

LOCAL

PARTNERSHIPS IN EUROPE

AN ACTION RESEARCH PROJECT

EXPERIENCES

GAINS

RAMIFICATIONS

LOUISE KJAER

with contributions from academics and practitioners

Co-edited by PETER ABRAHAMSON & PETER RAYNARD

THE COPENHAGEN CENTRE

LOCAL PARTNERSHIPS IN EUROPE – AN ACTION RESEARCH PROJECT

This book concludes the series of reports issued in the period of 2000-2003 as part of the action research project Local Partnerships in Europe.

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Local Partnerships in Europe

- Executive Summary

The Local Partnerships in Europe (LPE) action research project of The Copenhagen Centre (TCC) was set up in 2000 to analyse, support, and learn from six local partnerships whose overall purpose was the economic and social integration of groups at risk of exclusion (e.g. unemployed, disabled, refugees). The research took as its starting point the concept defined by Nelson and Zadek as New Social Partnerships: *'People and organisations from some combination of public, business and civil constituencies who engage in voluntary, mutually beneficial, innovative relationships to address common societal aims through combining their resources and competencies.'* In initiating the research TCC was reacting to the seismic shifts in global social policy of the 1990s, which heralded a change in the nature of welfare provision, and the various roles of organisations spread across traditionally separate sectors.

Abrahamson describes four non-exclusive European welfare models that emerged in the second half of the 20th century. However, these distinctions have increasingly become a thing of the past, as there is a growing consensus across Europe that sees a mixed economy of welfare, which emphasises the creation of partnerships that cut across sectors meant to solve particular social problems.

EXPERIENCES

It can be argued that cross-sector partnerships by their very nature are *unnatural relationships*, in that they bring together very disparate groups (public and private sectors and civil society) to work jointly on a project. Partnership working is mainly about finding new inroads to problem solving. It is about cutting across sectoral differences while creatively inventing new collaborative measures.

The six local partnerships participating in the 'Local Partnerships in Europe' (LPE) research project are all examples of such 'unnatural relationships', where representatives of the public sector, businesses and civil society organisations form cross-sector partnerships as innovative responses to concrete, social challenges in their local environment. The thematic focus of the different initiatives ranges from job creation, minority integration, and employability, with access to the labour market being the common denominator of all examples. Together, the partnerships represent different geographical/cultural settings within Europe.

The six local partnerships that took part in the LPE study were:

THE SIX LOCAL PARTNERSHIPS

Protected jobs for disabled young persons in Hiiumaa, Estonia; aim to integrate some 20 disabled young people into the local labour market.

'Ry – a community where everyone is needed', Denmark; project to assist the integration of refugees in the local community

Activity Centre Enschede Noord (ACE), the Netherlands; project to identify and support potential entrepreneurs as well as assist others into regular employment.

Limerick Enterprise Development Partnership, Ireland; regeneration of large industrial plant with multi-purpose of providing employment, education and community development.

Local Social Capital (LSC) project, Madrid Spain; aim to start new businesses, strengthen local social networks, and to provide training as well as job-guidance activities.

Altmärkisches Aufbauwerk Apenburg (AAA), Germany; aim to create local employment and boost regional development.

There were a number of key findings common to the experience of local partnership working:

1. The economic and political developments within some of the countries, as well as at a European level, have proved important drivers and triggers for the partnerships. These have included new legislation (e.g concerning refugee integration), provision of European Social Funds, and measures by local governments to reduce costs and improve efficiency.
2. The purpose and agendas have not all been clear and have caused difficulties in the development of the partnerships. In many cases the direct priority of getting people into work, has meant that other 'softer' objectives (e.g. education) have taken a back seat.
3. Communication and trust, both crucially important factors in the development of partnerships, have improved with time. Communication channels have tended to relate to the project at hand, as opposed to a wider dialogue at a more strategic level. In turn, the concrete experience of working in partnership at project level has generated trust amongst participants.
4. Working in partnership takes time. And time is perceived differently by different sectors, and different organisational cultures. The mix of differences in timescales and perspectives can place hindrances in the functioning of the partnerships.

5. The organisational structures of the partnerships have evolved into a more structured mix of informal and formal operations. These range from those with a formal legal status, set up as companies and charitable trusts, to those more akin to an informal collective or network.
6. The leadership role of individuals has been crucial, both in terms of maintaining the ongoing day-to-day workings of the partnership as well as involving and informing the partners. A tight control by one leadership figure however, has in several cases meant that other players have not been able to play an equal part.
7. In all of the partnerships, the availability of financial resources has been crucially important, and the financial future remains uncertain in almost all cases. The over-reliance on public funds of most of the partnerships points to the challenge of realising a more sustainable funding base.
8. Community representation and involvement has proved difficult but crucial to future success. A tri-sector partnership can only be truly successful once all parties are equally positioned to play an active part in this new form of collaboration.
9. Transparency and accountability relate to responsiveness, engagement and compliance. The engagement of a wide group of representatives on governance and project Boards, who were responsive to community needs, took time. In turn there needs to be a clear division of responsibilities, particularly in terms of what each partner 'brings to the table'.
10. There has been little in the way of formal measurement and evaluation of results beyond the financial and economic. Such processes should be attuned to organisational size and need, but in all cases can prove beneficial in also demonstrating the more 'holistic' achievements and longer-term potential of the partnerships.

The experience of new social partnerships is built on a history of working in partnership from two main sources: Europe and the United States, as argued by Evers. The term 'social partnership' relates to the experience of many European countries, pointing to systems of institutionalised negotiation and conflict management between trades unions and employers. A more recent stream of practice has been the emergence of public-private partnerships (PPPs), which come from the USA. There, it had taken shape in the context of housing, urban and regional development, where it required private organisations and investors to act in line with the development objectives of local municipalities. In essence therefore, although new social partnerships such as those involved in the LPE project, may be seen with an eye to the history of a distinct European model of welfare provision, they owe considerably in words and deeds to the US.

GAINS

It is probably too early to say what the full impact of the local partnerships in the study will have. A number of more tangible and immediate results have though emerged. First, are the more quantitative achievements of job creation and educational provision, where results across all of the local partnerships, are impressive. The projects have demonstrated the successful integration of an anticipated number of people into positions either subsidised or regular (waged or self) employment, training positions have been created, or education provided. However, partnerships do not necessarily or automatically lead to sustainable results; for example, a number of business start-ups failed in a short space of time, also it is not clear whether those who were given employment would not have found a job through traditional channels.

Therefore although *project results* were on the face of it impressive, there is also a need to look at the *outcomes* of the *partnerships* themselves. Such outcomes will include more cost-effective use of resources, improved management processes, better conflict management, sharing of knowledge, flexibility, improved access to networks, as well as the sharing of risks. In all, working processes have been guided by the question '*what is the project trying to produce?*' as opposed to '*what can the partnership achieve in a broad sense?*' For example, clearly creating jobs for refugees in a local community is an immediate success but it has been shown that over time it is also likely to improve inter-cultural relations and understanding. Some of the partnerships have also influenced regional organisations and decision-making processes at a national level.

Hence, the relationship between *project results* and *partnership outcomes* is not mutually exclusive; for example, the research has shown that a constant move towards wider representation within the partnership group initiates continuous adjustments in project initiatives, or even changes in the purpose and scope of activities. In general therefore, it is necessary to continuously reflect and take stock not only of the achievements of the project but also the longer-term impact of the partnership, in particular the wider societal gains of addressing exclusion.

When contemporary society is characterised by individualisation, polarisation and heterogeneous ways of living, inclusion becomes more complicated. It can no longer be assumed that the next upswing in the business cycle will automatically draw people into the labour market thereby lifting everyone out of poverty. In looking at societal shifts so relevant to such local social partnerships, Abrahamson charts the history and origins of social exclusion. He argues that the phenomenon of social exclusion is nothing new but that in recent times it has taken on greater significance as a way of understanding the 'new' problems faced by increased homelessness, urban deprivation, and the breakdown of traditional community networks. The EU began to heavily promote the concept with Resolutions to provide social integration measures, as well as integration in the labour market. Thus, measures were introduced to widen access to education, housing, community services and medical care. It is here that new social partnerships present a format to meet the challenge of addressing social inclusion, where-

by organisational roles are redefined and the once well-defined sector line of demarcation has become blurred.

RAMIFICATIONS

However, once getting beyond the fact that new social partnerships do provide at least short-term results for the benefit of previously marginalized groups, two questions are raised. First, how do the partnerships themselves internalise the experience back into their respective organisations; and secondly, how can such partnerships be formalised? In other words, what are the prospects of new social partnerships being institutionalised as new models of local governance, participation and democracy?

The research found that once along the road to delivering project results, the sustained involvement of organisations in partnerships rests on a number of factors: whether their original objectives and expectations have been met, and if or how their representatives have managed to internalise - into their own organisation - the new learning from the experience of working in cross-sector partnerships. In order to meet these objectives and expectations the following factors were seen as important: each partner organisation must clearly define what they want to achieve from their involvement; as mentioned above, organisational commitment is crucial for the well-being of the partnership, and the appropriate amount of resources in terms of time and personal skills organisations are willing to invest, reflect this commitment. Therefore the organisational representative(s) of the partnership need(s) to be both senior (and therefore influential in their own organisation), as well as have the time to commit to engaging in the partnership. Secondly, the question of which organisational form is best for internalising partnership experiences into ones own organisation does not rest purely on size or geographical scope: it relies also on appropriate channels of communication.

In terms of what the partners learned from the experience, these included a better understanding of how other organisations go about their business, be they private, public or civil society actors, which helped strengthen their own organisation. Aspects of community development, better human resource management, how loose and tight structures of management work in different situations, as well as an overall understanding of the similarities and differences between sectors, were all valuable insights.

In answer to the question of formalising partnerships, the research concluded that although sustainable outcomes of partnerships are essential, the need for partnerships to exist in perpetuity is not necessarily true. Instead of expecting partnerships to be fixed and sustainable structures, it may be more appropriate to see them as opportunities for change, characterised by their temporary and transitory nature. The activities of the partnership should aim for a sustainable impact, but the partnership itself can be dissolved after it has served its purpose, or alternatively, transformed into new forms of operation with a radical change of objectives, purpose, and even partners. In this sense (and this is where the two questions come together), the best partnerships

are learning partnerships; they understand the impact they have, the lessons they have learned, and whether future objectives are best met in current organisational form. Perhaps the move towards institutionalisation is less about permanence and more about independence, about 'growing up'. A 'mature' partnership can be characterised by the degree to which it is interdependent, between the partners, rather than dependent on a few individuals.

What the LPE research shows, and which is consistent with other international studies, is that there is no clear right or wrong way, when it comes to making a decision about whether or not to institutionalise a partnership. Local cross-sector partnerships in Europe are increasingly varied in their approach. But typically they are all engaged in the joint design and implementation of public interest programmes and policies. This means that the traditional dependence on structured representation and the rule of law is giving way to a more fluid pattern of participation characterised by communication-based forms of accountability and partnership-based forms of local governance.

Sehested expands on the findings of the LPE research in the context of governance and 'new' forms of democracy. Contemporary society, characterised by globalisation, economic restructuring, new technologies, and social and cultural differentiation, cause fragmentation and complexity in political life. Traditional government systems are seen to fail in coping with the complex and diversified problems, and so 'governance' prevails as the answer to flexibility, differentiation and dynamics, required in the modern political environment. Governance, Sehested argues, indicates a new kind of socio-political logic, where public and private actors (both business and civil society) are directly involved in a policy process, clear of the hierarchical relationship so characteristic of traditional government. Partnerships are one response to this new form of governance but they raise questions as to how they will develop within the strong hierarchical European tradition of state government. A balance will be required that ensures their accountability and representativeness, while at the same time preserves their autonomy. New ideas of democracy and 'meta-governance' are thus emerging as a response to these developments.

The findings from the LPE research are neither the beginning nor the end of the debate about partnerships. Partnerships are today widely accepted as being part of the new landscape of welfare provision and positive societal change. Questions however, remain: What forms will future partnerships take and what does this mean for existing forms of government? And what impact will this all have in addressing the problem of social exclusion? Some of the answers are given in this book while clearly others will be found in other research and experiences to come. Either way, hopefully the debate is not one that will stall the practical innovations presently taking place in various new social partnerships.

Introduction

WHY PARTNERSHIP?

More than ever partnership is being promoted as *the* development approach of our time. Social development and social cohesion are no longer seen as the sole responsibility of governments; increasingly actors from the business community and civil society are becoming actively involved as well.

Partnership is now part of global level policy-making. Since the early 1990s, The EU Social Fund has relied on joint problem-solving approaches, where a broad variety of stakeholders take active part. And more recently, the Johannesburg Summit in the summer of 2002 underlined the growing demand for cross-sector solutions to help fight poverty and environmental degradation.

In recent years various forms of partnership experimentation have taken place across Europe. Such experimentation has affirmed that partnerships between different segments of society can be a turning point in the fight against unemployment and social exclusion. At the same time, however, it has become clear that working in partnership is not always an easy option. Different backgrounds, both culturally, organisationally, as well as politically, exist between the different sectors newly working together. If partnership success is to be guaranteed, a more detailed and thorough understanding is required for all those involved, from practitioners to policy makers. In other words, if the so-called partnership *trend*, is to go beyond rhetoric, there is a need to critically investigate and disseminate knowledge arising out of the practical experiences of local partnerships.

INVESTIGATING PARTNERSHIP

These developments and challenges were the motivation behind the action-research project *Local Partnerships in Europe* (LPE) initiated by The Copenhagen Centre (2000-2002): to go behind the many snap-shots of 'best practise' results and instead analyse what it really takes to team-up and collaborate across traditional sector demarcations. A team of researchers have therefore been studying a variety of local cross-sector partnerships in six different European countries (Ireland, Spain, the Netherlands, Denmark, Estonia, Germany) – all of which were initiated as innovative responses to concrete, local challenges of social exclusion.

The action-research approach applied in this study has allowed for a continuous comparison of partnership practises, dilemmas, benefits and results. All parties involved have, throughout the 2-year lifecycle of the LPE project, been called upon to discuss and evaluate process gains, not just end-results. In other words, a more profound understanding has been gained by comparing *both* development processes *and* the outcome of local efforts.

A series of three local reports have been produced for each of the six partnerships involved in the research. Crosscutting comparisons have been made and reflected upon in two separate Summary Reports, and a further two Workshop Reports have been published following meetings in Copenhagen of all involved European partners during the course of the research process. All reports can be obtained at www.copenhagencentre.org. A series of case descriptions that profile the concluding findings from each of the partnerships are presented in this book (see Annex).

THIS BOOK

The present book marks the finalisation of the study and is written in an attempt to provide experience-based knowledge to partnership practitioners, researchers, politicians and others interested in the innovative potential of cross-sector partnerships. Thus, it is intended to stimulate the debate and the continuous development of partnership practises, with implications for strategic policy planning.

The book is divided into three main parts: Experiences, Gains and Ramifications. Within each there is a chapter based on the empirical results from the LPE research, juxtaposed with an academic piece, which sets these results in a wider context.

Besides the lead authors of the book, other experts both practitioners (Ros Tennyson and Ken Caplan), and academics (Adalbert Evers and Karina Sehested) were invited to (co)-write chapters in order to widen the context and set out the implications for society of the development of partnership working.

Peter Abrahamson begins the book with an analysis of what he calls, 'the different social Europes' that emerged during the post-war era of the mid-20th century, and charts how changes amongst them have led to a more unitary approach to welfare provision. One outcome being the blurring of traditionally demarcated sectoral lines that increasingly see private, public and civil society actors working together to address issues of social concern.

The 'Experiences' section begins with a chapter that outlines the main findings from studying the local partnerships that have formed part of the action research project. Adalbert Evers then reflects on this analysis by discussing the origins and political implications of partnerships thinking.

The 'Gains' section looks at what the local partnership projects have achieved in terms of tangible results (e.g. number of jobs created, micro-enterprises set up), at the

outcomes of the partnership in terms of how well partners have worked together and learned from each other, as well as the wider societal gains (level of integration of disadvantaged groups and subsequent change in attitudes by the general public to them). Peter Abrahamson then follows on this theme of wider societal change and gains, by examining the notion of social inclusion and exclusion in contemporary society.

Finally, **The 'Ramifications' section** begins with two chapters based on the findings of the research as they relate to the future of the partnerships. The first, *Bringing it all Back Home*, examines the extent to which the partners have internalised the experience back into their respective organisations, and what this means for the success of the partnerships as well as their sustainability. In *Formalising Partnerships*, the challenge of institutionalisation is discussed as to whether partnerships should merely set out to meet specific project objectives and then dissolve, or mutate into other forms of organisation or partnership. In the concluding chapter to this section Karina Sehested discusses the development of new forms of governance and what the lessons from the LPE research and partnerships more generally have to offer in relation to governance and democracy.

As a post-script, co-researcher Mads Vestergaard in the final chapter outlines the particular action research approach taken in the LPE study, with its intention of working closely with the partners to not only 'extract' research findings but also to strengthen the partnerships as they worked to achieve their objectives.

Although this book is the end of one particular research project, it is hoped that it heralds the development of new insights into the workings and outcomes of partnerships in practice and what the ramifications of these are for future forms of organisation, as well as society at large.

Louise Kjaer,
Project Director

May 2003

1. Different Social Europes – Different Partnership Contexts

by PETER ABRAHAMSON

The form of state developed in modern societies, following the Second World War, has been termed the *welfare* state indicating the responsibility of society towards the well-being of its citizens. Historically, this has been accomplished by granting some kind of social citizenship to the inhabitants, but it has been done differently in different places. It is important to be aware of these contextual differences if one wishes to understand the partnership phenomenon as it is played out across Europe, not least in the six areas where this book has concentrated.

1.1 WELFARE STATE MODELS

Within the European Union it has been commonplace to operate within the existence of four different 'Social Europes'; i.e. the welfare state has taken on the characteristics of four different models. Often the different welfare models have derived their names with reference to geographical setting; hence there has been talk about an Atlantic model, a Continental model, a Southern model and a Scandinavian model (Berghmann 1997). The central features of these models are indicated in figure 1 below:

Figure 1: Four ideal typical welfare models

	Southern	Continental	Atlantic	Nordic
Criteria for entitlement	Need (contribution)	Contribution	Need	Right
Political ideology	Christian democratic	Conservative	Liberal	Social democratic
Central institution	Family	Voluntary organizations	Market	State
Extent	Limited	Encompassing	Limited	Encompassing
Financing	Voluntary organisations	Social partners	State	State
Demarcation of entitled population	Member of family and local community	Affiliated with the labour market	Citizen	Citizen

Today, this classification is not undisputed. For example, the Dutch have claimed that in many ways they fit better within the Scandinavian cluster and with respect to social services Belgium and France deviate substantially from the continental model.¹ It is, nevertheless, generally agreed that European welfare states originate from different historical experiences and have developed along qualitatively different trajectories. Therefore broadly speaking, they cluster within four models:

The Southern European model emphasises the subsidiarity principle giving priority to the family and local community, not least the church, when it comes to trying to satisfy the needs of citizens. Welfare expenditure has been moderate and comes from various sources.

Within *the Continental model*, labour market affiliation has been pivotal for entitlements to social benefits and services, and the social partners have been central both with regard to financing and administration of social insurance programmes. For those outside of the labour market, local authorities and/or charities have to fill the gap. The model has also been termed the *achievement-performance* model (Titmuss 1974), indicating that the compensations reflect contributions. Welfare expenditure has nevertheless been high.

The Atlantic model has been characterised by a limited, poverty oriented emphasis, which has been organised and financed by central government, with moderate expenditures. Entitlements have been based on needs assessment, and generally citizens have been expected to take care of themselves through market activities and family relations.

In *the Nordic model* all citizens/residents have been granted extensive social rights. There has been a strong emphasis on personal social services organised and financed by the municipalities combined with state financed and organised transfer schemes. Welfare expenditure has been high and so has both the male and female labour activity rate.

These four models have been associated with different political ideologies and arisen via pressure from various social parties and movements. It can be argued, however, that these models of welfare provision are becoming a thing of the past. Viewing the strategies taken to social policy and welfare state provision by governments and international organisations, what is evident is widespread agreement on a *welfare mix* or *welfare pluralism* approach. Conservatives no longer believe in leaving welfare provision solely to voluntary organisations, liberals have accepted the necessity of some state involvement, and social democrats have no desire anymore to reserve welfare issues for the public sector. This new welfare policy consensus envisages a flexible cooperation and negotiated division of labour among the various actors such as businesses, local authorities, charitable organisations and civic networks. This *mixed economy of welfare*, in perhaps its most ambitious form, emphasises the creation of partnerships made up of the traditional actors working together in a new way to try and solve particular social problems.

The cases analysed in this book are examples of such new local partnerships that bring these actors together. As described above, they are situated within countries that historically represent different welfare models; Spain represents the Southern model, the Netherlands represents the Continental model, Ireland the Atlantic model, and Denmark the Nordic model. While Estonia and Sachsen-Anhalt represent the transitional societies of post-communist Europe, the former is approaching the Atlantic model, while the latter has been included in the Continental one.

1.2 SOCIO-ECONOMIC DEVELOPMENT DURING THE 1990s

In order to further understand the context in which the local partnerships have been working, it is important to have an overview of the socio-economic situation of the different countries in question. Figure 2 summarises the development during the 1990s with respect to a few central indicators.

Figure 2: Socio-economic development

	Year	Denmark	Germany	Spain	Estonia	Ireland	Netherlands
Population in thousands	1990	5140	2874*	38851	1571	3506	14952
	1996	5251	2723,6*	39242	1425	3626	15531
	2001	5383 (2003)	2581*	39490	1361 (2002)	3820	15983
Life expectancy in years Males: M, Females: F	1990	M: 72.0	M: 72.0	M: 73.3	M: 64.6	M: 72.1	M: 73.8
		F: 77.7	F: 78.4	F: 80.4	F: 74.6	F: 77.6	F: 80.9
	1996	M: 73.1	M: 73.6	M: 74.4	M: 64.5	M: 73.1	M: 74.7
		F: 78.2	F: 79.9	F: 81.7	F: 75.5	F: 78.6	F: 80.3
	2000	M: 74.2 (1999)	M: 74.7 (1999)	M: 75.5	M: 64.7 (2001)	M: 73.9	M: 75.3
		F: 79.0 (1999)	F: 80.7 (1999)	F: 82.7	F: 76.2 (2001)	F: 82.7	F: 80.6
Total fertility rate	1990	1,67	1.45	1.36	2.05	2.11	1.62
	1996	1.75	1.32	1.17	1.37	1.89	1.53
	2000	1.76	1.34	1.22	1.34 (2001)	1.89	1.72
GDP per capita (PPP US\$)	2000	27,627	25,103	19,472	10,066	29,866	25,657
GDP growth in %	1990	1.8	2.1	1.0		3.4	2.1
	1996	2.5	0.8	2.4	4.0	7.8	3.0
	2002	1.7	0.8	2.1	4.0	3.5	1.5
Labour market activity rates in %. M: Males, F: Females	1990	M: 87.1		M: 77.7		M: 79.2	M: 79.8
		F: 78.3		F: 40.6		F: 42.0	F: 52.7
	1996	M: 85.2	M: 57.0*	M: 74.9	M: 78.8 (1997)	M: 76.2	M: 80.3
		F: 74.2	F: 48.1*	F: 46.0	F: 67.1 (1997)	F: 48.7	F: 60.0
	2001	M: 83.8	M: 58.2 (2002)*	M: 78.0	M: 74.5	M: 79.7	M: 84.3
		F: 75.9	F: 48.1 (2002)*	F: 51.7	F: 65.6	F: 57.1	F: 67.1
Unemployment rate, % labour force 15+	1990	7.2	15.3 (1992)*	13.1		13.4	5.8
	1996	6.3	18.8*	18.1	19.0 (1997)	11.7	6.0
	2001	4.3	21.5 (2003)*	10.6	24.5	3.8	2.4
Total social expenditure in % of GDP	1990	30.3	49.2*	20.4		19.1	32.5
	1996	31.4	46.7*	21.9	15.2	17.8	30.1
	2000	28.8	48.5*	20.1	14.8 (2001)	14.1	27.4
Relative poverty rate, 60% of the national median income	1990						
	1996	12	16	18	11.4 (1997)	18	12
	1998	9	16	19	14.5 (2000)	17	12
UNDP Human Development Index	2000	0.926	0.925	0.913	0.826	0.925	0.935

*: Figures from Sachsen-Anhalt

Demography

The local partnerships are to be found not only within different welfare regimes, but also within national environments that differ substantially on a number of other but related parameters. The most obvious one is size. Germany is the largest European country, in particular following reunification, with more than 80 million inhabitants. However, it is more relevant to compare the region (*Land*) of *Sachen-Anhalt* with the other countries in the study; with a declining population of around 2 and a half million people, *Sachen-Anhalt* is like a small country within a big federation. With nearly 40 million inhabitants Spain is a big country, while the Netherlands with 15 million inhabitants is a medium size country, and the three other countries are smaller ranging from around five million in Denmark to less than one and a half million in Estonia. It is interesting to note that the two post-communist countries are experiencing declining populations due to a combined effect of out-migration and low fertility.

Average life expectancy can be viewed as an indicator of the general health of the population with considerable differences on three dimensions: (1) The general trend is one of expansion over time - people live longer and longer. Yet, in the transition countries the development is one of stagnation at least as far as men are concerned. (2) Life expectancy is very different between the sexes with women living much longer than men; in Denmark and the Netherlands about five years longer, and in Estonia 12 years longer. (3) There are differences in life expectancy between countries: a newly born Spanish boy can expect to live for 76 years, while a similar Estonian can expect to become only 65.

Very low rates of fertility exist in Estonia, Spain and Germany, with the higher rates being found in Denmark, Ireland and the Netherlands. None of the populations are reproducing themselves, i.e. in all six countries absolute fertility rates are under two, and the most dramatic development has taken place in Estonia where fertility has dropped from 2.11 in 1990 to 1.34 in 2001. Different explanations apply: in Spain the lack of welfare services makes it very difficult for women to pursue a career and maintain responsibility for family life at the same time. This has led to a postponement and reduction in childbirths; in Estonia and in *Sachen-Anhalt* the low birth rates reflect the general insecurity concerning the immediate future. Again the dramatic changes within Estonian and East German society are showing in population statistics.

Labour market

Participation rates differ among the countries compared, and between men and women: the highest rates for men prevail in Denmark and the Netherlands where 84 per cent of the 15 to 64 years of age are affiliated with the labour market, compared to only 58 per cent in *Sachen-Anhalt*. Regarding women, the highest rates are again found in Denmark, where 76 per cent are in the labour market; moderate rates are found in Estonia and the Netherlands where two-thirds of women are in the labour market, and the lowest rates are found in Ireland, Spain and especially, again in *Sachen-Anhalt* where less than half of women in the working ages are in the labour market. The general trend during the 1990s has been one of declining labour market participation rates for men and increasing rates for women.

The figure shows relatively low and falling levels of unemployment in Denmark, Ireland and the Netherlands where it stands at between 3 and 4 per cent of the workforce, while at between 22 to

25 per cent, it is relatively high and increasing in Estonia and Sachsen-Anhalt. Spain occupies a middle position with considerable fluctuations during the 1990s but currently with the lowest rates of around 11 per cent. Hence, problems of marginalisation are unevenly distributed across the countries where the business cycle has developed differently during the decade.

Real GDP growth

There was considerable economic growth in Estonia and Ireland during the 1990s with annual rates of often 5 per cent or more, while in the other countries growth has been of a more moderate 2 to 3 per cent. This indicates a convergence over time since the former started out from a lower level.

Social expenditure

Viewing the resources devoted to welfare measures in relation to total financial capacity, the countries are divided into one group of big spenders: Denmark, Germany (and especially Sachsen-Anhalt) and the Netherlands where about 30 per cent of GDP are spent on welfare issues; and another group of low spenders: Spain and especially Estonia and Ireland which spent 15 to 20 per cent.

Poverty

It has become customary within the European Union to indicate income poverty as the share of population having less than 60 per cent of the average national income. With this definition, the sample is divided into Denmark and the Netherlands with low rates of 9 to 12 per cent, and moderate rates concerning the other four countries (between 16 and 19 per cent of people on low income). In a more comprehensive way the United Nations Development Programme (UNDP) has developed an index taking into account longevity, literacy, educational enrolment and GDP per capita, which is combined into the so-called Human Development Index. All six countries are to be found within the crop of countries with high human development; their index values range from the Netherlands at the top with 0.93 as number eight in the world, closely followed by Denmark, Germany and Ireland (0.926 - 0.925), Spain with a value of 0.913 and Estonia with a value of 0.82 ranked 42 in the world.

1.3 NEW SOCIAL PARTNERSHIPS COMBINING DIFFERENT WELFARE ARENAS

The creation of partnerships at the local level is an expression of this welfare mix approach to solving problems of social marginalisation and exclusion, and indeed this has become an officially endorsed policy in most EU and OECD countries, no matter what welfare tradition had prevailed previously. A few general issues shall be discussed in this respect before turning to the concrete cases.

Social science has traditionally treated *market*, *state* and *civil society* (including voluntary organisations) as distinctly different social orders, each governed by their specific logic or rationale, and as indicated in figure 1 above each welfare model emphasised one particular social order. Hence, the market actors are said to be guided by a strategic rationality, by individual preferences for maximising utility, freedom of choice and indifference to other actors. Market relations are facilitated by the medium of *money*. The rationality of state actions is one of hierarchy and exercised through the medium of *power*, but it is also based on equality of legal status. In civil society, actors are guided by passion, loyalty and commitment, mediated by *solidarity*.² The idea of new social partnerships is to bring together agents representing the different social orders in a common effort to solve a specific

problem. It is, hence, a challenge to overcome the differences in reasoning that actors bring into the partnership from their respective sectors.

Civil society

The term civil society holds many meanings and covers many different institutions. Often it denotes everything that is neither state/government nor market/business hence often termed the *Third Sector*. Sociologists tend to see civil society as a space for mutual help and exchanges, while political scientists tend to see it as a space for political deliberations. It may be helpful to apply a distinction between formal and informal relationships to the concept of civil society (Pestoff 1995). By so doing, networks such as family and kinship relations, neighbour help and self-organised grass-roots activities, as well as community-based organisations, are separated out from traditional voluntary organisations and NGOs. Perhaps a time perspective can also be applied to distinguish between the various institutions of civil society. Parallel to the distinction between old and new social movements, traditional and new civil societal institutions can be identified. Traditional voluntary organisations, for example charity and relief-giving, can be characterised as being hierarchical, large-scale, staffed with professionals and often affiliated with a church or political organisation. Whereas new non-governmental organisations have a more horizontal structure of decision making, based primarily on volunteers operating within a much shorter time perspective. Keeping these distinctions in mind this research project includes all of the above-mentioned networks and institutions under the category of civil society.

Within the different welfare state models various civil society institutions are weighted differently. In Continental and Southern Europe the traditional voluntary organisations have historically played a pivotal role, together with informal networks, not the least the family. Here, there is a tradition of cooperation with government agencies. In contrast, in post-socialist regimes civil society has had to be reinvented or reshaped, which is evident in the Estonian case. In the Nordic model the role of civil society has not been significant, but recent developments suggest a more prominent role for NGOs and community organisations in social welfare provision.

Historically, initiatives to improve living conditions of citizens have come from civil society. But with the emergence of the welfare state more such initiatives were taken over by government, albeit to differing degrees and ways within various models. Currently, the overall trend seems to be the reverse. Governments are now encouraging various civil society institutions to participate in solving social problems, based on the assumption that civil actors possess specialised and localised knowledge and experience, and therefore in some instances are better positioned to provide direct social assistance. Critics have argued that this development can be seen as a reaction to the alleged crisis of the welfare state, where public interventions have been viewed as losing legitimacy and being less effective than expected. It is important to note, however, that the described change within the public sector towards larger involvement of civil society actors does not imply a transfer of financial responsibility to civil society institutions. Rather, it should be viewed as an encouragement of civil society actors to take up a more dominant role in processes of implementation and decision-making.

Public sector

At first glance the public sector may appear to be a straightforward concept covering institutions of government authority, which can be differentiated into central, regional and local government.

However, things are comparatively more complex; for example, Scandinavian municipalities have the authority to levy taxes and spend their revenues in ways they see fit, which gives them a much stronger position vis-à-vis most of their European sister organisations that are dependent upon central government revenues. Thus, decentralised forms of public administration may have very different meanings.

Added to this, a general trend can be identified in Europe that has been termed a development *from government to governance*. By this is indicated a move from governing by detailed rules and regulations put down in acts coming out of national parliaments, to governance by frame-setting legislation leaving the more detailed regulation to local institutions and actors. For example businesses become directly involved in talks with government on the redefinition and redistribution of competencies particularly in the area of employability and job creation.³ Or civil society organisations are invited to take direct part in processes of policy implementation. The general motivation for the public sector to engage in these new forms of cooperation is a drive toward ensuring an efficient and perhaps more adequate local implementation of social policy initiatives. (For a discussion on changing governance structures see Chapter 8.)

With the European Union increasingly becoming an actor in the fight against poverty and social exclusion, the original picture or demarcation of a *public sector* becomes even more complicated. In a process generally characterised by decentralisation, new central government and EU programmes can further a process, which has been called *recentralisation* (Hegland 1999), meaning that these distant actors influence local implementation despite a decentralised decision-making structure.

Private sector

New thinking about the role of business emerges in light of the changing economic and social realities in the 21st century. Private enterprise and global markets are as always expected to generate profitable investment, increased wealth and job creation. In addition, the public increasingly expect business to also demonstrate socially responsible behaviour, thereby widening their boundaries of responsibility beyond the financial and economic. This development is coupled with reservations, as some argue that globalisation will erode the ability of civil society and governments to ensure that private sector activities serve the public interest.

In the era of the so-called '*New Economy*', businesses are faced with new types of challenges and opportunities, conditioned by economic, political and structural concerns. These include possibilities to enhance competitive advantage, 'reputation management', the trend of ethical investments and shareholder value setting, but also pressure groups and consumer politics, regulation or the threat of regulation, and of course consequences of globalisation in terms of reorganisation of production and marketing (Zadek et al 2001).

Against all the listed concerns companies have begun to reorient their actions and even their attitudes. Many European companies are already engaged in *Corporate Social Responsibility* (CSR) measures and the changing attitude of business is still more commonly reflected in the phenomenon of partnership working. Specifically, the past decade has seen a considerable rapprochement between the private and public sector. Many types of partnerships are already happening across Europe, not least different initiatives generated and promoted under the EU's Structural Funds.

Business networks are emerging at national and even local level to coordinate efforts of community involvement in direct cooperation with civil society organisations, or directly in talks with government at various levels.

As can be expected, quite different experiences and forms of business practise prevail in the countries figuring in the present research. Whereas companies in Ireland, Denmark, Germany and The Netherlands have some experience of partnership cooperation with public authorities, it is much more rarely seen in Spain and Estonia. The special form of cross-sector partnerships that involves governments, business and civil society organisations, are however, still a very recent phenomenon in those countries and subsequently there are relatively few examples.

These very different and yet converging 'Social Europes', set the context and backdrop to the development and practice of the local partnerships in the six countries spread across much of the continent. The rest of this book therefore explores these experiences and sets them against more reflective and theoretical chapters as to what they might mean in a wider context.

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Endnotes

- ¹ For an overview of the debate on welfare regimes and models see P. Abrahamson 1999.
- ² These formulations are inspired by German scholarship. See J. Habermas 1989 and C. Offe 2000.
- ³ With reference to the EU Lisbon Summit April 2000, in a joint statement business leaders in Europe formulated ideas and proposals to government of increased social involvement . See *For an Entrepreneurial and Inclusive Europe, Business, Government and Civil Society in Partnership. Business Leaders Input to the European Summit on Employment, Economic Reform and Social Cohesion*, Published by TCC and EBNSC, March 2000.



EXPERIENCES



EXPERIENCES

Having established an understanding of the diversified European political and socio-economic context, key findings from the LPE research is now presented that highlights practical experiences of cross-sector partnership collaboration. Subsequently it is discussed how these experiences fit with the origins and political implications of partnership working.

2. The Experience of Working in Partnership

by LOUISE KJAER

It can be argued that cross-sector partnerships by their very nature are *unnatural relationships*, in that they bring together very disparate groups (public and private sectors and civil society) to work jointly on a project (Caplan 2003). Partnership working is mainly about finding new inroads to problem solving. It is about cutting across sectoral differences while creatively inventing new collaborative measures. But is that at all feasible? And is it worthwhile?

2.1 THE SIX LOCAL PARTNERSHIPS 'AT A GLANCE'

The six local partnerships participating in the 'Local Partnerships in Europe' (LPE) research project are all examples of such 'unnatural relationships', where representatives of the public sector, businesses and civil society organisations form cross-sector partnerships as innovative responses to concrete, social challenges in their local environment. The thematic focus of the different initiatives ranges from job creation, minority integration, and employability, with access to the labour market being the common denominator of all examples. Together, the partnerships represent different geographical/cultural settings within Europe.

Figure 3: The local partnerships at a glance

Locality/Country	The Partnership
Hiiumaa, ESTONIA	The 'Protected Jobs for Disabled Young Persons in Estonia' is a new social partnership formed by representatives from the public sector, the business community and local voluntary organisation. The partners are working together with the aim of integrating some 20 disabled young persons into the local labour market. The partnership experience has been so promising that the project has come to serve as a model for projects in the other 5 counties throughout Estonia.
Ry, DENMARK	The partnership project 'Ry – a community where everyone is needed' is a joint effort of local companies, the municipality, schools and cultural and sports organisations, to ensure successful integration of refugees in the town of Ry. The project combines labour market integration with the integration into social life of the local community.

Locality/Country	The Partnership
Enschede, THE NETHERLANDS	The partnership formed around the project 'Activity Centre Enschede Noord' (ACE) consists of the municipality and departments therein, community-based organisations, private enterprises and public organisations. The primary aim of project activities is to identify and support potential entrepreneurs and to find jobs for people on social security benefits. The partners are actively involved in the implementation of the projects through contracts awarded by the municipality.
Limerick, IRELAND	The 'Limerick Enterprise Development Partnership' (LEDP) was formed following the closure of a large industrial plant that had employed some 500 people from Southill and the surrounding areas in Limerick. A local group of people consisting of businesses, local authorities, the church etc., pooled financial resources to purchase the site for local social and economic development. The site today is multipurpose in that it combines commercial use with public service provision and community development. Its specific purpose is employment creation and enhancement of training and education.
Madrid, SPAIN	With the financial support of the EU Social Fund and under the project title 'Local Social Capital' a partnership was formed by the private sector, public authorities and local community organisations, to promote the development of employment and economic opportunities in two southern districts of Madrid. The aim has been to start new businesses and co-operatives, and to provide training as well as job-guidance activities. Business professionals have to a limited degree acted as 'mentors' offering advice and guidance to micro-entrepreneurs. The project has also intended to strengthen local networks and social support structures already prevalent within many community groups in the area.
Apenburg, Sachsen-Anhalt, GERMANY	In Apenburg in former Eastern Germany a joint community initiative by local entrepreneurs, civil organisations and the local authorities was launched to create local employment and boost regional development. The partnership established within the community organisation 'Altmärkisches Aufbauwerk Apenburg e.V.' (AAA e.V.) has implemented various initiatives focused on IT-development, ecological farming, environmental protection and preservation of local history and culture. Behind all efforts is a wish for the enhancement of local identity, coupled with measures to prevent the younger generation from migrating to the city centres.

(For a more detailed description of each of the local partnerships, including the socio-economic context in which they operate, please refer to the Annex)

As can be seen from the above figure, the various projects reflect a whole series of different types of economic, social, political and cultural circumstances; areas such as Ry in Denmark are more affluent than their counterparts in Villaverde and Usera in Madrid, or Southill in Limerick, Ireland and Apenburg in Sachsen-Anhalt, Germany. Having said that, Southill is situated in what has until recently been a booming Irish economy, whereas Apenburg is part of the former GDR that lacked the institutional infrastructures to regenerate and is attempting to catch up with its Western region's post World War economic development.

Although the common aim of the projects is social inclusion and socio-economic development through employment creation and social capital building, they do have different target groups. In the case of Ry, Denmark the focus is on integration of refugees while in Enschede Noord, the Netherlands it is on the long-term unemployed. In Hiiumaa, Estonia the project focuses on the needs of young disabled people. In the Irish, German and Spanish local partnerships the focus has been on the local community as a general response to the need for economic and social regeneration.

2.2 IS THERE A 'PARTNERSHIP FORMULA'?

Which tools, or what kind of changes in organisational behaviour or even mindset are then required when embarking on this new form of partnership collaboration? Does it for instance require new kinds of management?

Even though good manuals have been published we would still all like to read the one that gives us 'The Toolkit' of how to put partnership ideas into action; the one that ties the theory with the practice. Clearly there are common principles and features of partnership examples to be guided by. But yet, there are infinite variations.

Different socio-economic, cultural and political challenges of course require different responses. Rather than striving to 'mainstream' or to come up with one magic formula, there is a growing need to transfer the experience and know-how of practitioners and strategy planners across the different sectors, and regions, countries and cultures. Findings of the LPE research suggest that partnerships can be and are dynamic and temporary constructions, which have the potential of moving into formalised institutions - but this is not a foregone conclusion.

Some partnership initiatives have been directly prompted by an EU-funding opportunity, while others have emerged as a consequence of 'failures' in social support systems or shortcomings in local job markets. Others have been set up to *prevent* social exclusion, including measures to avoid social tensions related to multi-ethnic society, and initiatives to proactively seek out a new potential workforce among marginalized citizens. Hence, it may be very different *drivers* that lead to the establishment of a partnership. And different circumstances of course require different approaches in problem solving. The conclusion therefore is that there is no such thing as 'A Partnership Model' that fits all purposes – no one size fits all.

Perhaps the most important tool required is the ability to critically assess, understand and creatively propose changes in current working principles, or to unsatisfactory circumstances within the societal context in which you or your organisation form part.

Working in partnership between different segments of society requires a whole new, detailed understanding of expectations, resources, responsibilities, and decision-making capacities of all involved parties, including target groups. To team up in cross-sector partnership is a process that may unlock a diversity of potential

and facilitate innovative solutions. But the challenges may also include concerns of how to consolidate pilot initiatives into sustainable action at the local, regional and national level, in both political and operational terms.

2.3 UNDERSTANDING THE POTENTIAL AS WELL AS THE CHALLENGES

The LPE research takes as its point of departure the concept defined by Nelson & Zadek (2000) as New Social Partnerships:

'People and organisations from some combination of public, business and civil constituencies who engage in voluntary, mutually beneficial, innovative relationships to address common societal aims through combining their resources and competencies.'

Nelson & Zadek describe the functioning of a New Social Partnership as structured according to:

- the **context** in which it operates
- the **purpose** (objective) which has been defined by its members
- the **participants** involved in the joint operation
- its form of **organisation**
- and the expected **outcome**

Furthermore, the partnership is governed by a series of *dynamic pathways* or key factors that together determine the outcome of cross-sector partnership collaboration:

- Drivers and triggers
- Agenda (and purpose)
- Scope and complexity
- Leadership
- Resources, skills and capacities
- Organisational structure and functioning
- Transparency, representation and accountability
- Communication

- Measurement and evaluation
- Adaptation

In studying the six local partnerships over a period of approximately 2 years, and while actively discussing the *process learning* with and among participants from all three sectors of society, the following insights have been gained as to what it means to work in partnership:

KEY FINDINGS

1. The economic and political developments within some of the countries have proved important drivers and triggers for the partnerships.

In a number of the partnerships, the national economic and political environment has clearly had an effect, especially in terms of their formation. The Irish partnership was established in a time of unprecedented economic growth; the partners were troubled by what they called 'a pocket of poverty in the midst of a booming economy', referring to the disadvantaged area where the partnership is located. Taking advantage of a national economic upturn, the founders managed to attract partners, raise the money, buy the property and establish the partnership. However, recently the Irish economy has lost some of its momentum, and it is argued that it would be much more difficult to do a similar exercise today. In the case of the Danish partnership, the passing of new national legislation, which meant that the town received refugees for the first time, directly prompted the initiative. The increased national focus on market integration of ethnic minorities has meant that the partnership and its methods now serves as a good practice example of how to involve the private sector in active integration measures. (See also chapter 7)

For local governments (or municipalities) in general there is a drive to generate interest

from business so as to reduce costs and improve the efficiency of their own operations. There is clearly a political will, not only with the purpose of cost reduction and efficiency gains, but also in terms of the decentralisation of services and responsibilities.

European initiatives have also complemented the local 'drivers' for setting up partnership projects, of which The European Social Fund is clearly one. (See chapters 3 and 5)

II. The purpose and agendas, have in most cases not been clear to all, and have caused difficulties in the development of the partnerships.

In almost all of the partnerships from the very beginning, too little attention has been given to the clarity of project objectives and ways to reach commonly agreed upon goals.

One of the key challenges for the partners has been in realising the pragmatic decisions required to put original ideas into action in order to meet the needs of both the target group and the partners involved. In some cases this has come down to a difference in priorities, in others it relates to methodology. In the example of the German case, the overall concept with clear priorities has been lost in the course of extending activities into new areas. Now there are not only diverging, often contradictory opinions on the goals themselves, but also on the means to reach them.

In many of the cases the direct priority of getting people into work, or stimulating entrepreneurship has meant that other 'softer' objectives of social integration (e.g. education), have taken a back seat. This has particularly been the case in both the Irish and the Danish partnerships. In the latter example, the focus of attention has shifted as the partnership has developed. The model of integrating refugees into the community began with employment (work training, to

subsidized employment, to ordinary employment) and then shifted more towards leisure, involving a wider group of actors in an effort to socially integrate the newcomers into community life. This is now seen as top priority but has only recently been implemented.

III. Communication and trust (both crucially important factors) tend to improve with time.

Good communication is crucial to the success of any partnership, but its importance is often underestimated. Communication channels in the partnerships have tended to relate to the project at hand, in particular between those delivering the services, as opposed to a wider, more inclusive dialogue-based communication at a strategic level. What this means is that instead of a reflective or evaluative type of dialogue, information and *communication has often been based purely on 'getting the job done'*. This points to the priority of pragmatism over ideals, where there is discussion on action rather than reflection on learning.

Communication has often been based purely on 'getting the job done'.

As the partnerships have developed over time, the level of trust and understanding amongst the partners has improved. In some ways this has been because of communication, in other ways communication has resulted out of a building of trust.

The primary challenge facing the development of any cross-sector partnership is to ensure that the different motives and rationales that drive the organisations of respective sectors are understood and utilised to optimum effect. The vehicle for bridging and profiting from these differences is *trust*.

The partners bring with them different cultures of working; for example, businesses are prima-

rily task-oriented whereas third sector organisations tend to be more process-oriented. Business is also unburdened with bureaucratic processes and can act quicker than local authorities although they may also be viewed as therefore less accountable for their actions than their public counterparts. These differences were summed up by one of the participants in the Danish partnership when he said that *'we do not always speak the same language.'*

'We do not always speak the same language.'

In the effort to build trust and understanding the representatives of the different sectors therefore have to think and act differently compared to what is usually expected of them. An Irish participant put it succinctly when he said that partners had begun to *'leave their hats outside the board room.'* Trust among sector representatives is absolutely imperative for partnership building and development but it is not a given from the outset. Rather it is something to be developed through concrete experiences.

Unavoidably, crisis or conflicts of interest have emerged at some point in most of the partnership cases. It has been interesting to observe that where trust has prevailed among partners, a particular crisis (e.g. recession, internal conflict) has been worked out in an innovative manner and partners have come out of whatever difficulty with a better understanding of differences and common agendas. This has been especially true of the Spanish, German and Irish cases. Time set aside for thorough discussion has proved highly rewarding at different stages in the partnership development.

IV. Understanding *time*: working in partnership takes time. And time is perceived differently by different sectors, by different organisational cultures.

Organisations from separate sectors have their own timescales of working. Generally speaking,

business is seen to operate with a relatively short time perspective, with a primary focus on the market and competition. The public sector, on the other hand, operates with considerably longer-term perspectives (although influenced by electoral policy processes) as it is concerned with stability and legitimacy, 'law and order'. Finally, civil society organisations are navigating a quite different *lifetime* perspective, with a more open-ended concern for the well being of the citizens they represent.

The mix of differences in time scales and perceptions can place hindrances in the functioning of the partnerships. However, when all partners recognise the potentials and natural limitations of the others a dynamic integration of resources can be brought into play.

Often a lot of time is required when forming and working in partnership. Time inputs by an individual partner in the partnership vary according to individual responsibilities, as well as to skills. Business partners, for instance, operating with a sense of urgency have become frustrated by the more leisurely pace exhibited by their public counterparts. Nevertheless, in both the Danish and German cases business people mention a better understanding of the actual workings of the municipal system as one of the main partnership learning experiences for them.

V. Organisational structures have evolved into a more structured mix of informal and formal operation.

Various organisational forms exist within the partnerships; these range from those with a more formal legal status to those more akin to an informal collective. The Irish partnership is established as a charitable trust company, whereas in Germany the partnership has comprised of a limited liability company and a charity association (*Gemeinnütziger Verein*). The remaining four projects have no formal legal

status as such, even though the Dutch partnership operates under contract with the municipality and the Madrid partnership operated under contract with the European Commission. However, their formal structures have not always been translated into how they have worked in partnership, where often a looser, more flexible model have been used.

At the first Thematic Workshop of the LPE project, April 2001¹, participants clustered advantages/disadvantages of the informal vs. formal organisation as illustrated in figure 4.

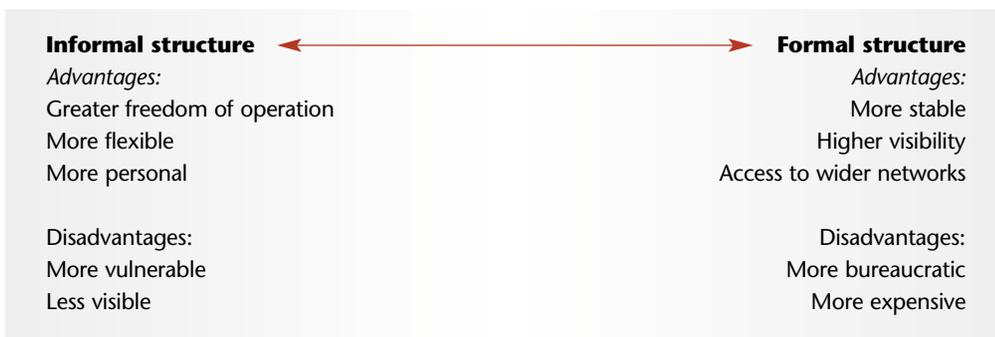
From a point where there were more informal ways of working, over time there has been a trend towards a more formalised structure to the partnerships. This reflects the ability to learn from and adjust to criticism voiced by partners. The Danish partnership explained

that: *‘Organisationally, we hadn’t constructed the project well enough from the beginning because everything happened so fast. We needed to go back and get things in a better order.’* In many of the cases, the enthusiasm, pressure and imperative of ‘getting the job done’, at least in terms of tangible project results, superseded the basis for partnership working. This has been evident in the way in which organisational groupings and committees have been formed and managed.

‘Organisationally, we hadn’t constructed the project well enough from the beginning because everything happened so fast. We needed to go back and get things in a better order.’

Working, Co-ordination, and Management Committees have become a common aspect of organisational workings. A distinction has

Figure 4: Partnership organisation



become clear between what can be termed the ‘governance’ level and the ‘operational’ groups; often the partner relations play themselves out at either one of these levels. In the Spanish case for example, there is a hierarchy of committees; the more senior co-ordination committee has met only on a few occasions, and there has been limited interaction between the strategic leadership of the project and the partnership

‘practitioners’. This tendency, where the real ‘feel’ for the partnership is located at the ‘lower’ level of its organisation, points to potential hindrances in wider dissemination of learning and implementation of strategic changes proposed on the basis of local experience.

In the case of the Estonian partnership, although there is a Governance Board and

Project Board, as well as a Partnership Network, there is no intention to make the Board into a formal gathering with fixed routines, and no chairman has been appointed. *'The goal is to enhance a frank dialogue and to qualify decisions through involvement'*. As a consequence of such an ideal, the practical challenge remaining for the Project Board is whether this indicates a democratisation of the decision-making process, or an institutionalisation of a previously informal project. Either way, the main quality is the ability to adapt the organisational form in response to changes over time, something the partnerships have done well, at least in achieving short-term objectives.

'The goal is to enhance a frank dialogue and to qualify decisions through involvement.'

VI. The leadership role of individuals has been crucial, both in terms of maintaining the ongoing day-to-day workings of the partnership as well as involving and informing the partners.

Members of the Estonian partnership have expressed the necessity of having a strong leader. They endorse the role their project co-ordinator has taken. Her role as intermediary between the three sectors, as well as facilitator between the partnership and external stakeholders, such as the Ministry of Social Affairs, national and international partnership projects, has been of utmost importance. In general however, there is a need for a careful balance between centralisation of co-ordination and wider ownership and involvement.

In the Dutch partnership the strong leadership of the district manager has had a reinforcing effect, but while the prevailing impression is that all partners are satisfied with the present leadership and the priorities it makes, there are also indications that decision-making and project planning would gain from a more open and inclusive debate among all partners. In Germany, as with the other partnerships,

leadership has been focused exclusively on the project co-ordinator who had wanted to expand the involvement of other members but without success. As a consequence there was no sharing of workload and subsequent administrative failures. Perhaps the Irish case is the only example of a leadership becoming gradually more dispersed and shared across a number of individuals. There has been a growing buy-in from the different Board members, who increasingly use their individual competencies to take the lead in specific areas. In Spain, the very nature of the single beneficiary of EU funding has meant that leadership and co-ordination has been the sole responsibility of the intermediary organisation FES. Some argue that this has impeded the involvement of other partners and the development of a more collective leadership.

Strong personalities

The capabilities of specific individuals seem of paramount importance for the success of a partnership, and sometimes also for its failure! The creation of partnerships as well as their development is *not a result of 'business as usual.'* It is not a routine way of working.

Linked to such charismatic, dynamic, energetic leadership is obviously the potential problem of lack of communication with various partner institutions and individuals. With reference to the often hectic working conditions, leaders have in many cases failed to communicate internally about daily achievements, problems and prospects, decision making etc. to members of the steering or background committee. They have been too busy getting on with the job.

A tight control of the reins by one leadership figure when generating initial success has in several cases meant that other players have not been able to play an equal part. There is even talk of leaders being caught in a *'leadership trap'*; hoping to be able to motivate others to take part and become active, while at the same

time not being able to let go of control. Regardless of whether it be an individual sector representative acting as a broker between partners, or an intermediary organisation aiming to build bridges between organisations, the evolution of partnership collaboration seems to demand a new form of shared decision-making and leadership, based on new forms of knowledge and involvement.

There is even talk of leaders being caught in a 'leadership trap';

Differentiating between individuals and institutions
Following on from this, the role of individuals as representatives from their respective organisations has often been perceived as more important than the organisations themselves. In addition, the more senior these people, the more likely it is that they will be able to get things done, as well as being able to internalise the learning back into their respective organisation. Recognition of this in certain instances resulted in changes in the type of representation; for example in the Danish partnership the municipality up-graded its involvement in the partnership by replacing the former representative, who was a civil servant, with the Mayor. This was done on the suggestion by the company directors within the partnership, who thought it more efficient to have the Mayor herself on board of the Background Committee, as she would be better positioned to fast track decisions with the local public system.

VII. Finance – in all of the partnerships, the availability of financial resources is crucially important, and the future remains uncertain for almost all of the partnerships.

A precondition for all projects is financing. No funding, no project. It should come as no surprise then, that changes in national or European legislation are closely linked to the process of initiating projects and the possibility of continuing support. The Dutch partnership

case was directly triggered by a change in national legislation that introduced the privatisation of labour market integration measures; the formation of the Estonian partnership was a direct result of Danish foreign aid to the country; most of the activities in the German partnership were financed out of EU social funds, and are potentially very vulnerable when, as can be foreseen, these also have to cover the accession countries, thus leaving fewer resources to Eastern Germany; a national government enterprise fund helped establish the partnership in Ry, Denmark; and as already mentioned, the Spanish case grew out of a successful EU application for funding.

Continuation and consolidation of projects

With the exception of the Irish case, most of the financing of the partnership remains primarily a public concern. Where public funding is ongoing, as in the Dutch case, the immediate future looks bright. However, without public funding, prospects look bleak. Hence, most of the projects face an uncertain future. This points to the problem of sustaining the partnership activities within the local environment by obliging some institutions, organisations and/or businesses to take on the role of providing continuous financing. The experience from Ireland is an exceptional case. Here the local partnership is constructed as an income-generating Charitable Trust Company that has managed to become economically sustainable.

VIII. Community representation and involvement has proved difficult but crucial to future success.

Although tri-sector partnerships are meant to have equal representation from all sectors, this has not always been the case where the civic sector is concerned. Civil society institutions are viewed as very important for the wider inclusion of marginalised people into society. As expressed by one of the participants in the German partnership, they are 'the salt in the

soup.’ But with only a few exceptions, the NGOs and informal network representatives have been the weakest link in the partnerships.

Nevertheless, in the Danish partnership, even when NGO representatives were brought in late on, they managed to help substantially. This was also the case in Spain, where immigrant organisations became the decisive force in helping to identify micro-business starters in the community, at a time when the EU-funded partnership project encountered problems in exactly this area.

In the Estonian case, the representation and role of NGOs have been strengthened over time. Similarly, in the Dutch partnership Turkish and Moroccan associations were brought in late, but having them on board improved their relations with the municipality.

The reason for the insufficient representation of ‘the community’ in the partnerships was felt by respondents to have been due to a difficulty in determining who in the community to approach; ‘the community’ is made up of a variety of actors, often with unclear or no explicit form of organisation. So either you talk to one, or you invite them all in!

Redistribution of influence and power

Whereas enterprises are traditionally charged with decisive power in labour market relations, and the public sector is used to being the dominant player in the public and political sphere, we find the local NGOs in a relatively weaker position in terms of direct influence and economic or bargaining power.² What these organisations often possess, however, is a direct link to the target groups. Due to their embeddedness and credibility in the communities one might argue that civil society organisations in fact make up perhaps the strongest link to the socially excluded populations of our societies. In other words, an indispensable asset in any

partnership set out to promote social inclusion. It is therefore important that all parties learn to perceive of the civil sector as equal partners, and not just as a ‘*democratic alibi*’, as one respondent puts it. Hence, it is important to set aside the necessary time for dialogue and the establishment of trust; it is crucially important to acknowledge and appreciate the very different insights and knowledge that these civil representatives can provide. And finally, it is equally important that local NGOs become more outgoing and articulate, if they want to fulfil their mandate as advocates for the weakest groups within the communities they represent. A tri-sector partnership can only be truly successful once all parties are equally positioned to play an active part in this new form of collaboration.

It is therefore important that all parties learn to perceive of the civil sector as equal partners, and not just as a ‘democratic alibi’

IX. Transparency and accountability relate to responsiveness, engagement and compliance. These are crucially important for the success of any partnership.

A high degree of transparency is crucial especially in the more informally organised partnerships that are based on goodwill and trust instead of a legal framework that obligates the different partners.

As mentioned above, a main objective for all of the partnerships is to involve the community as active participants in the fight against social exclusion. This point is important for the future and long-term legitimacy of all of the projects. It implies that members of the target groups will also need to feel a sense of ownership and may also be represented on the Boards or other representative bodies of the partnerships.

Engagement and subsequent responsiveness took time to develop in almost all of the part-

nerships. In the case of Denmark, it took time before partners managed to actively engage the sports and culture organisations, which are now represented on the Background Committee. In the Estonia case, through labour market integration and involvement of the disabled youngsters in the project, the members of the target group have become gradually more outspoken and engaged in the partnership. This level of engagement has been strengthened further with the inclusion of a disabled person on the Project Board.

It is this formal representation of partners in the governance of the partnership that can prove so valuable. However, results from within the Spanish partnership showed that formal representation does not in itself guarantee successful collaboration, as the different committees did not work particularly well together in certain instances. The intermediary organisation charged with the primary leadership of the partnership was not seen to be as responsive as it could have been to the ideas put forward by Working Committee members, and there was a lack of engagement by the members of the higher-level Co-ordination Committee.

Finally, there needs to be a clear division of responsibilities, particularly in terms of what each partner 'brings to the table'. In the Netherlands, this clear division of responsibilities has enabled an efficient employment of resources on behalf of all partners, ensuring that each participating organization can trust that its separate objectives can be fulfilled, be they political, commercial, social or cultural. It is here where accountability and effectiveness become natural bedfellows.

X. There has been little in the way of formal measurement and evaluation of results beyond the financial and economic.

The extent to which the partnerships are measuring and evaluating their work relates directly

to the organisational structures, size of operations, and nature of the tangible and intangible outcomes. The smaller partnerships in Estonia and Germany have not seen a need for advanced monitoring and evaluation processes. Though, even here it is felt that partnership experiences could be made better use of by regular evaluation of results.

The lack of any systematic evaluation and monitoring processes is probably a result of the perception that such processes should take place at the end, rather than throughout the life of the projects. However, this may cause the partners to lose sight of the fact that ongoing learning processes are assisted by ongoing evaluations. As expressed by one of the Spanish partnership members: *'We should not hide any failure, but regard it rather as valuable and productive learning. This is because this is a pilot experience. We are allowed to make mistakes, if we remember to reflect on them.'* Or in the Irish case one of the partners said: *'What is interesting for us are the questions, not so much the answers'.*

'We should not hide any failure, but regard it rather as valuable and productive learning.'

The Spanish partnership is an exception in terms of evaluation. Here there has not only been thorough reporting of project results as part of the EU funding criteria, but also a sort of overall evaluation of the partnership experience has been planned, designed as a partnership manual and sponsored by the Municipality of Madrid. Thus, the forthcoming 'Best Practice Manual' will serve as a supplement to the mandatory EU evaluations. Also, a survey of prospects for the introduction of a micro-lending scheme has been undertaken.

This is not to say that bureaucratic compliance-based processes such as those required by the EU are 'best practice', or that evaluations should not be relevant to every size and scale of

partnership projects. Rather, they need to be part of a process that enables all of the partnerships to reflect on the work so far. A thorough evaluation process might also have positive implications for future funding possibilities, as it enhances the partnership's ability to demonstrate its achievements.

Aspects of measuring and evaluation will be dealt with in more detail in chapter 4, which focuses on partnership outcomes: concrete achievements and societal gains.

Summing up

Partnerships are chiefly engaged with combining resources of various sectors. The value of diversity is immanent in a partnership that understands how to make use of precisely the differences or variety of organisational cultures and forms of practise.

Local partnerships are seen to emerge either as a response to - or in anticipation of - local social challenges. In either case partnerships introduce prospects for change: changes in working

methods or procedures, in strategic planning, or in attitudes. Partnerships are largely about learning and adapting to the architecture of change; about understanding and reflecting upon the ability to act in accordance with changes within society and/or within the organisations in question. Or indeed to catalyse changes to existing circumstances or conditions that are deemed unsatisfactory.

In the next chapter, the concepts behind recent changes in social policy and resultant welfare mixes, give further context to the environment in which partnerships have developed, the origin of their form, and the cultural cleavages they have attempted to bridge. The chapter raises many questions for practitioners when working in partnerships including, how can such ever-changing circumstances best be addressed? Are partnerships the optimum and/or only form by which they can be addressed, and which type of partnership – 'new social' or 'public/private' will take precedence?

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Endnotes

- ¹ See chapter 9 for an overview of the research process.
- ² Excluding in this context trade unions from the otherwise broad category of civil society organisations referred to in the LPE project



3. Origins and Implications of Working in Partnership

by ADALBERT EVERS

To work in partnership is a demand to be found today in nearly all areas and settings - public and private ones, the business sector and the public sphere, at the local as well as negotiations at the international level. The focus of this chapter (as of the book) is on the more recent forms of partnerships as they have taken shape around complex social problems. Although there is great diversity to these partnerships, they have a number of common characteristics:

- They are taking shape in areas with particular social and economic problems
- They look for the participation of representatives from all sectors of society
- They have (limited) autonomy
- The partnerships have economic, social and political dimensions, which are usually inter-related

Synthesizing what is seen to be socially needed, politically welcomed and economically feasible through cooperation in such a project, may produce synergetic effects, lower transaction costs of change and promote simultaneous flexibility and stability .

3.1 DIFFERENT ORIGINS OF NEW PARTNERSHIPS

The label 'partnership' in public and social matters has quite a long tradition especially in countries with a history of political democracy. Authoritarian regimes fear pluralism, negotiation, or linkages between forces that do not accept a predetermined hierarchical order. Furthermore, the quest for partnership presupposes that despite potential conflicts between members there is enough to be shared for positive gain. Turning adversaries into partners that cooperate despite conflicts is one of the achievements that come about as a result of a civil society freely operating in a political democracy.

One aspect of partnership that is very much part of the European experience, is the notion of '*social partnership*'. In many European countries this term is used to point to systems of institutionalised negotiation and conflict management between trade unions on the one hand and representatives of employers on the other. However, in contrast to most of the contemporary partnerships we speak of today, these had a rather fixed and limited field with their focus on the labour market. Seeing themselves as organised representatives of the antagonism between capital and labour, trade unions and employers understood themselves as being much more important than other interest groups. This is mirrored by the fact that in some countries these 'social partnerships' became institutionalised in an exclusive *tripartite system of partnership*, that included the state as the third party. (Streeck / Schmitter 1985).

Obviously one can imagine that this privileged role of the organised representatives of capital and labour - even if it could be seen as a big advantage for managing the most important social conflict of industrial democracies – also had its problems. The sociological and political critiques of these corporatist partnerships have underlined that it is in fact a problem for representative democracy, when issues concerning for example economic policy, are negotiated in advance in a tripartite setting, to be ratified later by political parties with only minor modifications. When comparing corporatist partnerships with new partnerships discussed in this chapter, there are a number of further critical points to be raised:

- Alongside their traditional self-image as representatives of central social forces, the social partners may find it difficult to act in a pluralist setting at the same level as representatives from the third sector, activist groups or others;
- It might be difficult for them to come to terms with a different style of negotiation as can be often found in new partnerships – characterised to a lesser degree by the closed-shop situation so typical of tripartite corporatist partnerships;
- Finally, it may often be difficult to convince representatives of capital and labour that issues of marginalisation, urban decay, development of new services etc., are issues where their presence is needed, being not merely employers or organisations of employed workers but to a certain degree also regarded as concerned co-citizens.

Another much more recent stream of practice that gave a new and different sound to the word ‘partnership’ is the emergence of ‘public-private partnerships’ (PPP), which came from the USA. There, it had taken shape in the context of housing, urban and regional development, where it required private organisations and investors to act in line with the development concepts of for example a municipality. These partnerships differ from the new partnerships in Europe in a number of ways: in the US partnerships the private partners are mostly involved for profit, while organisations from the civil society are very often neither included nor consulted; secondly, the US partnerships are usually concerned with negotiating a binding ‘deal’, which is viable both in economic as well as social and political terms; thirdly, both sides define themselves less as representatives of ‘public’ or ‘private interest’ but rather as ‘business partners’.

Arguably, the advantage of public-private-partnerships in the US, compared with so many new local partnerships in Europe, is the very real presence of the business sector in highly binding agreements. Obviously, the more the idea that politics should do the ‘steering’ and not the ‘rowing’ (Osborne / Gaebler 1992) becomes popular as well in Europe, with private organisations providing projects and services within a framework set by a public programme or concept, the more the legacy of American PPPs looks attractive for actors in Europe.

Another concept that came across the Atlantic and became influential throughout Europe (especially via England) during the 1980’s was the practice of community work and development. These were tried and tested in the context of inner-city reform programs during the Johnson administration in the early seventies; also known as the ‘Great Society’ programs. Here the key words were empowerment, building and strengthening community groups and the material and civic infrastructure of groups and areas at risk, all coming some time before ‘civil society’ and ‘social capital’ became buzzwords.

In essence, though new partnerships may be seen with an eye to the history and future of a distinct European model of welfare and development, they owe considerably in words and deeds to the US.

3.2 SOCIAL SCIENCES REFLECTING ON WHAT IT MEANS TO WORK IN PARTNERSHIP

There is a link between changing theoretical concepts of how to view the world in the social sciences, the language and practices of public policies, and the possibilities of defining what working in partnership may mean and presuppose. However, changes in concepts often do not have one clear-cut meaning for the policy and practice of new partnerships or their future.

This can be illustrated when looking at issues of the market and the role of the state. On the one hand one can observe a waning of neo-liberal concepts that prefer market-related solutions to political problem solving and therefore do not offer much room for issues of governance beyond a minimal level. However, the new broad consensus that 'politics matter' and that one needs to increase rather than to minimise it, opens up new questions. What then is the 'good governance' so many politicians and administrators talk about?

New public management (NPM)

One of the more technocratic views dealing with this question of modernising politics and administration is the philosophy of the new public management (NPM). In this concept² politics as a field of values, negotiations and conflicts, often vanishes behind the challenge of managing change properly, using to a large degree management techniques for public purposes that have been successful in private business. As with private management, the vocabulary of NPM does not speak of planning but 'steering', and the relationships between public authorities, market and third-sector-organisations are conceived according to the ones between private companies - in terms of 'subcontracting', 'contracting in and out' etc. This idea does not preclude the need or potential of partnerships, but their politics are understood in terms of contractual relations and 'joint ventures' between 'business partners'. This view of partners, as well as the language of public management, is obviously difficult to apply to many groups in new partnerships, such as community groups and other initiatives that can not be deemed as organisations in a formal sense, which strive for clearly defined goals; their goals may often be less tangibly expressed than the rather more 'strategic' and 'instrumental' approaches taken by business. And perhaps target groups are right when they refuse to be seen as just another group of lobbyists.

However, this is not to say that a managerial view of politics does not have something to offer. One contribution might be in providing help in translating complex visions into concrete goals, contractual agreements that define mutual responsibilities and tasks, and quantified indicators for measuring 'outcomes'. The latter offers the opportunity to measure the outcomes of the partnerships' social investment, e.g. to create employment or urban renewal by indicators such as crime rates, types of jobs created, as well as quality of life indicators, in terms of peoples' fear of crime or trust in others.

Civil society and 'governance'

Recent political theory has contributed to legitimising partnership working as a political action. Concepts of civil society underline the enormous impact of association building citizens to articulate themselves and have a say when their representatives and administrators prepare plans and interventions; the increased use of the term 'governance' (Davis / Keating 2000) instead of 'government'

or 'governing' indicates that the idea of politics used here is not a one-sided concept with state policy as a 'producer' and social actors as more or less obedient 'consumers'. The challenge is to reach a viable consensus in a plural society with many groups being part of the policy process and some groups constantly under threat by exclusion.

'Social capital'

Situated between the realms of political science and social science the concept of 'social capital' (most notably propounded by Robert Putnam), has contributed to a further understanding of the need for partnership and its positive trade offs. In Putnam's concept 'social capital' has a positive impact on economic development and good governance by creating conditions by which trust, networks and associations flourish (Putnam 2000). Besides disposing of the trust within traditional groups ('bonding capital') the challenge is to build 'bridging capital' (Gittell / Vidal 1998); that being active trust, which crosscuts pre-existing cultural, ethnic or social groups in order to make it possible to work in partnership. Putnam underlines that it takes this kind of social capital especially to make democracy work.

The 'welfare mix'

Finally, the concept of 'welfare mixes' has proven to be important particularly in Europe. The *welfare mix concept* (Evers 1995) sees welfare provision as the responsibility of not only the state and market, but also civil society (third sector organisations), as well as contributions from the more private and informal realm of households and families.

In terms of governance, a call for more 'welfare pluralism' rejects predetermined hierarchies where the state or market actors always come first and where third sector organisations are viewed merely as 'gap filling' agencies, needed only where and when state and markets reach their limits (e.g. only needed in troubled city areas but not in ordinary urban management). Insisting on welfare pluralism means supporting a notion of governance, where co-operation between all partners in a mixed welfare system should be the rule rather than the exception.

In addition, as a socio-economic concept it reinforces the notion of a 'plural economy' of welfare. Instead of identifying economic action with market action and state redistribution, one should be aware of the fact that there is also the 'moral economy' of private households and the special 'social economy' of not-for-profit-organisations, so important for daily life, socialisation and integration. Obviously these economies are interrelated and the very idea of a welfare mix rejects the notion of strictly separated sectors, suggesting for example a demarcation line between social services owned by the municipality and social services in a 'third sector', delivered by voluntary organisations. In fact, in both cases the respective service institutions can and should possibly rely on partnerships – by inviting voluntary action, networking with other support organisations and by looking for donations or private investments.

With such a perspective, partnerships are not only an instrument for undertaking complex projects. Instead of letting them turn into fully professionalised private/commercial or etatist institutions that stand outside society and community life, the creation of partnerships based on networking strategies are also a means for fostering the 'social embeddedness' of services into civil society through greater community involvement.

It is clear that there are strong overlaps between concepts like strengthening civil society, building social capital, upgrading the third sector, supporting 'local economies' and governing welfare systems, which are normatively mixed and pluralist.

'Manuals' for engineering partnerships

In some parts of the debate about 'policy networks' (Scharpf 1997) different kinds of universal manuals for co-operation have been attempted to make it possible to calculate costs and benefits associated with partnerships. Such an attempt can be problematic for two reasons. First, there is a tendency in the literature to focus on efficiency savings and tangible benefits while neglecting the less measurable contribution of such networks to the public good and democracy (Klijn /Koopenjan 2000). Secondly, such prescriptions may fail because they leave out context. Context however, is crucially important for the understanding and operation of partnerships because their potential depends on the nature of the political culture in which they operate. Whether or not participants at a round table can reach 'positive co-ordination' (by a shared project) or just 'negative co-ordination' (avoiding conflicts) among the partners may largely depend on their common history at the place where they operate. The mutual trust that is needed for working in partnerships may sometimes have been cultivated over a long period of time in one setting while being desperately missing in another. A set of rules and prescriptions therefore will hardly do the job.

3.3 SPECIFIC CHALLENGES ENCOUNTERED WHEN WORKING IN PARTNERSHIPS

In the debates on working in partnerships there are a number of recurrent experiences about typical problems. Those judged as especially important are set out below.

The challenge of inequalities and hierarchies

One of the typical problems is that the inequalities and hierarchies of society are mirrored in new partnership approaches. This can happen by the fact that the weakest groups are not present in a partnership; generally this is not a question of a lack of political will but of the fact that these groups, unlike the well established ones, are not necessarily formally organised: the unemployed, ethnic minorities, disadvantaged youngsters in deprived urban areas, or inhabitants that live in the grey zone between the fringes of the labour market and social assistance (Geddes 1998). This creates a clear imbalance of power that remains even when a socially weaker partner finally 'sits at the table' or when stronger partners act in part as advocates and representatives of the weaker groups.

The challenge of cultural cleavages

Secondly, there is the problem of cooperation between groups in a partnership that are often separated by considerable cultural cleavages. This is not only true for special cultural or ethnic groups, such as migrants, but also concerns the considerable differences for example between the culture of state welfare agencies (urban planning departments, departments for social affairs) and their related organisations (social workers, voluntary agencies) on the one hand, and representatives of business on the other. It is not only a community of immigrants or an interest group of old inhabitants in a city quarter who may have difficulties in developing a common working style; the language of social workers and representatives of the business community may also differ considerably. It is therefore not by accident that often two very different kinds of partnerships can be found, not only with respect to their goals, but in regards of their respective cultures of working. So, on the one hand there are business-dominated partnerships for regional development, economic modernisation, with

trade unions as minor partners, while on the other there are partnerships for urban revitalization or for combating occupational and social exclusion, where the style of social welfare agencies is predominant and the participation of the business sector missing. Clearly, it is important to have both features in partnerships for employment and social development.

The commitment of partners

A well-known problem in partnerships is the fact that their quality depends upon the commitment of each party; problems arise when commitment is lukewarm or groups are over committed in their own organisational circumstance. With this in mind it should be made clear that the challenge of creating cooperative attitudes is not merely a question of morale or of the right working techniques of network-moderators. Building trust, creating the readiness to look beyond ones' own narrow interest has much to do with the degree to which the respective organisations can develop a perspective of being in the 'other partners' shoes'.

The motives that drive the involvement of an organisation in a partnership, as well as how their role is perceived, will have an enormous impact on their behaviour. For example, it is not sufficient to simply have representatives of the local business at the table. What matters most is the question of what facet of their identity is brought into play, addressed and encouraged. Do they perceive themselves, and do others perceive them only as investors that want to make a good deal or does their 'corporate citizenship' count as well - i.e. the fact that their organisations have a co-responsibility for the development and quality of life in the respective community? Counterbalancing their own partial concerns with their shared concerns as co-citizens, is a challenge that does not just belong to the business community but to other organisations as well, for example trade union representatives. Do they only care for issues of (un)employment or for the general conditions of living in a problem area as well?

The role of the representatives of local government

Obviously when facing these problems, the often accepted concept of state and municipal representatives as 'moderators' of partnerships, may be far too simple. Such a notion of the role of professional politicians and administrators, covered by slogans like 'handing power over to the people at the grassroots' may all too easily result in the fact that political responsibility gets handed over to a consortium of private interest groups. If one works on the assumption that partnerships should be a way of spreading or sharing power, then public authorities have special responsibilities that involve a readiness to take the initiative or lead in the formation and cultivation of partnership approaches. What is needed then is an engagement of professional politicians and administrators with respective social and economic partners in a partnership different both to any traditional state-centred or privatised approach. In a concept called by New Labour in the UK 'networked governance of welfare' and in similar ideas by some theoreticians from the US 'associative democracy' (Cohen / Rogers 1995), the challenge is described as follows: *'There is a need for strengthening the civic quality of private action as well as the enabling quality of professional politics and administration that stand for a concept of the "public good"'*.

The relations of local partnerships and larger politics

For local partnerships trying to overcome attitudes that constrain positive change the question is how to best understand the linkages between the potentials of such partnerships and the nature of

the political framework they are embedded in. For example, complaints arise when partners, say working with unemployed youngsters, have perfect autonomy to cooperate as they wish, but very few resources to make the necessary change. Although they work 'freely' they remain in a very marginal position. Social capital building by local partnerships may help to make democracy work but it also takes supportive interventions from the side of democratic politics at large in order to make such partnerships and social capital work (Evers 2003). The same is true when looking at the upgrading of participation and community building in operational concepts of local partnerships. To what degree can these be made a component of the every day culture in demarcated problem zones, even though everywhere else in town a culture prevails that has little or no civic commitment?

Dealing with the interface of big and small politics is especially challenging whenever local partnerships stand explicitly in the framework of a regional or central government program, for example against youth unemployment or urban decay, where they therefore have to function as 'model projects' that (hopefully) illustrate the usefulness of the respective government program as a whole. Ironically, the relationship between the model projects and the central political administration are often troubled by the fact that because the main initiators of programs involving local partnerships need success stories quickly, they tend to paint a far too nice a picture of what is going on in reality. That makes it difficult to have a sincere debate about the problems faced by local 'experiments'; however, if they are not allowed to sometimes fail, they will easily be killed off by a process that sees the link with the wider public being only about publicity.

3.4 CONCLUSION

It has been argued that working in partnerships – with a focus on the local and regional level – can not only build on the legacy of European traditions of welfare and democracy, but also in the context of the waning of the ideology market liberalism, represents new ways in which to make politics count. There are various conceptual offerings to link the practice of building partnerships with theories of politics and development. Some, like the concept of new public management, take the business partnerships from the private market sector very much as a role model. Others, like the concepts of civil society, good governance and the crucial role of social capital, underline the special nature of social and political partnerships. All of them can be related to a concept of social policy that insists on the mixed and plural character of welfare and on the need to look for 'new welfare mixes' that respect the contributions of different groups, especially citizens' associations and the various 'local economies' of community groups and families that open up to the community.

The role played by various organisations and groups should not only be seen in terms of their ability to negotiate and influence but through material participation as well; such as third sector organisations that revitalize community life and jointly deliver welfare services. The kind of concepts that will be used to tackle practical problems experienced in partnerships, like dealing with inequalities, building social capital, and recasting the role of administrations and professional politics, are not a matter of the 'subculture' of a partnership nor of the wider policy context alone. Instead, the critical point is to be found at their interface.

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Endnotes

¹ For mainstream versions of this credo of new forms of governance on the international level see e.g. OECD 1998; European Commission 2000.

² For a critical review see Pollitt 2000.



GAINS

Having understood the lessons and history of partnerships, what did the six local partnerships actually achieve, both in terms of project outputs as well as partnership outcomes, and what were the wider societal gains? Then, how do these results fit with notions of social inclusion and exclusion, and to what extent do partnerships provide a solution to the challenges faced by contemporary society?

4. Partnership Results: Concrete Achievements and Societal Gains

by LOUISE KJAER and KEN CAPLAN

Much has been written about the results of partnership projects. Partners generally come together to complete specific tasks or projects. Quantifying these results is relatively straightforward. Through the contribution of each partner, one can usually see what has been achieved without too much difficulty. The more challenging aspect of partnerships is to quantify the impacts that working in partnership has had for the partner organisations involved. Or likewise, assessing the wider unexpected impacts or spin-off effects in the form of *societal gains* remains mostly in the realm of speculation. Based on findings from the six LPE case studies, this chapter attempts to unpack both the impacts working in partnership has had on partner organisations, whilst also trying to reach some conclusions as to the wider impacts on society. In order to facilitate such an analysis it is necessary to review partnership outcomes in a broad sense, rather than merely looking at project results.

4.1 PROJECT RESULTS – PLAYING THE NUMBERS GAME

Partnerships are generally established as a more effective way to achieve objectives that could not be accomplished by a single organisation operating on its own. To succeed, partnership practitioners need to convince both managers and colleagues that a collaborative approach will produce benefits that will outweigh any costs or difficulties such partnership approach-

es may impose. After all, partnerships are hard work and without clear results they would hardly be worth the effort. Generally making such a ‘business case’ (here understood in its broadest sense as applying to private, public and civil society organisations) will rely on the numbers – clearly quantifying the expected outputs of a partnership project. The numbers are what make the ‘game’ worth playing. Such outputs could include the number of job opportunities or training positions created, the number of micro-loans taken out and micro-enterprises started. The prospect of such quantifiable achievements is usually what brings partners to the table in the first instance; it is these traditional and very concrete measures that tend to be used when estimating whether the specific partnership project was worth the time and resources invested.

Figure 5 takes a closer look at a sample of the LPE partnerships in order to illustrate different kinds of project results achieved.¹

Figure 5: Three examples of project results

Three partnerships & their original purpose	Project Results
<p>Ry, Denmark – ‘Ry, a community where everyone is needed’. The partnership aims to successfully integrate refugees in employment and local community life by combining job training, language education, and leisure time activity.</p>	<p>The partnership exceeded its goal of integrating 14 refugees in the employment part of the project. 17 refugees are now involved in different phases of the project: 8 in work training, 4 in subsidised and 4 in ‘ordinary’ employment, and 1 with a student grant for education.</p> <p>The construction of a network of local stakeholders is particularly important for the leisure part of the project and hence, wider community involvement. One of the partners describes it as <i>‘rings spreading in the water’</i>. The partnership has been a catalyst in sparking new initiatives, be it events at the local folk high school, Afghan movies at the cinema or private initiatives such as a commune inviting all newcomers for an evening of cultural exchange.</p>
<p>Hiiumaa, Estonia – ‘Protected Jobs for Disabled Young Persons in Estonia’ aims to create 20 local jobs for disabled young people thereby improving their own situation, as well as creating a better understanding towards socially marginalised people.</p>	<p>The project objectives of creating jobs, combating social exclusion through working in partnership, and promoting improvements in a disabled person’s life have been achieved to a large extent; 3 disabled persons now live independently without subsidies and a further 17 currently work under protected conditions. 4 persons have, however, terminated the work positions for various reasons, 6 are waiting for a job, and 4 workplaces are waiting to contract an employee.</p> <p>In the course of its work, the project team has developed new and systematic methods in labour market oriented social work.</p>
<p>Limerick, Ireland – Limerick Enterprise Development Partnership (LEDP) aims to develop a multi-purpose site - in an abandoned factory plant - that combines commercial use with public service provision and community development through employment creation, education enhancement and vocational training.</p>	<p>The project has created more jobs on site than when the former Moulinex factory was still operating. Around 500 jobs have been created and 400 places for students in, for example, bricklaying, plastering, and carpentry. The total space of the building has nearly been completely occupied.</p> <p>At the site a number of small buildings now house a range of different groups: a jobs club, the Dyslexic Association, a police activity club and the Mid-Western Health Board. Also, the building of a new childcare facility will, subject to funding approval, cater for 50 children.</p>

As shown in figure 5, project results across all of the local partnerships are generally very impressive in the sense that they have mostly reached or even exceeded their targets. The partnership projects have demonstrated the successful integration of an anticipated number of people into positions of either subsidised or regular (waged or self) employment, training positions have been created, or education provided.

Despite these impressive outcomes, one should not fail to critically assess the partnerships' results. For example, when counting employment positions created, the issue of substitution applies: would these jobs otherwise have been performed or occupied by 'ordinary' labour? Or for example, it is not known whether the people concerned would have found a job anyway without the assistance of the partnership project. Furthermore, in terms of efforts to promote self-employment, results from both the projects in Spain and in the Netherlands point to a fairly low success rate, since about one third of all small businesses failed within the project period. Thus, partnerships do not necessarily and automatically lead to more sustainable project results or outputs. But when they work, partnerships lead to a series of gains in addition to the above described project outputs.

It is therefore worthwhile reviewing a broader variety of gains before counting the final 'score'. Attention therefore focuses on partnership outcomes – that is, the special kind of benefits that derive out of the synergetic efforts of partners joining forces to innovate for the long-term.

4.2 PARTNERSHIP OUTCOMES – IT'S NOT JUST ABOUT THE NUMBERS

Different partners bring different skills and resources, but also different expectations to the partnership. The tangible project results, as demonstrated above, clearly quantify the outputs of a partnership. But also more qualita-

tive, and less tangible gains should be taken into account. Such *partnership outcomes* can be unexpected benefits like new insights and inspiration, greater understanding of other sectors' motivation and potential, sharing of expertise, access to resources and networks. In addition one could see an enhanced reputation, or greater accountability among partners, ensuring that each partner does what they have committed to doing.

Taking the same LPE cases, the figure below builds on the project results in figure 5 to also incorporate and illustrate *partnership outcomes*, i.e. what partner organisations have achieved from this new form of collaboration, and the way in which relations and/or competencies have been strengthened.

Figure 6: Focus on partnership outcomes

**Three partnerships,
their original purpose
and tangible project results**

Partnership Outcomes

Ry, Denmark – **‘Ry, a community where everyone is needed’**. To successfully integrate refugees in employment and local community life through job training, language education and leisure time activity.

The partnership has been instrumental in changing the relationship and increasing the goodwill between sectors in the local context. There has clearly been a deepening of understanding between the public and private sectors to the benefit of future cooperation. Also the unprecedented collaboration with civil society has changed how the sports and culture organisations are viewed as potential partners in local projects. These organisations have also developed a more positive image of the private sector as a potential partner.

PROJECT RESULTS: Exceeding the goal of 14, 17 refugees are now involved in different phases of the project, including leisure time activities.

One partner describes the benefits of partnership collaboration as follows: *‘...we have ensured the co-ordination of needs and opportunities, which enables us to fulfil the needs of both refugees and companies in need of labour.’*

Hiiumaa, Estonia – **‘Protected Jobs for Disabled Young Persons’** to create 20 local jobs for disabled people as well as to foster a better understanding towards socially marginalised people throughout the country.

It is generally believed that the Hiiumaa partnership has increased the understanding both of how other sectors operate and of social problems in the local communities.

The municipalities have taken on larger responsibilities and the Chamber of the Disabled has become an equal partner. Through project participation, the disabled youngsters themselves have enhanced their personal capacities and are now represented in the partnership.

PROJECT RESULTS: 3 disabled persons now live independently without subsidies and further 17 currently work under protected conditions. 4 persons have however, terminated the work positions for various reasons, others are waiting for an adequate job-match.

Now that tangible project results have been achieved, it has become an objective in itself to strengthen the relationship among partners in what is referred to as a dynamic network, to enhance its ability to provide consultation and advice services.

**Three partnerships,
their original purpose
and tangible project results**

Partnership Outcomes (continued)

Limerick, Ireland – **Limerick Enterprise Development Partnership (LEDP)** to develop a multi-purpose site that combines commercial use with public service provision and community development through job creation, education and vocational training.

PROJECT RESULTS: Around 500 jobs have been created and 400 places for students in vocational training. The commercial lease of factory building has nearly been completed.

It is commonly recognised that none of the organisations would have been able to realise such a massive project on their own. The variety of skills and resources brought together in the partnership has enabled it to reach its ambitious objective. Ireland has a long track record when it comes to working in partnership, but only seldom are all sectors directly involved in active collaboration.

Many LEDP partners talk about the partnership as being larger than the current project, and how personal contacts have been established, which are of huge value also in other contexts. People increasingly trust each other and ‘leave their hats outside the boardroom’. All partners agree that it has been a learning process to work together, and that today they are better positioned to understand each other’s agendas and ways of reasoning, individual strengths and limitations.

An additional outcome has been the formation of the ‘Southside Forum’, an elected group of local residents from the deprived neighbouring areas that now meets regularly on the LEDP campus to discuss issues of local development. The group is to elect a representative to the Board of LEDP.

Taking the figure above as typical of partnerships more generally, partnership outcomes can be seen in:

- **New forms of collaboration:** better targeting of efforts, more cost-effective use of resources, improved management and delivery, and greater responsiveness to concrete local needs through identification of opportunities. As expressed by partners in the Irish partnership, ‘.. It’s about finding a Limerick solution to a Limerick problem.’
- **Learning from difference:** through dialogue among partners, stereotypical perceptions are demolished. Gaining from (cultural/sector) diversity adds greater insight whereby each sector becomes more confident about its specific role and strengths.
‘.. It’s about finding a Limerick solution to a Limerick problem.’
- **Conflict management:** new insights are gained from understanding conflicting views or positions, and from critically reflecting on and learning from the challenges encountered.

- **Flexibility** becomes a keyword: partnerships are at their best when partners can steer free of bureaucracies or fixed rules, and as a group be open to opportunities as they occur in order to seek out innovative solutions.
- **Sharing knowledge:** partners also gain new skills, they learn to do things differently, to innovate. They become capable of formulating and adapting innovative strategic thinking to concrete challenges encountered.
- **Improved access:** networks and relationships become a resource. As exemplified in the partnership in Spain, engaging a refugee organisation in the work of seeking out potential micro-entrepreneurs for the project became decisive at a point in time of project implementation, where neither the local public sector district offices nor other institutions seemed to have access to this particular group. In some instances improved access developed within the realm of a partnership that may also imply access to new markets (e.g. recruitment services in the Dutch case).
- Perhaps most closely linked to the partners' own strategic thinking - about the benefits they expect from engaging in the partnership - is the **sharing of risks**.

The demonstration of tangible project results in itself often becomes an impetus for the enhancement of partnership relations among partners. Thus, partnership outcomes are often emerging, and taken note of by partners, in the process of successful project implementation. In the Estonian example, for instance, when the partnership was beginning to produce tangible project results – and thereby justifying its existence – more efforts were invested in developing the partnership itself as a dynamic network.

It is often through the personal experiences of the partners that partnership outcomes are

recorded and most profoundly understood. One of the partners from the Estonian partnership explains how the significant project results injected tremendous energy into the collaboration. *'We've got self-confidence regarding our cooperation and development possibilities; we have the courage to go on.'* The employers from the partnership have expressed that it has been extremely meaningful to be part of a process, which to such a significant degree helped improve the living conditions of individuals. Public officials say that they are really proud to be in the lead of such an innovative project, which is known all over Estonia.

'We've got self-confidence regarding our cooperation and development possibilities; we have the courage to go on.'

4.3 BROADER SOCIETAL GAINS

The LPE research findings show a general emphasis being placed on the immediate project outputs, and less on longer-term partnership outcomes. Hardly any attention is given to the wider societal implications that this particular form of collaboration may bring. In other words, working processes have to a large extent been guided by the question 'what is the project trying to produce?' Rarely have partners come together to ask, 'what can the partnership achieve in a broad sense?'

Evers' analysis in the previous chapter is helpful. As well as asking how many people now have jobs that did not before, one could ask what we expect to happen to the quality of life in these communities – i.e. the relationship between employment and health care, savings and house investments, mobility of labour, the crime rate, the impact of language training offered to new-comers of foreign origins, etc.

Figure 7. Focus on Societal Gains

The partnerships' original purpose, the project results and the partnership outcomes

Ry, Denmark – **'Ry, a community where everyone is needed'** - to successfully integrate refugees in employment and local community life through job training, language education and leisure time activity.

PROJECT RESULTS: Exceeding the goal of 14, 17 refugees are now involved in different phases of the project.

PARTNERSHIP OUTCOMES: Enhanced understanding of other sectors' way of working, resources, and new knowledge about potentials in partnership collaboration.

Hiiumaa, Estonia – **'Protected Jobs for Disabled Young Persons'** – to create 20 local jobs for disabled people and to create a better understanding towards socially marginalised people.

PROJECT RESULTS: 3 disabled persons now live independently without subsidies and a further 17 currently work under protected conditions.

PARTNERSHIP OUTCOMES: Enhanced understanding of other sectors' 'modus operandi' and concrete, successful experiences of gains when collaborating.

Limerick, Ireland – **Limerick Enterprise Development Partnership (LEDP)** to develop a multi-purpose site for commercial use and public service provision plus community development through job creation, education and vocational training.

PROJECT RESULTS: Around 500 jobs have been created and 400 places for students in vocational training. The total space of the building has nearly been completely occupied.

PARTNERSHIP OUTCOMES: The strengthening of trust, personal relations and improved coordination of efforts.

Societal Gains

At a time when the municipality of Ry was suddenly by law required to receive a quota of refugees into their community, the partnership effort of bringing together a wide variety of local actors has been pivotal and has proactively contributed towards avoiding polarization of the local community. Or in more concrete terms, it is reported that the multiple partnership efforts have helped counter racism.

There has been a *change of attitude* among not only staff, employers, social workers, administrators and parents of the disabled youth, but certainly among local citizens at large. Partners explain that the partnership has contributed to a *more tolerant opinion of disabled people*, and created a more positive co-operative environment on the island of Hiiumaa.

Based on positive project results and on the partnership experience itself, this pilot initiative is now being duplicated in 5 other districts of Estonia. Hence, the effort to counter marginalisation of disabled youth through cross-sector collaboration has now spread across the country.

The partners do not dwell on what has been achieved in terms of project results by the partnership thus far. Instead they have moved on to participate in the wider development of the city. The partners now want to expand operations beyond the site and to use it as a vehicle in a much wider effort to develop the Southside of Limerick, thereby affecting the socio-economic development of the city as a whole.

In a number of partnerships, there are a series of broader societal gains that are rarely accounted for. When comparing, for instance, the quite modest numbers in terms of project results in the Danish partnership (some 17 refugees obtaining a work position) this may immediately look like only a minor success. However, when estimating the wider impact of the many different efforts made by this partnership, it becomes evident that prevention of polarization or even racism is a significant indicator of success. It is in this respect important to emphasise that the Danish partnership has from day one specifically worked towards this broader and less tangible objective. In other words, there need not be a sequencing of results from project outputs toward societal gains. Likewise, the improvement of individual lives is qualitatively just as important an achievement as broader societal impacts.

Changes in attitude within local society. In both the Estonian and the Danish partnerships positive changes in attitude has been seen among not only partners, but also staff, employers, social workers, administrators, as well as other local citizens. This has fostered greater integration of disabled youth into working life, or refugees into community life. In both cases the partnership has proved to be a vehicle for changing popular sentiments.

Although it has not been a specific objective of the LPE research to focus on benefits as perceived by the target group, it is relevant to mention the clear indication of enhanced feelings of personal worth amongst for instance the formerly, socially excluded disabled youngsters.

The value of inspiration: transfer of experience. In the Irish, Danish and Estonian cases, the pilot partnership initiatives have inspired regional organisations or even political parties at a national level to adopt some of the inno-

vative ideas or measures to enhance local social inclusion. In the Danish example, this includes the implementation of a mentoring system. Or in Spain, the production of a best practice partnership manual is intended to help inspire and guide others (see also chapter 6 on the transfer of experience).

Partnership as a means to enhance democratic representation. Partnership success (or failure) can also be observed in the potential evolution of its membership. As shown in both the Danish, Irish and the Estonian examples, local NGOs and community groups have – as the partnerships have developed – become more directly involved.

As stated by one of the partners in the Irish partnership: *'I've been in many partnerships – and this is different because it is altruistic. There is nothing gained for individual partners: it is for the community.'*

The research findings have proven that a constant move towards wider and ever more adequate representation within a partnership group may also require continuous adjustments in project initiatives, or even changes in purpose and scope of activities, according to very precise indications of both needs and resources available, from all the groups involved.

'I've been in many partnerships – and this is different because it is altruistic. There is nothing gained for individual partners: it is for the community.'

As yet, in all but a few of the LPE-cases, however, has the target group of marginalized citizens been given direct access to processes of decision-making. Many reasons are given to explain this circumstance, including lack of means by which these constituency groups have been able to organise themselves and to jointly voice their opinion or present an agreed opinion. But

it also relates to a lack of appropriate mechanisms within the partnerships to facilitate greater participation.

That leads us to a related question about ownership. Local ownership seems to be a prerequisite for the long-term duration of a partnership's impact. As evidenced particularly by the German example, it can fatally impact on a partnership's 'license to operate' if local ownership (and democratic representation) is not ensured and maintained, and only a small 'elite' group of partners take charge of local development measures.

4.4 MEASUREMENT – WHAT'S REALLY BEEN ACHIEVED?

In addition to important project results achieved, there is ample evidence in all of the LPE-partnerships that cross-sector collaboration provides new learning for partners in the partnership and for society as a whole. Examples already given include such features as access to knowledge, new approaches to conflict management, diminishing of stereotypes, etc. But only few examples demonstrate that the local partnerships have taken time out to reflect or internally evaluate processes of partnership development, with implications also for project implementation (see Chapter 2). Part of the reason for this may be that new measurement methodologies still must be developed that appreciate the more intangible gains of partnerships.

Projects may be implemented by a group of diverse partners, who upon conclusion of activities decide to terminate their established working relation. This of course may be perfectly legitimate. However, a condition and motivating factor for continuous collaboration between partners may be the ability to ensure that on-going learning processes are assisted by ongoing evaluation. Hence, partnership evaluation ought to also incorporate some reflection

or assessment of the partners' ability to learn from one another and collectively from the processes that unfold, while developing and implementing activities. *'We need to change our understanding of benefits'*, said a Spanish partner when commenting on the fact that different tools and forms of comprehension are required to measure the various types of outcomes of cross-sector collaboration. Partnerships need to regularly review where they have been in order to better understand where they are going.

'We need to change our understanding of benefits'

4.5 CONCLUSION

Quite clearly, partnership gains are not always quantifiable. As illustrated above, examples of societal gains might include improved living conditions, increased self-esteem of citizens, countering racism, etc., all of which are important factors when developing more economically stable and inclusive societies.

It must be said that the partnership option is not always the best way. But it may certainly be the more clever approach when development initiatives by one single organisation or sector acting in isolation cannot demonstrate results as effectively (in terms of time, size/numbers), and/or as comprehensively (including values like quality of life).

It is necessary to continuously reflect and take stock not only of project development and achievements, but also the longer-term positive – or eventual negative – implications of the partnership. When partnerships fail to reflect on performance and means of collaboration, they miss the opportunity to adjust dysfunctions, just like they may lose the prospect for enhancing work methods not only within the partnership but also in the partner organisations involved. In addition, those partnerships that

have integrated processes of reflection and evaluation in their work program may also be better positioned to demonstrate results to sceptical colleagues or constituencies, or potential financing agencies.

This chapter has argued that in addition to project results and partnership outcomes there is a need to also appreciate the societal gains from cross-sector partnership collaboration. As case-examples from the LPE-research suggest, local partnerships can be seen as a means to improve social cohesion, as a more effective way by which local societies can collectively solve their problems and meet the needs of their citizens.

The following chapter examines the development of the term social exclusion, its relation to poverty, and how different strategies for addressing the two have been undertaken by governments, the European Union, organisations and partnerships. This sets the context for the development and impact, as well as the potential problems and opportunities faced by partnerships, established to promote social inclusion.

Endnotes

¹ Please refer to the Annex section for a more thorough description of all the partnership cases - or to the specific local reports for each of the six countries represented in the LPE-research. All local reports are available from The Copenhagen Centre.



5. The Notion of Social Inclusion and Exclusion in Contemporary Society

by PETER ABRAHAMSON

5.1 INTRODUCTION

There is nothing new about the phenomenon of social exclusion; society has always been defined in terms of integration and exclusion. A community defines itself by making a distinction with those outside it - by drawing the boundary. Likewise within communities, certain groups or individuals are labelled non-members, in extreme cases as outcasts, outlaws or untouchables, but also very commonly as physically or mentally handicapped, or simply poor people. These groups of people were assigned special quarters of town or special buildings such as asylums or workhouses, and in many places, up until the 1960s, a person was in danger of losing their political citizenship when in need of social benefits; those receiving poor relief could not vote or run for political office.

5.2 DIFFERENT FORMS OF SOCIAL EXCLUSION: HISTORY AND ORIGINS

A distinction can be made between voluntary and enforced social exclusion. In previous times when the nobility in all practical matters of every day life isolated themselves from the life of 'ordinary' people it could be defined as a process of social exclusion, but it was voluntary and led to privileged positions. Otherwise, when 'idiots' or widows were no longer able to provide for themselves, they were coerced into being placed in an almshouse.

In more contemporary modern societies, processes of voluntary social exclusion can be identified in terms of 'gated communities' or what has been labelled 'voluntary exclusion of the elites' or 'exclusion at the top'. Likewise, enforced exclusion is currently found in more extreme cases when convicted criminals are confined to prisons or when undocumented immigrants are deported. Also when particular ethnic minorities in all practical terms are forced to live in separate parts of town without the necessary support services, as for example, the Roma population in Europe. Other examples include the denial of schooling to children of undocumented immigrants as legislated in California or the wider situation regarding asylum seekers when they are denied access to the labour market, schools, normal housing, etc.

Yet, social exclusion is undesirable since it threatens the basic fabric of society, the social bond said to exist among citizens. Hence, social exclusion expresses a lack of solidarity. Modern societies are supposed to develop an organic solidarity among its members because of the interdependence created by the division of labour. In modern political thought the state is responsible for integration or social solidarity - for social cohesion. Historically, it is clear that real integration was reserved for the deserving poor, while the 'undeserving' poor were *de facto* excluded and confined to the aforementioned institutions.

In this sense social exclusion is part and parcel of any society. However, for social scientists and policy makers during the last decades of the twentieth century its focal point has a more specific meaning, namely as a substitute for, or complementary to poverty. This new discourse first arose in France as Hilary Silver writes:

'Exclusion became the subject of debate in France during the 1960s. Politicians, activists, officials, journalists, and academics made vague and ideological references to the poor as "les exclus". However, the exclusion discourse did not become widespread until the economic crisis. As successive social and political crises erupted in France during the 1980s, exclusion came to be applied to more and more types of social disadvantage and the continual redefinition of the term to encompass new social groups and problems gave rise to its diffuse connotations...The coining of the term is generally attributed to René Lenoir (1974), who was then Secretary of State for Social Action in the (Gaullist) Chirac government.' (Silver 1994: 532)

The term was meant to cover what had emerged as the 'new poor' such as single parents, drug addicts, homeless people and developed out of the new social problems of unemployment, 'ghettoisation', and fundamental changes in family life (Room 1999). Furthermore, social exclusion was often associated with the spatial dimension referring to deprived urban areas, as the ghetto; neglected inner city neighbourhoods or suburban public housing estates such as the French *banlieues*. So, not only were certain categories of people excluded from mainstream society, they were also viewed as being allocated to certain spaces distinct from where 'regular folks' worked, lived, shopped and spent their free time.

Reflecting upon experiences from both Europe and North America, Loïc Wacquant talks about *advanced marginality* when he discusses post-fordist processes of social exclusion and impoverishment:

'Such new forms of exclusionary social closure and peripheralization have arisen, or intensified, in the post-Fordist metropolis as a result, not of backwardness, but of the uneven, disarticulating, mutations of the most advanced sectors of Western societies and economies, as these bear on the lower fractions of the working class and on dominated ethnoracial categories, as well as on the territories they occupy in the divided city.' (Wacquant 1996: 123)

He identifies what he calls some distinctive properties to this advanced marginality. One is labelled *territorial fixation* and *stigmatisation*, where he discusses the popular images connected to deprived urban areas. Whether the ghettos are dangerous or not is overshadowed by the belief that they are horrible places, which have detrimental consequences socially. At the same time an obverse process, called *territorial alienation* and the *dissolution of place*, is observed. The *banlieu* and the ghettos have changed from places of shared feelings, joint meanings, and practices and institutions of mutuality, into indifferent spaces of mere survival and contest. The neighbourhoods have lost their appeal as places that one identified with and was proud of.

Another distinct property of advanced marginality observed by Wacquant is the loss of hinterland. Earlier, redundant workers could periodically fall back upon the social economy of their community of provenance, be it kin, clique, or church. Instead of these former networks of civil society, today's

marginalized are forced to rely on what he calls individual strategies of 'self provisioning', 'shadow work', underground commerce and quasi-institutionalised 'hustling', which is seen to do little to alleviate the precariousness of their situation. In this sense, social exclusion is a relatively recent and predominantly urban phenomenon.

5.3 SUBSTITUTING 'POVERTY' WITH 'SOCIAL EXCLUSION': THE ROLE OF THE EUROPEAN UNION

From France, the discourse on social exclusion spread to the rest of Western Europe with the adoption of the term by the EU-institutions, primarily the European Commission, but also the European Parliament and Council of Ministers, and finally by the European Council with its implementation of the so-called National Action Plans for Combating Social Exclusion in 2000. Hence the EU started to heavily promote the concept of social exclusion, as when the Commission had the Council adopt a Resolution of 29 September 1989, which was concerned with combating social exclusion. The Resolution emphasized that social exclusion is not simply a matter of inadequate resources.

Combating such exclusion also involves access by individuals and families to decent living conditions through social integration measures as well as integration into the labour market. The Member States were accordingly requested to implement or promote measures that enable everyone to have access to education, by acquiring proficiency in basic skills, training, employment, housing, community services, and medical care. With reference to this resolution the Council of Ministers accepted a suggestion from the European Commission to establish an Observatory on National Policies to Combat Social Exclusion. This defined social exclusion as follows:

'(Individuals)...suffer social exclusion where a) they suffer generalized disadvantage in terms of education, training, employment, housing, financial resources, etc. b) their chances of gaining access to the major social institutions which distribute these life chances are substantially less than those of the rest of the population; c) these disadvantages persist over time.'

What has happened at the European level therefore is the substitution of poverty with social exclusion.

The meaning of social exclusion indicates that *processes* are taking place that give rise to certain segments of the population being excluded. It is thus a dynamic concept. The processes whereby some people are unable to participate in activities such as labour markets, housing markets, schools, health care systems, local social networks of both formal and informal kinds, etc. Somehow they are being discriminated against; they are being denied access to these institutions of integration. In terms of citizenship the socially excluded are either not granted social rights or are not able to exercise such rights.

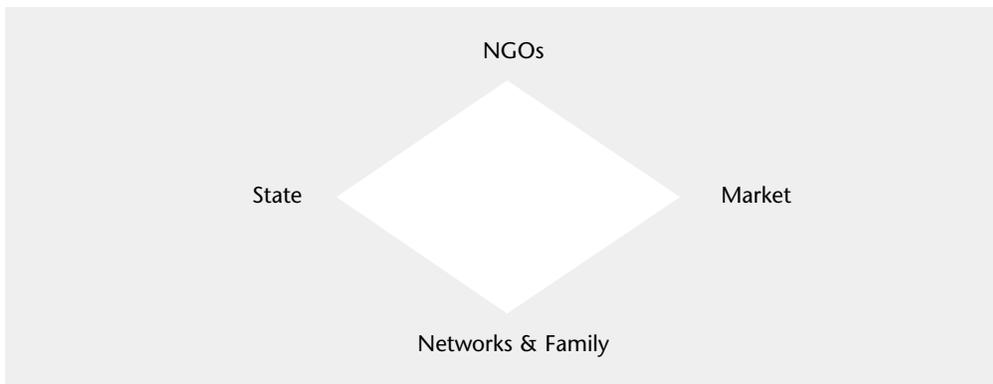
It is also a multi-dimensional concept making reference to different institutions and sectors. The multi-dimensional character of the concept indicates the necessity of complex policy responses; i.e. it is not enough to provide socially excluded people with just more money or with for example, marriage counselling, but an encompassing set of policies must be implemented if the excluded are to be brought back into (mainstream) society.

The European Commission promoted public-private partnerships (PPPs) in the fight against social exclusion (See Chapter 3 for more on PPPs). Hence, it was a prerequisite under the so-called Poverty 3 Programme (1990 - 1994) to form partnerships in order to be funded by the programme. Later the partnership strategy was also promoted in relation to the creation of the National Action Plans for employment (since 1997) and social exclusion (since 2000). These initiatives were suggested by the Commission and accepted by the European Council and now form part of the open method of coordination with regard to combating unemployment and social exclusion. Furthermore, it is here that the principle of partnership creation has also become part and parcel of the implementation of the European Structural Funds since 1999.

5.4 NEW CONDITIONS FOR INCLUSION

The development towards a post-industrial society is related to a number of changes in the social structure. These include the polarization and the 'middle classization' of society; to changes in the political processes, a weakening of the labour movement and a strengthening of various new social movements; to changes in popular culture, exemplified by the mass media revolution; as well as to changes in family life, with the increase in single parenthood and serial and same sex marriages; and to pronounced processes of individualization. Social exclusion dynamics are at play within all four orders of society: the market, the state, the associations and the informal networks. The four social orders, which apply to all modern societies, are illustrated in Figure 8 below:

Figure 8: The Welfare Diamond



Market

The development towards a post-industrial society has produced an all together very different labour market, where people cannot expect to be employed throughout their life with the same local employer; where service production dominates over manufacture, and vertical hierarchies are succeeded by a horizontal stratification into insiders and outsiders, core and periphery employees; where even the lowest paid jobs require numeracy and literacy skills and often language skills. Processes of discrimination and exclusion from labour markets feed into complex webs of potential social exclusion.

State

Within the social order, marginalisation within public sector processes of support can also be identified, and the traditional view of the welfare state as an institution of integration must be modified, as stated by Bill Jordan:

'There is increasing evidence of an overall tendency within welfare states towards the formation of new and smaller clubs with more homogeneous memberships...The exclusion of bad risks and the grouping together of narrower risk-pools in such systems reinforces the residential segregation of rich and poor...The "Americanization" of European welfare states consists mainly of a division into two clubs, a social-insurance club for those in secure and adequately paid employment, and a social-assistance club for the rest...' (Jordan 1996: 68).

Associations

The club metaphor is also applicable to the social order of associations where the tendency is towards a more differentiated and complex set of 'belongings.' The all-embracing organisations of the nineteenth and twentieth centuries, such as the political party and the trade union are now being gradually substituted by smaller ad-hoc, one-issue movements such as NGOs, which operate with more restricted forms of access and closure. These changes in the public sphere (*öffentlichkeit*) may also feed into processes of exclusion.

Informal networks

The final social order, that of informal networks, seems to be strengthened under post-modern conditions where new moral communities are developing based in the locality or in a common course where citizens are expected to take on more responsibility and obligations for their own and their 'near ones' lives.

The combined effect of changes within these four social orders results in a change in the overall social structure of modern societies where most importantly the traditional vertical stratification of society into lower, middle and upper classes is giving way to a horizontal stratification of insiders and outsiders (*'...the very bottom, which is no longer really a bottom but an outside'* (Beck & Gernsheim 2002: 51)). The social structure of contemporary post-modern society is viewed as an uneasy unity of integrated, vulnerable and disaffiliated by Robert Castel: *'Now, the zone of integration is breaking up, the zone of vulnerability is expanding and continuously feeds the zone of disaffiliation'* (2000: 526). By applying the term disaffiliation the meaning of social exclusion comes out strongly as being people and places in the process of being detached from mainstream society.

Because contemporary society is characterised by a high degree of individuality *'insecurity prevails at nearly every location within society'* (Beck & Gernsheim 2002: 51):

'...unemployment and poverty under conditions of individualization are distributed not so much by group as by phase in a person's life. The conflicts associated with social inequality thus appear as conflicts between parts of an individual biography. Lives become more varied, discontinuous, heterogeneous' (Beck & Gernsheim 2002: 49).

5.5 COMBATING SOCIAL EXCLUSION THROUGH NEW SOCIAL PARTNERSHIPS

When society is characterised by individualization, polarization and heterogeneous ways of living, inclusion becomes more complicated. It can no longer be assumed that the next upswing in the business cycle will automatically include the excluded by providing them jobs. Because of the multi-dimensional nature of social exclusion and of the individualization of ways of life, inclusion presupposes actions within institutions from all four social orders and 'tailored' forms of intervention geared toward the individual citizen. Hence, there cannot be a sole reliance on the state. It must also involve businesses, NGOs and local informal networks, which is why a partnership strategy towards inclusion appears so prominently.

Until recently business believed that the social inclusion of marginalized citizens would happen through creation of jobs, or was otherwise the responsibility of the public or voluntary sector. Now Corporate Social Responsibility (CSR) has become an issue involving two kinds of strategies distinguished as internal and external inclusion respectively. Businesses can contribute to social inclusion by securing the continued affiliation of workers who are no longer able to perform one hundred percent by creating sheltered positions as a recognition of prior devoted work performance. This is partly what is to be understood by CSR: when or if a worker, for whatever reason, is no longer able to perform according to prevailing norms they can be kept on the workforce doing work specifically geared to their abilities, i.e. sheltered from standard norms of productivity. But companies can also create sheltered positions to be filled by marginalized citizens from the neighbourhood, e.g. in combination with subsidies from the public sector, as well as contributing to various integrative activities in the local environment. Of course, the ultimate motive for businesses is still profit, but gradually they have come to realize that minor sacrifices in the short term can be beneficial in the long term by creating a less conflictual and more appreciative environment, that proffers the opportunity of what has been termed 'sustainable growth'.

Voluntary organisations have always been strongly devoted to social inclusion, but with the development and expansion of the welfare state, at least during its golden age, their role was either down played or changed into providers under public contract. With the new condition of uncertainty they have experienced a renaissance in collaboration with actors from the other social orders.

Historically, the prime institution of social inclusion has been the family. It probably still is, but much less so than in the past. Demographic changes over the last thirty years have turned the family into a much more unstable social institution, characterised by the development of post-familial family forms: generations live spatially separated, one person households have become the predominant urban unit, marriages have declined, divorces increased, 'living together apart' has developed, remarriages bringing together children with different biological parents is wide spread, etc. Taken together this development has weakened the inclusive capacity of the family and simultaneously increased the inclusive role of other informal social networks.

Inclusion means sharing an identity with others, thereby belonging to a community. For the individual citizen the appropriate community is, however, no longer self-evident. For resourceful citizens this is an enormous advantage; they can now create their own biographies. But it takes skills, knowledge, courage and confidence. Unfortunately, large minorities lack such capabilities; they become marginalized and some of them become excluded. One major route (back) into society has been

wage labour, or, to a lesser degree, self-employment. Work has created both income and thereby enabled consumption and membership of a collective (*sic*). Yet, ordinary employment has never been an option for certain types of citizens, either because of discrimination or lack of capabilities. Nevertheless, they have previously been included via family membership or membership of the local community. To a much larger degree this is not the case anymore.

Alternatively, integration in contemporary society has to be either via some sort of work or

some sort of civil society institution, it is no longer realistic to rely solely on ordinary employment or the traditional family. The welfare state is defined by granting social (and political) citizenship to everyone, hence, in principle, guaranteeing inclusion of all citizens. Current challenges consist of creating integrative measures that take seriously the capabilities and wishes of the individual (*tailoring*), and at the same time identifies companies and communities that are willing and able to receive them (*flexibility*). New Social Partnerships present a format that can meet this challenge.

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RAMIFICATIONS



RAMIFICATIONS

If it can be agreed that partnerships are part of the jigsaw of solutions to social exclusion, how are they best institutionalised and sustained? Should they continue in perpetuity or mutate into other forms of organisation or new partnership, and what do these new structures of governance mean for existing forms of democracy and potential societal change?

6. Bringing it Back Home: The Challenge of Internalising the Partnership Experience

by LOUISE KJAER and PETER RAYNARD

The ability to sustain the impact of partnerships, and to potentially upscale their outreach and influence (see chapter 7), rests on their constituent parts, i.e. the partner organisations and their representatives. Once along the road to delivering project results, the sustained involvement of organisations in partnerships rests on a number of factors: whether their original objectives and expectations have been met, and if or how their representatives have managed to internalise new learning acquired from the experience of working in cross-sector partnership.

6.1 EXPECTATIONS AND OBJECTIVES

Different actors have different expectations when entering a partnership. It is therefore very important that each partner organisation clearly defines what they want to achieve from their involvement, in order to mediate internal differences among different representatives of the same organisation.

Such differences were highlighted in the Dutch partnership, where there had been the potential for conflicting opinions within organisations about the reasons for entering the partnership and the rationale for maintaining membership. Within the local municipality for example, the difference occurred between politicians and civil servants, and concerned the pros and cons of involvement with private partners as a matter of principle, and in respect of expectations

for improved efficiency when privatising public services. On the other hand, within the private sector organisations there was a difference between the central management and operational levels, where the former would in principle support public-private partnerships, without such support being reflected in the appropriate allocation of time and resources at the operational level.

This was also the case in Madrid where there were different expectations amongst actors placed at different levels of competence within the participating institutions. Questions were raised as to how the involved parties could ensure that process learning and results would eventually 'trickle-up' from the level of the local partnership practitioners to the higher-level decision-makers in the different organisations. Thereby allowing partnership-inspired, new working methods to be shared and acknowledged with higher-level decision-makers.

Organisational commitment is decisive for the well-being of any partnership. What amount of resources in terms of time and personal skills are they prepared to invest, what are the expected benefits, and are these clearly outlined and communicated? Often, the active involvement tends to be carried out by only one or a few representatives of the partner organisations. This means that the organisational involvement is in a way 'outsourced'; it

happens in parallel with, but somehow detached from the main operation and core activities of the partner organisation, be it through a business operation, public sector social service provision, or NGO advocacy work.

A challenge may occur when attempting to combine on-going partnership learning with the original objective and expectations as defined within each of the participating partner organisations. It is often difficult to ensure that new learning from partnership experiences does not become peripheral to the core business of the partner organisations.

Once an organisation is 'on board', a crucially important and two-fold responsibility rests with the partner representative. Firstly, there is the responsibility for meeting the objectives as defined by the partner organisation, thereby proving the experience worthwhile. And secondly, there is the less clearly defined responsibility of internalising the new learning and experience back into their respective organisation. This all requires that the partner representative possess both personal and professional skills (e.g. negotiation and communication skills) as well as the ability to think in terms of creative change and strategic planning. Of course the organisational backing given to the partner organisation's 'ambassador' and broker is decisive.

It is vitally important that not only information about results is disseminated, but also that newly acquired partnership skills and learning are transferred back into the individual organisations.

6.2 THE ROLE AND STATUS OF THE PARTNER'S REPRESENTATIVE

To team up in new social partnerships is a process that may unlock a diversity of potential and facilitate innovative solutions. In the present research project, this means joint solutions

to local social problems. As stated above, one of the primary challenges of this exercise relates to the ability to consolidate pilot initiatives into sustainable action in both operational and political terms. This will of course require the continued backing and commitment from each of the partner organisations represented in the partnership. Here, it is vitally important that not only information about results is disseminated, but also that newly acquired partnership skills and learning are transferred back into the individual organisations. The role and status of the partner representative then is paramount.

The level of professional status affects the potential for internalisation. The resultant experience of the partnerships involved in the study indicates that the ability to internalise newly acquired partnership knowledge back into the respective organisation, is directly related to professional status. For example, a lower-ranking public sector official may find it difficult to communicate and internalise learning. Additionally, where such an employee is assigned to represent their organisation, this may well reflect the political significance and importance the organisation attributes to its involvement in a particular partnership. With the exception of the LSC partnership in Madrid and the LEDP in Limerick there has been only anecdotal evidence of such internalisation or direct transfer of experience back into the partner organisations. In the few examples where we do indeed see that knowledge transmitted, it is because senior level representatives are the carriers of the new learning. Representatives already charged with strategic or planning authority become advocates and potential 'change agents' within their own institutions.

Holders of a strong mandate are better positioned to promote change. In the Spanish case the representatives of the business sector and civil society organisations in the partnership were quite senior and therefore influential

in decision-making processes within their own constituencies. The representative of the social unit of the savings bank Caja Madrid was able to influence her bank, through the production of a book conveying the benefits of the partnership experience, and she later demonstrated a sufficient decision-making capacity to be able to offer financial support to a potential small-scale extension scheme of LSC-project efforts. On the other hand representatives from the public sector were less able to internalise or influence organisational practice. This was due to representatives being either too junior, or possessed skills of a technical rather than strategic or political nature.

A similar situation was recognised in the local municipality of the Danish partnership. The municipality subsequently up-graded its involvement in the partnership by replacing its former representative, who was a civil servant, with the Mayor. This was done upon the suggestion of the business partners of the partnership, who thought it more efficient to have the Mayor herself on board the Background Committee, as she would be better placed to speed up the decision-making processes within the local public system. Similarly in Ireland, individuals at the executive board level of the partnership hold senior positions in their respective organisations. This means that they are mandated to make decisions, and are able to fast-track their systems when necessary.

The roles and responsibilities of representatives need to be clearly defined. Where there is any lack of clarity, representatives will not provide feedback on the partnership experience to their organisation, which will limit their ability to leverage the necessary resources. One of the reasons given in the German case for a lack of resources was that sector representatives had not considered themselves as brokers to their respective sectors. Those members of the partnership Board who are also members of the

municipal council, had not tried very hard to convince the council of the partnership's work and hence maybe missed an important opportunity to gain the support they truly needed at the time. The project coordinator puts such problems down to the fact that the Board had failed to clearly define the roles and responsibilities of members, who had therefore not felt obliged to carry out certain advocacy tasks.

The competence and skills of the individual representative are important. It is not only important that expectations and responsibilities are made clear. It is perhaps equally important that the right people are identified within the participating organisation to carry out this brokering job: necessary qualifications - in addition to seniority – include cultural sensitivity, willingness to dialogue, the ability to meet and work with conflicting positions. In addition, the partner representative must of course possess the ability to critically assess the value of part-taking in the partnership endeavour (including both project results, partnership outcomes and societal gains, as discussed in Chapter 4). And not least they must be a good communicator capable of feeding back the experience, also with the potential of encouraging more people within their organisation to become involved.

6.3 ORGANISATIONAL STRUCTURES IN PARTNER ORGANISATIONS

The potential for internalisation of experience does not only depend, however, on the individual representative and his or her level of professional seniority; it also largely depends on the organisational structures within the partner organisations. Structures for decision-making but also systems of influence and inspiration can be organised in a very hierarchical manner within both the public and the private sector, which can be detrimental to knowledge transfer. For example, within the local municipality of Usera in Spain it proved difficult to disseminate the message about benefits of partnership

working: *'In our daily work we are so accustomed to making different kinds of plans and decisions. Much of the talk of partnership collaboration gets lost in the busy time schedule of CEOs and senior public sector officials. We have never really taken the time to come to grips with the very interesting idea of this new working concept.'* The lack of a 'platform' for dissemination of experience seems a common challenge for many organisations involved in the LPE-study. Such circumstances may indeed hinder new learning being presented and acknowledged back home in partner organisations.

Much of the talk of partnership collaboration gets lost in the busy time schedule of CEOs and senior public sector officials.

Organisational size and geographic scope also have an influence on the ability to internalise the experience of working in partnership. The scale of multinational companies involved, as well as public sector institutions, provides a potential channel for learning. For example, Randstad, a Netherlands-based company, is represented in 15 countries with over 1,500 branches and more than 13,000 employees. The potential for sharing partnership learning from a local pioneer initiative is thus enormous. Also in the Dutch example, it could be argued that within the municipality represented by many different departments and sub-units, there would be an interest in sharing information and exchanging knowledge based on practical experience. But this common sense of purpose is not always present; when it comes to funding issues, units within the same organisation often find themselves to be competitors rather than co-operators. And this is not unique to public sector bodies.

Partnerships that operate with a relatively small geographical scope have in some instances proven to be more effective. Here it is especially noticeable how personal contacts make out-

reach more direct. In Estonia, where County Governors are appointed by the Prime Minister to supervise local activities, the Governor of Hiiumaa – where the Estonian partnership is situated – plays a key role in the internalisation of partnership experiences into local social policy measures. He appreciates and supports the project and has particularly pointed out that the future welfare of the island depends on cross-sector partnerships.

In the end however, the question of which organisational form is best for internalising partnership experiences, does not rest solely on size or scope. Size does matter but not in terms of big versus small; a small organisation does not always have an advantage over a large one. It relies on the appropriate channels of communication.

6.4 SHARING THE PARTNERSHIP LEARNING

In many cases, organisations do not have the necessary channels of communication to internalise, simply because they have not perceived a need to. They may never have previously been in a tri-sector partnership. They may see the engagement of external stakeholders, in particular through traditional philanthropy, as a peripheral activity from which there is little that can be learned. It is therefore important that the partners' representatives create the platform within their organisation to share learning, and promote the benefits of access to new networks and knowledge.

In a number of cases the partners have indeed achieved a level of success in sharing such learning. Public sector officials in the Dutch case are very active in explaining and promoting the partnership's activities to colleagues and administrative units in other districts, in order to generate interest, political goodwill and to secure future funding for activities. But there also seems to be a general interest in the experience and learning that the representa-

tives can offer to colleagues, superiors and other organisations in similar functions.

One of the most obvious findings of what the partners learned, was a better understanding of how the other organisations in the partnership go about their business, be they private, public or civil society actors. In Ireland for example, the President of a participating college realised the similarities and differences between his own operations and those of the private sector, asserting that it had been both interesting and inspiring to see how the private sector operates with a looser structure than he is used to within his own organisation. The local municipality also felt that it had improved its understanding of the potential of including the private sector in development efforts, and most interestingly the need to engage itself as an active partner rather than simply a supplier of funds. Shannon Development, the regional state development agency has, through its chairman, who is the manager of the LEDP, enhanced their understanding of the community aspect of enterprise development. Whilst in the Netherlands, for the private sector, it is generally assumed that the involvement with community-based organisations SMEN and ENDER will influence their business branches' contact with other civil society organisations.

In Estonia, examples were given of inspiration regarding improvement in human resource management and staff policy in the private companies. For the public sector, the Hiiumaa partnership project has shown new ways of solving a problem concerning the social integration of disabled youth. This has influenced the overall approach of targeting groups of marginalized citizens in the local community. As a consequence, local municipalities and public workplaces have become more focused on empowerment, resources, labour market orientation, self-support and independence. This change in attitude that translates into revi-

sion of local strategies for social service provision has also been seen in Denmark, where the local municipality of Ry was directly influenced by the partnership to heighten its priority of integrating refugees. The involvement of the private sector in what had traditionally been a municipal task (i.e. the integration of refugees) has introduced a new drive and energy into the system of local government procedures and casework. An expression of this is the extension of the temporary contract of one of the two caseworkers working in the field of integration. There is a sense that because the companies have made strong commitments, the municipality feels obliged to continue to match and give good service to them. The partners seem to have managed to involve each other in a mutual commitment.

New knowledge is not always automatically recognized as such, as it may be considered irrelevant or simply pass un-noticed.

Public meetings in the local community in Denmark, a Review Day for the board members in Ireland, or the production of a video and a best practise manual on partnership collaboration in Spain are all examples of attempts to create platforms for attracting attention to the benefits of partnership working, both within and among staff of partner organisations, as well as among constituency groups and the local community at large. However, as mentioned above, much of the evidence is anecdotal and it is questionable whether it would have even been realized if it were not for the LPE research (see chapter 9 on Action Research). New knowledge is not always automatically recognized as such, as it may be considered irrelevant or simply pass un-noticed. This was true to a certain extent in the case of the Dutch partnership, where some participants did not recognize themselves as being in 'a partnership' as such, until they became part of a partnership study. Partnership learning

may not necessarily be the most important added value in this case, which reflects the nature of the partnership being contractual with a dominant focus on project activities.

6.5 LESSONS FOR FUTURE PARTNERSHIPS

The ability to consolidate pilot initiatives into sustainable action and to widen the impact of these partnerships, largely depends on the way in which the experience is internalised into the partner organisations through their representatives. In order to enable representatives to 'bring it all back home', organisations need to:

- have clearly defined objectives as to what they want to gain from the partnership experience
- attempt to translate these expectations into measurable outcomes of the costs and benefits (with a view to balancing the two)
- be open and appreciative of unexpected gains
- set aside the necessary time and resources to demonstrate commitment
- engage competent, senior representatives who are able to carry a strong mandate that will enable them to leverage resources and internalise the lessons learned from the partnership experience
- have the appropriate organisational structure that allows for internalisation and the ability for the representative to share the learning gained from other sectors engaged in the partnership.



7. Formalising Partnerships: The Challenge of Institutionalisation

by LOUISE KJAER and ROS TENNYSON

Having studied the six local partnerships of this research project, it is clear that partnership working is a dynamic process: new partners may join a partnership and others may leave. In addition the focus of operation or specific project activities might change quite dramatically over time. In these circumstances it is interesting to note the two key observations that stand out from the research. The first (explored in chapter 4) is that sharing new skills and competencies among partners is a critically important component of a successful partnership. The second (explored in chapter 6) is the added value that comes from integrating (*internalising*) these skills and experiences operationally into each partner organisation. Both of these can be seen as key factors in those partnerships that have produced sustainable outcomes.

Sustainable outcomes for a partnership are essential, but does the partnership need to be sustainable *per se*? As the findings of the research project suggest, partnerships can be extraordinarily different in their operational styles and lifespan. Some can initiate and sustain long lasting collaboration in a non-traditional merging of resources and cross-sector project management, whilst others can be highly successful operating within a limited timeframe and/or implementing a single, short-term project. So, apparently, a successful partnership is not necessarily a sustained partnership.

7.1 PARTNERSHIP PERMANENCE – A CRITICAL SUCCESS FACTOR?

Local partnerships are emerging all over Europe either as a response to – or in anticipation of – local social challenges. In either case, partnerships offer a new approach to addressing and managing change – this can mean a change in working methods and procedures, in strategic planning or in attitudes and behaviour. Since society changes continuously, one might argue that partnerships seeking to respond to change need also to be flexible and capable of changing themselves to suit new demands and needs. Evidence from the research suggests that successful partnerships are those that use the different resources and capabilities of each partner to understand and manage change effectively.

partnerships offer a new approach to addressing and managing change – this can mean a change in working methods and procedures, in strategic planning or in attitudes and behaviour.

It is clear that to do this successfully, partnerships need to provide (or create) an appropriate 'format' that is able to make full use of the rich diversity the partners bring – one that will support a highly flexible and adaptable approach. It is equally clear that partnerships also need to provide a level of continuity and stability for projects to be developed and implemented over time. This suggests that a

level of formalisation or institutionalisation is essential for effective delivery.

However, the Danish and Estonian partnerships demonstrate that delivery 'mechanisms' can be highly unstructured and that the stability, so essential to making partnerships effective, may only be needed in the short-term.

This is an interesting and perhaps rather surprising finding, and it points to a conundrum for partnership practitioners: whether to 'institutionalise' and risk destroying the spontaneity and flexibility, which may be the partnership's most important strength, or to reject this approach by working within a much more fluid structure and risk being regarded as insignificant and marginal.

Perhaps the distinction to be made here is that the partnerships should aim at their *impacts* being sustainable, rather than sustaining the *partnership per se*. So instead of expecting partnerships to be fixed and sustainable structures, it may be more appropriate to see them as opportunities for change, characterised by their temporary and transitory nature. The activities of the partnership should aim at sustainable impact, but the partnership itself can be dissolved after it has 'served its time' or, alternatively, transformed into new forms of operation with a radical change of objectives, purposes and – even – partners.

With the strict programme guidelines of the European Commission's Social Fund, the initial work among the Spanish partners was directed primarily by predefined rules and procedures. As the partnership process evolved, the practitioners gained tremendous new insights and understanding about the potentials of cross-sector collaboration. In effect, as the EU-project expired mid-2002, partners felt inclined to continue informal collaboration in new projects or in working groups that would also include

additional or different partners. Practitioners felt inspired by some of the partnership modalities and wanted to transfer these into new activities and work constellations.

The LPE-research indicates, therefore, that permanence of the partnership is not a critical success factor, though the permanence of its impacts certainly is.

7.2 PERMANENCE OF PARTNERSHIP IMPACT: A FUNDING ISSUE?

There can be many different stakeholders in any partnership and each stakeholder group will bring different resources to the table, just like each group will have its own distinct set of expectations and hopes for the relationship. Likewise, each partner may have specific expectations of what the other partners may contribute. One element found to be crucially important in most of the local partnerships studied, was public sector funding.

Each of the six partnership projects had public sector funding in some form or other – summarised in figure 9:

Figure 9: Public sector funding for the partnerships

Partnership project in:	Initial public funding	On-going public funding (after 2 years of activity)	Expectations of future public funding / investment
Ireland	Government grant + seed money through public development agencies, the municipality and the county government.	The partnership now generates income independent of public subsidies through its commercial rent of office space at the LEDP business park.	The not-for-profit partnership initiative has managed to balance investment with income, and is thus more or less independent of public funding. LEDP partners may in the future wish to collaborate with public sector funding initiatives on specific community development projects.
Estonia	Estonian government grant, plus foreign development assistance from Denmark.	Funding from local municipalities, the county and national governments.	On-going activities will in part be supported by municipal and county budgets. Further applications for national level funding are still pending.
Germany	Some financial support from regional government. Great dependence on EU funding for project activities.	Sudden cut-back in regional funding brought partnership project activities to a sudden halt.	Vital dependence on EU funding for project activities.
Denmark	Danish government granted seed money for 2 year pilot project.	On-going activities will in part be covered by regular municipal budget. Smaller grants have been received for the mentoring system.	No further financial support has been applied for in terms of new activities, but potentially the partners may wish to do so.
Spain	EU grant + smaller amount of seed money from the regional government		The project expired with the termination of EU funding provision.
The Netherlands	Municipal ownership and funding of all activities, based on commercial contracts with implementing agents within the partnership structure.		No changes expected.

In the period of time covered by this research project it has been possible to observe how changes in public funding cycles have impacted on the operation of the partnerships. How, for instance, sudden alterations like the cut-back of public funding in the German case has put partnership activities to a complete stop, and obviously also presenting a serious blow to the viability of the partnership itself.

Changes in public funding cycles have impacted on the operation of the partnerships.

In contrast, in the Irish example, where the partnership today is independent of public funding, there is a greater potential for long-term operation of the partnership and its activities. Through rent from tenants operating on the site, the income and expenses of the Limerick partnership now break even, and a small surplus is expected in the near future.

In Estonia, it has not been possible to sustain the level of public sector funding beyond the project period and currently partners are awaiting decisions from the national level in terms of funding applications for continued financial support. Meanwhile, and during the initial pilot project implementation phase, partners have attempted to also influence the way in which local and regional public sector agencies can be more directly involved in such partnership programmes in the long-term, as an integral part of their social policy efforts.

It is clear that expectations between partners and public sector funding agencies need to be well managed – but not just in one direction. The Spanish and the German partnerships raise different aspects of the public sector funding relationship. Their programmes or project activities – heavily funded by public sector grants (see figure 9) – have in the Spanish case come to an end with the expiration of the EU project grant, while in the German case activi-

ties have been compromised by the dependency on this single source of funding; expectations of the partners on continued public sector subsidy have been unrealistic.

What the above examples illustrate is the need for partnerships to be more:

- competent at negotiating and re-negotiating funding arrangements in the light of unexpected project challenges
- innovative in their approach to (re)sourcing their programmes
- realistic about delivery timetables
- convincing in making the case for temporary or flexible partnership arrangements

It is clear that expectations between partners and public sector funding agencies need to be managed well – but not just in one direction.

7.3 HAVING STRATEGIC IMPACT

Partnerships can have an impact in a number of ways over and above their immediate project results. At their best they can also bring about significant change in the partner organisations themselves and even within the sectors that those organisations represent. But impact can go beyond this and several of the projects have also had an impact at more strategic levels on policy, regional development strategies, as well as both local and European-wide funding processes.

Examples of such strategic impact include:

Figure 10: Strategic impact

Limerick, Ireland: a nationally recognised model for sustainable enterprise development

In the economic downturn presently being experienced in Ireland with the spectre of further plant closures, the model of the LEDP with a bottom up approach and strong business involvement suggests a different way of doing things that is innovative and less bureaucratic than traditional approaches. According to an Irish junior minister, the partnership in Limerick *'has inspired policymaking and is being looked towards for inspiration, especially now that the economy has slowed down and where it is necessary to utilize the available resources in the best possible way.'* It has also influenced national bodies such as the Foundation of Investing in Communities, which is willing to support similar projects across the country in the future.

Ry, Denmark: an example of best practice in innovation

The project has been mentioned as a best practice example of innovation in the government's policy paper on a new integration policy. As the Danish Minister of Refugees, Immigration and Integration Affairs puts it, *'we would be able to integrate twice as many foreigners in Denmark if all companies did the same as Pressalit and Akva Waterbeds'*. The tri-sector approach of the partnership and the tools used have inspired the formation of similar partnerships in Denmark, as well as informed the thinking of national policy makers.

Madrid, Spain: inspiring local government approaches

In Spain, the experience of the Local Social Capital partnership project has influenced work plans within the municipality of Madrid's employment division. The experience from cross-sector partnership collaboration has also influenced the way in which the division has drafted its application for funds from the new EU Equal Programme, as well as some of the views on how social support and employment services can best be provided. The division hopes to action this through support for a best practice manual for partnerships.

Hiiumaa, Estonia: impacting on a national partnership approach

The Ministry of Social Affairs in Estonia is in discussion with six partnerships in the country (including the one in Hiiumaa), to anchor the partnership approach by securing the involvement of the Central Employment Agency in the employment of disabled people. It is proposed that the CEA act as the main co-ordinator for the sixteen local Labour Market Agencies, with the appropriate financial needs to fulfil this new responsibility. For the Ministry of Social Affairs: *'The biggest achievement in the partnership approach is that the employers become actively involved. We hope we will see more – it is the only way to make social initiatives effective.'*

These are not inconsiderable achievements in quite a short space of time. But influence can be short-term and it takes considerable political will (on the part of the policy makers) and perseverance (on behalf of the partners) if the influence is to translate into legislative changes. For example, the experience in Estonia shows that in order to involve the private sector on a more permanent basis, it is essential that legislation is introduced that minimises the financial costs incurred by employers of disabled people.

If cross-sector partnership collaboration is about changing the rules by which society works, then strategic impact will need to be a clearly articulated part of any partnership strategy. This means, seeking to influence policy development within one's own and one's partner organisations, as well as seeking to influence policy at local, regional or national levels. To have this type of impact, the partnership clearly needs some kind of formal identity.

7.4 FINDING WHAT WORKS

The best partnerships are 'learning partnerships' and one of the ways to learn is by making mistakes. Each of the partnerships studied in this project had to test things out and – without exception – made mistakes. The key to their subsequent success was to use the experience as a foundation for being innovative and trying to do things differently – breaking through boundaries and thinking about an 'old' challenge in a fresh and original way. It is about accepting failures and mistakes and being able to learn from them. Referring to the resignation of an educational manager, one of the Irish partners says: *'There is more scope for failure now [...] we tried and we failed – maybe it's not a bad thing.'*

In the Danish case, for example, there had initially been an element of arrogance from the private sector, believing that they could do better than the public sector. Arguably this has

been a positive driver in trying to improve the system of service provision and introduce new ways of working to the public sector. But over a two and a half year period of working together, partners have come to understand that it is not a question of doing better than others, but of doing better together. The partnership is now at the stage where it is mentioned by the Confederation of Industrial Employers in Denmark as a model case of how companies can get involved in addressing the integration challenge.

'There is more scope for failure now [...] we tried and we failed – maybe it's not a bad thing.'

Again from Denmark, one of the things that sets the Ry endeavour apart from most other refugee integration projects, is the holistic approach to integration that actively involves civil society, as well as the public and private sectors. In the Netherlands, the ACE partnership goes beyond compliance with existing rules and regulations through the inclusion of two community-based organisations. Their presence sets ACE apart from mainstream labour market activation projects and is an example of how civil society organisations can bring important resources to the benefit of all partners around the table.

In Spain, one of the LSC project's aims has been to test out new working methods and approaches to social service provision. This may be among the first of its kind to combine such a variety of approaches to community development: direct support to local social networks; vocational training; social surveying; job provision, and the creation of micro-businesses. These approaches have been built on the experiences of people with special knowledge from within the public sector, private businesses and local community organisations, drawing from and reinforcing local social capital.

7.5 THE PROS AND CONS OF INSTITUTIONALISING PARTNERSHIPS

Perhaps the move towards institutionalisation is less about permanence and more about independence or 'growing up'. Invariably, most partnerships at some stage or other face the challenge of moving away from a personalised (dependent on a few individuals) to a more formalised working relationship, through the greater engagement of organisations and the creation of management systems. A 'mature' partnership may be characterised by the degree to which it is interdependent (between the partners) rather than dependent (on individual personalities).

In any event, the decision to institutionalise a partnership may be triggered by a multitude of factors, including:

- a need to create an independent mechanism, eligible for public sector funding and/or tax exemption (German case)

- or the need to establish security around the issue of liability, when partners jointly take up a loan and hence share financial risk (Irish case)

By 'institutionalisation' we refer to the emergence, stabilisation or 'fixation' of mechanisms serving as vehicles for coordination and implementation of a partnership-based initiatives.

The spectrum of least institutionalised to most institutionalised partnerships of the LPE-research is illustrated in figure 11. At one end of the spectrum we find the Estonian partnership that has established itself with no legal structure or project office, with a project team that functions as an intermediary for the partnership and acting as an independent unit within the Social department of Hiiumaa County. In addition, a dynamic and completely informal network for dialogue among partners has been created.

Figure 11: Partnership institutionalisation



At the other end is the most institutionalised of the six partnerships. The partnership in Limerick has from the beginning chosen to formally constitute itself as a registered non-profit organisation in the form of a charitable trust, Limerick Enterprise Development Partnership Ltd., which has a Board of Directors who are legally responsible for the organisation and who employ a full-time manager to co-ordinate the project. Similarly, the AAA e.V. in Apenburg, Germany is a registered society with charitable status, with a Board of five members elected bi-

annually. As a registered society members pay monthly contributions.

Interestingly, the findings from this research are consistent with the arguments for and against institutionalising partnerships drawn from three other international case studies (see figure 11). It seems that the research findings from the present LPE-research project are not only applicable to the European context, but may be equally applicable to partnerships elsewhere.

Figure 12: Arguments for and against institutionalising partnerships

FOR INSTITUTIONALISING THE PARTNERSHIP	AGAINST INSTITUTIONALISING THE PARTNERSHIP
More stability and security of investment	More flexibility and freedom of operation
More 'mainstreamed'	More risk-taking
More conventional administrative and management systems in place	More innovative administration and management systems
More access to conventional resources	More creativity in locating new resources
Potential for impact based on existing partner profiles/networks	Potential for impact based on the fact that it is different from existing institutions
More accountability built into the working relationships – more formal	More opportunity for appropriate governance systems to be developed by the partners – more 'tailored'
Greater influence with donors and policy makers because part of 'the system'	Greater influence with NGOs and community-based organisations because outside 'the system'
Able to build on existing reputation/network of partner institutions	Free from any negative reputation/ 'baggage' of partner institutions

(From Tennyson 2003)

7.6 THE INSTITUTIONAL CHALLENGE: DRAWING A CONCLUSION

The simple fact is, that there is no clear 'right' or 'wrong' when it comes to making a decision about whether or not to institutionalise a partnership. Rather, it is a question of making the appropriate decision for each set of local and national circumstances. In some situations it is essential to institutionalise the partnership to give it presence and form whilst in others it is essential to leave the partners free to experiment unfettered by bureaucratic restrictions, in order to be able to challenge assumptions and to a greater or lesser extent 'break the rules' to bring about creative change.

Local cross-sector partnerships in Europe are increasingly varied in their approach. But typi-

cally they are all engaged in the joint design and implementation of public interest programmes and policies. This means that the traditional dependence on structured representation and the rule of law is giving way to a more fluid pattern of participation characterised by communication-based forms of accountability and partnership-based forms of local governance (Nelson & Zadek 2000: 55-64).

The following chapter takes these findings as its starting point in examining the basis upon which local partnerships more generally have the potential to become institutionalised and influential in terms of new forms of governance and their relationship to existing modes of democracy.

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Endnotes

- ¹ Please refer to the Annex section for a more thorough description of forms of organisation of the respective partnerships.



8. Cross-Sector Partnerships as a New Form of Local Governance

by KARINA SEHESTED

Cross-sector partnerships for social inclusion are part of a wider trend within European states over the past two decades, which indicate a shift from government to *governance*. Reference is here made to the shift in policy thinking from hierarchy and bureaucracy to fragmented, flexible and multi-centred policy processes. The governance concept is thus used to describe a variety of changes to traditional forms of government, such as New Public Management (see also chapter 3), the minimal state, 'good governance' and self-organising policy networks (Rhodes 1997). The value of the governance perspective is a broad organising framework which helps us understand changing processes of governing, like in cross-sector partnerships, and identify important questions that challenges many of the assumptions of traditional public administration (Stoker 1998).

Post- or late modern society, characterised by globalisation, economic restructuring, new technologies and social and cultural differentiation, has caused fragmentation and complexity in political life. Traditional modes of government are seen to fail in coping with complex and diversified problems, with governance prevailing as the answer to the flexibility, differentiation and dynamics required of modern political systems. Partnership is just one type of response to this general fragmentation. This chapter looks into the challenges of this development concerning integration and democratic governance.

8.1 GOVERNANCE AS A FRAGMENTED AND MULTI-CENTRED POLITICAL SYSTEM

Governance indicates a new kind of socio-political logic. This is characterised by a differentiated and multi-centred political system where public and private actors (both business and civil society) are directly involved in policy processes clear of any hierarchic relationship between centres and actors. In this sense governance can be described as multi-level and multi-actor governance (Heffen et al. 2000). No single actor – public or private, has the all-encompassing knowledge, overview, information or resources to solve complex and diversified problems. All actors recognise the value of interdependence between relatively autonomous partners and the need to join resources in order to solve complex and diversified problems. They join their resources in self-organised formal or informal policy networks, such as partnerships, which are a new type of organisation in contrast to the traditional hierarchy of the public sector on the one hand, and the exchange and competition of the market on the other. Governance becomes the result of this interactive socio-political management and the concern is to find and develop a common understanding of problems and solutions among the different actors and organisations and to utilize the synergy of combining resources (Kooiman 1993). Accordingly, governance is essentially anti-hierarchical and anti-bureaucratic and dissolves the traditional boundaries and responsibilities between public and private actors.

The local partnerships described in this book are excellent examples of policy networks in different European countries. However, partnership is only one form of policy network. Policy networks are found in very different forms from genuine cross-sector partnerships to pure management boards, committees, project groups, joint ventures etc. They are more or less formal and institutionalised as concluded in the previous chapter. They differ between countries and various policy areas, and may develop within a continuum from closed, exclusive and stable policy network to open inclusive and non-stable policy networks. It is precisely the flexible, changing and complex picture of political relations that characterises governance. Organisation becomes a matter of organising according to the problem at hand. In the traditional system of government the focus was on forms and structures, whereas under new forms of governance the focus has shifted towards problems that must be solved, and hence the possibilities to do so.

The *first generation* of governance studies was mainly focused on 'documenting' the existence of governance and policy networks and was dominated by a positive connotation to the idea of governance and optimism about its success. The questions investigated examined the processes of governance including, who participates in networks? What form and structure do policy networks take? Are they open and inclusive or closed and exclusive? What are the policy results?

The *second-generation* of governance studies are more concerned with the consequences of governance and introduce a more critical view. Several studies deal with governance failures and the broader discussions about the consequences for democracy, planning, distribution of power and social cohesion. The following examines some of these discussions.

8.2 THE CHALLENGE OF GOVERNANCE

Central to, and a general feature of all social relations is their potential to fail. Consequently it is not possible to gain complete control of social relations and the same applies to governance efforts. Governance is bound to fail, as are government or markets. One has to recognise it as a precondition for governance (including partnership collaboration) as for other efforts of governing. This implies that what is first of all most important to decide is which form of governing will be the most appropriate in any particular situation: government, governance or market? And if governance is decided upon as the best way of governing one has to develop an awareness of and self-reflexive orientation about its possible risks of failing (Jessop 1998, Stoker 2000).

From idealistic governing principles to practice

One potential possibility for failure is that the governance principles are too idealistic. Societal conflicts based on social and cultural segregation and unequal power relations are integral parts of governance development and in single partnerships (as also stated in chapter 3). It makes it difficult to use common understandings, equality and consensus as the only important principles in the governance strategy. And one could in general question whether consensus is an appropriate ideal. Others have argued that power and conflicts can be more productive and creative in finding new solutions. Experiences from the local partnerships in this book certainly show that power and conflicts are part of the life and context of a partnership and should not be neglected or treated as a residual. A better strategy might be to not only develop mechanisms for consensus building but also to develop mechanisms for conflict management and for handling unequal power relations in and between partnerships. Taking power and conflict seriously as a governing principle points to a governance

strategy based on dealing with the dilemma between consensus and conflict in partnerships and other governance situations (Flyvbjerg and Richardson 2002).

Networks and partnerships in the shadow of hierarchy

Another risk of failure is to interpret governance as the necessary and unavoidable development for European states. The development of governance should be interpreted as an image or narrative strongly inspired by practice in the anglo-american countries (like UK, USA, Australia, New Zealand). In most continental European countries, with strong state traditions, we find a different development (Pierre and Peters 2000, Sehested 2002). Scharpf (1994) has argued that in these countries governance and policy networks tend to develop 'in the shadow of hierarchy'. Traditional hierarchic and bureaucratic structures and cultures in government institutions still have some influence on what happens in a partnership. Hierarchy can work through the law, for example initiating partnerships, through a mayor or administration using their formal authority when found necessary, or equally through city councils undermining decisions made by partnerships. In some instances the result can be that partnerships or other networks are left in a marginal position, as mentioned in chapter 3.

The lesson to be learnt is that local partnerships will most likely develop within the spectrum of *government/hierarchy* and *governance/networks*. Partnerships have to find a balance between these different ideas and values of proper political behaviour.

The lack of coordination and integration

We now find in the governance literature an increasing criticism of the lack of coordination and integration in society due to governance. The fragmented and multi-centred socio-political system with a variety of partnerships and other networks makes it difficult to coordinate and integrate activities. How do we avoid everybody doing the same? If one partnership is dependent on another to finish its work how do we deal with that? How is knowledge and information spread from one partnership to others? How do we make sure that all problems are dealt with? Who is ultimately 'in charge' or responsible for the overall well-being of all citizens? This is a classic problem of co-ordination and integration, where the traditional government system has its procedures and traditions for dealing with this. The same procedures do not exist under a governance system. The question raised in the governance literature is therefore how to govern autonomous self-organising policy networks such as local partnerships? The old hierarchical mechanisms like laws, command and control are neither useful nor adequate anymore. Instead new mechanisms have to be developed, which is where we find the concept of *meta-governance* (Jessop 1998, Kickert et al 1997).

8.3 META-GOVERNANCE AS A NEW MECHANISM FOR INTEGRATION

The discussions on meta-governance concern issues such as how to govern policy networks without undermining their autonomy. And who has the legitimacy to become a meta-governor? It is here that the issue of the role of public actors in a governance situation and cross-sector partnership is introduced (see also chapter 3).

Meta-governance is the terminology used to describe the indirect forms of network management like goal-setting, financial planning and monitoring, forms of organisation, rules, procedures etc. These indirect forms of network management establish a new opportunity to bring about a common direction in society without undermining the autonomy of such networks as a partnership (Kickert

et al. 1997, Jessop 1998). Meta-governance is about 'how to do it' and not about 'what to do' as in traditional government. Most writers place the responsibility for meta-governance in public representative institutions. The argument is that political representation has still to constitute legitimacy for anyone who wants to take the role as a 'meta-governor' (Sørensen 2002). In the governance literature we find descriptions of the public actor as a facilitator, moderator, mediator, catalyst etc. (see also chapter 3).

Sørensen (2002) has found four different meta-governance forms, which are most relevant to the discussion of local cross-sector partnerships for social inclusion under study in this book:

1. Perhaps the most obvious meta-governance form is when public actors can exercise meta-governance by participating in the policy networks and thereby directly influence the network.
2. Another form is strategic network building and network support: a meta-governor decides which networks are established, who can participate and why (be included or excluded), and how different networks can be sustained with extra resources to balance unequal power relations, for example.
3. A third meta-governance form is the creation of institutional structures and frameworks for the policy networks, like laws and finance, general goal-setting and directions, forms of organisation etc. (like the EU Social Fund program mentioned in this book).
4. The fourth form is the construction of meaning and identity, which establishes a common understanding of one's role in the larger community or society (from 'us' in the partnership to 'we' in the community and society). And also a common understanding of what is (not) appropriate to do and which procedures decision-making are legitimate in this specific context.

The second and the last forms of meta-governance are the ones that most explicitly confront the issue of unequal power relations and fragmentation in the development of governance. But they are today also the least developed forms of meta-governance. One could argue that the potentials of governance and cross-sector partnerships as tools for better policy solutions rely on the development of these different forms of meta-governance.

The question of meta-governance is closely related to the question of legitimacy. Although the actors in a local partnership agree on a solution, what about other actors in the community or society? Governance and partnerships are characterized by the participation of both elected and non-elected actors and the non-elected actors are vested with public legitimacy and responsibility that might not be accepted by a wider population. If the solutions found by a partnership to concrete problems in the community are not accepted beyond the partnership, it is unlikely that the proposed interventions will be implemented, or that the partnership will survive. And we have yet another risk for governance failure. This brings us to the matter of the relationship between governance and democracy.

8.4 IS GOVERNANCE GOOD OR BAD NEWS FOR DEMOCRACY?

Governance processes and partnerships may produce better solutions but are they democratic? The answer to this question depends firstly on how governance is actually exercised and secondly on the notion of democracy. Different views on democracy lead to different answers (March and Olsen 1995. Sehested 2002a).

One position claims that governance processes and partnerships are 'bad news' because policy networks, like partnerships, undermine democracy. They move political decisions from the proper representative democratic institutions into a variety of policy networks populated by non-elected actors who claim to represent the common interest. These non-elected actors are seen to only represent their own interest and the networks tend in general to be populated by the elites in society. Furthermore, the claim is that partnerships easily turn into closed, elitist coalitions taking control of society. Hence, if we evaluate the governance and partnership development from the perspective of the traditional representative democracy, the conclusion is clear: we have to restrain, regulate and keep policy networks like partnerships in line with representative democracy in order to reinstall hierarchy and parliamentary control.

This conclusion is one that gives priority to certain democratic values based on applying an 'aggregative' perspective of democracy. This is where one looks upon democracy as a means for the aggregation of a variety of interests in politics, the distribution and allocation of resources and power, and the mediation of societal conflicts. Interests are channelled into the governing system through voting and representation by delegation as a key factor in democracy. The elected and enlightened elite is the competent decision maker and represents the common interest, secures stability and unity, and protects the citizens (who are perceived less competent and driven by self-interest).

But we could also take another position in the discussion and give priority to other democratic values, where the evaluation of governance and partnerships changes.

Western democratic institutions have always been influenced by the idea of participation in addition to the voting system in an effort to balance participation and representation. In the 1970s large interests groups, like trade unions, became a channel of influence into the political system, followed during the 1980s by social movements. During the 1990s a different type of influence emerged: the network channel, based on direct participation and influence through partnerships, advisory bodies, user board, and public hearings. In general the tendency in Western democracies is towards different forms of participation co-existing with formal representative and parliamentary democracy.

The reason for this democratic development is a new set of democratic values, based on political and democratic integration. From an integrative perspective, democracy is a goal in itself with a culture of participation and dialogue as preconditions for political decision-making. This democratic culture legitimises political decisions and socialises people into becoming democratic citizens. Participation and rational debate mediate conflicts and generates consensus, common understanding as well as a common interest. Representation is only a practical necessity however, and politicians can be corrupted by power. Democratic citizens therefore have a duty to participate, control and hold politicians to account.

When using such integrative values to evaluate governance and partnerships, it shows that they are 'good news' and an important supplement to representative democracy and should be sustained; their network channel integrates a variety of interests directly into the general system of governing as a whole. It also helps solving conflicts in society because citizens through the network channel learn how to behave as democratic citizens, and learn to accept the value of compromises and consensus. The network channel is one of many channels for influence in the western democracies that

bring legitimacy to political decisions. However, to sustain the development of partnerships implies that different forms of meta-governance are required in order to balance representation and participation, create transparency and accountability and in general democratise their own governance processes.

The combination of representative democracy and governance processes has generated several new ideas about democracy. This suggests that a democratic evaluation of governance and partnerships maybe should build on a whole new democratic foundation.

8.5 CONCLUSION

Governance process and partnerships in practice take different forms. Governance processes may vary from extreme plural processes with a variety of partnerships operating in different policy areas, to closed and elitist governance processes with only a few networks or partnerships controlling the political agenda. However, governance processes and partnerships in general tend to produce governance failures. One is neglecting the issue of power and conflict as a condition for partnerships. Another is the lack of co-ordination and integration of activities between different partnerships. And thirdly, the potential lack of legitimacy in decisions made by partnerships. To deal with these governance failures new forms of meta-governance are required. Meta-governance indicates indirect forms of network management in order to establish a new common direction in the community and society, without undermining the autonomy of partnerships. Whether governance and partnerships are good or bad news for democracy depends on the networking practices and on the democratic ideas and values used to evaluate them. Looking from the perspective of formal representative democracy it can be bad news, but looking from the participatory and integrative perspective on democracy it can be good news. Ultimately new ideas about democracy such as deliberative democracy and associative democracy have developed in order to capture this new form of governance within a democratic framework.

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9. An Action Research Project: Assessing Method and Results

by MADS VESTERGAARD

While building on existing research and surveys, the Local Partnerships in Europe (LPE) research project wanted to make a qualitative inquiry into what exactly happens, when players from different sectors decide to take joint action in a local partnership. Why do some cross-sector partnerships fail, when they apparently had the conditions for success? And how did another partnership operating under similar circumstances manage to overcome the same type of challenges?

The LPE-study in the development of its research methodology wanted to become as close to the partnership processes as possible. The ambition has been to allow for adaptation to the mode of inquiry in accordance with the research experiences and the developments of the partnerships themselves. The research was not then meant to be a purely extractive process, but one that allowed for two-way learning to the mutual benefit of research team and practitioners; the overall intention being to appreciate the unique know-how of partnership practitioners and arrive at a different kind of experience-based *practise learning*.

A fundamental premise has been that working in partnership should be regarded as a dynamic process that evolves over time. There are many potential benefits to cross-sector collaboration at the local level, but equally there are certainly also a series of difficulties. In order to fully understand the nature of local tri-sector partnerships the research team set out to appreciate aspects of both successes and failures, benefits and challenges. This, it was hoped, would offer a more nuanced picture of what working in partnership actually means.

With the LPE project, The Copenhagen Centre set out to:

- Investigate practises, thereby gaining knowledge of local partnership processes and dynamics
- Facilitate mutual learning through the exchange of knowledge between partnerships
- Profile and promote new social partnerships

LPE is an *action research* project, which over a two-and-a-half-year period has established collaborative working relations with the participating partnerships, in order to mutually generate partnership learning (see figure 12 below).

The *longitudinal* aspect of the research has been important for several reasons: it has allowed for the development of personal relationships and a sense of trust between researchers and participants'; it made it possible to study process development of the partnerships over time; and made it possible to continuously refine both the research design and the results.

Figure 13: What is action research?

Action research is not a separate method, but an approach by which learning can be derived out of *practise*. Action research and action learning are essentially about observing and analysing a specific context or field of activity. It often deals with practical problem-solving and is particularly well suited for investigating practise over a period of time. Action research challenges the distinction between observer and observed, as it builds on the assumption that those under study should become co-researchers involved in the research process as well as design of results. The professional skills of the researcher are used as a catalyst to unlock local knowledge, and ideally the findings of the research is the result of a joint effort between practitioners and researchers.

Action research accepts that the research process will affect what is being studied, and there is no intention of doing value-free, 'objective' research. Hence, in the LPE research project researchers and the partnership practitioners have worked towards enhancing their mutual understanding of the partnership's process development with the purpose of improvement. This does not mean that the researchers have acted as consultants, but rather have taken the role as 'friendly outsiders', asking critical questions.

Action research has many forms, but it is generally acknowledged that in order for an 'intervention' to be labelled *action research* it must contain three elements: research, action and participation. The LPE project has primarily been focused on research, with action and participation being important aspects informing the research².

9.1 RESEARCH DESIGN

Our approach to the analysis of local partnerships has been based on three main assumptions:

- Working in partnership is a *process*
- Partnership outcomes are both *tangible* and *intangible*
- It is necessary to understand both *positives* and *negatives*

As part of the LPE research design a set of selection criteria helped identify a diversified group of local partnerships from across Europe:

The 6 local partnership cases eligible for selection had to demonstrate:

- active participation of both the public and private sector, as well as civil society
- being newly established (not too formalised)

- prospect for continuous operation for another two years from the date of initiating the research
- (mutually different) innovative approaches to social inclusion, with employment as the common denominator
- different socio-economic and political traditions/cultures within Europe.

Once identified, the partners from the six partnerships were asked to sign a *letter of intent*, thereby indicating their willingness to share both positive as well as more challenging experiences from their partnership work, and agreeing to make themselves available for interviews and information sharing with the research team throughout the full duration of the LPE project. In turn they were offered a forum for evaluation, critical self-assessment, profiling of their results and European networking.

The research period has consisted of three phases, each made up of several elements: local research visits including qualitative interviews with the partners; publication of six country specific local reports; publication of a comparative summary report; a workshop organised for partners representing the three sectors in all six partnerships; and another report reflecting on the workshop results. (See figure 14) This *cyclical* research design has made it possible to alternate between research interventions and reflection/formulation of findings, so that the two could inform and qualify each other.

The Thematic Workshops were designed with the purpose of discussing learning points with and among the partnership practitioners, but also to allow them to network across national boundaries. For this latter purpose an Internet project room was also established.

An important motive for facilitating networking between the partnerships was to assess the extent to which it is possible to transfer part-

nership experience and knowledge from one setting to another. In the third phase of the project it was decided to change the local research design slightly. Instead of doing individual interviews with the partners of each partnership, group discussions were conducted. In addition, external respondents at mainly national level were also interviewed. The intention being to get a national perspective on the local partnership initiatives.

9.2 ANALYTICAL FRAMEWORK

As outlined in chapter 2, in 2000 The Copenhagen Centre published the report 'Partnership Alchemy - New social partnerships in Europe' (Nelson & Zadek 2000), in an attempt to add substance as well as clarity to the concept of new social partnership (here understood as collaborative working relationships between representatives of different sectors within society working together for social inclusion). The LPE research project has taken the theoretical framework and taxonomy developed in the report as its point of departure, in

Figure 14: Overview of the research process



the analysis of local partnership practices. Hence, the description of each partnership has been centred around *five key components*, and the subsequent analysis presented in the local

reports structured according to a series of *pathways*; key dynamic indicators of partnership work and process development (see figure 15).

Figure 15: Analytical framework

Partnership Alchemy

Partnership Alchemy identifies five *components* that are central when describing a new social partnership:

1. the specific *context* in which it operates
2. the *purpose* of the partnership and its partners
3. the *participants* of the partnership, partners and others
4. the *organisation* of the partnership
5. the different kinds of *outcome* of the partnership and its project activities

It is argued that the dynamic interplay between these components is decisive for the process development of the partnership. Partnership Alchemy suggests 10 *pathways*: central dimensions of partnership dynamics. They can be formulated in the following questions:

1. what *drivers and triggers* have brought the partners to the table?
2. is there mutual understanding of the *purpose* of the partnership?
3. is there mutual agreement as to the scope and *complexity* of the partnership?
4. how is *leadership* played out?
5. what are the *resources, skills and capacities* among the partners?
6. is the *organisational and legal structure* appropriate?
7. is there *transparency, representation and accountability* both within and external to the partnership?
8. what is *communication* like?
9. is there *evaluation and measurement* of the process and results of the partnership?
10. is the partnership able to *adapt* to contextual changes as well as recommendations from evaluations made?

9.3 ACTION LEARNING AND IMPACT FROM THE RESEARCH PROCESS

As mentioned, it was anticipated that the LPE research process would have some kind of impact on the partnerships. Based on accounts from the individual researchers, observations from the Thematic Workshops, as well as feedback from the participating partnerships, a range of different types of effects have been recorded.

Understanding the partnership concept

Overall, a common effect seems to have been an enhanced understanding of the partnership concept per se and awareness of the process development of each partnership. The countries diverge in terms of their tradition of working in partnership: whereas a country like Ireland has a long history of working in different kinds of cross-sector partnerships, Spain,

Estonia and Germany have comparatively less experience (for example, there is no word in Spanish for 'partnership'). With these diverse points of departure the partnerships gained differently from participating in the LPE project, and their respective political and cultural contexts, as described in chapter 1, have naturally been reflected in different learning experiences.

On the whole the partners were preoccupied with the project output of their activities; i.e. of creating tangible results. The LPE project offered the partners a platform from where they could focus on issues such as process development, the organisational set-up, and structures of communication. It gave them an opportunity to pause in their drive for quantifiable results and contemplate what could be accomplished in terms of process learning. One of the Irish partners put it bluntly when he said with regard to the researcher:

'At times we thought – "who the hell does he think he is!? Coming here to ask all these critical questions!". But it is good to be put under pressure to explain what we are doing. (...) Often the questions are more interesting to us than the answers.'

This seems to have been a general theme, where the researcher has played the role of challenging the established perceptions, holding the partners accountable to the original objectives and plans, and at times even playing the devil's advocate. Although it cannot be ruled out that it has carried an element of irritation for the partnerships, in the main it appears to have led to a fruitful dialogue. In only one example – the Danish partnership – was it felt by some of the partners that in the initial phase it was a bit stressful because of the early stage of development of that particular partnership, that they felt obliged to move faster than they were prepared to. Later, this problem ceased to exist.

Broadening the understanding of gains

Attention was also directed towards the more intangible outcomes, such as benefits for the partners themselves, as well as the wider societal ramifications of partnership efforts. Being used to focus on project outputs, it appeared challenging for the partners to articulate what lessons had been learned from working in partnership and how this learning was brought back into the partner organisations (see Chapter 6). This effort to articulate these lessons, it seemed, was in itself new learning for many of the partners.

The result of such an understanding of partnership processes and outcomes is difficult to gauge, and it is impossible to isolate the influence of the LPE project from other influences. But it seems evident that a distinct new understanding has emerged from the research project, which at times has led to concrete changes in the workings of the partnership.

Examples of initiatives taken as a consequence of the LPE-research

In some of the partnerships, like the German case, there have been little or no concrete changes in the partnership directly attributable to the LPE project. However, in the Estonian partnership for example, it was decided that the partners needed a 'cooperation agreement', which would mutually commit and oblige the partners in their work together. This document was directly inspired by the letters of intent undersigned by The Copenhagen Centre and the participating partnerships. Also in Estonia, the role of the third sector – in the form of an NGO for disabled people – was clarified and its position strengthened after a local report had argued that the organisation was about to be side-tracked in the partnership.

The issue of third sector representation has also been addressed in the Danish and Dutch partnerships. In the case of the latter, it was pointed

out by the researcher that NGOs representing immigrants in Enschede, were not formally represented in any of the partnership bodies, even though they were regarded as important partners to the project. As a consequence, two NGOs were subsequently invited to join a working group. In the Danish case the founding partners had talked a lot about the great importance of the sports and culture organisations in the partnership. The problem was, however, that representatives from these organisations did not feel they had any share in the partnership, let alone any sense of ownership. This was revealed in one of the local reports, to the surprise of the founding partners. The report suggested that the organisations should become directly represented in the Background Committee, as this would enhance the cross-sector potential of the partnership. Subsequently, the organisations were invited to nominate a representative and now feel part of the partnership.

Enhanced communication and information sharing

An issue of paramount importance in all of the partnerships is that of communication and information sharing between partners. Right through the research project this has been a key subject of discussion, and an area in which LPE has affected the partnerships. A good example is that of the partnership in Madrid. In very generalised terms, Spain has little tradition for critical debate and discussion, in particular across traditional sector demarcations. During the course of the research the partners increased their level of involvement in the debate, both with the researcher, other partnerships and with each other. A good indication is the difference between the first introductory workshop held in Madrid 2000 where there was little participation or debate, and the concluding group discussion that took place about two years later, where there was plenty of both. The research process has also supported internal communication among the partners

by encouraging dialogue between people and sectors that have previously had little contact beyond formal institutional liaisons.

Because the researcher in each of the partnerships held in-depth dialogue as a 'neutral' person with all partners, he or she often functioned as a go-between, conveying opinions between those involved in the partnership. In one of the local reports from the Netherlands for example, some of the partners raised the concern that information was not being dispersed frequently enough, nor to an adequate number of recipients. In the wake of the first local report a series of initiatives were launched in order to improve information sharing in the partnership.

Taking stock of partnership process development

The approach of the LPE project to focus on process evaluation has also inspired the partnerships. In the Estonian case, the partners say that they have learned how to analyse and document partnership development, and have acquired new tools for self-reflection and evaluation. The Danish partnership was inspired by an exercise at one of the Thematic Workshops, and carried out a similar exercise at home in their partnership: partners were asked to define his or her specific role and expectations in relation to the partnership. The exercise prompted good discussions and a greater clarity of the dynamics of the partnership. Likewise, the Irish got inspired from participating in the LPE workshops, and conducted a 'Review Day' for all board members and the manager back in Limerick. With the help of an external facilitator the day addressed issues such as internal communication, the enhancing of a shared focus, and evaluation of the working process thus far.

Dialogue

In general, the Thematic Workshops seem to have been very useful for the partnerships. Not only did they in some cases inspire concrete ini-

tatives in the partnerships, but the workshops also served as interactive forums where the partnership representatives travelling to Copenhagen could meet others working with similar projects. It also gave the representatives from each partnership the opportunity to meet each other in a new way; even though the partners work together often on a daily basis, they might never get the chance to really talk. Most of the time there is not enough time, and often there is no room for dialogue beyond what pertains to project related activities. It was quite clear that the workshops offered the partners an opportunity to go into dialogue with each other, in a context where there was time to do so, where each partnership needed to present itself to the others, and where there was a climate for critical debate. The fact that it took place in a neutral place in Copenhagen, away from everyday settings, expectations and interests, also seemed conducive to a constructive internal debate in the partnerships.

Mutual inspiration

One example of inspiration between the partnerships came from a field visit to the Danish local partnership in Ry, organised as part of the Second Thematic Workshop. Here the workshop participants visited local companies involved in the Danish partnership, and were told about their social involvement. Subsequently one of a Dutch participants said: *'We have to brainstorm on how to get the Dutch companies involved to the same extent.'* The Spanish group was also clearly impressed by the role of the private sector, as in their own country, business involvement is traditionally limited to financial donations rather than active involvement.

A concrete example of transfer of a specific idea can be found in the Estonian partnership. Directly inspired by their Spanish counterparts, they have started 'round table meetings' between the different partners and stakehold-

ers. These meetings, which are held 'on location' at the workplaces participating in the project, are reported to have increased the level of participation and involvement of the companies. One of the German participants commented after the first workshop that:

'It has been very useful for us to listen to other models of partnership work. We already got ideas for how to transfer them to the German case – not to copy them! [...] the Estonian and Irish cases have been interesting as we can link them to our own experiences and background.'

A major gain from participating in the workshops has been seeing that others have 'the same kind of problems'; everyone has at times felt that working in partnership is a difficult and cumbersome undertaking, and it was clearly encouraging for the partnerships to find out that they were not alone with these problems. In the words of a Spanish partner's representative:

'By exchanging information with other partnerships we have been reassured that our efforts are giving good results and that, in fact... we are not doing so bad! Many of the problems which other partnerships deal with are different from our own, but it has helped us learn how we can apply other projects' models to ours.'

The importance of mutual encouragement was also stressed by the German partnership. This partnership has had difficulties in terms of creating local support and involvement in their work, and felt that the recognition given to them at the workshop was very supportive.

Networking

Whereas the two thematic workshops have obviously been beneficial to both participants and the research team, they also had limitations. The language issue was not an obstacle as such, but nevertheless represented a chal-

lenge. A lot of energy went into translating between English and Estonian, Spanish and German, putting a limit on how far the discussion could be taken. That said, many of the participants threw themselves into conversations – often without a common language nor an interpreter. The workshops have not, however, led to the creation of any concrete network between the partnerships, and there have been very few bilateral contacts outside the workshops. If one were to speculate about the reasons for this, language could be one. But also the fact that networking has not had a specific purpose, other than mutual inspiration, which is maybe why the partners have not made direct networking a priority; they have simply been too busy with their day-to-day work. Lastly, the differences in socio-economic contexts, and project activities, have probably also made direct exchange of experience difficult for the partners.

An *internet project room* was designed for the LPE research project as an efficient tool for dissemination of information among partners and the research team. It was anticipated that this internet-based dialogue facility, including an advanced translation facility, would be used by the partners to network. As it turned out, the project room was not used to any significant degree by the partners.

9.4 CONCLUDING REFLECTIONS ON THE ACTION-RESEARCH METHOD APPLIED

It is of course not possible to tell how the partnerships would have developed had they not been part of the LPE project, but some of the more obvious effects of their involvement have been identified in this chapter. In any case, partnerships do not operate in a vacuum; there will always be a complex interplay of contextual drivers, individual skills and relations, political contexts, traditions and cultures that shape each partnership. The LPE researchers never attempted to ‘take over’ the process develop-

ment of the partnerships, rather, the partners themselves were in complete control and related critically to the input of the researchers. At times they got inspired and changed their operations. In other instances they disagreed with the observations and nothing in the partnership was altered. But it is granted that both partners and research team learned something along the way.

One of the great challenges throughout the research period, in particular in the initial phase, has been the role of the researcher towards the individual partnership. Much effort has gone into making it clear that the researcher was not to be considered a ‘consultant’ whose services could be ‘bought’ by the partnership. The role of the action researcher combines two positions that stand in a somewhat uneasy relationship to each other: neutral observer making critical assessments on the one hand, and involved ‘partner’ on the other. The creative tension between the two positions has led to continuous fruitful discussions in the research team about the research process itself, but it has also led to a few instances of direct disagreements between the research team and the partnerships. In one case all partners in one of the partnerships found the local report too critical and contained misunderstandings. Because of what they regarded as unwarranted critique and bad publicity some of them aired the possibility of withdrawing from the LPE project altogether. After consultation with the partners and an invitation for them to point out the problematic parts of the report, a new version was published, which was a negotiated balance between the partners’ concern and the research team’s insistence on maintaining a critical stance. This stance was originally agreed in the letter of intent signed by TCC and the partnerships, in recognition of the importance of reflecting on both positive as well as more challenging aspects of partnership experiences. This particular local report arguably ended up

being better than the original version and the partners themselves later said that although it was an unusual, and sometimes rough ride, it was also a highly rewarding experience. The research team, for their part, learned that maybe there had been too little focus on the consultation process in the making of the report.

In another instance a partner organisation in one of the partnerships felt that one of the reports was too critical and misrepresented the organisation. In this case other partners disagreed and felt that the report findings were completely justified and correct, and the report was not edited. In yet another example one of the researchers got so worried about upsetting the local politics that self-censorship was threatening the production of the report.

The LPE research team has strived to maintain a truthful and fair representation of the participating partnerships in independent and unbiased analyses, while building on the unique insights and input conveyed to the researchers from the partnership practitioners. This has entailed the effort to lay bare and understand some of the social antagonisms that exist in any

partnership, as argued by Sehested in chapter 8. It is evident that this critical analysis applied by the research team has been a challenge for some of the partners; clearly there are different traditions for critique and debate from one country to the other, but also between sectors and individual organisations.

The research design, with its action research approach, has yielded a vast range of results, which fulfil the objectives laid out for the LPE project. In that sense the choice of methodology has been successful. That said, one should not be blind to the limitations of the approach. The special relationship between the individual researcher and the partnerships means that the researchers had to be very sensitive to the micro-political context and the opinions of the informants. This potentially compromises the ability of the researcher to speak independently and freely. Nevertheless, as has been argued – and which hopefully is clear from our material – another kind of rich data was generated, as the researchers managed to go deep into the workings of the partnerships and together with the partners grasp the complex dynamics of cross-sector collaboration.

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- Nelson, J. & Zadek, S. (2000): *Partnership Alchemy. New Social Partnerships in Europe*. The Copenhagen Centre.
- Reason, P. (1994): *Participation in Human Inquiry*. Sage Publications, Thousand Oaks/London/New Delhi.
- Southern Cross University at <http://www.scu.edu.au/schools/gcm/ar/>

Endnotes

- ¹ The intention has been that the same researcher would follow a given local partnership throughout the entire LPE-project cycle. With the exception of the Dutch and the German cases, this objective has been accomplished.
- ² For a thorough discussion of action research, see Greenwood & Levin 1998. See also <http://www.scu.edu.au/schools/gcm/ar/> for a selection of action research resources.

ANNEX: CASE DESCRIPTIONS

– based on research conducted 2000-2002

Ry - Denmark

'Ry - a Community Where Everyone is Needed'

CONTEXT

In 1999 a new Danish 'integration law' came into effect. The law stipulates that refugees who have been granted asylum, according to quotas, will be designated a municipality where they have to stay for a period of 3 years; after that they are free to settle anywhere in Denmark. The idea is to avoid the high concentration of foreigners in the bigger cities, and to share the task of integration across the country. As a consequence, small communities in Denmark have since received refugees for the first time, without having any prior experience.

This was also the case in the small town of Ry, an affluent, harmonious town with 11,000 inhabitants. In late 2000, directors of two local private production companies approached the municipality with an initiative of setting up a project that would enable the town to receive the newcomers in such a way as to ensure social integration in a broad sense. Integration in the labour market, together with language classes was seen as pivotal. However, in order for the refugees to develop their own social networks, the integration into community life in leisure time was considered fundamental. The initiative was not the reaction to a crisis, but rather an attempt to proactively avoid problems that could arise; problems with social exclusion and racism and high unemployment among the minorities, as in the bigger cities in Denmark. At present 66 refugees live in Ry, half of whom are children. Contrary to normal practice, the partners in Ry have recently and openly stated that they actually would welcome more refugees in their town.

In late 2001 a new neo-liberal government took office replacing the centre-left party. The government was elected on a programme that promised fewer refugees being granted asylum and stricter rules for family reunifications on the one hand, and better integration measures on the other. A new Ministry for Refugees, Immigration and Integration Affairs has been established in an effort to concentrate and coordinate the different integration measures and to give the area specific priority.

Ethnic minorities in Denmark, as in most other European countries, account for a disproportionately high part of the total number of unemployed. Apart from these socio-economic problems there is a great concern that many minorities are not sufficiently socially or culturally integrated in Danish society. In the public debate these concerns have been cast as a paramount societal problem, both for the individuals themselves, but not least for society as a whole. It is a well-established norm in most political quarters that the key to integration is employment; enhancing the employ-

ment situation of ethnic minorities would also address the problem of the group burdening the social welfare system – an argument that has taken centre stage in the recent debate.

In this light the Ry partnership is as relevant as ever, and is being followed with great interest across the country. The tools utilised in this particular partnership have by now become widely used elsewhere. The proliferation of the use of these integration tools cannot be attributed directly to the Ry partnership as such, although arguably the partnership has been part of promoting the use of them.

The project is based on a EUR 134,996 grant from the central government's Enterprise Fund, and a substantial contribution from the municipality within its general budget for the integration of refugees. In addition one of the founding companies have contributed EUR 2,680 and minor additional funding for a mentoring system has been obtained from the Ministry of Employment. The funding situation beyond the main government grant, which runs out in the first half of 2003, has not yet been clarified, but it is anticipated that the project will continue in some form.

PURPOSE

The overall purpose of the partnership is to facilitate the integration of refugees in Ry. It is believed that real integration must be achieved in two main areas: working life and social life. Most integration efforts in Denmark focus on either one, and most often deal with labour market integration. The Ry partnership seeks to combine and link the two within one project. The idea is to set up a model that can integrate present and future refugees into community life in a meaningful way, thereby proactively avoiding problems from developing.

Since its formation in early 2001, the partnership has been ambitious as to what it wants to achieve. The overall purpose can be divided into different interlinked objectives:

- To integrate refugees in the labour market with the use of a mentoring system, language classes and a gradual introduction programme leading to ordinary employment.
- To integrate refugees into the social life, and to enable them to develop their own social networks.
- To involve the general public in Ry in ensuring that the newcomers are well integrated into the community.

Due to the importance of employment in the overall integration effort, the first phase of the partnership focussed on establishing a model that would ensure labour market integration. When this system had been established, the scope of activities expanded to also include the leisure part of the project, involving a wider group of actors. The leisure part of the partnership has only started to take form in the last few months, but everyone in the group agrees that it is now a top priority.

PARTICIPANTS

The core of the partnership is the so-called '*Background Committee*', which has a strategic coordinating function. Its members are:

- The production companies *Pressalit* with 380 employees (the second largest employer in the area) and *AKVA Waterbeds* with 60 employees. Both companies are known for their strong CSR profile, and participate both as employers and as central drivers in the partnership.
- The *Municipality of Ry*, which participates both as the largest employer in town with about 700 employees and as the public authority responsible for integration of the refugees. The municipality is represented by the Mayor of Ry.
- *Det Midtjyske Netværk* ('The mid-Jutlandish Network') – a regional network of companies interested in working with social responsibility. The network is government initiated and sponsored and has a full-time coordinator who has been an important intermediary in the formulation of the project.
- Local *sports and culture organisations*, represented by a member of the umbrella body for the sports organisations.
- A person involved in his own capacity, who has a long experience with civil society in Ry, and with ethnic minority integration elsewhere.

Working closely together with the Background Committee is the part-time *project co-ordinator*, who attends the meetings of the Committee and has the primary contact with the wide range of stakeholders involved in the partnership. These include a *network of companies* that either have a refugee employed or have declared themselves positive towards it in the future; municipal case workers; schools; a municipal leisure consultant; and the group of mentors.

A group of voluntary contact persons in Ry has recently been established. They meet once a month in an open social forum for both refugees and others. The formation of the group of volunteers has been part of deepening the involvement of the wider community.

ORGANISATION

Considerable time and effort has gone into developing a structure that is suitable for reaching the objectives of the partnership, which has clearly been a challenge for the partners.

The Background Committee was established from the beginning; in a sense it *was* the partnership. The Committee has since elected a chairman, who also functions as official spokesperson. With the project coordinator as the central point of communication, the Committee coordinates the labour market related part of the project with the effort to create social integration in the local community in a wider sense.

The members of the Background Committee are involved on a voluntary basis, and the tone and atmosphere between the partners is quite informal. At some stage some of the partners were complaining that the work of the Background Committee was too loosely structured and coordinated. But with the election of a chairman to facilitate the meetings, periodic status reports from the coordinator, and minutes distributed after each meeting, the partners are now content that the problem of insufficient structure has been solved.

Originally it was planned that there should be both a Background Committee, with a strategic and coordinating function, and a *Working Group*, which would be the larger forum for stakeholders

involved on a more practical level. After lengthy consideration the partners decided that a formal Working Group would suit neither the purpose, nor the people who were to work in that group; many of these people are involved in a voluntary capacity, using their spare time, and do not like the idea of having too many formal meetings. It was also felt too much formality would jeopardise some of the decentralised private initiatives. Instead it has been mutually agreed that it would be more fitting to have a looser semi-structured network connecting both persons and organisations in the community, combined with the coordination by the Background Committee.

Leisure time/social integration has clearly been the most difficult part of the project, which is also the area in which the founding partners have the least experience. The fact that the Working Group was not established and the sports and culture organisations only got representation on the Background Committee after some time, has clearly not helped either.

The present organisational structure has evolved along the way, and it is likely to continue to be altered as the project develops. One could say that the partnership has tried to strike its own balance between formality and informality and personal networks, a balance that fits the local resources and circumstances in an effort to involve the wider community.

OUTCOMES

Project output

The partnership has moved beyond its original quantitative goal of involving 14 refugees in the employment part of the project. In numerical terms the partnership now has 17 refugees involved in different phases of the project:

- Work training: 8
- Subsidised employment: 4
- Ordinary employment: 4
- Student grant/education: 1

One of the great achievements of the partnership is the successful contacts that have been made with local businesses. Of the 45 companies present in the municipality, an impressive 35 have signed a document of intent. Here it is stated that the signing company commits itself to be open for queries from the project regarding placement of refugees in job training, with the prospect of a regular job.

As mentioned earlier, creation of employment is only part of what the partnership is trying to achieve. For the partners, the establishment of an organisational structure itself is an important outcome, as this is pivotal to engaging the broad range of stakeholders that it is intended for.

The construction of a network of local stakeholders is particularly important for the leisure part of the project, and is an expression of the fact that the partnership is well underway to reach one of its ambitious but less tangible goals, that of wider community involvement. This in itself is a significant outcome. One of the partners describes it as 'rings spreading in the water': the partnership has been a catalyst in sparking new initiatives, be it events at the local folk high school, Afghan

movies at the cinema or private initiatives such as a commune inviting all newcomers for an evening of cultural exchange.

The town has maintained, and established new, good relations between the 'old' inhabitants and the newcomers, and it is reported for example that there is a greater diversity of people on the sports fields compared to a year ago. It is difficult to isolate the impact of the partnership, but it has without doubt had a positive effect on developments in Ry.

Partnership outcomes

'Ry – a community where everyone is needed' has changed the relationship between the sectors in the local context. As one of the private sector partners expressed it: *'Actually, we do have a long tradition of working with the municipality, but this is where we have taken that collaboration to the greatest extent. This partnership operates at both a concrete and a strategic level'*.

There has clearly been a deepening of understanding between the two sectors, which will enrich future cooperation. Also the unprecedented collaboration with civil society has changed how the sports and culture organisations are viewed as potential partners in local projects. These organisations have also developed a more positive image of the private sector as a potential partner. In this way, the partnership has been instrumental in increasing the goodwill between the different sectors in Ry in general.

Hiiumaa, Estonia

'Protected Jobs for Disabled Young Persons in Hiiu County'

CONTEXT

Since independence in 1991, a change in mentality concerning social exclusion has been taking place in Estonia. Part of this development can be observed on Hiiumaa, the second largest island in the country, with 12,000 inhabitants. Here the local partnership Protected Jobs for Disabled Young Persons in Hiiu County actively integrates young disabled into the labour market and thereby into society in general.

Hiiumaa has an unemployment rate just below the national average of around 10 per cent. A relatively high percentage of the population is disabled, which can be partly explained by the existence of a vocational school for disabled on the island. With the local political will in Hiiu County to improve the living conditions for young disabled, and with inspiration and funding from a Danish development programme *The Social Initiative* (under the Danish Ministries of Foreign Affairs and Social Affairs), the partnership was established in 1999.

The Hiiumaa initiative was the first tri-sector partnership in Estonia. Since then, there has been a growing political interest in the opportunities partnerships present. The Ministry of Social Affairs is playing a key role in promoting new social partnerships. In 2001 the Ministry initiated and funded five other partnership projects elsewhere in Estonia, basically with the Hiiumaa partnership as a model; all projects are concerned with integrating disabled persons into the labour market.

Disabled persons are a high priority risk group within the Estonian National Protection Plan, which is issued according to EU guidelines. This is one of the reasons why the government has been willing to support initiatives that develop new ways to improve social inclusion of the disabled. In addition, closer links with the EU have further stimulated the Estonian government to look at new types of measures in combating social exclusion in general.

Since the launch of Protected Jobs for Disabled Persons in Hiiu County, there has been a mutually beneficial relationship between national and local level. The Hiiumaa partnership has profited from the national priorities concerning the disabled and the Ministry of Social Affairs' interest in stimulating new models for combating social exclusion. At the same time, the Hiiumaa project has played a key role in stimulating the emergence of other new partnership initiatives in Estonia, supplying valuable experience and expertise.

When the Hiiumaa partnership was initiated as a pilot project in 1999 it was funded jointly by the Danish and the Estonian governments, but since the end of 2000 funding has been a major concern. Since mid 2001, there has been an increasing interest in participation among municipalities on Hiiumaa, both in terms of practical participation but also financial support. However, the financial contributions from these municipalities are not sufficient to cover the cost of the project, and since the completion of the initial pilot period, the financial situation has been very uncertain. It has been characterised by short term funding, presenting a continuous constraint to the performance of the project and its ability to make long term planning. In 2002, the partnership's funding was made up of contributions from the municipalities, the Estonian Ministry of Social Affairs, Hiiumaa Chamber of the Disabled and the Hiiumaa County administration, making up a total amount of EUR 18,158.

At present, funding applications for 2003 have been forwarded to external funding bodies such as the Ministry of Social Affairs and the National Gambling Tax Board – so far without any concrete positive result. The unresolved funding issue will have to be addressed as a matter of urgency, if not, the future of the partnership is severely threatened.

PURPOSE

In 1999 a partnership was formed around the project 'Creation of Protected Jobs for Disabled Young People in Estonia'; the project was launched as an all-Estonian pilot project with support and counselling from Denmark. One of the goals – dissemination of Hiiumaa project experience to other counties in Estonia – was accomplished in 2001. Consequently, the project narrowed its focus down to activities within the county and renamed the project *Protected Jobs for Disabled Persons in Hiiumaa County*.

The project targets disabled youngsters who, as a result of their health condition and loss of their capacity to work, cannot compete on the labour market under normal conditions and do not have the necessary support network to secure their position.

The objectives of the partnership project are:

- To carry on with efforts started in 2000 and 2001: to create protected jobs for the target group in private businesses, state and municipal institutions.
- To curtail social exclusion in general and exclusion from the labour market of disabled people in particular, through partnership between the public, private and third sector.
- To improve the social capacity and individual development of the members of the target group.

PARTICIPANTS

No one has left the partnership and the number of partner members has expanded since the beginning of the project. At present, the members are:

Workplaces:

- *DagoTar*, a fish plant, the largest workplace on the island
- *Hiiumaa Vill*, a family owned spinning mill

- *OÜ Goldstyle*, a small scale textile production
- *Dagöplast*, an industrial production of plastic goods
- *B-Plast*, a small industrial company manufacturing plastic goods
- *OÜ Hemaro*, a private employer
- One state institution, *Tohvri Hooldekodu*, a nursing home for elderly people
- Three municipal institutions: *Hellamaa Family Centre*; *Kärdla Centre for Disabled Children and Youth*; *Luka Day Care Centre*

Third sector:

- Hiiumaa Chamber of the Disabled
- 2 local groups of disabled

Local authorities:

- *Hiiu County*, represented by its Department of Social and Healthcare
- 5 municipalities, involved through their Social Services Departments
- *The Pension Board*, the authority that decides on pension entitlements
- *Hiiumaa Employment Agency*, the authority that approves wage subsidy applications

Hiiu County plays a dominant role in the partnership, and the deputy Head of the Department of Social and Healthcare functions as project coordinator. The third sector organisations, initially in the form of Hiiumaa Chamber of the Disabled, increasingly played a marginal, almost symbolic role over time. This was unsatisfactory to their representative and after discussions internally in the group a new active role was found for the organisation. Recently, the number of representatives of the third sector has increased: the 'Vikerkaar' ('Rainbow') society of disabled people in Kõrgessaare municipality and the non-profit association 'Oma Klubi' (Our Club) of disabled people in Kärdla town are now members of the partnership. These organisations represent that target group in the partnership and take part in the planning of leisure activities.

The partnership has been successful in increasing the number of workplaces involved in the partnership. This is central as the provision of a larger number of workplaces enhances the opportunity of ensuring a good match between the individual and the workplace.

ORGANISATION

The partnership is loosely organised and operates within a relatively simple structure. There is no separate project office, but a project team ties the different activities together.

The project team functions as secretariat for the partnership and intermediary between the different partners and the young disabled. The team consists of a project coordinator and two social workers, and is organised as an independent unit under the Department of Social and Healthcare of Hiiu County. The project coordinator plays a key role in heading the project team and in determining the direction of the partnership as such.

Within the overall partnership, there are a number of smaller, partnership 'teams' organised around the integration process of the individual. In this process the main participants are the employer, or

maybe an appointed 'mentor', and the social workers, who coordinate the involvement of parents, local authorities, doctors and whoever might be relevant. These smaller cross-sector teams, which can be described as *partnerships within the partnership*, are functioning in the workplace on a daily basis.

Initially, there was no written agreement that bound the partners together in a formal or legal way besides the project description. However, as the partnership evolved there was felt to be a need to enhance communication and wider involvement by the different stakeholders. As a result, the partnership did a number of things. It adopted a Cooperation Agreement, formally stipulating the elements of the project; a series of round table meetings have been held at the different workplaces involved in the partnership; and a Project Board was established early 2002 as an advisory body to the Project Team. The latter means that the decision-making capacity of the group has been dispersed to a wider number of people – previously, it was to a large extent in the hands of the County Council.

Today, the organisational structure of the partnership is made up of three elements:

1. *The Project Team*: deals with daily issues related to the individual disabled, concrete financial input, concrete assistance to the employers, etc.
2. *The Project Board*: provides concrete, critical responses the project development, etc.
3. *The Partnership Network*: responsible for information sharing, round-table discussions, etc.

OUTCOMES

Project outputs

A range of project results has been successfully achieved, as measured against the defined project objectives: to create protected jobs; to combat social exclusion through working in partnership; and to promote improvement of the general situation of the individual disabled person. The overall project results are quite encouraging:

- 17 persons are currently working under protected conditions
- 6 persons are prepared and waiting for a job
- 4 workplaces are waiting to contract an employee
- 3 persons are living on their own and working without any subsidies

On the negative side, however, 4 persons have terminated their work positions due to various reasons.

In the course of its work, the project team has developed new and systematic methods in labour market oriented social work. It is especially worth highlighting how the competencies of the two social workers in the project team have developed: they have adopted a very service minded, proactive and consultative approach in relation to the workplaces.

Partnership outcomes

The Hiiumaa partnership has achieved considerable partnership results that go beyond the tangible

project outcomes. Change in attitudes among staff, employers, social workers, administrators, parents and local citizens has been a tremendous gain, and after 3 years of working with integration, the employers are now ready to move on and take part in addressing the issue of job retention.

Now that the partnership has produced tangible project results – and thereby justified its existence – more efforts are going into developing the partnership itself as a dynamic network. Today the partnership collaboration is increasingly built on dialogue and the active involvement of different partners. The municipalities have taken on larger responsibilities, and the Chamber of the Disabled has become an equal partner. Through project participation, the disabled youngsters themselves have enhanced their personal capacities and are now represented in the partnership.

It is also reported that the partnership has managed to contribute to a more tolerant attitude towards disabled persons, and has created a more positive cooperative environment on Hiiumaa on the whole. The partners argue that they have increased their understanding of how the other sectors operate and of social problems in the local communities.

In the wider perspective, one of the great outcomes of the Hiiumaa partnership has been the fact that it has inspired the formation of similar partnerships elsewhere in Estonia. It has become a model project and the project team from Hiiumaa are now functioning as ‘partnership consultants’, passing on their experiences to the new partnerships.

Apenburg, Germany

'Altmärkisches Aufbauwerk Apenburg' (AAA)

CONTEXT

The oldest among the partnerships in the LPE research project is located in the region (*Bundesland*) of Sachsen-Anhalt in eastern Germany. In the rural and sparsely populated Altmark region we find Apenburg, a village of 1000 inhabitants. After reunification, a descendant of an old local noble family that used to be a big landowner in the area returned to Apenburg from Western Germany. Here he found a town troubled by low economic development, few jobs and the concomitant problems of depopulation especially of young people. As a reaction he founded the 'Altmärkisches Aufbauwerk Apenburg' (AAA) in 1993, as a local development partnership, with the purpose of strengthening the socio-economic development of the area. The partnership was formed together with a range of individuals from all sectors, including the Mayor, who all shared a strong sense of local identity and a commitment to improve the living conditions of their village.

Like other east German regions, Sachsen-Anhalt is still in the period of transition from a centrally planned economy to a market economy, and has not yet managed to get a self-sustaining economic development on track. There is not only a bad economic infrastructure, but also little tradition of independent entrepreneurial initiatives. As a consequence, the region's unemployment rate of 18.7% is still one of the highest of all German regions, in stark contrast to the German average of 9.6%. To combat this, eastern German employment policies involve a high level of activating employment schemes. Approximately 10% of all employees have been subsidised by such active labour market measures in eastern Germany within the last years. Additional jobs have been created with the help of EU-Structural Funds (ESF) as Sachsen-Anhalt has been declared a region with highest priority for ESF-funding ('Objective 1 Region').

The AAA's financial resources come mainly from the EU in the form of several ESF-programmes, which to some extent are co-financed by the Land of Sachsen-Anhalt. Apart from the project-coordinator, up to now the AAA's employees have been working under public employment schemes, which were fully subsidised by the local employment office. Due to public policy changes, the future of these employment schemes is uncertain. In addition to the above, the AAA has received a small amount of income from services and products offered by some of its projects. In total, in 2002 the AAA had an annual budget in the area of EUR 443,000.

PURPOSE

The purpose of the AAA was originally defined as creating additional income sources for the region's population by promoting local employment and the regional economy as a whole.

To achieve this, the partnership aims at setting up new businesses and supporting existing ones, concentrating on the areas of environmental protection, tourism, ecological agriculture and IT based services. At the same time, it is agreed that all actions must aim at safeguarding the identity of a rural area, thereby improving living conditions and alleviating the problem of emigration to the bigger cities.

In the course of its lifetime, the AAA has extended its operations to a more regional level, and is increasingly taking part in regional management schemes, while creating networks with other actors working for regional development.

Although all members continue to subscribe to these main objectives, it has become apparent that an overall common concept is somewhat missing and priorities seem to have become blurred in the course of extending activities into new areas. There are not only diverging, often contradictory opinions on the goals themselves, but also on the means to reach them. Recently most participants have realised that negotiating and redefining goals and objectives will be a crucial precondition for any further activities. Hence, the AAA is now looking into how it can forge a new common understanding of not only means, but also of the overall direction of the partnership.

PARTICIPANTS

The AAA was from the outset established as a tri-sector partnership, constituted by the *Mayor of Apenburg* and another *member of the municipal council*, as well as by representatives of several local *third sector organisations* and a few *businessmen* from small local enterprises. In addition, there are a great number of *co-operating partners outside Apenburg* that share the AAA's objective of regional development. These include public institutions at district and regional level, private businesses mainly from the farming sector, and regional NGOs. The actual project is managed by a professional project co-ordinator. Whether the AAA should continue to have a coordinator working on a professional basis or if the position should be filled by a person working in a voluntary capacity is currently under discussion.

Despite representation from the different sectors, there is a very limited sense of sector identity. Rather, partners regard themselves as individuals more than sector representatives, possibly because of the small size of the town, which means that the members have known each other before the partnership started, but also the fact that most members represent more than one sector. One of the great challenges of the partnership at the moment is to find new people who are prepared to engage in the work of the AAA, as so far only a handful of the AAA members have been active participants. Recently some members of the Board withdrew due to personal reasons, others because they disagreed with some of the dispositions around recent projects. The remaining board members remain, nevertheless, very committed to the work of the partnership. It will very much depend on the future policy of the AAA if the remaining members, among them the Mayor, want to stay active or even run as candidates for the Board again.

ORGANISATION

In the very beginning, the project consisted of two parts: a) an associational part, the AAA, with the legal status of a non-profit organisation (*'gemeinnütziger Verein'*), was set up as a platform for discussions and as a think tank. Its plans were executed by: b) a limited liability company called *'Altmärkische Entwicklungsgesellschaft'* (AEA), managed by a professional director. As a result of public funding conditions that favoured non-profit associations, the AAA developed into the dominant part, while the AEA gradually became completely inactive.

In order to strengthen the economic activities of the AAA itself and to become more independent of public subsidies, the project-coordinator and a few persons from the business sector now support the idea of supplementing the AAA with a limited liability company once again.

The project coordinator is accountable to a Board of five members elected by the members of the AAA. The AAA has 26 members, of whom only about 10 are actively involved. Recently, it has not been possible to elect a new board due to a lack of candidates.

OUTCOMES

Project output

Within the 10 years of its existence, the German partnership has developed from a mere think tank towards a quite professional development agency with a regional scope. As an altogether new and innovative venture in a period of great societal transition after the German reunification, the active members of the AAA have gained experience in project planning, implementation and local development.

The first period of the project was characterised by grand ideas, driven by an optimistic spirit of a 'new beginning' after the German reunification. Unfortunately, this was soon followed by one of great disillusion: many of the original ideas such as attracting big investors to the area and setting up new private businesses, turned out to be impossible in the small rural setting with almost no industrial infrastructure.

As a consequence, the AAA has focussed on smaller projects that could be realised more easily. These included setting up an ecological bakery in the village, which is now self-sustaining; initiating an annual castle festival, which is a celebration of local history that has brought in tourism to the area; and the *Altmarkgärten* project, where eight public subsidised employees worked to preserve indigenous plants and vegetables of the region.

In 2001, the biggest project to date was initiated: the renovation of an old village building, called *Apenburger Hof*. The idea was that the building should host a range of new projects such as the local history museum, an Internet café and an education centre. This project also employed eight people through public subsidies. However, the great responsibilities that came with taking on ever-larger amounts of public subsidies eventually resulted in the first period of serious conflict within the partnership. At the same time a change in the policy of the regional employment office meant that all of the AAA's 16 publicly subsidised employees had to leave in summer 2002. As a consequence, the *Apenburger Hof* nor the *Altmarkgärten* are no longer in operation.

As to the AAA's activities beyond the village, the partnership has, above all gone into the marketing of regional agricultural products, assistance to setting up an ecological sales company and an international cooperation with other rural regions in Europe. The latter has resulted in an international conference in 2003 and in preparations to set up a European educational institute for artisans, farmers and administrations in the near future.

Partnership outcome

It seems clear that the collaboration across sectors has brought about both creativity and resources. In fact, most of the AAA's local projects could never have been realised without the cooperation of all three sectors.

That said, the partners do not feel they have learned anything in particular from each other, which might be due to the long-time experience with professional as well as voluntary work most of them already brought into the partnership. Nor do the partners feel they have made full use of their respective resources, and the partnership has never developed a common sense of identity. The partnership has often seen only limited support, especially from the municipal council but also from the private sector. The latter is only represented to a small degree, as the region has only a small industry and times of economic strain have made it difficult for small companies to engage in strategic partnerships that yield only long term results.

From a civil society perspective, there have been tremendous problems in developing genuine local involvement in the work of AAA – although local third sector representatives are involved. The absence of broad community involvement is due to a number of reasons, including the fact that the more long-term and regional development issues might be difficult to identify with for the average citizen. Nevertheless, it could also be argued that the AAA has not made sufficient efforts to engage the rather sceptical local villagers in the activities of the partnership.

Although both of the two leading figures, the project coordinator as well as the chairman of the Board, have tried to encourage a more collective leadership, it has remained rather centralized amongst a few people. Nevertheless, it is also this professional leadership that has made it possible to realise the projects that have been initiated. This especially goes for the AAA's activities outside of Apenburg, which have been primarily pursued by the project-coordinator on her own. Also the application for EU funds has relied on the professional skills and knowledge of the coordinator.

Enschede, The Netherlands

'Activiteiten Centrum Enschede Noord' (ACE)

CONTEXT

The Activiteiten Centrum Enschede Noord (ACE) originally emerged from an initiative by the business network OPS – a network of large Dutch businesses. In 1999 OPS and the municipal authorities in Enschede entered into discussions about how businesses could get more actively involved in addressing social issues at the local level; the focus was put on Enschede Noord, one of Enschede's four districts. In 2000, a development plan for Enschede Noord was completed, which included the establishment of a cross-sector partnership that should launch various projects aimed at labour market integration of the long-term unemployed, as well as support to micro-entrepreneurs. The paper outlined policy objectives rather than fixed targets, which have later been defined at project level in contracts signed between the municipal authorities and each organisation actively involved in ACE.

ACE functions as a network of organisations and companies that are involved on a contractual basis around specific project activities, coordinated by the local authorities. The variety of project activities all aim at reducing unemployment, enhancing entrepreneurship and improving the overall economic situation of Enschede Noord. The contractual foundation of ACE sets this initiative apart from the other partnerships in the LPE research project, in so far as it has a clear commercial component.

Enschede is a municipality and a region in the southeastern part of the Netherlands close to the German border. It has 150,000 inhabitants of whom 25% are of non-Dutch origin, primarily from other Western European countries and Turkey. Compared to the national average, Enschede citizens have a lower educational attainment, lower education levels and lower annual income per capita. The workforce in Enschede is smaller than the national average. Historically, Enschede is a region that has performed worse than the national average in wealth creation, job creation and in enlarging the workforce. Enschede Noord is one of five administrative districts in Enschede municipality, with approximately 28,500 inhabitants and a relatively large Turkish community. In a region performing comparatively worse than the rest of the Netherlands, Enschede Noord has performed worse than Enschede at large.

Over the last five years, a national legislative reform process has fully privatised the provision of placement services throughout the Netherlands, and subsequently former public and semi-public placement agencies are now 100% market-based. Whilst placement and recruitment agencies from all over the country can now offer their services in open tenders, the public authorities in Enschede

Noord prefer to work with locally-based companies that possess knowledge about local conditions, not least in the hope that the placement agencies themselves may contribute to the economic development in the area. This has been a central aspect of ACE.

Yet another change in national legislation has put increased economic pressure on municipalities throughout the Netherlands to meet the political goals of further reducing unemployment rates, as well as expanding the labour pool. As a response, the social affairs department in Enschede Noord has restructured the labour market integration process into so-called 'trajectories', as a more efficient way to guide the individual from unemployment to job placement, including enhanced monitoring and support. This 'trimming' of the public support system fits well with the *modus operandi* of private companies, and is an important aspect of the approach of ACE.

ACE is exclusively driven by public funding. This funding is administered by the local authorities through a labour market and social activation budget, and brought into ACE in the form of contracts awarded to the involved companies and organisations.

PURPOSE

The ACE partnership initially set out to include private businesses and community organisations in finding new ways of handling issues that have traditionally been left exclusively to the public administration. The job placement expertise of recruitment agencies like Randstad and Activa plays a key role in this vision. With the community organisations' close and often personal relations to large parts of the target groups, the idea today remains the same: to utilise the competencies inside the district for the benefit of the target group, the ACE partners and the district as a whole.

ACE has two main objectives:

1) *To reduce unemployment.*

ACE targets some of the weakest groups in the labour market, the so-called 'group 4 social clients', which include people with severe difficulties of a social, mental and physical nature. Besides this, ACE targets people without any previous employment experience as first time integration into the labour market: housewives, unregistered immigrants and others who do not receive social benefits and are not registered as job seekers.

2) *To encourage and support entrepreneurship.*

Like throughout the Netherlands, employment rates among ethnic minorities in Enschede are particularly low. ACE aims at stimulating entrepreneurship with a particular focus on the Turkish and Moroccan communities. The project involves two community-based minority organisations and two professional business advice agencies that are contracted by the municipal authorities to jointly identify, motivate and support potential business starters.

These objectives form part of a municipal plan of urban regeneration of the area in terms of infrastructure development, refurbishment of housing areas, and boosting local economic activity in general.

PARTICIPANTS

The most important organisation in ACE is the municipal authority: *Stadsdeelmanagement Enschede Noord*. From here all funding issues and project activities are administered by the District Manager.

The other organisations in ACE has changed a little over time, though not significantly. There is no strict definition of membership but one could speak of a core group of organisations that are actively involved in project activities.

This group consists of:

- *DMO* – Social Affairs Unit, is the public administrative body in charge of social security issues. DMO includes *WSA, Enschede Noord*, the department responsible for social activation and labour market reintegration
- *Activa* – formerly public, now fully privatised human resource agency, including *STAP*, which focuses on support and advice to entrepreneurs
- *Rabobank* – large commercial bank in the Netherlands with affiliates worldwide
- *Randstad* – private corporation specialised in job placement and job matching
- *Surplus* – private entrepreneurship advisory company
- *Ender* – Turkish community organisation
- *SMEN* – Moroccan community organisation.

More marginally involved as sub-contractors or otherwise connected to ACE are:

- *BMD* – the public road and environment maintenance department, employing a number of people in activation via the ACE activities
- *KLIQ* – former public, now fully privatised job placement agency, working occasionally with *Randstad*
- *ROC* – national public provider of vocational training and education, with departments in Enschede Noord

Het Kompas, a community centre for all citizens in Enschede Noord used to be a partner in ACE, but has been unable to allocate sufficient resources to continue participation in any activities relating to ACE.

ORGANISATION

ACE was founded on a non-binding mission statement in the form of the municipal development plan. Here, key players from the three sectors are mentioned, although they are not committed to ACE, or to each other, in any legal way. Each partner is linked to the other partners via their contract with the district management to deliver certain services.

All contracts are called in open tenders, which means that the partners are in a situation of competition with each other, and in principle the group of partners may change over time. In reality, however, so far there have been very few changes in the composition of the group of partners.

of a Steering Committee and two subordinate Working Groups.

- *Steering Committee* members are the District Manager, the head of WSA, and representatives from Randstad and Rabobank.
- *Social Affairs Working Group* consists of public sector representatives only: DMO and WSA
- *Economic Affairs Working Group* is made up of the District Manager, DMO, BMD, two entrepreneurs 'in process', and the community-based organisations ENDER and SMEN.

Although community organisations play an important role in the contact with the target groups, it was not until recently that they became formally represented in the Economic Affairs Working Group.

The Committee and the working groups function as forums for discussion and information sharing, but are not procured with a mandate for decision-making. Meetings are called by the municipal authorities on an ad-hoc basis to discuss concrete project matters. Besides these formal forums, relations between the organisations are maintained via bilateral, project specific communication, often with the district manager as an informal broker.

OUTCOMES

Project output

Recent figures point to a significant reduction in the number of unemployed in Enschede Noord – a decline that exceeds that of Enschede as a whole. In February 2002, 1002 persons were registered as unemployed. In September 2002 the number had dropped to 894 persons, of whom 233 were in a so-called 'trajectory' – a labour market integration programme facilitated by an ACE partner, Randstad, Activa or Surplus.

The district management's contracts with these three companies have been renewed successively as have the contracts with ENDER and SMEN.

As for the entrepreneurship part of ACE, after a slow start the figures for 2002 turned out to be quite good. ACE has been in contact with 47 people with the purpose of motivating them to start new businesses:

- 21 of them are still preparing the start of their business by attending courses, writing business plans, exploring the market, etc
- 20 of them have started a business
- 15 of the business starters are successful
- 4 of the business starters are not doing well
- 4 of the starters failed
- 3 people found a job instead of starting a business.

Partnership outcomes

ACE has developed a very project oriented structure, which is seen in the composition of the Steering Committee and the two working groups. This has left little room in ACE for the partnership elements, because the structure does not include a formal forum for tri-sector dialogue. Nevertheless, close working relations have developed between the municipal authorities, the community organisations and the private businesses, which are highly valued by those involved. They stress the importance of the close and well functioning informal and personal contacts that have deepened and grown stronger in the course of the project.

With a strong focus on project results and contractual arrangements, priority has not formally or in any explicit way, been given to partnership issues such as cross-sector dialogue and understanding, process development, the forging of a common understanding, and the inclusion of all stakeholders in strategic discussions.

The pragmatic character of these relations accentuates the 'network' character of ACE's structure, but the implementation of projects has in fact emerged as tri-sector cooperation. Particularly the cooperation between the business side and the community organisations is seen as a prerequisite for reaching the targets and is explicitly mentioned in the contracts between Aactiva, Ender and SMEN. Also, the role of the municipal authorities is important – not just in its funding capacity, but also as a broker bringing the two sides together via the contracts.

Limerick, Ireland

'Limerick Enterprise Development Partnership' (LEDP)

CONTEXT

The Limerick Enterprise Development Partnership (LEDP) is situated in Limerick, the third largest urban area in Ireland with approximately 80,000 inhabitants.¹ In 1997 French Moulinex decided to close down its production in the southern part of the city, where their plant, initially owned by Krups, had been operating since 1965. The closure meant the loss of 500 jobs and with an annual generation of EUR 8.9 million into the adjacent communities, dealt a major blow to an already socio-economically weak area. A government Task Force was set up under the auspices of the Department of Enterprise, Trade and Employment to try to find a replacement industry. This proved impossible for several reasons: the size of the plant: 65,000m² site, including a 16,000m² building and 11 houses, the fact that the buildings were old and run down, and that they were not located in a modern business park, but in a disadvantaged residential area.

A group of locals were troubled by the existence of such a pocket of social deprivation like the southern part of Limerick, in the midst of a booming economy. They were concerned that if the plant were to be sold on the open market, it would be used for retailing and/or warehousing, which is labour extensive and consequently not add much value to the area. With a local property developer as the main driving force they approached a range of organisations and agencies, and in September 1999 the *Limerick Enterprise Development Partnership Ltd. (LEDP)* was formed as a Charitable Trust Company (i.e. non-profit) with seven public and private shareholders. Each shareholder made a considerable financial contribution enabling the partnership to raise the necessary capital to buy the plant in order to benefit the surrounding communities.

Although Limerick has made somewhat of a quantum leap from being one of the poorest areas in Ireland to a growing, prosperous city, great local disparities remain. The LEDP is located in Southhill, which is the most disadvantaged of the four communities making up the southern part of Limerick. The Southside has approx. 12,000 inhabitants and an employment rate of 33% (compared to the Limerick city average of 16%); unemployment in the area is deep-rooted and some families experience unemployment in the third generation. Many live in low quality public housing, there is low educational attainment, and the crime rate is higher than elsewhere in Limerick.

¹ All figures are from 1996 unless indicated otherwise.

During the lifetime of the LEDP the national economic climate has changed from the un-paralleled growth rate seen throughout the second half of the nineties, with unprecedented low levels of unemployment, to a marked slow-down in the economy. After seven consecutive years of surpassing the economic expansion of all other EU countries, with an average GDP growth of a staggering 9.9%, in November 2001 this plummeted to below 4%. In 2002 the situation was much the same, although the economy is slowly recovering.

Despite the fact that both the unemployment rate is lower and the growth rate higher than the European average, there is definitely a sense that times are more difficult now than when the LEDP was established. According to the partners this development means that they were lucky to close the deal and establish the partnership when the economy was buoyant and it was possible to attract the necessary capital and tenants to the site. It would have been much more difficult today. It also means that the relevance of a project like the LEDP is possibly even bigger than when established, and in a time of plant closures and job losses across the country, the partnership project attracts attention from both local and national politicians as a model of how to deal with these challenges successfully.

After a somewhat hectic initial phase of bringing in the partners, raising the necessary seed capital and obtaining bank loans, the financial situation of the partnership is now sound and on solid ground. Income and expenses break even, and it is expected that a small profit will be reinvested in the near future. Since 2001 the LEDP has reduced its debt from EUR 4.2 million to EUR 3.3 million. It has an annual income from rent of EUR 507,000, and the total investment on the site between LEDP and tenants so far amounts to EUR 16.5 million.

PURPOSE

The idea of the LEDP has been to turn the abandoned plant into a multi-purpose site for the benefit of the adjacent communities. This was to be accomplished by creating new employment possibilities, enhancing the training and education offered in the area, as well as creating some form of community facilities.

Whereas the overall purpose of the LEDP has remained unchanged since its formation, there has been a noteworthy change in focus. In the initial phase of the partnership the focus was very much on the refurbishment of the buildings, attracting tenants and securing the financial base of the project. Along with the stabilisation of the economic foundation, the focus increasingly moved beyond the confines of the actual site, and more towards the wider development of the local area. The partnership is increasingly seeing its purpose as being a catalyst for enhancing the social and economic development in the area in a broader sense. Its mere presence is also believed to help turn the area into a more attractive place for investment. The site is still the pivotal locus of the partnership, but the partners now see it more as a platform from which they can engage in development issues in the wider area.

PARTICIPANTS

The LEDP is a somewhat complex cooperation of interlinked partnerships and organisations, each having a nominee to the Board of Directors:

- *Shannon Development* (regional state development agency)
- *Limerick City Enterprise Board* (statutory partnership promoting business development)
- *Limerick Enterprise Network – LEN* (business network)
- *The Catholic Diocese*
- *Limerick City Council*
- *PAUL Partnership* (Area Based Partnership – local development partnership)
- *Foundation for Investing in Communities* (national investment fund)

The *Limerick County Council* is also a shareholder but has withdrawn its director from the Board, as the LEDP is situated outside of its constituency. After the project was up and running their involvement decreased steadily.

The former financial advisor to the partnership has been a central person from the very start. He has now retired and been co-opted to the Board in his own capacity. The president of the nearby *Mary Immaculate College* remains active on the Board, where he has represented the educationalist from the start of the partnership. Apart from the college, a range of training and educational bodies have been involved to a limited degree. The educational institutions formed the Limerick Educational Partnership in 2000 as a forum for discussing and delivering education together with the LEDP. This partnership has nevertheless not had any meetings for almost two years.

The *manager* continues to play a paramount role in driving the partnership and tying the activities and partners together. Also the *community co-ordinator* (employed by the Limerick Enterprise Network) has become centrally involved in a wide range of issues since she was employed in March 2001.

ORGANISATION

The LEDP is constructed as a Charitable Trust Company. This means that no profit can be extracted from the company, which in turn is exempt from paying income tax. This entails the partnership being set up according to set standards to meet the legal requirements; each shareholder has a nominee to the Board, to which there is an election every three years. Once a year there is a meeting where the shareholders approve the annual accounts, and all formal liability structures are in place.

This formal set-up is the backdrop of the partnership, but does not affect the daily operations a great deal. On the contrary, the workings of the partnership are quite informal and flexible. The manager has the latitude to initiate and drive activities forward, and there is a sense that the executive and the Board are open to new opportunities and ideas as the project develops.

At one stage an element of frustration surfaced among the partners, stemming from a sense of 'not knowing where the others were'. From the beginning the LEDP has been very loosely structured,

with little formal information sharing, ad hoc communication and irregular Board meetings. Whereas this structure was suitable in the initial phase of the partnership – with its flexibility and low resource demand – it showed its limitations later in terms of maintaining the strong sense of mutual direction among the partners. After internal discussion, the LEDP has decided to maintain ad hoc working groups for the manager to draw on when needed. The partners believed it would be too time consuming to establish new formal structures. Nevertheless, some changes have been made in terms of increasing the formality of the organisational structure. Each month the manager files a written activity report to the Board, forming the basic internal information about current activities. Another new initiative is a bi-monthly financial report produced and circulated by the manager.

The LEDP has one full-time employee: the manager. The Limerick Enterprise Network, which shares offices with the LEDP manager, has employed a community co-ordinator, who has designated at least 50% of her time to working for the LEDP. Also, LEN has a secretary employed who is paid by the LEDP to do some administration/accounts work.

OUTCOMES

Project output

After only three years of existence, the partnership can look back at a remarkable achievement. Not only has it successfully attracted funds and tenants to the old factory site, which has been refurbished and turned into a modern business park, but it has also created more jobs on site than when the Moulinex factory was still operating. To this has been added training positions. In numbers:

- Chorus (call centre for the national cable TV company): 390 jobs
- Medrex (makers of digital storage space): 44 jobs
- MH Transport (food distribution company): 10 jobs
- Others: 52 jobs
- FAS (bricklaying, plastering, carpentry and computer skills courses): 150 students annually
- CERT (tourism and catering training): 255 students annually

It is expected that the remaining vacant space in the main building will be rented out in the near future, possibly to another call centre that will add a further 100 jobs to the site. The building also has a number of small offices and a meeting room, which is widely used for a range of activities, including community meetings.

On the property next to the main building are a number of small buildings that house a range of different groups: a jobs club, the Dyslexic Association, a police activity club and the Mid-Western Health Board. The building of a new childcare facility will also, subject to funding approval, start shortly, and will have capacity for 50 children.

A significant result of the LEDP has been the formation of the '*Southside Forum*'. After a long consultation process with local community groups, an elected group of 17 local residents now meet once a month on the LEDP campus to discuss issues pertaining to the development of the area, and their view on the activities on the site. In due course the group will elect a representative to the Board of LEDP. It is hoped this will enhance community involvement and help foster a sense of

ownership in the project, an important objective of the partnership from the outset, which has proved more difficult to reach than originally anticipated.

In terms of contributing to educational provision in the area, the partnership has shelved its original plans for an integrated Adult Learning Centre. Instead, the focus is now on the larger issue of education in the area, while continuing with more modest educational activities on the site. The latter includes a course in the production of community radio; a series of talks by politicians on how to affect the political system; the Mary Immaculate College moving its 'Foundation Course' to the premises – a course which targets mature students with the aim of extending their educational qualifications into tertiary level.

Partnership outcomes

In addition to the results described above, the partners mention distinct benefits from working in this kind of partnership. All agree that it has been a learning process to work together, and that they have now got a better understanding of each other's agendas and ways of reasoning, as well as of respective individual strengths and limitations. Ireland has a long track record when it comes to working in partnership, but only seldom are all sectors directly involved in active collaboration. Many of them talk about the partnership as being larger than the current project, and about the personal contacts that have been established, which are also of huge value in other contexts.

The partners view the outcomes of their endeavours in a broad sense, not focusing exclusively on tangible results. A good indication of this is the fact that they value the partnership *process* as an important outcome in itself. The partners do not dwell on what has been achieved, although without the concrete results, the partnership could not have moved on to participate in the wider development of the city. The partners now want to expand operations beyond the site and use it as a vehicle in a much wider effort to develop the Southside of Limerick, thereby affecting the development of Limerick as a whole.

Madrid, Spain

'Local Social Capital' (LSC)

CONTEXT

Local Social Capital (LSC) is the title of a pioneer programme established under the European Social Fund. Under this programme the business network *Fundacion Empresa y Sociedad (FES)* has received funding to implement a project that promotes social inclusion through the development of employment, economic opportunities and the strengthening of social networks and local capacities in two socio-economically disadvantaged districts of Madrid: Villaverde and Usera.

It was a prerequisite that recipients of this type of EU funding establish a collaborative agreement with other organisations or development partners. Accordingly, a partnership was formed (*Madrid LSC*), consisting of representatives of local and regional public administration, civil society organisations, and also private businesses. The latter is quite unique in a Spanish context and beyond EU requirements.

The districts of Villaverde and Usera are both disadvantaged in a number of ways, and there are a range of socio-economic indicators that point to the social deprivation of these areas: the educational level of the population is lower than the regional average; only 8% of the population has a university degree, against 19% of Madrid municipality. The share of individuals without any education is more than 18%, compared to less than 12% in Madrid as a whole. There is a concentration of the most disadvantaged students in a few public schools, which again results in high school dropout or failure rates.

These figures have a direct bearing on the employment situation that appears to be one of the biggest problems in the two communities, and consequently has implications on the living conditions for many families. Involvement in the 'shadow economy' or even drugs trade are seen by some as the one and only solution. Unemployment rates in Villaverde and Usera are above the regional average, with female unemployment rates especially high.

Unemployment remains high in Spain, not least influenced by the influx of immigrant workers and the expansion of the labour pool by the increasing number of women now on the labour force. This, among other social indicators, makes Spain eligible for quite substantial financial support from the European Social Fund (ESF). Increasingly it is an EU requirement that all projects initiated under the new funding schemes be implemented in partnership collaboration. This makes the Madrid part-

nership an interesting pilot experience from which a broad range of Spanish institutions and organisations may well benefit in the future.

Public-private partnership is a new phenomenon in Spain, except for the highly centralised agreements between social partners. In principle, the government is in favour of cross-sector collaboration, but the public administration does not, however, have any specific policy in this area. Meanwhile, the Spanish government has a long record of funding social welfare projects delivered by the third sector. Many of Spain's leading companies also have a long and generous track record of charitable contributions. Albeit still limited, recent years have brought a more active form of community involvement, such as the one aimed at in the Madrid partnership. As for civil society organisations, some speak of a 'professionalisation' of the NGO-sector that increasingly engages in various forms of collaborative agreements with both the public sector, and bilaterally with Spanish businesses.

The Madrid Local Social Capital partnership project was largely funded by the EU with EUR 1 million under the ESF. In addition, initial contributions were made by the savings bank Caja Madrid – under its social assistance programme – as well as by Comunidad de Madrid, the regional government. The EU-funding covered a period of three years (September 1999 – June 2002), and the partnership project has therefore come to a conclusion. Some activities initiated by the partnership are, however, still ongoing and discussions now focus on how to continue or finalise the different initiatives that have been set in motion as part of the Local Social Capital project.

PURPOSE

The partnership project had an ambitious three-fold objective:

- *First* and foremost it was the commonly agreed purpose to assist the least privileged citizens living in two socio-economically disadvantaged districts of Madrid, through measures that would strengthen existing social networks and generate local employment opportunities. This most notably involved the support of micro-entrepreneurs in setting up small businesses.
- *Secondly*, and perhaps as a less explicit objective, it was proposed by FES to try out new methods and avenues for engaging the Spanish business sector in Corporate Social Responsibility. The idea of a mentoring scheme was therefore introduced into the project, where company employees would provide professional know-how and volunteering services in the two target communities.
- *Thirdly*, it was intended to draw on a diverse spectrum of competencies present within the different constituency groups of the local community. That is, to combine resources from such different entities as the public sector (at three different levels), civil society organisations, and finally the business sector, all signing an agreement to work jointly in partnership towards the above goals.

¹ All figures are from 1996. Only by mid-2003 will up-dated, official statistical data be available.

PARTICIPANTS

The not-for-profit business network *Fundacion Empresa y Sociedad (FES)* has played a pivotal role in the Madrid partnership. As the designated beneficiary of the EU-funding it has had the primary responsibility towards the EU in terms of project implementation and reporting. Furthermore, as an intermediary organisation FES has been the coordinator of the LSC project.

A number of organisations have been registered as formal members of the partnership. These include:

The public sector, represented at three different levels: the *regional government of Madrid*, the *municipality of Madrid*, and the *municipal district offices in Villaverde and Usera*.

From the private sector, however, only one of three founding members have continued to be actively involved throughout the partnership project: the savings bank *Caja Madrid* represented by its specialised social charity division, *Obra Social*. Both *Arthur Andersen Consulting (Spain)* and *Banesto* originally signed the constituent agreement, but the former soon decided to withdraw from the project, while *Banesto* has not been involved in any actual project activity. In the periphery of the project, but not forming part of the formally established partnership group, a few businesses have towards the end offered professional assistance on a voluntary basis to micro-entrepreneurs in the area, as part of a business-mentoring scheme. These companies include the American owned banking company, *Citygroup Spain*, and the Spanish national consultancy firm *Soluziona*.

The *Regional Federation of Neighbourhood Associations of Madrid* has been the only formal representative of the third sector to the partnership. But NGOs such as *Fundación Tomillo*, the immigrant association *MITA* and other locally based NGOs have also played important parts in designing and implementing the project.

ORGANISATION

Following the EU guidelines described above, it was originally required that a formal partnership body be established to enforce cooperation between the intermediary organisation and representatives of local authorities, as well as other non-public local actors. In addition to this, FES, the intermediary organisation and designated recipient of EU funding, decided to include also business representatives.

The organisation of the partnership has thus been structured around two bodies: a *Coordination Committee* responsible for the overall coordination of the pilot project, and a *Working Committee* giving more direct advice in terms of project implementation. Members of the two committees have come from the same organisations, the only difference being the seniority of the representatives. The inclusion and direct involvement of the business sector in the partnership should also be highlighted as an add-on to EU requirements.

In parallel to the above committees a *project team* was established with direct responsibility for project implementation. The team has been headed by a project director, while a project assistant

has been assigned to work directly in the districts of Villaverde and Usera out of a project office established explicitly for this purpose. Another assistant was employed as part of the project staff during a particularly busy time.

In retrospect, the organisational structure of the Madrid partnership can be seen as possibly having impeded the development of a genuine *partnership*. The difficulty relates especially to two factors: firstly, FES automatically obtained an unequivocal leadership position according to EU guidelines and requirements. And secondly, from the start the formal governance of the partnership was divided into two different levels of decision-making in the form of the Coordination Committee and the Working Committee. There has been only limited communication between these two committees.

It remains a fact that throughout the entire phase of project implementation there has been no regular inter-phasing between the strategic leadership of the project and the partnership 'practitioners'. Some of the partners today argue that opportunities may have been missed due to the lack of 'vertical communication' between these two committees. These included opportunities to exchange experiences, and to support and advocate for the partnership idea with reference to concrete project achievements. This means that initial LSC-objectives were probably not completely clear to all partnership members involved in the project and that the organisational structure made it difficult to forge a common understanding.

OUTCOMES

Project output

Upon the conclusion of its activities in March 2002 the Madrid partnership could demonstrate quite impressive project results. A total of 88 micro-projects had been initiated, out of which 60 were micro-businesses. The remaining 28 micro-projects were initiatives to re-enforce local social networks and organisations providing social services. With the target set at 100 micro-projects this ratio can be seen as highly satisfactory. In terms of indirect employment opportunities more than 800 jobs had been created. With the original target set at 1000, this result is also very satisfactory.

An initiative that exceeds what had originally been envisioned under the EU project, there has been a survey of prospects for the introduction of *micro-lending schemes*, which was proposed and carried out by FES, with the financial support of Citygroup Spain. The intention being to offer micro-credit opportunities to less privileged business start-ups living in deprived areas of Madrid, who, like the beneficiaries of LSC, are individuals who would otherwise have difficulty in obtaining loans from any of the commercial banks.

However, on the less positive side there are concerns that some of the already initiated LSC micro-projects will not be able to sustain themselves. A considerable amount of the initiated micro-businesses have already – as of May 2002 – had to close down their business. One reason given for this phenomenon is the failure to conduct a thorough survey of local market conditions prior to the initiation of the micro-businesses.

The fact that some of the remaining micro-businesses are at a similar risk of collapse does of course represent a threat to the overall success of the project. Representatives from both the Coordination

and Working Committees regret these negative results, which may potentially end up blurring an otherwise positive picture. Discussions are now taking place on the prospects for a possible continuation of support to those micro-enterprises that have remained in business.

Partnership outcomes

It all started as little more than an organisational arrangement on paper. However, in the Working Committee this arrangement grew into a very dynamic forum for dialogue and cross-sector exchange of ideas and expertise. This opened up – in the Spanish context – a new and quite unique forum for dialogue, which has served to dismantle stereotypical perceptions and improve the understanding between the different sector's representatives.

In order to capture and benefit from the new learning derived from this collaboration, the partnership has taken an initiative that goes beyond EU requirements: to produce a partnership manual that evaluates the partnership experience. The forthcoming 'Best Practise Manual' will serve as a supplement to evaluations already made according to EU requirements, and is meant to provide an in-depth understanding of the specific cross-sector learning of the partnership, for the benefit of future partnership projects in Spain.

Members of the Working Committee all highlight the fact that new insights about partnership collaboration unfolded during the process of project implementation. It is these insights they would now like to share, in order for others to benefit from their experiences.

The fact that it turned out to be difficult to involve the private sector in the partnership is one of the unfortunate outcomes. FES wanted to use the project as a lever to mobilise private companies' social engagement. However, the project has to some extent reinforced a disappointing impression prevailing among both the public sector and NGOs that Spanish companies are perhaps not yet prepared to any significant degree to commit themselves actively in new social partnerships.

Since the EU-funding expired there has been only limited collaboration within the partnership group. FES and the Municipality of Madrid have stayed in contact with relation to the production of the Best Practice Manual. Other than that, there have been only few attempts to meet, although there are clear indications that some form of partnership spirit prevails.

Resource List

Interim reports of the LPE research project

This book builds on a range of reports issued during the course of the research project. (Please refer to Chapter 9 for a detailed description of the different elements of the research design). All publications are available from www.copenhagencentre.org

First Local Reports, March 2001

A report from each of the six participating partnerships describe the partnership in detail as well as their socio-economic contexts. Based on qualitative interviews with partner representatives also they analyse the early workings of the partnerships.

First Phase Summary Report, May 2001

Based on the First Local Reports, the report draws up general tendencies between the different partnerships and suggests comparative conclusions for this initial phase of the research project.

First Workshop Report, June 2001

This report summarises the knowledge sharing and exchange of ideas that took place at the first workshop organised for representatives from the participating partnerships. Key issues include: how to sustain the momentum; partnership gains; management styles.

Second Local Reports, December 2001

These six reports are based on the second round of research visits to each of the partnerships. The reports look at the process development of the partnerships since the last visit a year ago. Key issues include: measurement and evaluation; leadership; communication and organisational structure.

Second Phase Summary Report, February 2002

Based on the Second Local Reports the report offers a comparative analysis of the participating partnerships in their respective stages of development.

Second Workshop Report, May 2002

The report captures the main points made during the Second Thematic Workshop. Key issues include: management; how to manage conflict; how to share experiences from working in tri-sector partnerships.

Third Local Reports, December 2002

The reports sum up the overall status of the partnerships since the beginning of the LPE project, and draw up the main lines of the process development. Key issues include: transfer of local partnership experiences both internally in the partner organisations and externally to other projects or policymakers; measurement and evaluation.

Other resources

Bauman, Z (2001): *Community: Seeking Safety in an Insecure World*. Oxford: Polity Press.

Business Partners for Development (2002): *Putting partnering to work*.
www.bpdweb.org

EU Commission, DG Employment and Social Affairs (2001): *Promoting a European Framework for Corporate Social Responsibility*. (Green Paper from the Commission)

EU Commission, DG Employment and Social Affairs (2002): *Corporate Social Responsibility – A Business Contribution to Sustainable Development*. (Communication from the Commission)

Hampden-Turner, C and Trompenaars, F (2000) *Building Cross-Cultural Competence – How to Create Wealth From Conflicting Values*. New York: John Wiley & Sons Ltd.

Handy, C (1995) *The Empty Raincoat: Making Sense of the Future*. London: Arrow Books Ltd.

Geddes, M. (1998): *Local Partnership: A Successful Strategy for Social Cohesion?* Dublin: European Foundation for the Improvement of Living and Working Conditions.

Macintosh, M. et al (1998): *Corporate Citizenship. Successful strategies for responsible companies*. London, et al: Financial Times Pitman Publishing.

Nelson, J (1996) *Business as Partners in Development*. London: The Prince of Wales Business Leaders Forum.

Nelson, J. & S. Zadek (2000): *Partnership Alchemy – New social partnerships in Europe*. The Copenhagen Centre.

OECD (2001): *Corporate Social Responsibility. Partners for Progress*.

OECD (2001): *Devolution and Globalisation. Implications for Local Decision-Makers*.

Raskin, P. et al (2002): *Great Transition. The Promise and Lure of the Times Ahead*. Boston: Stockholm Environment Institute.

Tennyson, R. (1998): *Managing Partnerships: Tools for mobilising the public sector, business and civil society as partners in development*. London: The Prince of Wales International Business Leaders Forum.

Utting, P. (2000): *Business responsibility for sustainable development*. Occasional Paper 2. Geneva: United Nations Institute for Social Development.

Zadek, S. et al (2001) *Endearing Myths, Enduring Truths: Enabling Partnerships Between Business, Civil Society and the Public Sector*. London: Business Partners for Development.

Zadek, S. & S. Scott-Parker (2001): *Unlocking the Evidence. The New Disability Business Case*. London: Employers' Forum on Disability.

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About The Copenhagen Centre

The Copenhagen Centre – New Partnerships for Social Responsibility (TCC) is an independent, international knowledge centre established by the Danish Government in 1998, following the 1995 UN World Summit for Social Development and the 1997 Copenhagen Conference "New Partnership for Social Cohesion".

TCC works as an intermediary for governments, businesses, social partners, NGOs and other organisations of civil society to promote and inspire the discussion about new social partnerships.

TCC facilitates networking and dialogue, publishes reports, and conducts surveys, seminars, workshops and conferences, thereby supporting an international exchange of experiences in the field of new social partnerships.

Key focus areas include:

- Promoting new social partnerships between the public sector, business and civil society
- Promoting the role of government; through partnerships government can play an active, enabling role in stimulating Corporate Social Responsibility (CSR) and civil society involvement, in the combat of social exclusion.
- Informing about and advocating for CSR; enterprises (private and public) play a crucial role in the development of a socially cohesive society.

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Partnerships are today widely accepted as being part of the new landscape of welfare provision and positive societal change. Questions, however, remain: what are the practical challenges and implications? What are the potential wider societal gains? What do cross-sector partnerships mean for existing forms of government? And what impact will this all have in addressing the problem of social exclusion?

The findings from the action research project 'Local Partnerships in Europe' are neither the beginning nor the end of the debate about partnerships. Some of the answers to the above questions are given in this book, which will hopefully inspire the ongoing debate, as well as the practical innovations presently taking place in various new social partnerships.



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