminar in Dublin, Ireland (16-18 April 2007) were important stock-taking exercises that highlighted previous experiences, and future ambitions, in relation to the influence of public policy.

Representatives from local partnership organisations, brining together eight different OECD countries, met twice for two and a half days to engage in a debate and intensive exchange of experience around the "Why", the "What" and the "How" of influencing public policy. Both seminars emphasised that for partnerships, feeding into the policy design process, and influencing the ways policies and programmes are implemented at the local level must be established as long-term objectives. Achieving such objectives requires the ability to outreach to different levels of governance, and to build legitimacy and relations of trust with other actors. Securing the latter may require achieving and maintaining a "critical mass" through ensuring the commitment of the main public services and government agencies concerned; a strong participation from business; and an unchallenged representation from civil society. In addition, the partnership's public accountability and transparency must be exemplary, and its performance properly assessed and monitored. Partnerships must build a strong analytical capacity and they must both have access to and generate critical information.

This is a report of two seminars and it provides an overview of the presentations made and the overall discussion. With their short papers, Mike Geddes, Professorial Fellow at the Local Government Centre, University of Warwick (United Kingdom) and David J. A. Douglas, Professor of Rural Planning and Development at the School of Environmental Design and Rural Development, University of Guelph (Canada) outline in part 1 and part 2 of this report key issues and developments in local governance. In a third part of this report the Vienna Action Statement on Partnerships is presented. The Action Statement was prepared by a Committee of Experts, comprised of selected partnerships practitioners from different OECD countries. It was presented at the 3rd Annual Meeting of the OECD LEED Forum on Partnerships and Local Governance on 1-2 March 2007 in Vienna, Austria. The Action Statement brought together the discussions held at the December seminar in Vienna, Austria and provided an input for the continued debate on the contribution of partnerships to policy and the implications for governments and partnerships at the April seminar in Dublin, Ireland.

PART I: PARTNERSHIPS MAKING POLICY

by Mike Geddes, University of Warwick, United Kingdom

There are two contrasting perspectives on the role of local partnerships in relation to policy development and implementation. Traditionally, local partnerships have often been seen as a delivery mechanism for national and international policy programmes in a hierarchical, top down model of policy. The alternative perspective, however, is of multi-level governance arrangements in which local partnerships contribute to both delivery and policy development in a process which is bottom up as much as top down.

In many cases of course, the role of local partnerships lies somewhere between these two poles. The purpose of the two seminars organised in Vienna, Austria and Dublin, Ireland within the framework of the OECD LEED Forum on Partnerships and Local Governance is to explore the scope for partnerships to enhance their contribution to the second, 'multi-level governance', model. The debates showed showed how local partnerships are now not only delivery vehicles for European and national policies, but are increasingly making valuable contributions to the policy development process. The scope for partnerships to enhance their contribution to a 'multi-level governance' model have been explored by looking at:

- "Why" local partnerships may want to influence policy

- "What" dimensions of policy it may be important to influence

- "How" influence can be exerted effectively.

The chapter illustrates some of the issues identified by reference to the different partnerships participating in the seminars. In addition references to two kinds of local partnership in England – Local Strategic Partnerships and New Deal for Communities partnerships. The table summarises key characteristics of *LSPs* and *NDC*s are added.

Why do local partnerships want to influence policy?

Local partnerships may want to influence policy for several reasons:

- Because current policies – of national government for example - appear to prevent or constrain local partnerships from achieving their objectives and targets

- Because policies pay insufficient recognition to variations in local circumstances, needs and opportunities

- Because local partnerships have developed good practice, which has been tested on the ground, and know from practical experience what works and what does not.

During the workshop several partnerships gave examples of their reasons for wanting to influence policy. The *Vibrant Communities Calgary Partnership, Canada* is concerned with poverty alleviation, and

sees influencing policy as a major objective because existing policies of government agencies are neither systematic nor systemic. Existing policies do not address the root causes of poverty, and a more holistic policy approach is needed. The *Territorial Employment Pact Berlin-Neukölln, Germany*, as a local alliance for economic development and employment, recognizes that acting locally has to be supported by all levels of governance, and this can need policy change. The *Styrian Employment Pact, Austria* sees the need to 'anchor' employment policy in other policy areas at provincial level, in order to mainstream employment objectives across a number of policy domains. The Ballyhoura partnership, *Ballyhoura Development Ltd, Ireland*, operating in a rural area, needs to influence policy to ensure that national policies have rural issues on the agenda and that such policies are 'rural proofed' at the development stage. In England, some *Local Strategic Partnerships* (*LSPs*) want to influence the policies of the UK government which set the parameters for the remits, responsibilities and resources of *LSPs*, and have contributed to a recent consultation exercise organized by government prior to the publication of new guidelines for *LSPs*.

A further question is whether there is seen to be a specific role for local partnerships in influencing policy (as distinct from a similar role for other local agencies and interests). In this respect, it is clear that local partnerships do consider that they have a unique contribution to make to policy because they bring together a number of local partners and so can speak more authoritatively not only on local issues but on wider policies affecting their area. In this sense, they have a legitimacy which other actors in the public policy field do not.

It should be noted however that not all local partnerships appear to want to influence policy – some appear content with a 'delivery' role, or at least have not found the time to think about a wider role. Moreover, it may take time for a partnership to be well established and 'mature' enough to take on the task of seeking to influence policy.

Some *LSPs* want to influence the policies of the UK government which set the parameters for the remits, responsibilities and resources of *LSPs*, and have contributed to a recent consultation exercise organized by government prior to the publication of new guidelines for *LSPs*. For example, some *LSPs* would like to see more pressure placed on local agencies to respond to the local targets of the LSP as well as national targets.

NDC partnerships want to influence local policy makers because they have developed new approaches to the regeneration of deprived neighbourhoods and want local service providers to adopt these in their mainstream service delivery programmes.

What aspects of policies do local partnerships want to influence?

There are a number of possible dimensions to 'influencing policy'. The first of these is the spatial level of policy which a partnership may want to influence:

Influencing the policies of local partners/agencies.

For many local partnerships this is more important than influencing national policy, as the partnership' success is likely to depend primarily on the extent to which local actors are willing to support the priorities of the partnership. Depending on the remit of the partnership, it may be more or less important to influence the policies of public agencies or private sector partners (as opposed to funding them to deliver specific outcomes).

The *Central Uusimaa Partnership, Finland*, aims to create joint responsibility and more positive attitudes among local partners to support employment. This means influencing the policies of both public agencies and businesses. In Italy, the *Territorial Employment Pact Nord Barese Ofantino* has sought to

influence local institutions and policies because of the perceived need for a new approach to local governance to ensure a more strategic focus on local development and employment.

In England, the focus of both *LSPs* and *NDC* partnerships is primarily on 'bending' local mainstream public services to better meet partnership strategic objectives. However this is still often an aspiration rather than a reality. It can be even more difficult still to influence the policies of private sector partners.

Influencing regional and national policies.

There are at least two kinds of regional and national policies which local partnerships may want to influence:

- Policies of 'parent' departments which set the rules by which a local partnership operates; and,

- Policies of agencies which are important to the outcomes which a local partnership is trying to achieve.

Evidence in the past has suggested that local partnerships quite often influence national policies at the margins, and in specific details of policy implementation, but there are fewer examples of broader or more systemic influence on policy development. National and regional government departments can often seem to give more priority to meeting their own targets than to representations from the local level. As one participant in the workshop said, national governments may not see the added value of engaging with local partnerships on policy issues, while provincial or regional governments and agencies may be afraid of losing power. However, the workshop suggested that examples are now emerging of significant interventions by local partnerships.

The *Territorial Employment Pact Lower Austria* focuses on encouraging regional partners to pool resources and work together on projects to get better value for money from partners' policies by joining them up more effectively. All six *Austrian TEPs* have joined together in a highly innovative way to develop a Green Paper proposing new policies for the elderly, with implications for national as well as provincial and regional tiers of government. They saw the need to take co-ordinated action because of the need to review policies for the elderly in a way which cut across traditional policy making processes. The *Dublin Inner City Partnership* takes the view that the voices of the communities it represents should be heard by both national politicians and civil servants on policy issues such as local development and inner city regeneration.

Both *LSPs* and *NDC*s want to influence the policies of Regional Development Agencies as these are crucial in determining the pattern of public investment in economic development. In some regions RDAs are responsive to this, but in others RDAs have created alternative arrangements at local level and do not want to work too closely with *LSPs* and *NDC*s.

Influencing EU policies.

Again it has often been the case that influence by local partnerships over EU policies is marginal. One major reason for this may be that many local partnerships have a lifespan limited by a particular programme, and are oriented towards one programme - there are relatively few mechanisms for real influence and learning across programmes. So partnerships which are not tied to specific national/EU programmes may be of particular interest.

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However, partnerships participating in the workshop recognized the importance of influencing EU policies. The *Berlin Neukölln TEP* argues that it is extremely important for local partnerships to exert influence on the EU to ensure that new policies continue to recognize the importance of local partnership.

At the same time, there can be different aspects of policy which partnerships want to influence:

- delivery of **existing** policy,

- development of **new** policy/programmes

- **resource allocation**, especially public expenditure

- **content** of policy;

- **processes** through which policy are made, ie the relationships between partnerships and policy makers.

The *Ballyhoura partnership in Ireland* is concerned to influence both existing an new policies to ensure that they meet the needs of rural areas such as that served by the partnership. The partnership's goals include securing specifically rural-oriented policies to the flexible implementation of universal policies to influencing resource allocation, for example to improve rural infrastructure. The *Austrian TEP* intervention on policies for the elderly has seen partnerships lead the development of new policy. The *Vibrant Communities Calgary* partnership has worked with local and provincial government on both the development and implementation of a range of policies, from discounted transport and employment standards to policies for a living wage and assured income for the severely handicapped. Similarly the *Central Uusimaa Partnership* in Finland seeks to act as an 'umbrella' to co-ordinate ongoing policies by developing new models of co-operation among local partners to support employment and the fight against exclusion. The *Dublin Inner City Partnership* takes the view that influencing the content of policy to better meet the needs of local residents is also likely to influence the process of policy making, and recognizes that this may mean conflict with government over certain issues.

In England, NDC partnerships would like to influence the existing national programme which they deliver, in particular perhaps to allow them greater autonomy in the way in which they deliver their strategy locally and to reduce the extent of the audit and inspection activity carried out by central government. They are also concerned to ensure that resources originally allocated to the programme are not reduced over time as government develops different priorities. An important issue is the position of government's regional offices which have a dual role, acting both in an audit and management capacity and providing advice and support to local NDC partnerships.

How can local partnerships exert influence on policy?

There would appear to be a number of options open to local partnerships wanting to exert influence on policy makers.

Perhaps the principal means of exerting influence is by means of effective networking and exploitation of the channels of communication which exist within multi-level governance systems. However, to exploit these channels effectively, local partnerships need to be able to be sure about their local legitimacy, and also need sufficient capacity/capability. This means that partnerships may need to develop their organizational capacity to ensure that they can call on staff with sufficient skills and experience to engage effectively with policy makers.

For example, some of the Local Strategic Partnerships in England are setting up a national network to have more influence on national policy but so far it is not clear if they have the capacity to do so - most are too busy dealing with the many demands from government.

Other mechanisms may also be important, including:

- Mechanisms for horizontal collaboration between local partnerships to ensure that there is broad support for policy proposals

- Possibilities for exchange of staff between partnerships and policy units in regional/national governments;

- Regular meetings between partnerships and policy makers in which the two meet as equals (as opposed to government/EU mechanisms and meetings to manage and monitor partnerships).

- Development of protocols to govern partnerships' relationships with external bodies to improve their ability to influence their policies.

In developing the Green Paper for the Elderly, the *Austrian TEPs* were able to draw on the strength that came from the participation of all the TEPs in the country – but it was necessary to continually work to maintain this unity (horizontal partnership). The *Central Uusimaa partnership* has developed a number of innovative modes of networking. These include the presence on the local partnership board of several individuals with national reputations and connections, who can act on behalf of the partnership if need be. The partnership also reconises the time and effort which needs to be given to networking, and the skills and organizational culture within the partnership which are important in promoting effective networking. The *Styrian TEP* has developed the partnership at two levels – provincial and regional – in order to exert influence more effectively on both the development and delivery of employment policies. The *Dublin Inner City Partnership* sees its role as one of advocacy on behalf of its local community, a function which ranges from lobbying prominent politicians to mobilizing the community. One aspect of its work has been to draw up a protocol to help manage the sometimes conflictual relationship between the local authority and community groups represented in the partnership. A group of *LSPs* in England similarly developed a protocol to help ensure that Regional Development Agencies and other regional agencies worked more closely with them. The *TEP Berlin Neukölln* emphasizes the importance of networking across the tiers of multi-level governance, from the European to the local level, and the importance of the multi-level brokering role which this implies. The *TEP Nord Barese Ofantino* has established a group of new agencies at local level with the aim of stimulating existing local institutions to recognize the new approach to local development necessitated in the current context of globalization and intensified competitiveness between countries, regions and localities.

Some conclusions

Local partnerships are showing the contribution they can make to developing as well as delivering economic and social policies. In so doing, they are strengthening the policy process. They are demonstrating how, without having to resort to expensive and wholesale restructuring of institutions, policy can become more responsive to the needs of users and communities. Local partnerships can bring a bottom-up dimension to the policy process, helping to ensure that national policies 'reach the parts that other mechanisms cannot reach'. Partnership involvement, because of the way in which they engage many stakeholders, can facilitate cross-cutting perspectives, and thus help bridge gaps which can exist between the policies of individual agencies.

Nonetheless, the impact of local partnerships on policy is still fragile and far from universal. The workshop showed that it is the more mature partnerships, and especially those which have been able to extend their lifespan beyond specific programme funding, and in the process reconsider their remits and their requirements from policy, which have been making the running. It will be important to extend the experience accumulated by relatively few partnerships to many more. This raises questions which will need to be addressed about the transferability and 'scaling up' of good practice.

Secondly, influencing policy still often happens in an ad hoc way. It may be valuable to understand what more considered strategies for policy influence might look like, drawing on the experience of those partnerships which have attempted this or are interested in doing so.

Thirdly, it is clearly much easier for local partnerships to influence policy if there is a receptive culture among policy makers in regional, national and supra-national government institutions. Putting it slightly differently, if the value of local partnerships' input to policy making is accepted, there are implications for government as well as for partnerships themselves. These include:

- the need for government to ensure that the channels of communication within multi-level governance arrangements are open to inputs from the bottom up;

- to recognize the need for the policy process to recognize local diversity and the value of evidence from practice

- the importance of units within government which promote two-way dialogue between partnerships and government.

Thus the issues discussed in the workshop need to be the subject of ongoing dialogue, not only among local partnerships but between partnerships and policy makers in government.

PART II: PARTNERSHIPS INFLUENCING POLICY IN RURAL CONTEXTS

by David J.A. Douglas, University of Guelph, Canada

Introduction

Partnerships have emerged as one of the central organizational and implementation mechanisms in development over the last two decades. These collaborative mechanisms, in all their great diversity, have led to a voluminous literature and a lively debate on their role and relevance.[1] Their potentials have been recognized by the Organization for Economic Co-operation and Development (OECD), and other international development organizations (e.g. UNDP). The OECD instituted the *OECD LEED Forum on Partnerships and Local Governance* as an international network in 2004 to facilitate the exchange of information and encourage the capacity development of local partnerships.[2] In March 2007 the *Vienna Action Statement on Partnerships* was released. In addressing the evolving role of partnerships it was concluded that " …more and more partnerships across the OECD are now seeking to play a broader role, influencing the development of policy itself."[3] On the basis of the potential value added to the policy development process by local partnerships a series of actions were recommended. The fifth action recommendation proposed that governments and partnerships work together to "build the capacities of local, regional and national stakeholders to work effectively in partnership …".

With reference to the baseline question as to whether local partnerships have any role to play in the policy process, before one considers any questions relating to capacity building for this role, there is evidence of a growing consensus here.

> "[…] it is clear that local partnerships do consider that they have a unique contribution to make to policy because they bring together a number of local partners and so can speak more authoritatively on local issues and on wider policies affecting their areas. In this sense, they have a legitimacy which other actors in the public policy field do not."[4]

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1. E.g. O'Keeffe, B. and Douglas, David J.A (2007), *Rural Development and the Regional Construct: A Comparative Analysis of the Newfoundland & Labrador and Ireland Contexts*, forthcoming. Sabel, C. (1996), *Ireland: Local Partnerships and Social Innovation*, OECD, Paris. Geddes, M. (1998), *Local Partnerships: A Successful Strategy for Social Inclusion?* European Foundation for the Improvement of Living and Working Conditions, Dublin. Westholm, E., Moseley, M. and Stenlas, N. (1999), *Local Partnerships and Rural Development in Europe*, Dalarna Research Institute, Dalarna. Hughes, J. *et al.* (1998), *Partnership Governance in Northrn Ireland,* Oak Tree Press, Dublin. Huillet, Christian and Pieter Van Dijk (1990), *Partnerships for Rural Development*, OECD, Paris. Förschner, M. and Members of the LEED Forum for Partnerships and Local Governance (2006), *Successful Partnerships: A Guide*, OECD, Vienna Office of the Forum.

2. OECD LEED (2006), *Vienna Action Statement on Partnerships*, OECD, Paris.

3. Ibid. 2.

4. OECD LEED (2007), *Partnerships: a "Black Box" in the Process of Improving Governance or a Tool for Influencing Public Policy?* OECD LEED, Paris.

This short paper is designed to critically address the issues and challenges associated with local and regional partnerships, in *rura*l contexts, particularly the challenges they share with other partnerships in terms of capacity development as prospective participants in policy design. It will selectively draw upon a sample of presentations on this general topic from the OECD LEED Seminar in Dublin, April 18-20, 2007, *Enhancing the Capacity of Partnerships to Influence Policy*, and supplement these with a small set of observations from the Canadian experience.

Partnerships: re-visiting some key characteristics

We will not get into the questions of definitions and the conceptual scoping of partnerships as socioeconomic entities here. These are addressed with varying degrees of success in a diverse literature. [5] However, in the context of rural partnerships and the challenges of effective participation in the policy design process, there are a number of salient characteristics of partnerships that are worth re-visiting here. Inevitably we will generalize across a considerable spectrum of organizational and practice characteristics that exist on the ground.

The systemic characteristic of diversity has already been noted. This should not be dismissed as an innocuous assertion without implications. There are more rural places than urban places (however defined). And notwithstanding the diversity of inner-city, neighbourhood and other partnerships that are to be found in complex metropolitan contexts, the contextual diversity of rural communities from Hokkaido to Okinawa, from Alto Adige to Bascilicata, from Donegal to Wexford, or from the Artic shorelines of Nunavut to the vineyards of Niagara, are immense. National and even regional initiatives in capacity development, yet alone involvement in policy design, are extremely challenging in the context of this staggering diversity. This diversity is evident not only on the basis of physiographic, climate and other physical conditions, and the characteristics of the local economy (e.g. resource dependent, diversified, growing/stagnant), but on the varied development histories of the rural communities, the balance between longer term programme experiences versus on again, off again project experiences in the communities and locales, and the degree to which the development culture has been more endogenously as against exogenously determined.

Another characteristic worth recalling is the fact that the notion of "partnership" or "partnering" is very often (at best) imprecise, and contextually blends with expressions of and subscriptions to notions of collaboration or co-operation, or more loosely with sentiments of instrumental association. While some degree of precision and stability may be achieved when partnerships are formalized and/or underpinned by a funded programme (e.g. LEADER, Community Futures), the balance between entitlements and obligations, authority and responsibility, informal and formalized contractual modalities, and other facets of partnerships are important characteristics of these socioeconomic (and political) organizations.

We can easily assume that all or most partnerships are configured to implement development projects such as the design and delivery of a small business development project, or a labour force re-training programme. But in reality their foci or the distribution of their activities range across a spectrum from acting as area, interest group or sectoral advocates, to facilitators of the development process (e.g. as *animateur*), to more active expeditors of the projects and process (e.g. a strong brokerage role), on to a more hands-on, direct role of concrete implementation and execution. The degree to which these characteristics prevail, over time, are strategically important facets of partnerships.

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5.   E.g. Moseley, Malcolm J. (2003), *Rural Development: Principles and Practice*, Sage Publications, London. Walsh, J. and Meldon, J. (eds.) (2004), *Partnerships for Effective Local Development*, Université Libre de Bruxelles, Charleroi. Torjma, S. (1998), *Partnerships: The Good, the Bad and the Uncertain*, The Caledon Institute of Social Policy, Ottawa.

Local and regional partnerships, by definition, are place-based and operate within spatially configured social, cultural, economic and political relationships. They are necessarily territorial entities. But while the spatial dimension of development receives formal recognition at the macro and regional scales,[6] the spatial dimension of local development partnerships is easily forgotten. There are exceptions,[7] but in the context of capacity building and engaging more formally in the policy design process, this characteristic becomes all the more important.

The very concept of partnership, in all its diversity of practice is inextricably tied to the central concepts of social capital and governance. We will re-visit these core concepts later. Suffice here to emphasize that partnerships, and perhaps especially local partnerships, are characterized by the accumulation, maintenance and sometimes the consumption of different types of social capital. Trust and relationships of reciprocity can be extremely important underpinnings of the partnership. Likewise, the instrumental processes of governance, characterized as they are by negotiated shared power arrangements, uncertain power and resource boundaries, and roles of learned expediencies for government, are centrally important in the operations of many partnerships.

Partnerships, especially at the local level, typically exemplify the well known tensions between short term, practical and concrete projects, and longer term, often less tangible structural developments. These tensions are as often as not compounded by tensions between development agendas and modes that attempt a dynamic balance between process and product. The viability, the credibility and indeed the legitimacy of locally-based partnerships pivot on the resolution of these tensions. They are fundamental characteristics of these organizations.

A final characteristic worth highlighting here relates to the question of institutionalization. Partnerships, at various levels, have become part of the mainstream development process in most OECD countries, and beyond.[8] With this come programme and project management as well as other expectations relating to performance criteria covering economy, efficiency, effectiveness and equity. Again, with varying degrees of comfort and acceptance, partnerships have adopted many of the trappings of public corporate behaviours in terms of operations and organization. Balancing indigenous process and a culturally acceptable modus operandi with, largely externally, prescribed practices (e.g. monitoring and evaluation) is an important characteristic of many locally-based partnerships. Any investments in the design of capacity building processes, and their implementation, will have to address this reality.

Summary

This is no more than a sampling, and far from an unbiased sampling of some salient characteristics of local and regional partnerships. The central point to be made is that while we inevitably generalize about the predominate characteristics of partnerships, the fact that we are addressing rural, area-based and local partnerships that are primarily organized to engage in the development process, brings along with it some key characteristics. These pose very significant challenges when we think about enhancing or otherwise building the partnership's capacity (however defined). And they directly influence the opportunities and challenges before us when we link this capacity building to the agenda of expanding the local partnership's participation in the policy design process.

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6.   Faludi, A. (ed.) (2002), *European Spatial Planning*, Lincoln Institute of Land Policy, Cambridge, Mass.

7.   O'Keeffe, B. and Douglas, David J.A, (2007), op. c.t. n. 1.

8.   Walsh, J. and Meldon, J. (2004), op. c.t. n. 5.

Contributions to policy design: prospective opportunities and challenges

Bearing these and other relevant characteristics in mind, one might ask what are the particular opportunities and challenges before rural local partnerships in terms of active engagement in policy design. To attempt a response here one has to address three interrelated concepts that are pivotal. They are social capital, governance and the question of rurality. We will address the first two of these here, and deal with the larger questions around rurality and associated issues of rural restructuring in some more detail in the next section.

Social Capital

Social capital is a useful concept to encapsulate a variety of relationships within communities that serve to engender, store and use trust to achieve a variety of ends, some of them routine and maintenance in nature, some of them developmental.[9] This trust allows for and in turn is fueled by reciprocities, both in terms of actual actions and in expectations and entitlements. We speak of bonding social capital within the community and among community groups that facilitates the day-to-day functioning of the community. It provides, at once the glue that ensures adequate cohesion in the community and some predictability in social relations, while at the same time it lubricates collaborations and other activities. We also speak of bridging social capital to include those reciprocal relationships of trust developed between the community and other communities, and external agencies. These allow for less routine and often strategic collaborations and joint ventures that the community requires from time to time.

The relevance of social capital is immediately apparent when one thinks of the design and construction of partnerships, within or between the community and others, and the challenges of partnership maintenance and development over time. The depth and complexity of a community's social capital, and the degree to which previous collaborations and similar investments have engendered significant degrees of bridging social capital, will all influence a community's ability to engage in partnerships arrangements.

Governance

The overlapping concept of governance is also directly relevant to the challenges and opportunities we associate with partnerships, especially partnership capacity development in rural contexts. While still a nascent concept, the notion of governance addresses the realities of shared power contexts, where practical and often novel organizational arrangements are put in place by collaborating agencies and interests in order to get things done.[10] Going well beyond conventional concepts of government and even tiered relationships between governments, this concept tries to make sense of the actual instrumental multi-party organizations and networks that are configured to move from conventional and legitimate "power over" conditions, to collective "power to" conditions that can only be brought about through collaborative resources pooling and other joint initiatives. Involving civil society, the private sector, central, regional and local government agencies, and others, these context specific and often issue specific collaborations are usually characterized by blurred boundaries of authority and responsibility. The fluidity and flexibility of these customized collaborations, and the letting go of legitimated powers balanced by the augmentation of collective, pooled powers conveys agency to these governance structures.

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9.   Putnam, R. D. (1993), *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press, Princeton. Wall, E., Ferrazzi, G. and Schryer, F. (1998), *"Getting the Goods on Social Capita."*, Rural Sociology. Vol.63, No.2. pp.300-322.

10.   Stoker, G. (1998), *Governance as Theory: Five Propositions*. Blackwell, UNESCO, Oxford. Welch, R. (2002), *"Legitimacy of Rural Local Government in the New Governance Environment"*, Journal of Rural Studies. Vol.18, No.4. pp. 443-449.

This concept redounds directly on the challenges and opportunities one associates with rural local development partnerships, especially on the issues surrounding capacity building. This is even more so the case when one addresses the specific challenges associated with capacity building for effective participation in the policy design process - for here power is pivotal, and unabashedly in play. And some of the received and exercised legitimacy of power and authority of central governments in the realm of public policy is let go, and some of the "power with" of organized civil society is shared with government, and the private sector, which in turn pools some of its market legitimacy and other resources. On the one hand, to access the upper echelons of power, locally based partnerships have a real stake in governance arrangements. On the other hand, to legitimate central government agendas, to inform that agenda and ensure its efficacy at the local and regional levels, and to garner the support of programme and project participants on the ground, central government and its agencies also have a real stake in governance arrangements.

Summary

To summarize here, the social capital that exists within, and is available to a rural local partnerships and the nature of the governance organizations in place, as well as the record of governance-type relations that have developed over time within a partnership, will all influence the capacity building potentials of these partnerships. And this is especially the case when we are addressing a local partnership's capacity to play a meaningful role in policy identification, design, development and delivery. Social capital provides a variety of resources, notably trust, that have both horizontal (e.g. inter-community) and vertical (e.g. local-to-central government) dimensions. The stock, depth and breadth of social capital can, therefore, be a significant resource for coalition building and leverage from the "bottom" up, while at the same time it provides the seedbed for nurturing local capacity. Compounding potentials here, a positive record of innovation and multi-stakeholder collaborations that characterize governance-type arrangements, will further augment the local partnership's abilities to enhance its capacity. Of course, the reverse of this also holds. Again, all of this is especially relevant because both the horizontal and the vertical dimensions are important in accessing the domains of policy identification, design, development and delivery.

"Rurality" and rural as an "active ingredient" in the development process

The question of the definition of "rural" entails a disparate literature and a continuing debate, which we will not enter into here.[11] However, what is of particular importance in the present context are the ideas of "rural" as a socially constructed, and a contested entity, and the concept of rural as an active, operational dimension of the development dynamic.

The notion that "rural" is a socially constructed phenomenon, not an objective, scientifically derived universal truth, has all sorts of consequences in the context of local partnership capacity development. This is especially the case when addressing rural partnerships' potential roles in the design and development of policy (in contrast to projects or programmes). Aside from the well worn assertion that rural is much more than agriculture, and the critique of the so-called productivist perspective,[12] we have become much more aware that "rural" means different things to different interests, or constituencies, and that its representation

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11.   E.g. Bollman, Ray D. (ed.) (1992), *Rural and Small Town Canada*, Thompson Educational Publishing, Toronto. Du Plessis, V. *et al.* (2002), *Definitions of Rural*, Statistics Canada, Ottawa. Cloke, P. (2006), *"Conceptualizing Rurality"*, in Cloke, P., Marsden, T. and Patrick H. Mooney. (eds.). Handbook of Rural Studies. London; Sage. Chapter 2.

12.   Van der Ploeg, Jan D. *et al.* (2000), *"Rural Development: From Practices and Policies towards Theeory"*, Sociologia Ruralis. Vol.40, No.4. pp. 391-408.

is, therefore, a contested space.[13] Because "rural" can be represented as, for example, a stock of socially valued heritage resources, a feedstock regime for safe drinking water and secure food, an inventory of threatened amenity services (usually without market pricing and paybacks) for urban residents, a valuable opportunity for alternative, affordable residential opportunities, an aesthetic idyll, and a great variety of other things, it is not surprising that this becomes a highly contested arena. The countryside, rural communities and environments across OECD countries are to varying degrees arenas of considerable conflict and increasing complexity. Thus, not only are physical developments such as housing, transportation infrastructure, and shopping centres the scenes of some contest, but the very nature of rurality and what it stands for has become a hotly negotiated issue.[14] It goes without saying that this has a host of implications for rural local partnerships in terms of, for example, their formation, their maintenance and internal cohesion, and their legitimacy and representational integrity. It logically follows that it brings with it all sorts of challenges for local partnership capacity building, most notably capacity building that is designed to enhance their role in the policy identification, design, development and delivery processes.

All of this leads easily to the notion of "rural" being what might be called *an active ingredient* in the development process. Too often rural landscapes and even communities are seen as essentially passive, as the platform *upon* which development takes place. This development, usually externally generated, is essentially implanted on the rural milieu; the autoroutes are built over the countryside, the reservoirs are constructed in the river valleys, the housing estates or commercial centres are built upon former agricultural lands, the urban overspill or reception sites are chosen and developed, the essentially urban-centred regional economic development schemes are designed and variously implemented, and so on. Even local government restructuring is often imposed upon rural communities.[15] Notwithstanding some movement away from the productivist perspective, and at times the presence of vigorous regional development policies (e.g. LEADER in the EU), rural is too often envisaged as a residual, a problematic backwater, and/or a resource hinterland to and for major urban centres (e.g. for water, a commuting labour force, amenities). This is not necessarily entirely an urban sourced shortsightedness; it can as readily emanate from a cyclical sense of victimhood and dependency on the part of rural residents, and/or their spokespersons. The key issue here is that rural is regarded as essentially passive; a reactive depository of some resources and at times too many problems.

Recent re-thinking about the role of place and space in the development dynamic puts this passive perspective in question.[16] This has been reinforced by the work of Storper (1987) and others regarding the essentially differentiating characteristics of place itself, as a unique set of competitive locational attributes. Thus rural places provide a complex of unique resources such as lifestyle opportunities, respite from urban pressures, pools of highly specialized skills (e.g. Emilia Romagna), valued cultural resources (e.g. Gaeltacht areas in Ireland), relatively unspoilt small towns and associated residential choices, perceived increases in personal and family security, enhancements in environment and health, growing diversity of artistic and related opportunities (e.g. festivals, schools, studios), and a growing variety of other

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13.   McDonagh, J. (2001), *Renegotiating Rural Development in Ireland*, Ashgate, Aldershot, England. Woods, M. (1998), *"Advocating Rurality? The Repositioning of Rural Local Government"*, Journal of Rural Studies. Vol.14, No.1. pp.13-26.

14.   Marsden, T. and Murdoch, J. (1998), *"Editorial: The Shifting Nature of Rural Governance and Community Participation"*, Journal of Rural Studies. Vol.14, No.1. pp. 1-4.

15.   Douglas, David J.A. (2005), *"The Restructuring of Local Government in Rural Regions: A Rural Development Perspective"*, Journal of Rural Studies. Vol. 21. No.2. pp. 231-246.

16.   OECD (1993) Co-operative Action Programme on Local Initiatives for Employment Creation. Paris; Background Document for the *Conference, Local Development and Structural Change: A New Perspective on Adjustment and Reform.* OECD LEED Trento Centre, Italy. Crosta, N., Davies, A. and Maguire, K. (2006), *The New Rural Paradigm: Policies and Governance*, OECD, Paris.

opportunities. There are many examples of vibrant expanding rural regions fully engaged in the so-called *New Rural Economy* (e.g. West Cork, Ireland, Prince Edward County, Ontario, Canada). When these developments are combined with (a) a rapidly expanding array of telecommunications choices, serving to cancel out many of the traditional drawbacks of distance, (b) a restructuring economy moving away from the Fordist manufacturing sector and related larger scale production systems towards more flexible, and relatively footloose production systems and the all-pervasive, ubiquitous and now dominant services (mostly information-based) economy, and (c) the increased confluence of lifestyle and livelihood choices, one can envisage a much more socially and politically diverse rural society.

Many of these developments parallel the phenomenon of an ageing population in most OECD countries. They are also associated with some evidence of a re-valuing of place and regional spaces in a globalizing economy and society.[17] Not surprisingly the intersection of this social and political re-valuing of place, both local and regional, and the growing understanding of place itself as being in effect a strategic differentiated factor of production (i.e. a new economic imperative), has led to increased attention to what has come to be called *place-based* development policies and strategies.[18]

Now attaching these developments to the aforementioned growth in governance-type processes and networks, which are instrumentally and strategically configured for the purposes of *agency*, what emerges is a palpably *active* rural society. Place as intrinsically unique, differentiated, and increasingly revivified as an operational variable in the economic calculus conjoins with these societal and political developments to render rural as fundamentally and explicitly *active*. Hence the postulate here which envisages rural as "an active ingredient" in the rural development dynamic, increasingly removed from its former position of passivity.

Designing for and investing in capacity building for rural local partnerships must not only recognize but proactively harness this new reality, the reality of rural as "an active ingredient".

Capacity and policy design: challenges and opportunities for rural local partnerships

We have depicted the policy formulation process as one proceeding from initial identification, design, development and delivery. This is a gross simplification, but a useful generalization of the process.

The *identification* stage involves the articulation of an issue or problem (e.g. core poverty, social exclusion), or perhaps an opportunity (e.g. new markets opening, technological developments). This is rarely a smooth, linear or predictable process as there will often be different views on the presence of a "problem", or the relevance of what has been depicted as an "opportunity". The raising of awareness, the communications process, the emergence of advocates or champions around an issue, the perceived threats to established powers, the protagonists on various sides of any opportunity or problem (e.g. central government agency, human rights groups, small business organizations), and other facets of this phase pose significant challenges for any and all local partnerships. Emergent policies are not sponsored in a vacuum. Indeed, the opposite is the case; they are brought forward and situated in a competitive space. The degree to which the rural local partnership gets to articulate and give voice to their concerns, their priorities and their perspectives pivots around the core issue of power and the strength of the partnership itself. Capacity is, therefore, a central issue here. It is a central issue from the start of the policy process, and especially important in this formative phase.

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17.   Goetz, Edward G. and Clarke, Susan E. (eds.) (1993), *The New Localism*; Sage, Newbury Park. Douglas, David J.A. (2006), *"Rural Regional Development Planning – Governance and Other Challenges in the New EU"*, Studia Regionalia. Vol.18. pp. 112-132.

18.   Ibid. 16.

It is not self-evident among the sample of local partnership case studies presented at the OECD LEED Dublin Seminar, *Enhancing the Capacity of Partnerships to Influence Policy* seminar (April 2007) that there was *ex ante* a significant role for partnerships in the formative identification stage of policy development. While there is much evidence of national and provincial/state policy refinement and adjustment through *ex post facto* feedback processes, following the experiences of various local partnerships, most started off as initiatives couched within pre-set national or similar policies. One example would be the *Lernladen* partnership in Neukölln, Berlin, which was couched within the Federal Ministry of Education and Research's *Learning Regions* policies. Even the relatively radical and systems challenging initiatives of the inner-city local partnership in Dublin (*Dublin Inner City Partnership*, DICP) were initially couched within the overarching and enabling policy milieu of the Irish government's *Programme for Economic and Social Progress* (PESP). Indeed the overarching *Lisbon Agenda* of the EU itself provided a macro-policy context here. The *County Monaghan Partnership* example is one where clear deficiencies in national policies are found at the local rural level, relating to labour market and social exclusion for rural people with disabilities. The thrust of the development agenda here has been to rectify these deficiencies at the local level through the local partnership, which includes State agencies.

The next overlapping phase in the policy process is one where once an issue or opportunity has gained some currency and legitimacy, as well as some advocates, it then moves on to the basic *design* of policy, or more likely policy options. Here, the problem or issue might be couched within an accepted policy framework already in place (e.g. labour force retraining, SME mentoring, rural youth out-migration). Or it might be seen and accepted as a leading edge issue or opportunity that suggests a prototypical policy initiative, and therefore perhaps some demonstration or pilot projects (e.g. Ireland's partnership-based *Integrated Rural Development*, 1988-90). Again, the capacity in place in the rural local partnership will be put to the test here; either it will be a relatively reactive client in the process, or an active partner in shaping the nature of the policy options that are explored in this design phase.

The *Ballymun Partnership* in Dublin, one of the largest urban regeneration projects in Europe, suggests itself as an example whereby through the mechanisms of its multi-level vertical structure and through a cumulative process of local projects and actions essentially "proving" the case (over more than a decade), it influenced the design of government policy. The *Lernladen* partnership served to influence policy because it was a government undertaking as a pilot project for feasibility purposes.

Overlapping with the design phases one can envisage a formal *development* phase where the outline design for the policy is detailed further into some specifics. Here the questions of the intended outcomes (e.g. eradication of structural unemployment, local economic diversification, gender equality in labour force participation rates) are finalized, the specific objectives that will later become embedded in programmes and/or projects are codified, the basic input requirements and commitments are set out (e.g. financial grants and/or loans, formalized intergovernmental cooperation, new public infrastructure investments), and the logical sequencing of initiatives is articulated (e.g. investments in feasibility studies prior to tourism infrastructure investments). Once again, the capacity(ies) of the local partnership will be challenged here. In part this will relate to the prevailing political culture (e.g. degree of decentralization or devolution), the policy field involved (e.g. health versus trade), and political personalities. However, the capacity of the rural partnership to adapt and adjust, to make its case, to cultivate advocates in the centres of power, to achieve some rebalancing in what are systemically unequal power relationships, and to effectively negotiate, are all critical challenges and opportunities during this conclusive phase.

The *Blancharstown Area Partnership* in Ireland worked closely with two departments of the national government to demonstrate how public policies fell short. And while a particular project (i.e. a Training Centre) was a central item on the partnership's agenda, locally-based research, mobilization and intensive communications led to policy development modifications relating to labour market skills development. The role of the pilot projects for career guidance and job search through the innovative *Lernladen* also

materially influenced the development of policy here. The rural partnership in County Monaghan, Ireland, also set about influencing national policies via a pilot project - *Supported Employment Service for PWDs*. Evidenced-based information from these demonstration projects has contributed to the development of 24 similar projects in other parts of the country, via a national networks of local partnerships.

The final phase, relating to the translation of policy into formalized programmes and/or projects, may be called the *delivery* phase. While usually associated with the internal bureaucracies of government, central, regional and occasionally local, there are opportunities and challenges for locally-based partnerships here. The policy process has moved beyond the realm of politics into the realm of technicalities, schedules, budgets, personnel allocations, and other matters. The degree to which the operational details of the policy will reflect the de facto working conditions on the ground, including the critical issue of the absorptive capacity of the partnership itself, will be decided here. The degree to which the operationalized policy will harness and not deplete the stocks of social capital in place, and avail of the governance resources that have been invested in over time, will be decided here. Indeed, the degree to which the policy will contribute to the sustainable development of the rural community itself, will be decided here. Clearly, the challenges and opportunities before the local partnership's capacity will be considerable.

Using a life cycle approach six new services which addressed core, intergenerational social problems have been delivered through the *Ballymun Partnership*. The *Lernladen*, through its various networks (e.g. Local Alliance for Economic Development and Employment in Berlin-Neukölln), is clearly instrumental in the implementation of national and regional policies through programme delivery. Likewise, the *Blanchardstown Area Partnership* with partners in the RAPID Programme has been an agent in policy delivery through its project, the Training Centre. While the operationalization of public policies can be bureaucratically rigid at this stage of the policy process, the delivery stage, it is also the stage where the case studies presented at the Dublin Seminar indicated the greatest degree of local partnership influence and effect.

Canada: A Brief Comparative Sampling

While no more than a very brief sampling, it might be useful to extend the comparative perspective from those presented at the OECD LEED Dublin Seminar to other contexts, in this case Canada.

It should not be assumed that local, and even small rural and remote communities, cannot have a direct influence on the formative issues surrounding policy identification. A current example in Canada may be found on Fogo Island, off the north shore of the island part of the province of Newfoundland & Labrador (MNL, 2007). Five Municipal Councils are independently refiguring the entire local government system of the Island, from municipal roles, functions, geographical coverage, shared facilities and services, personnel, tax bases and on to the very organizational and legal structure of government. They have clearly taken the leadership in this critical phase of policy formulation.

The Ontario East Economic Development Commission (OEEDC) is a regional partnership of over 124 members, including municipalities, that has had a significant influence on the design of Federal and Provincial policy for this part of Canada.[19] As a marketing partnership this organization advocates for the large region and promotes area economic development. It is a critical partner with the Federal government's Community Futures Programme, through 15 Community Futures Development Corporations in the region, and a $10 million Eastern Ontario Development Programme. This successful regional partnership plays an important role in most phases of the policy process, from the identification phase through to the tangibles of the delivery phase.

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19.   OEEDC (2007), see http://www.onteast.on.ca/EN/About.html.

The well known Community Futures Programme, established in 1986, which now supports over 300 *CF Development Corporations* across Canada, involves a form of local area-based partnerships. While operating within and from a Federal government policy the evolving nature of these organizations has allowed for a great variety of developments agendas ranging from basic business advisory, finance and related support services to social animation and strategic development planning.[20] The apex organizations for these regional economic development organizations have influenced selected aspects of policy, and more so, programme design and delivery.

Parallel to the CFDCs across many parts of rural Canada have been provincially-based and supported regional economic development partnerships. Examples of these include Nova Scotia's *Regional Development Authorities*, established in 1994. Made of community representatives, private sector interests, and municipal officials these organizations provide leadership and coordination for local development initiatives, as well as broader collaborative regional economic and enterprise development. Their mandates include the preparation of long range strategic economic development plans, and the building of local development capacity. A similar policy initiative may be found in Alberta where twelve *Regional Economic Development Alliances* cover most of the province. These multi-municipal organizations include educational organizations, chambers of commerce, tourism organizations, Provincial and Federal government agencies, and others as their partners.

These and similar area-based development partnerships in other provinces (e.g. Manitoba, Saskatchewan) have depended on Provincial government commitments and priorities to get underway, and indeed to financially function. Their participation in the policy process is modest, being more evident in the development and delivery phases around operational, remit and related issues.

In Newfoundland & Labrador where there is a long tradition of locally-based area development partnerships extending back to the early 1970s, the *Regional Economic Development Boards* (REDB) have functioned with some success since 1996.[21] Local government has been a relatively late entrant to these partnerships. The design of these development partnerships and the foundations policies for them emanated from a fairly broad-based public consultation process (Task Force, 1995). The REDB's apex organization has played a role in the recent review of the remit and functioning of these development organizations, which through twenty zonal boards encompass the entire province. The REDBs negotiate and conclude annual contractual arrangements, including funding, with their Federal and Provincial counterparts. So in this instance there is some evidence of local partnerships having a role in most phases of the policy process from identification and design through development and delivery.

So, notwithstanding the modest sampling presented here, the perspectives to be gained from the Canadian context suggest a very considerable variety. This is hardly surprising given the enormous variety that constitutes the Canadian geography, regional histories, cultural evolution and political development over the last two centuries alone. However, a high level generalization may be suggested, in the sense that the presence of locally-based development partnerships in the policy process is more than likely to be in evidence in the more operational development and delivery phases, than in the earlier formative phases. There are exceptions, of course, and there is some evidence that over time, as partnership organizations mature and develop their own credible record and constituency, they garner some policy visibility and leverage. This temporal dimension is an important facet of the policy dynamic.

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20.   Douglas, David J.A. (2003), *Community Futures Development Corporations in Local Economic Development in Rural Ontario,* Guelph; Technical Report # 4 in the Project Toward More Effective Rural Economic Development in Ontario, School of Environmental Design and Rural Development, University of Guelph.

21.   O'Keeffe, B. and Douglas, David J.A, (2007), op. c.t. n. 1.

Capacity Development and Policy: Challenges and Opportunities

Based on this summary of the policy process, our summary of selected characteristics of rural local partnerships, the overview of factors relating to social capital and governance, and the central concept of rural as "an active ingredient" in the development process, we can draw out some general challenges and opportunities for these rural organizations in the interrelated contexts of *capacity building* and participation in the *policy process*.

Investments in rural local partnerships' capacities will not only have to attend to the particularities of the rural context in question, as well as the stage of development, condition and nature of the partnership itself (e.g. mature versus start-up, single sector focus versus multifaceted mandate), but also be aware of the strategic differentiating characteristics of the rural milieu. These fundamental considerations of *rurality* will encompass factors such as the level and scale in question (e.g. small village or commune settings, versus a multi-community regional context), the size, openness and consequent vulnerabilities of local economies here, the multiple implications of density (e.g. constraining threshold conditions for markets and public health services provision), the basic consideration of accessibility, the at times surprising degree of social and cultural complexity on hand, and the implications of relative stability in local social systems and the depth of cultural norms and practices.

These basic and other elements of rurality will directly and indirectly influence:

- the development agenda

- the development process

- the roles and potentials of development organizations, and

- the outputs and outcomes

The conceptualized "active" rural as set out in this paper will directly condition the *partnership capacity development agenda* itself. It will influence (a) how any capacity deficit is articulated, (b) what the capacity building objectives should be, and no less important, (c) the preferred nature of the capacity building *process* itself.

The roles of rural local partnerships in the policy formulation process, and the associated investments in capacity building, will be mediated through a contested milieu of competing representations of "rural".

The policy arena offers an essentially new role for most local development partnerships, well beyond the conventional reactive role of programme participant or project client. Depending on how deep and far into the policy process, as suggested above, the partnership engages, there will be differential requirements for investments in horizontal and vertical relationships.

Rural local partnerships that are highly idiosyncratic will be less likely to be engaged in the policy process than those which manifest system-wide problems and opportunities. In the same vein, rural local partnerships that scale up to a regional level and through multi-partnership coalitions will have greater potentials of engaging in a more equitable manner with central governments. These multi-community meso-level organizations will bring with them a significant pool of resources, regional legitimacy and a significant resource in shared power leverage to the policy process.[22]

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22. Douglas, David J.A. (1999), *"The New Rural Region: Consciousness, Collaboration and New Challenges and Opportunities for Innovative Practice"*, in Ramp, William, Kulig, Judith, Townshend, Ivan and

If this regional approach adheres to central government's preferences to deal with fewer larger scale representative organizations, which is very often the case, then the tendency to invest in capacity building for the policy development agenda will likely be focused here, and not on the individual rural local partnership. If effective engagement in the policy process (e.g. to the fourth phase, as outlined above) is successfully negotiated by the multi-partnership regional organization, this could amount to a trade-off between grassroots *participation* for more effective *penetration*.

It is likely that there would be growing and significant expectations from all quarters (i.e. local partnerships up, central government down) for demonstrated value added and net benefits from the regional multi-partnership and central government collaborations in the policy process. The instrumental rationality on both sides converges around an anticipated set of common outcomes. Therefore, if capacity building is seen as an effective means towards this end, there is the possibility of what might be referred to as a *competency commons* here. This commons may provide some strategic leverage for rural partnerships in relation to their priorities for capacity building.

All of this would put increased pressures on the regional multi-partnership organizations to be clear as to its overall remit as it relates to what Friedmann has called system maintenance, or system change, or system transformation.[23] Capacity building for any engagement in the policy process, yet alone a credibly effective role here, would have to respond to the primary mission of the regional organization, and therefore its understanding of the public interest among its partnerships' constituencies. Is its role to ensure that present development arrangements (including power relations) are maintained? Is its role to facilitate selective reforms to the process and outcomes (e.g. selective shifts in resources distributions, including authority)? Or is its role to induce structural transformation in the system's power relations, including the distribution of capital and other resources and entitlements? The case of the Dublin Inner City Partnership may be interpreted as an initiative in systems transformation. What is at the core of the rural development agenda that should inform the partnerships? And, therefore, how should this condition the nature of any capacity building initiatives? These questions are central.

Some conclusions

This short paper set out to critically address some of the issues and challenges associated with local and regional partnerships, in *rural* contexts, particularly the challenges they share with other partnerships in terms of capacity development as prospective participants in policy design.

The general conclusion is that we cannot appreciate the nature of these challenges and opportunities outside of the more general issues and opportunities associated with *rural development* itself. The development of local partnerships cannot be abstracted either from their operating milieu, notably the complexities of an evolving and contested *rurality*, or from the essential development agenda which gives these collaborative organizations their *raison d'etre*, and informs all aspects of the organization's modus operandi. Hence the capacity building question is necessarily embedded in the dynamics of the rural reality and rural development itself.

The ambitions of many local development partnerships to be included in the policy formulation process has to be seen both from the perspective of what this process involves, in terms of different overlapping and interrelated phases, and the diverse nature of any negotiated degree of participation. The degree of policy *process penetration* achieved by local partnerships (individually or through some regional or apex organization), internationally has a record of modest achievement, and will itself depend on the

Virginia McGowan (eds.), *Health in Rural Settings: Contexts for Action*, University of Lethbridge, Lethbridge. Chapter 2.

23.   Friedmann, J. (1987), *Planning in the Public Domain*, Princeton UnivErsity Press, Princeton.

effectiveness of investments in partnership capacity building. There is, therefore, a Myrdalian-type process of circular cumulative causation here. Significant investments in capacity building are only likely if what might be called a *competency commons* is perceived by all parties, i.e. where the interests of all (e.g. central government, state/regional governments, local partnerships) coincide sufficiently in terms of added value objectives, an agreed upon regional scale of operation, governance pay-offs, concrete outputs (e.g. project), and other outcomes are in view.

The Canadian perspective sampled here reminds us of the enormous variety of partnership types and conditions, and the concomitant variety of degrees of engagement in the policy process. The dominant impression, however, is that participation is modest and usually confined to the more operational phases of development and delivery, far removed from the formative identification and design phases. Some exceptions might be evident where, with the passage of time and acknowledged success both credibility and legitimacy allow locally-based partnerships to acquire a constituency and some leverage, giving them a modicum of access to the earlier, more strategic phases of the policy process. This, at this time, can be no more than suggested, and is by no means a definitive conclusion.

It would appear from the Dublin Seminar that the predominant route for local partnerships into the policy process is through a process of a local response to pressing needs, followed by some social mobilization, advocacy and representations, then a pilot or demonstration project(s), and then into varying degrees of mainstreaming the initiative. If the dominant route of engagement in the policy process is as reported from this sample, then a number of questions come to mind.

(1) Does this path irrevocably compromise a local partnership's options and potentials as a credible and substantive player in the policy identification, design, development, and delivery process?

(2) Does the paucity of a role in the earlier formative phases (i.e. identification and design) need to be addressed as a structural deficiency in the entire development dynamic?

(3) Is there a credible array of path alternatives and associated roles/functions for local partnerships through the policy formation process, given different base and operating conditions across partnership types (e.g. new/old partnerships, multi-foci /single focus partnerships, local/regional).

(4) More directly related to the topic of this Paper, what types of capacity building requirements might be called for once the above questions have been answered?

Clearly advancing the agenda of greater participation on the part of rural local partnerships in the policy process, and the concomitant investments in capacity building, will not happen of their own accord. They must be seen and accepted, in themselves, as purposeful policy priorities.

PART III: THE VIENNA ACTION STATEMENT ON PARTNERSHIPS

I. Preamble

The Vienna Action Statement on Partnerships (the "Action Statement") was prepared by the Forum Committee of Experts, which comprises selected partnership practitioners with in-depth knowledge of partnership working. It was amended and agreed by participants of the 3rd Annual Meeting of the OECD LEED Forum on Partnerships and Local Governance (the "Forum") on 1-2 March 2007 in Vienna. The participants of the meeting included partnership managers and stakeholders from the local/regional level, national partnership coordinators, representatives from government departments and organisations interested in the development and promotion of partnership working, and academic researchers.

The Action Statement aims to enhance governance by improving the dialogue and co-operation between policy makers, and between policy makers and other stakeholders, at the local, regional and national levels, in turn fostering economic development, social cohesion, environmental sustainability and quality of life.

This Action Statement will be reviewed by the members of the Forum every three years in light of the results achieved through its implementation, with the next review date being March 2010.

II. Background: the role of partnerships

The partnerships which together make up the OECD LEED Forum on Partnerships and Local Governance are governance frameworks which allow local and regional actors to work together to develop a joint strategy and implement measures relevant to a specific territory. These partnerships primarily focus on employment, social issues and economic development.

Partnerships are becoming increasingly common in OECD countries as a governance tool to: link up policies at the local level, connect local actors with other governance levels, stimulate initiatives, increase effectiveness and efficiency in the use of resources and enhance policy outcomes.

Partnerships have traditionally attempted to work within the existing policy framework, tailoring programmes to local needs. However, more and more partnerships across the OECD are now seeking to play a broader role, influencing the development of policy itself. Partnerships are thus endeavouring to become an integral part of both policy design and delivery, at all governance levels.

The Forum underlines the importance of this process, believing that local partnerships can add considerable value to the policy development process through:

− Bringing together diverse local partners and policy areas, and facilitating the development of cross-cutting perspectives and integrated approaches to multi-dimensional problems.

− Improving vertical communication between policy makers from different governance levels.

− Supporting the better adaptation of policies to local circumstances, needs and opportunities.

- Identifying the potential conflicts and synergies which exist between different policies.

- Providing leadership, building trust and consensus on priorities.

- Integrating the concerns of civil society and the private sector into strategic planning exercises.

- Sharing good practice, which has been tested on the ground, and offering know- how from practical experience on what works and what does not.

III. Actions/ Statement

The participants of the 3rd Forum Meeting in Vienna recognise that in order for partnerships to contribute to the policy development process fully, they need to have a strong impact on:

- *multi-level collaboration*: the involvement and consultation of stakeholders (particularly policy makers and social partners) from supra-national, national, regional and local levels; and

- *cross-sector collaboration*: the involvement of stakeholders from various economic sectors/branches, businesses and their representative organisations, governmental and non-governmental organisations, and broad policy fields including labour market, education, economic development, environmental and social policy.

In order to achieve such multi-level and cross-sector collaboration, partnerships require a receptive culture among policy makers in regional, national and supra-national government institutions.

If the value of local partnerships' input to policy making is to be accepted, there will be implications for governments as well as for partnerships themselves. These include:

- the need for government policies which are flexible and adaptable to change;

- the need for channels of communication within multi-level governance arrangements that are open to inputs from the bottom up; and

- the need for a recognition within the policy process of local diversity and the value of evidence from practice.

In addition, on the side of partnerships there is a need to:

- ensure transparency and accountability of partnership structures;

- work on the basis of sound local knowledge and expertise, making reference to local data and indicators;

- demonstrate a strategic approach which goes beyond the delivery of projects and programmes and can adapt to changes in a globalised economy;

- demonstrate capacity to enhance policy outcomes through appropriate monitoring and evaluation; and

– network partnerships at the national level and learn lessons form international experience to ensure efficient dialogue with government.

The participants of the 3rd Forum Meeting in Vienna therefore invite governments and partnerships to work together with the aim to:

(1) *Ensure flexibility in policy implementation.* This means ensuring that the legal framework, the performance management process and the allocation of budgets is sufficiently flexible to allow government agencies and public services to work closely with local actors from other policy areas on the development and implementation of effective area-based strategies.

(2) *Establish robust communication mechanisms through which partnerships can influence and comment upon policy developments which will impact upon their areas.* This will require government departments to improve their internal communication links and establish mechanisms for feedback from their representatives within partnerships. Governments should also encourage social partners and civil society organisations to adopt similar mechanisms. Dialogue with partnership networks at national level should be strengthened.

(3) *Better align policy objectives.* In implementing strategies, partnerships often face the challenge of inconsistent policy objectives set by different government departments. In order to facilitate greater coherence of policies and programmes, on-going co-operation and co-ordination within government, and between government officials and external actors is necessary to ensure that everybody is working towards common goals.

(4) *Establish strong evaluation tools for measuring added value.* Though many partnerships frequently report on project results, the achievements of partnerships as a whole, and their overall added value as a governance tool receives less attention. In order to evaluate the contribution of partnerships more comprehensively, it is recommended that holistic evaluation tools be developed that assess the added value of partnership collaboration itself, and not just individual project outcomes.

(5) *Build the capacities of local, regional and national stakeholders to work effectively in partnership through training and development*. This will include equipping representatives from government, civil society and the private sector with the skills needed to participate in and co-manage collaborative activities and partnerships.

(6) *Provide a secure financial base.* A solid, sustainable financial basis for operation is key to enabling partnerships to take a long-term view on local issues and problems and contribute fully to better policy outcomes. Such financial security needs to be linked to good performance. This will normally require the possibility of renewable multi-annual funding that covers both partnership management (core costs) and specific activity costs.

ANNEX

CONTRIBUTORS

Professor Mike Geddes is a Professorial Fellow in the Local Government Centre, Warwick Business School, University of Warwick. He holds a PhD in Urban and Regional Studies from the University of Sussex. His research interests include numerous aspects of public policy, ranging from local democracy and partnership to local economic development, public services, and poverty and social exclusion in the UK and Europe. Prof Geddes has been involved in several activities of the OECD LEED Forum on Partnerships and Local Governance since its creation. He advises the OECD LEED Programme on identifying the capacity building needs of partnerships and is actively engaged in a thematic workshop organised within the Forum.

Field of expertise: public policies, partnerships and strategic planning.

Professor David J.A. Douglas is Professor of Rural Planning and Development in the School of Environmental Design and Rural Development, University of Guelph, Canada. In 1985 he was Director of the former University School of Rural Planning and Development, after ten years in management consulting and five years in regional development policy and planning, Province of Ontario. He conducts his research, teaching and practice in Canada and Europe, and in other international contexts (e.g. China, Iran, Indonesia, Pakistan, Japan).

Field of expertise: rural and smaller community development, governance, local government, economic development and development planning, regional development policy and planning

SEMINAR PARTICIPANTS

Capacity building seminar 5 – 7 December 2006, ZSI, Vienna, Austria							
Country	**Title**	**Family Name**	**First Name**	**Organisation**	**Position**	**Field of activities**	**Web**
Canada	Ms.	Johnston	Ramona	Vibrant Communities Calgary	Director	Economic Development issues, Employment issues, Social Inclusion issues, Public awareness	www.vibrantcalgary.com
Finland	Ms.	Lindberg	Erja	Central Uusimaa Partnership (CUP)	Project manager	Economic Development issues, Employment issues, Social Inclusion issues	www.kumppanuusyhdistys.net
Germany	Dr.	Aster	Reiner	Gsub - Gesellschaft für soziale Unternehmensberatung mbH	Managing Director	Economic Development issues, Employment issues, Social Inclusion issues, Networking, bundling financial resources	www.gsub.de
Germany	Mr.	Kuhlmann	Mathias	LASA Brandenburg State Agency for Structural Development and Labour	Senior Consultant	Economic Development issues, Employment issues	www.lasa-brandenburg.de
Ireland	Mr.	Connolly	David	Dublin Inner City Partnership Limited	Director	Social Inclusion issues (e.g. poverty, discrimination and exclusion)	www.dicp.ie

Ireland	Ms.	Fox	Carmel	Ballyhoura Development	Chief Executive Officer	Economic Development issues, Employment issues, Social Inclusion issues, Local and rural development, Community Development, Research, Enterprise support and development, Education/Training, Integrated community socio-economic planning	www.ballyhoura.org
Italy	Mr.	Daluiso	Emmanuele	Territorial Employment Pact Nord Barese/Ofantino (NBO Agency)	Technical direction	Sustainable local development; Improving the technical skills of the municipalities; Improving the technical skills of the employees; Promoting the working integration of the jobless youths; Promoting new entrepreneurship; Enhancing women working inclusion; promoting working inclusion of the categories	www.pattonordbareseofantino.it

Capacity building seminar 18 – 20 April 2007, Pobal, Dublin, Ireland							
Country	**Title**	**Family Name**	**First Name**	**Organisation**	**Position**	**Field of activities**	**Web**
Germany	Dr.	Aster	Reiner	Gsub - Gesellschaft für soziale Unternehmensberatung mbH	Managing Director	Economic Development issues, Employment issues, Social Inclusion issues, Networking, bundling financial resources	www.gsub.de
Germany	Mr.	Franzke	Lutz	Development Partnership "Structural Development and Labour Berlin-Brandenburg" Technologie - und Gründerzentrum Wildau GmbH	General Co-ordinator	Economic Development issues, Employment issues	www.tgz-wildau.de
Germany	Ms.	Gericke	Birgit	INNOPUNKT Project LASA Brandenburg State Agency for Structure and Labour	Project Co-ordinator	Economic Development issues; Employment issues; Social Inclusion issues	www.lasa-brandenburg.de
Germany	Mr.	Kuhlmann	Mathias	LASA Brandenburg State Agency for Structural Development and Labour	Senior Consultant	Economic Development issues, Employment issues	www.lasa-brandenburg.de
Ireland	Mr.	Connolly	David	Dublin Inner City Partnership Limited	Director	Social Inclusion issues (e.g. poverty, discrimination and exclusion)	www.dicp.ie
Ireland	Ms.	Curran	Linda	Blanchardstown Area Partnership	Partnership Manager	Economic Development issues, Community Development issues, Youth and Education issues	www.bap.ie

Ireland	Mr.	Dunne	Declan	Ballymun Partnership	Chief Executive Officer	Economic Development issues, Employment issues, Social Inclusion issues, Community Development, Education/Training	www.ballymun.org
Ireland	Ms.	Fox	Carmel	Ballyhoura Development	Chief Executive Officer	Economic Development issues, Employment issues, Social Inclusion issues, Local and rural development, Community Development, Research, Enterprise support and development, Education/Training, Integrated community socio-economic planning	www.ballyhoura.org
Ireland	Ms.	McCaul	Toni	Local Development Community Partnership Network	National Co-ordinator	Social Inclusion issues	www.cpn.ie
Ireland	Mr.	Nolan	Peter	Employment & Enterprise Dublin Inner City Partnership Limited	Co-ordinator	Social Inclusion issues (e.g. poverty, discrimination and exclusion)	www.dicp.ie
Ireland	Mr.	O'Connell	Gabriel	County Monaghan Partnership	Manager	Economic Development issues, Employment issue, Social Inclusion issues	www.monaghanpartnership.com
Ireland	Ms.	Quinn	Brid	Department of Government and Society University of Limerick	Professor	Social Inclusion issues	www.politics.ul.ie

United Kingdom	Mr.	Blackmore	Paul	Liverpool Partnership Group	Economic and Enterprise Co-ordinator	Economic Development issues, Employment issues, Social Inclusion issues	www.liverpoolfirst.org.uk
United Kingdom	Ms.	Gericke	Johanna	CEMENT Project Dacorum Borough Council	Equal Partnerships Manager	Employment issues, Social Inclusion issues, EQUAL programme	www.cementdp.com

Organisation for Economic Co-operation and Development

Centre for Entrepreneurship, SME and Local Development (CFE)

Local Economic and Employment Development (LEED)
2, rue André Pascal, 75775 Paris CEDEX 16, France
www.oecd.org/cfe/leed

OECD LEED Centre for Local Development
Vicolo San Maro, 1, 38100 Trento, Italy,
www.trento.oecd.org