

FROM CONTROLLING TO COLLABORATING: *WHEN GOVERNMENTS WANT TO BE PARTNERS*

A Report on the Collaborative Partnerships Project

By:

Jim Armstrong and Donald G. Lenihan

Consultant

Director of Research, Institute of Public Administration of Canada



New Directions – Number 3

©L'Institut d'administration publique du Canada, 1999
The Institute of Public Administration of Canada, 1999

ALL RIGHTS RESERVED/TOUS DROITS RÉSERVÉS

The Institute of Public Administration of Canada

The Institute of Public Administration of Canada (IPAC) is the leading Canadian organization concerned with the theory and practice of public management. Its scope covers governance from the local to the global level. It is an association with active regional groups across the country. The Institute recognizes and fosters both official languages of Canada

IPAC/IAPC
1075, rue Bay Street
Suite/bureau 401
Toronto, Ontario
M5S 2B1 CANADA

Tel./tél: (416) 924-8787
Fax: (416) 924-4992
e-mail/courriel: ntl@ipaciapc.ca
Internet : www.ipaciapc.ca

L'Institut d'administration publique du Canada

L'Institut d'administration publique du Canada (IAPC) est la principale institution canadienne qui s'intéresse à la théorie et à la pratique de la gestion publique tant au niveau local qu'au niveau mondial. C'est une association composée de groupes régionaux actifs à travers tout le pays. L'Institut reconnaît et promeut les deux langues officielles du Canada.

CONTENTS

- EXECUTIVE SUMMARY – SOMMAIRE EX.**
- INTRODUCTION**
- 1 TOWARD COLLABORATIVE PARTNERSHIPS**
 - TWO BACKGROUND CONDITIONS
 - TYPES OF PUBLIC SECTOR PARTNERSHIPS
- 2 FORCES AND TRENDS ALTERING PUBLIC ADMINISTRATION**
 - DRIVING FORCES BEHIND COLLABORATIVE PARTNERSHIPS
 - INTERDEPENDENT TRENDS
 - HOW THESE FORCES AND TRENDS ARE ALTERING PUBLIC ADMINISTRATION
- 3 LABOUR MARKET DEVELOPMENT AGREEMENT CASES**
 - CASE 1: THE BC EXPERIENCE WITH LMDAS
 - CASE 2: LABOUR MARKET PROGRAMS IN ONTARIO
 - CASE 3: OTTAWA CARLETON'S YOUTH SERVICES BUREAU
 - CASE 4: CANADA/ALBERTA LABOUR MARKET INFORMATION STRATEGY
- 4 MANAGEMENT AND POLICY IMPLICATIONS: PART 1**
 - 4.1 SUPPORTING ENVIRONMENT
 - 4.2 STRATEGIC MANAGEMENT
- 5 MANAGEMENT AND POLICY IMPLICATIONS: PART 2**
 - 5.1 POLICY: NEW ROLES, NEW APPROACHES
 - 5.2 PLANNING AND EVALUATION: NEW ROLES, NEW APPROACHES
 - 5.3 NEW INSTRUMENTS OF GOVERNANCE:
 - CITIZEN ENGAGEMENT AND PARTNERSHIPS
- 6 CONCLUSION**

Abstract

Les Ententes sur le développement du marché du travail entre les provinces et le gouvernement fédéral représentent expérience importante dans la façon de collaborer plus efficacement avec le gouvernement au Canada. Pour satisfaire les impératifs, des méthodes, outils et instruments nouveaux de gestion sont nécessaires, en particulier de nouvelles approches en élaboration, planification et évaluation des politiques, la coordination parmi les partenaires et l'engagement des citoyens.

Les gouvernements répondent aux forces qui agissent sur eux en adoptant de nouveaux outils de planification et d'évaluation axés sur les *résultats* plutôt que sur les *processus*.

With a case study focus on the Labour Market Development Agreements between the provinces and the federal government, this publication on government's collaborative partnerships looks at a wide range of relationships that may be redefined by such new initiatives. The study addresses the new approaches, tools and instruments of governance in policy development, planning and evaluation, and public consultation that such initiatives will entail. The shift from "process" to "outcome" based priorities is explored.

EXECUTIVE SUMMARY

The new politics calls for new skills — skills in building bridges and alliances, brokering interests, forging consensus, articulating shared values...[It] calls for the courage to take risks and to give up some degree of control—this is inevitable in citizen-based government, in the idea of partnership. The new politics calls for greater transparency, a serious commitment to accountability — for values and for results...[and] humility—a willingness to admit that our knowledge is imperfect, that we must continuously learn and improve, that we are all stronger together. The future will require governments centred on citizens. The future of governance is partnership and shared responsibility.

Marcel Massé, “Governing for the Future,” Quebec City, 15 July 1997

The Labour Market Development Agreements (LMDAs) between the provinces and the federal government represent a major experiment in a more collaborative approach to government in Canada. The agreements are aimed at re-establishing an entire policy field as a collaborative enterprise. This report uses the LMDAs to explore the idea of collaborative partnerships and a number of issues associated with them.

A clear finding is that collaborative partnerships are more than an innovative management tool. They have the potential to redefine governance practices by redefining three basic relationships, including those between

- federal and provincial governments;
- central agencies and line departments; and
- citizens and their governments.

Four main forces seem to be driving governments towards a greater use of collaborative partnerships:

- Citizens want to see governments cooperate more in areas such as health care, education and employment and develop strategies and programs that are transparent and that have opportunities for real citizen involvement.
- Management practices borrowed from the private sector have demonstrated that government is not the necessary or only provider of many public services and that it is possible to do more with less, to deliver services in non-traditional ways, and to measure performance.
- Advances in information technology have resulted in more democratized and freely accessible information and many new forms of service-delivery possibilities.

- The increasingly complicated interdependence of policies, programs and regulations between levels of government has convinced Canadians that they need better management of shared-costs public programs.

Our examination of the LMDAs suggested that, if Canadian public services are to contend with these forces, they must meet the following three challenges:

- integrate diverse policy fields around broad social goals or outcomes, like wellness, in order to balance a range of needs and interests;
- redesign the machinery of government around the citizen rather than expect the citizen to fit into government, with its maze of departments and programs; and
- enlist citizens as active participants in the achievement of key social goals.

Addressing these challenges requires new approaches, tools and instruments of governance, especially new approaches to policy development, planning and evaluation, coordination among partners, and engagement of citizens. At a minimum, this new approach should include

- a broader vision of policy;
- coordination across policy fields and jurisdictions;
- agreement on key goals or outcomes across departments and jurisdictions;
- an effective way of assessing whether the right outcomes have been selected;
- a method of assessing whether desired outcomes are being achieved;
- means of ensuring that, where possible, programs and services are coordinated and delivered together; and
- effective means of engaging citizens.

In short, governments are responding to the forces acting on them by adopting new planning and evaluation tools that focus on *outcomes* (results of what is done) rather than on *process* (how things are done). This new approach to governance requires us to begin with a clear vision of a desired future rather than focusing on the issues and problems confronting us.

In a particularly thoughtful speech, Finance Minister Paul Martin recently indicated that his vision of government for the future rests on a similar principle. He explained it this way: “Rather than describing the circumstances of the present and then debating where they might take us in the future, I will attempt...a suggestion as to the kind of future we should seek to build and then discuss how to shape our circumstances to suit that ambition.” (1998 Couchiching Summer Conference)

In conclusion, through our roundtable process, we found that collaborative partnerships have many advantages:

- They play down contentious questions about who should deliver which program or service, when and where.
- They involve governments in a shared planning process where common outcomes, objectives, principles and performance indicators may be found, thus helping governments disentangle their various activities.
- They allow for asymmetry in programming while maintaining a common commitment to national outcomes, which goes some distance towards resolving the debate over national standards versus provincial autonomy.
- Citizens and community-based organizations are given a direct role in designing and managing the services they care about, fostering a sense of personal and community responsibility for the achievement of broad public goals.
- They provide an effective and efficient way of delivering key services.

At the same time, it was clear that collaborative partnerships are far from a panacea, and governments are only beginning to understand the long-term implications. Important issues remain unresolved:

- As more of the responsibilities for service delivery pass to non-governmental service providers, what tools and skills will public servants need to retain and develop in order to manage the new relationships?
- If partnerships with the private or third sector are a good way of including citizens in government decision-making, what happens to organizations that are excluded from the partnership? And who should decide who will be included and who will be excluded?
- How accountable are these partnerships to their own members, to governments, and to the public?
- Are outcomes and performance indicators enough? Do we have, or can we obtain, the right information to assess the effectiveness of large-scale intergovernmental partnerships in achieving broad outcomes? Can partnerships capture all that is important to Canadians?
- Providing improved, citizen-centred public services through collaborative partnerships requires sharing client information. Might this consolidation of information and databases threaten individual privacy and security?

Sommaire exécutif

Le nouveau pouvoir politique s'assortit de nouvelles compétences, les compétences requises pour établir des liens, forger des alliances, représenter des intérêts, rechercher des consensus, dégager des valeurs communes... [II] fait appel au courage de prendre des risques et de céder une partie du contrôle, ce qui est inévitable dans un État qui se fonde sur les citoyens, le tout en vue de promouvoir le partenariat. Le nouveau pouvoir public exige une plus grande transparence et un engagement ferme à l'égard de la reddition de comptes sur les valeurs et sur les résultats...[et] de l'humilité, ...savoir reconnaître que nos connaissances sont imparfaites, que nous devons poursuivre nos efforts d'apprentissage et d'amélioration et que l'union fait la force. L'avenir de la fonction gouvernementale sera assuré par les partenariats et par le partage des responsabilités.

Marcel Massé, « Gouverner pour l'avenir », Québec, 15 juillet 1997

Les Ententes sur le développement du marché du travail entre les provinces et le gouvernement fédéral représentent expérience importante dans la façon de collaborer plus efficacement avec le gouvernement au Canada. Ces ententes ont pour but de rétablir l'intégralité du secteur des politiques en une entreprise collective. Elles sont utilisées dans ce rapport en vue d'explorer l'idée de partenariats de collaboration et plusieurs autres questions connexes.

Une claire constatation est que les partenariats de collaboration sont plus qu'une nouvelle méthode de gestion. Ils permettent de repenser les pratiques de gestion des affaires de l'État en redéfinissant trois relations de base, y compris celles entre

- les gouvernements fédéral et provinciaux;
- les organismes centraux et les ministères hiérarchiques; et
- les citoyens et leurs gouvernements.

Quatre forces motrices semblent pousser les gouvernements à utiliser davantage des partenariats de collaboration :

- Les citoyens veulent que les gouvernements collaborent davantage dans des domaines tels que la santé, l'éducation et l'emploi et qu'ils élaborent des stratégies et des programmes transparents et susceptibles d'engager vraiment les citoyens.
- Les pratiques de gestion empruntées du secteur privé ont montré que le gouvernement n'est pas nécessairement l'unique fournisseur des services publics et qu'il est possible de faire plus avec moins, de livrer les services de façons non-conventionnelles, et de mesurer le rendement.
- Les progrès réalisés dans le domaine de la technologie de l'information ont abouti à une plus grande démocratisation de la divulgation de l'information et à son libre accès,

ainsi qu'à l'adoption de nouveaux modes de prestation de services.

- L'interdépendance de plus en plus complexe des politiques, programmes et règlements entre les paliers de gouvernement a convaincu les Canadiens qu'ils ont besoin d'une gestion plus efficace des programmes publics à frais partagés.

Notre examen des ententes de développement du marché du travail suggère que si les services publics du Canada doivent faire face à ces forces motrices, ils doivent satisfaire aux trois impératifs suivants :

- intégrer les politiques et les programmes de divers secteurs à de larges objectifs ou résultats sociaux, comme le bien-être, afin d'équilibrer une étendue de besoins et d'intérêts;
- procéder à une refonte de l'appareil gouvernemental orientée vers le citoyen au lieu de s'attendre à ce que le citoyen s'adapte au gouvernement, à son labyrinthe de ministères et de programmes; et
- enrôler les citoyens en tant que participants actifs à la réalisation de buts sociaux importants.

Pour satisfaire à ces trois impératifs, des méthodes, outils et instruments nouveaux de gestion sont nécessaires, en particulier de nouvelles approches en élaboration, planification et évaluation des politiques, la coordination parmi les partenaires et l'engagement des citoyens. Cette nouvelle approche devrait au moins comprendre :

- une vision plus large des politiques;
- la coordination dans tous les secteurs politiques et autorités compétentes;
- une entente sur les objectifs ou résultats importants dans tous les ministères et autorités compétentes;
- une façon efficace d'évaluer si les bons objectifs ont été choisis;
- une méthode permettant d'évaluer si les résultats souhaités sont atteints;
- des moyens d'assurer que, le cas échéant, les programmes et services sont coordonnés et livrés ensemble; et
- des moyens efficaces d'engager les citoyens.

En bref, les gouvernements répondent aux forces qui agissent sur eux en adoptant de nouveaux outils de planification et d'évaluation axés sur les *résultats* (résultats de ce qui est fait) plutôt que sur les *processus* (comment les choses sont faites). Cette nouvelle approche de la gestion des affaires de l'État veut que nous ayons d'abord une vision claire de l'avenir souhaité au lieu de nous concentrer sur les questions et problèmes qui nous confrontent.

Dans un discours particulièrement bien réfléchi, le Ministre des Finances, Paul Martin, a indiqué dernièrement que sa vision du gouvernement pour l'avenir repose sur un principe semblable qu'il a expliqué comme suit : « *Au lieu de décrire les circonstances du présent*

et débattre ensuite où elles peuvent nous conduire dans l'avenir, je tenterai... une suggestion quant au genre d'avenir que nous devrions chercher à bâtir et ensuite débattre comment modeler nos circonstances d'après cette ambition.» (Conférence d'été de 1998 à Couchiching)

En conclusion, par le biais de notre processus de table ronde, nous avons trouvé que les partenariats de collaboration ont de nombreux avantages :

- Ils atténuent les brandons de discorde concernant la prestation des programmes et services, à savoir qui devrait livrer quel programme ou quel service, où et quand.
- Ils engagent les gouvernements dans un processus de planification partagée où des résultats, objectifs, principes et indicateurs de performance communs sont possibles, aidant ainsi les gouvernements à démêler leurs diverses activités.
- Ils permettent l'asymétrie dans la programmation tout en maintenant un engagement collectif dans les résultats nationaux, ce qui a une certaine portée sur la résolution du débat concernant les normes nationales par rapport à l'autonomie provinciale.
- Ils donnent aux citoyens et organismes communautaires un rôle direct dans la conception et la gestion des services qui les concernent, favorisant un sens de responsabilité individuelle et communautaire dans la réalisation de larges objectifs publics.
- Ils fournissent une façon efficace et efficiente de livrer les services importants.

En même temps, il est clair que les partenariats de collaboration sont loin d'être un remède universel. Les gouvernements commencent seulement à en comprendre les répercussions à long terme. D'importantes questions demeurent non résolues :

- Un plus grand nombre des responsabilités concernant la prestation de service étant transmis à des fournisseurs privés, quels outils et compétences les fonctionnaires auront-ils besoin de conserver ou de perfectionner pour gérer les nouvelles relations?
- Si les partenariats avec les secteurs privé et sans but lucratif sont une façon adéquate d'inclure les citoyens dans les prises de décision du gouvernement, qu'arrivent-ils aux organismes qui sont exclus du partenariat? Et qui décide qui sera inclus et qui sera exclus?
- Quelles sont les limites de la responsabilité de ces partenariats à l'égard de leurs propres membres, des gouvernements et du public?
- Les résultats et indicateurs de performance sont-ils suffisants? Avons-nous, ou pouvons-nous obtenir, les renseignements adéquats pour évaluer l'efficacité des partenariats intergouvernementaux à grande échelle dans la réalisation de résultats généraux? Les partenariats peuvent-ils capter tout ce qui importe aux Canadiens?
- Pour offrir des services publics améliorés et axés sur les citoyens par le biais de partenariats de collaboration, il est nécessaire de partager les renseignements que l'on détient sur les clients. Ce regroupement de l'information et des bases de données pourrait-il menacer la protection de la vie privée et la sécurité?

FROM CONTROLLING TO COLLABORATING:

WHEN GOVERNMENTS WANT TO BE PARTNERS

A REPORT ON THE COLLABORATIVE PARTNERSHIPS PROJECT

INTRODUCTION

This project is the result of sustained dialogue with federal and provincial experts in the field of labour market development. The goal was to take stock of how programs and policies are being managed in the wake of the new federal-provincial Labour Market Development Agreements (LMDAs).¹

Earlier research by the Institute of Public Administration of Canada (IPAC) suggested that the agreements might be a watershed in the working relationship between federal and provincial governments, and between governments and the private and voluntary sectors. More specifically, the research suggested that governments have a new interest in developing *collaborative partnerships*. We wanted to assess how serious the interest is, what issues collaborative partnerships raise, and what sorts of practices and supporting conditions would help ensure their success.

These questions were explored in a series of five roundtables in five provincial capitals across the country, involving about 200 experts. The discussion was a rich and complex one, ranging across many issues. In brief, we heard that if governments want to develop collaborative partnerships they must

- think, plan and act more “horizontally”;
- adopt new approaches to policy development, program design, and service delivery;
- engage citizens more; and
- work to establish key new management practices, and the appropriate supporting culture, within the public sector.

A second line of discussion seemed to cross-cut these issues in an interesting way. It was concerned with two different though related uses of collaborative partnerships.

One use is as a *management tool* with the capacity to reshape conventional public-sector relationships and attitudes. Some of the cases discussed suggested that these partnerships

¹ The project was chaired by Jay Kaufman, conceived and organized by the Institute of Public Administration of Canada, and jointly funded by Human Resources Development Canada, The Forum of Labour Market Ministers, and the governments of Alberta, British Columbia, Ontario, and New Brunswick. At roundtables in Victoria, Edmonton, Toronto, Ottawa, and Fredericton, over 200 practitioners, academics and other experts were brought together to discuss the implications of collaborative partnerships.

lead to more integrated relationships and a more open and collaborative culture, resulting in more effective and more responsive programs and services.

A second use for collaborative partnerships is as an *instrument of governance*. In particular, it was suggested that large, structural initiatives like the LMDAs could be used to redefine generic relationships, including those between

- central agencies and line departments within governments;
- levels of government or different governments;
- government and the private and voluntary sectors; and
- citizens and their government(s).

Although each relationship is different, all have at least one thing in common. They help establish the scope of public authority and the conditions of its legitimate exercise in liberal democracies like Canada. Each one thus plays a role in shaping governance practices.

Because collaborative partnerships are defined by a commitment to *shared* planning and decision-making, a serious effort to redefine these relationships as collaborative partnerships would change the way public decisions are made and implemented. Participants wondered whether this could make the exercise of public authority more democratically accountable, responsive and effective.

In the end, a picture emerged of collaborative partnerships as a management tool that could be used to re-engineer governance. An obvious but critical question follows: How far down this road do Canadians want to go?

That question was beyond the scope of the project and so was not discussed at length. Instead, we concentrated on sorting out some separate strands of the debate over collaborative partnerships, exploring the contours, and shedding light on how, where and why collaborative partnerships might be used in Canada. This report covers much the same terrain. Only after a discussion of some of these issues should the larger question of *whether* to use collaborative partnerships be addressed.

And, indeed, IPAC has begun work on this. An attempt to gauge Canadians' interest in and willingness to seek a more collaborative approach to governance will be the task of a national conference in Ottawa in April 1999.

1 TOWARDS COLLABORATIVE PARTNERSHIPS

1.1 TWO BACKGROUND CONDITIONS

Beyond the traditional form of contracting arrangements, partnerships are a relatively new notion in the public service. For example, the federal government's Public Service 2000 *Report on Service to the Public*, published only a few years ago, gave little, if any, consideration to the idea of providing public services outside of established departmental structures. The environment is changing. Current discussions of public administration make much of partnerships, be they intergovernmental, interdepartmental, public-private sector, or public-third sector.

In the private sector, partnerships involve sharing risks, losses, gains and decision-making authority. Shared vision and goals also often characterize successful partnerships. Collaborative partnerships in the public sector involve many of the same things. They arise where new combinations of mutually beneficial, collaborative working arrangements between government departments, levels of government, or public and private or voluntary- sector organizations are employed to improve public services.

Collaborative partnerships require some fundamental changes in the organizational culture and traditional values of the public sector. In particular, they require a new willingness to share authority and the development of a learning culture, that is, one that is more tolerant of error and able to benefit from it.

POWER SHARING

In representative democracies like Canada, governments have been disinclined to share decision-making authority, particularly with private- or voluntary-sector organizations. Doing so would run against the grain of conventional public sector thinking. Yet, if thinkers like Benjamin Barber are right, times may be changing: "Strong democracy," he says, "is defined by politics in the participatory mode; literally, it is self-government by citizens rather than representative government in the name of citizens" (1984, p. 151). In Barber's view, to be strong, contemporary democracies *require* engaged citizens and communities. How is this to be done?

Although the emphasis in participatory democracy is usually on finding ways to engage citizens in policy deliberations, recent work has broadened the debate to include the design and delivery of some services, such as health, community and social services. For example, David Osborne and Ted Gaebler's influential *Reinventing Government* (1992) argues that government should *empower citizens by pushing control out of the bureaucracy, into the community*, because communities often have a better understanding of their problems than bureaucrats. This suggests that contemporary public management theory may be more closely linked to the foundations of participatory democracy than is usually recognized.

In addition, our roundtable discussions suggested that, if contemporary public management theory has participatory undercurrents, they will likely be strengthened by information technology. As Harland Cleveland observed already in 1985, “Knowledge is power,...So the wider the spread of knowledge, the more power gets diffused. For the most part individuals and corporations and governments don’t have a choice about this; it is the ineluctable consequence of creating—through education—societies with millions of knowledgeable people” (p. 192). The considered view in our sessions seemed to be that the explosion of information and information technology over the last decade will only accelerate this trend.

A LEARNING CULTURE

A second and related point discussed in the roundtables concerns the connection between power-sharing and the establishment of a learning culture. Power-sharing, we heard, has many implications for public-sector management and policy that are only poorly understood. But governments dislike uncertainty and often go to great lengths to avoid error. As a result, they are inclined to be sceptical about power-sharing arrangements. If collaborative partnerships are to become part of the landscape, governments must be willing to accept new uncertainties and be open to new ways of managing them. This requires a kind of plunge into uncertainty.

We are reminded of a well-known scene from the movie *Butch Cassidy and the Sundance Kid*. Surrounded by U.S. marshals and facing capture or death, Butch and Sundance contemplate the only remaining option—leaping from a high cliff into the ribbon of water below. As Butch steels himself for the plunge, Sundance dithers then blurts out: “I don’t know how to swim! Incredulous, Butch shoots back: Are you kidding? The fall will probably kill you!”

Although most roundtable participants seemed to expect that, like Sundance, the public sector would not only survive the plunge but make it safely to shore, there was little doubt that embarking on a more collaborative course would create uncertainty—governments would have to manage new and complex arrangements for which they have limited experience and understanding. Still, as we heard, they are not without tools to help them. A key challenge, it seems, lies in reforming the culture in ways that will allow public services to make effective use of these tools.

1.2 TYPES OF PUBLIC-SECTOR PARTNERSHIPS

CLIENT-CONTRACTOR PARTNERSHIPS

Traditionally, partnerships between government and the private or third sectors have been much like contracting-out arrangements. Government itemizes the tasks it wants performed and pays the *partner* for performing them. Negotiating these arrangements revolves around defining the terms of the contract. Managing them is about ensuring that the partner complies with the terms. These types of arrangements are not new. Examples are numerous and range from waste collection in municipalities, to staff training, and information management in all levels of government. We call these *client-contractor* arrangements, because they include only

some of the key attributes of genuine partnerships—sharing benefit, information, and perhaps some of the risk but not power or decision-making.

Although conventional client-contractor relationships require little collaboration with or engagement of citizens and communities, they can lay a foundation for them. For example, through contracting, government often develops close working relationships with third-party service providers who, for their part, gain an intimate knowledge of public services and public-sector processes. This leads to mutual understanding, trust and openness, which, in turn, make it easier for the parties to engage in the collaborative planning that is essential to developing a partnership. In particular, it makes it easier for parties to identify common interests, goals and objectives and to agree on measures or indicators that could be used to evaluate success in achieving them.

INTERGOVERNMENTAL PARTNERSHIPS

Intergovernmental partnerships have tended to be some form of cost-sharing arrangement. Typically, federal and provincial governments agree on the broad outlines of a program, such as Medicare. One partner—the federal government—then agrees to provide part of the funding, while the other undertakes to design and deliver the specific program. These arrangements are closer to genuine partnerships in that there is some shared decision-making, in addition to shared gain and risk.

COLLABORATIVE PARTNERSHIPS

In the partnerships described above, roles and responsibilities are fairly clear. In collaborative partnerships, because parties aim more at *working together*, roles and responsibilities are often less clear. “Working together” can range from a simple co-location of offices to efforts to co-manage policy areas, programs and resources. For example, through their LMDA the B.C. and federal governments are collaborating on the design and delivery of an array of employment-related programs previously delivered centrally. Moreover, the province is partnering with community and private organizations to deliver some of these services. Such arrangements go well beyond the contractual model, requiring both collaborative planning and shared decision-making.

As governments are finding out, collaborative partnerships raise many issues, ranging from practical human-resources questions to large-scale ones about the system of governance. For example, if federal public servants are working in an organization managed by a provincial public servant, should their pay and benefits be aligned with those of provincial co-workers? To whom should they report? If something goes wrong, which level of government is responsible and accountable? As more of the responsibilities for service delivery pass to non-governmental service providers, what tools and skills will public servants need to manage the new relationships? Should non-governmental service providers be allowed to make important decisions affecting program design and delivery? If partnerships with the private or third sector are a good way of including citizens in government decision-making, what happens to organizations that are excluded from the partnership? Who should decide who will be *included* and who will be *excluded*? Finally, there are different ways of “sharing power.” For example, a

government can *delegate* some of its authority to another agent who then has the right to exercise it. Alternatively, it can create *joint* decision-making structures. How do we know which sort to use and where? What other sorts of power-sharing arrangements are there?

Starting with an exploration of the LMDAs, the roundtable discussions in this project were designed to identify key issues and themes associated with collaborative partnerships. What we heard can be thematically organized under three clusters of questions:

- **What forces are driving governments towards collaborative partnerships?** Are collaborative partnerships a passing fad? How do they relate to other public-sector reform trends?
- **What are the management implications?** What is required to make collaborative partnerships work? What are the key conditions of success?
- **What are the policy implications?** Why is it important to set high-level objectives? How do you get it right?

The discussion in the remainder of this report explores these clusters.

2 FORCES AND TRENDS ALTERING PUBLIC ADMINISTRATION

2.1 DRIVING FORCES BEHIND COLLABORATIVE PARTNERSHIPS

To say that public-sector management is changing around the world is to engage in understatement. Powerful social, political, and information technology forces, and private-sector influences are changing public-sector attitudes and practices in profound and irreversible ways. This can be summed up in a general way by saying that many in the public sector now accept that too great a reliance on the traditional, hierarchical, “command and control” model limits what governments can achieve. This, in turn, is encouraging governments to engage citizens and communities in new kinds of power-sharing arrangements.

At the same time, the general public has begun to question the lack of openness and transparency in many government practices. Traditionally, government operations have appeared to most as a veil of policies and processes that are incomprehensible and inaccessible. Today, citizens in democratic countries are increasingly unwilling to be kept in the dark about or excluded from decision-making on important policy, program design, and delivery issues.

How have social forces, private-sector influence, information technology, and political forces combined to push governments to seriously consider collaborative partnerships as a means of making government more democratic, accountable, transparent and effective?

SOCIAL FORCES

In recent years, citizens in Canada and abroad have not only expressed dissatisfaction with the level of service provided by their governments but also underlined the fact that they feel disconnected from governments. For example, in *Common Sense Government*, U.S. Vice-President Al Gore observes that, in 1962, more than three-quarters of all Americans said they believed the federal government did the right thing most of the time: “But today, that figure has dropped to less than 20%. Many of us don’t respect our government anymore; we resent it. We don’t feel protected by our government; we feel hassled by it.” Closer to home, Ekos Research concluded in 1996 that fewer than one in five Canadians believes that the federal government places public interest ahead of big business and the interests of politicians and their friends when making decisions. Provincial governments fare no better. Overall, three-quarters of the country’s citizens believe that governments have lost sight of the needs of Canadians.

Similarly, research undertaken by the Federal Deputy Minister’s Task Force on Service Delivery Models in 1996 revealed that, in the minds of Canadians, the major social and economic issues of concern (environmental issues, employment, globalization, health, social services) were not being adequately addressed. The task force concluded that one of the key problems was the traditional approach to service delivery through isolated departments and jurisdictions. This approach tends to treat complex, interrelated issues in a fragmentary way. Endless in-fighting and turf wars have made a bad situation worse. Not surprisingly, citizens, who must contend with the fragmentation, are left feeling fatigued, impatient and disconnected from government.

At the same time, the surveys and deliberations undertaken or commissioned by the task force indicated a growing consensus around what citizens expect from their governments. For example, over three-quarters of those surveyed wanted to see the federal government's involvement in important areas of social and economic life maintained or increased. But this comes with an important caveat—they want to see strategies for big issues implemented cooperatively, transparently, and with ample opportunity for citizen engagement. In short, they want to see more than prompt, courteous, accurate, timely and accessible service. They want to see governments working together, with their citizens, to deal with whole issues and whole people. This entails more cooperation among all the players needed to solve problems. Greater citizen inclusion in policy development and program design and delivery is also high on their list of desired changes.

Collaborative partnerships are a means of achieving these aspirations. Moreover, many community groups and third-sector organizations are eager to get directly involved in collaborative partnerships. A number of provinces have responded by establishing hundreds of them to deliver, for example, labour market programs in communities across Canada. But what about private-sector influences? How are they adding strength to the social forces driving us towards collaborative partnerships?

PRIVATE SECTOR INFLUENCES

Over the past twenty years, public-sector reform and innovation has been heavily influenced by private-sector practices. This should not come as a surprise, since the first priority of most governments during that period was to reduce spending and to balance the ledger. Private-sector practices were particularly well-suited to this and shaped many key initiatives from the period, including downsizing, delaying, re-engineering, privatization, partnering, electronic services, client focus and new accounting practices. Specific examples abound:

- Business-planning is now practiced in most jurisdictions.
- Managing for results and other approaches to set standards and measure performance is now common in most public services.
- Widespread commercialization and introduction of competition such as market testing in the U.K., user choice in Australia.
- Enterprise modelling in many municipalities.
- Pay-for-performance programs in numerous jurisdictions.

These private-sector influences also seem to be pushing public administration towards collaborative partnerships. The evidence of this tendency can be seen in the driving forces of government reforms around the globe. The single unifying idea of all these reforms is that the public service could use a healthy dose of private-sector discipline. Based on this notion, in 1989, New Zealand introduced the Public Finance Act, which provided a structure for the extensive use of contracting arrangements, financial reporting, business-planning, and monitoring processes. Earlier, in 1984, Australia launched its Fiscal Management Improvement

Program to change the operating culture from one centred on input control and compliance with externally imposed rules, a hallmark of public bureaucracies, to one focused on outputs and performance, a hallmark of the business model. Accrual accounting, user choice, competition, and corporate business planning were introduced. In the U.K., Efficiency Scrutinies and the Financial Management Initiative set the stage for the movement towards privatization, executive agencies, and market-testing of public services. Business-planning became the norm for governments at all levels.

Without passing final judgement on the merits of private-sector approaches to public management, it can safely be said that these approaches have changed public administration by changing the way governments think about the design and delivery of public services. Governments

- no longer assume that the state is the necessary provider of public services;
- now accept that, by using methods borrowed from other sectors, it is possible to do more with less, to meaningfully involve citizens and users of services, to deliver services in non-traditional ways, and to measure performance; and
- now maintain that they can be made more accountable through the use of key private-sector practices, such as business-planning, service standards, and performance reporting.

We have already seen that the traditional “command and control” model of government, characterized by compartmentalized approaches, centralized systems, sharp divisions between service providers and recipients, and values of compliance and uniformity, is ill-suited to respond to the public’s demand for more holistic, transparent and accessible government. We now see that this model is no better able to respond to the call for higher levels of accountability for performance or innovative approaches to service delivery.

To this duo of social and private-sector forces, we can now add a third—information technology; this is crucial to the mix that is putting collaborative partnerships in the spotlight.

INFORMATION TECHNOLOGY

The breathtaking advances in information technology over the last decade have resulted in new forms of service delivery such as kiosks, single-window service centres, and information networks. More fundamentally, however, through this technology, information is becoming more democratized and freely accessible. For example, public-interest organizations have a growing capacity to access, use and disseminate information and thereby to influence the direction of government policy or the design and delivery of programs. This, in turn, creates opportunities for evolving the relationship between citizens and their governments.

In addition, information technology vastly increases government’s ability to integrate services around citizens rather than requiring that citizens fit into the labyrinth of government. The difference is illustrated in a well-known anecdote from a few years ago about a New Brunswick couple who wished to open a corner store with a gas bar. Government regulations

required that they get approval in a *specific but unknown* sequence from fourteen offices! The government of New Brunswick has since consolidated these functions in a single electronic system. As a result, one can now obtain all the authorizations during a single visit to a single-service window rather than going to fourteen dispersed offices.

It would be unfair to conclude here that the culprit was petty bureaucracy. On reflection, most will agree that a range of government departments – for example, environment, energy, food inspection, taxation, consumer protection and business registration - have a legitimate interest in the licensing of gas stations and food outlets. The real culprit was the inherent limitations of the old technology - carbon paper and filing cabinets. What has changed is the ability to link a wide variety of functions into a single network so that functions can be carried out simultaneously.

Similar changes are under way in social services, health, business development, revenue collection, and many other areas. Information technology has made it possible to link together diverse service functions previously delivered by several service providers and to have them managed by a single *case worker*. In practice, however, obstacles remain. These include the sometimes prohibitive cost of building integrated networks, concerns over privacy, the time and resources required to train people to operate the new systems, and difficulties associated with the creation of new service cultures that embrace collaboration, cooperation and citizen engagement.

POLITICAL FORCES

The British North America Act of 1867 lists most powers as exclusively federal or provincial jurisdictions. Not surprisingly, the Fathers of Confederation failed to foresee the vast growth of government in the Twentieth Century. In particular, they failed to foresee that federal and provincial governments would both identify legitimate interests in many of the same policy fields and become active in them. Moreover, when the Fathers assigned the lion's share of taxation powers to the federal government, they also assigned to the provinces what would become the most expensive policy areas, including education, health and community services.

From the point of view of public administration, the result of these two features of the BNA Act has been a considerable interdependence of policies, programs and regulations between the two levels of government, and much of that has become intertwined with the transfer of funds from federal to provincial jurisdictions. The administrative management of this interdependence is a defining feature of the culture in Canadian public services. From the political point of view, the result has been a lack of clarity over roles and responsibilities, tensions over “intrusions” into one another's jurisdictions, disputes over priorities, accusations of overlap, duplication and conflicting objectives, and acrimony, suspicion and uncertainty surrounding shared-cost programs.

The management of these issues has been a defining feature of Canadian political culture, with its ongoing debate over how much (de)centralization is the right amount. It is thus hardly a coincidence that the LMDAs were offered on the eve of a Quebec referendum on separation

on 30 May 1996. Quebec had long sought control over labour market development. Other announcements around the same period included hints of a new collaborative partnership on such initiatives as the child tax credit and the federal-provincial framework agreement on the environment. Today, discussions about the federal spending power and Ottawa's role in social policy occupy First Ministers, who are engaged in the search for a mutually acceptable way to define and manage Canada's *social union*.

As the examples show, the current political climate represents yet another powerful force pushing Canadians towards collaborative partnerships. How, then, have governments responded to this constellation of forces?

2.2 INTERRELATED TRENDS

Together, the social, market, information technology, and political forces have pressed the public sector into trying many types of new approaches. A growing number of alternative arrangements are being used to deliver traditional public services: various types of agencies in numerous countries; the successful integration of horizontal functions; the devolution and decentralization of power and authority for program design and service delivery; regulatory change; and the creation of various forms of partnerships. Collectively, these alternative approaches exhibit features of collaborative partnerships, as described below, thus indicating a trend in that direction.

AGENCIES

Recent interesting experiments with semi-autonomous agencies, both in Canada and abroad, have in large part been driven by a desire for more flexibility in the design and delivery of programs. This is achieved by changing the relationship between service providers within a line department and the central agencies that manage them. Agencies are seen as a way of improving service and performance by separating policy from operations and then locating the latter in new structures outside of the existing bureaucracy. This independence allows the agency to establish new rules and procedures that make its operations more flexible, cost effective, responsible and responsive. At the same time, it must continue to operate within the policy framework set by government. Examples abound:

- Crown corporations;
- executive agencies in the U.K.;
- state-owned enterprises in New Zealand;
- business enterprises in Australia;
- special operating agencies;
- delegated administrative organizations in Alberta;
- designated service agencies; and
- semi-autonomous commissions providing services to municipalities in N.B.

HORIZONTAL INTEGRATION

As the Federal DM's Task Force on Service Delivery Models concluded in its report, working horizontally constitutes a significant challenge for the public sector. Notoriously, government departments tend to act in isolation, turning themselves into a series of unconnected "stove pipes." Issues, by contrast, often cut across several departments. In recent years, much talk and experimentation has aimed to deal holistically with issues by getting different departments and levels of government to coordinate and integrate related services. Examples include

- government agents empowered to perform a wide variety of public-sector functions in British Columbia;
- Canadian Food Inspection Agency integrating food-inspection services formerly provided by three federal departments, provinces and municipalities;
- neighbourhood integrated service teams working across departments and agencies to solve community problems in Vancouver;
- integration of regional service delivery in Ontario, with civil servants working for Enterprise Ontario rather than for individual departments; and
- Saskatchewan's Child Action Plan integrating government and voluntary agencies to focus on preventive programs for youth.

SERVICE IMPROVEMENT

Improving service to citizens is another recent management trend that contributes to the general interest in collaboration. Service improvement initiatives require clear channels of communication between server and served. In this view, quality service requires that the server get regular feedback from the served and, on that basis, regularly adjust the service. Service improvement thus rests on a culture of communication and improvement through learning. Examples include

- Canada's Service Standards and Quality Service Initiatives, wherein the government is committed to publishing service standards and issuing declarations of quality service based on consultation with clients;
- the Citizens' Charter in the U.K. which guarantees the publication of service standards and redress processes for all government services provided to citizens;
- service guarantees for public service and performance in New Brunswick;
- the U.S.'s requirement for all departments to have output measures in place within two years;
- New Zealand's eighteen years of experience refining output measures and its move towards outcome measurement; and
- Australia's sophisticated program evaluation process.

CITIZEN-CENTRED SERVICE

An important subdivision of the service improvement movement is the trend towards citizen-centred service. In a citizen-centred approach, services are designed and delivered around citizens rather than around the bureaucracies that provide them. The idea that services should be integrated around the citizen, rather than expecting the citizen to fit into the bureaucracy,

has gained wide acceptance. Moreover, this approach encourages governments to deal with whole issues (i.e., horizontally) rather than with parts of issues. Examples include

- the application of LMDAs and employment programs in many provinces such as Job Market Services in Saskatchewan;
- Canada's Business Service Centres;
- Portugal's citizen-oriented public-sector modernization and democratization;
- Social and health-service programs in PEI, Alberta, Newfoundland, B.C., Saskatchewan;
- Access Montréal;
- Neighbourhood integrated service teams in Vancouver;
- Environmental Registry and Wisdom Exchange in Ontario; and
- Access Nova Scotia.

DEVOLUTION AND DECENTRALIZATION

Devolution of public authority to other levels of government and decentralization of responsibility for service delivery to local agencies, boards and commissions have also been important instruments in the public-sector trend towards collaboration. Examples include

- various federal initiatives to devolve programs, including forestry, employment programs, and aspects of health and education;
- aboriginal self-government and innovations in justice;
- France's public-sector reform, which had at its core the decentralization of most management duties to the local level;
- provincial devolution of program-delivery responsibilities to local and regional boards and municipalities;
- charter schools in Alberta, which devolve much responsibility for education to communities;
- decentralization of Children and Family Services to regions in B.C., Alberta, Saskatchewan and Newfoundland;
- significant devolution (without financial support) to municipalities in Quebec, including police, roads and public transit;
- delegation of service delivery to industry sectors in Alberta and Ontario; and
- widespread delegation of traditionally centralized processes, including staffing, classification, training, financial management, in most OECD member countries.

REGULATORY CHANGE

Public-sector reformers view cumbersome or restrictive rules and regulations as a major obstacle to meeting public expectations. In the U.S., for example, reformers often insist that the problem is not incompetence but that costly, unresponsive, rule-bound systems stifle initiative. They argue that by simplifying regulations and placing greater emphasis on results, governments encourage individuals and organizations to work together in new and innovative

ways. This has contributed significantly to a more collaborative outlook in the public sector, as the following examples illustrate:

- the 1992 Regulatory Policy in Canada, which resulted in the Citizens Code of Regulatory Reform;
- the U.S.'s elimination of over 16,000 pages of administrative procedures and regulations;
- new public-service acts simplifying regulations and procedures in Canada, Australia, New Zealand and financial management acts in New Zealand, Australia and Portugal streamlining accountability and processes;
- the regulatory reform program in Newfoundland and ongoing deregulation in N.B., Saskatchewan and Alberta; and
- the Ontario Red Tape Commission, which eliminated thousands of prescriptive or *anti-business* regulations. It was re-convened to ensure regulations focus on customer service.

PARTNERSHIPS

While the above trends in public administration can occur independently of one another, in practice they are often interdependent. Indeed, collaborative partnerships often incorporate several of them, suggesting that these latter may be a kind of integrating mechanism for the recent trends in public-sector reform.

Most reformers agree that many of the major issues facing governments, including health, security, environment, employment and competitiveness, involve multiple jurisdictions and sectors. Effective strategies for dealing with them therefore require collaboration and partnering, often at a number of levels. Recent examples highlighting this trend are

- municipal partnerships with the private sector for waste and utilities management; research; capital development programs, from highways to computer systems, in several provinces; justice services and integration of social assistance between the Ontario government and municipalities;
- community health services in N.B., PEI., Saskatchewan, and B.C.;
- partners in Innovation to develop new technologies in road construction between N.S. and its universities; and
- Knowledge Economy Partnership between PEI, Industry Canada, educational institutions and the private sector.

Finally, there are the LMDAs. These are among the most interesting examples of collaborative partnerships, for at least two reasons. First, insofar as collaborative partnerships are a kind of integrating mechanism for trends in public-sector reform, most of those listed above have found their way into this initiative, including agencies, horizontal integration, service improvement, citizen-centred service and regulatory change. Second, the sheer size of these agreements is striking. They aim at re-establishing an entire policy field as a collaborative enterprise.

2.3 HOW THESE FORCES AND TRENDS ARE ALTERING PUBLIC ADMINISTRATION

We have seen that these trends in public-sector reform are a response to interrelated forces. More specifically, governments are increasingly aware that they must explore new ways of making policy, designing programs and delivering services in order to respond to several key demands from citizens, including

- greater involvement in the exercise of public authority;
- greater accountability, responsiveness and transparency in the processes of government;
- greater collaboration between governments; and
- a more holistic approach to services and programs.

Successful experimentation with and adaptation of key private-sector management practices and the creative use of new information technologies are two crucial strategies for achieving these goals. Equally important, however, is a fundamental change in outlook. In order to engage in the kind of creative experimentation or to implement the changes needed to achieve these goals, governments must accept *that they cannot and should not do everything; and that what they do need not be done by them alone*. A more collaborative outlook thus requires a major shift in the traditional culture of the public sector, from its role as unquestioned monopoly to a more open team of diverse players, from a provider-focus to a client-focus, from a closed system with clear boundaries to a borderless network.

As we heard in the roundtables, however, there is a flip side to this coin—one that needs greater consideration. Insofar as the forces of change identified here are sweeping governments along, governments are led to adopt a range of new practices, with little attention to the long-term consequences. For example, what values underlie these practices? How will they affect government's role in promoting the public interest over the long term? How might they affect traditional forms of accountability? What are the things that governments should or cannot do? Notwithstanding talk of a "holistic" approach, might these practices lead to a different sort of fragmentation, say, one in which decision-making authority is too dispersed to be effective? If so, what does this imply in an era where strong and competent central governments seem to be required more than ever before?

Clearly, there is a tension underlying the whole idea of more collaborative government. On the one hand, large social, political, economic and technological forces seem to be combining to push governments in the direction of a more collaborative approach. This, in turn, requires a plunge into uncertainty and a willingness to experiment with new tools and technologies. On the other hand, there are genuine and legitimate concerns over how these tools and technologies will be used. What became clear in the roundtables is that these tools and technologies have the power to transform the system of governance. How do we know, then,

whether the uses to which they are being put will have constructive consequences over the long term?

The one thing our participants agreed on here is that there are no simple answers. Governments must respond to the pressures acting on them. And that means moving ahead with change. At the same time, a cautious, thoughtful approach is critical. Methodologically, it means experimentation must be followed by critical analysis, reflection and evaluation. In this spirit, the group examined several case studies of collaborative partnerships in the field of labour market development to see what lessons could be learned. The next chapter sketches four of them.

3 LABOUR MARKET DEVELOPMENT AGREEMENT (LMDA) CASES

Federal labour market development programs have long been an irritant to some provinces, particularly Quebec, who viewed these programs as an intrusion into provincial jurisdiction. In November 1995, the federal government announced its intention to withdraw from labour market training, apprenticeship programs, cooperative education and workplace-based training. Less than half a year later, in May 1996, federal-provincial partnerships for Labour Management Development Programs were proposed. In 1996, following several years of examination and preparation, the Employment Insurance Act was passed. This act provided the legislative framework for two types of labour market development agreements: co-management and devolution (provincial delivery). The passing of this act and the coinciding offer of federal-provincial partnerships were the result of a long series of jurisdictional discussions.

The offer of partnership had the objective of clarifying roles and responsibilities and developing federal-provincial partnerships to deliver labour market programs. The 30 May 1996 offer intended to improve client service, set out the terms for the transfer and protection of employees, ensure federal visibility, and lay the ground rules for annual financing of approximately two billion dollars of program delivery and administrative costs over the following three-year period. Negotiation principles were established, including transparency, equal and fair treatment of provinces and territories, flexibility, and coherence with respect to minimum levels of service. It was not long before eleven provinces and territories signed agreements:

- | | | | |
|-----------------|------------------|-------------------------|------------------|
| • Alberta | 6 December 1996 | • British Columbia | 25 April 1997 |
| • New Brunswick | 13 December 1996 | • Nova Scotia | 26 April 1997 |
| • Newfoundland | 24 March 1997 | • Prince Edward Island | 26 April 1997 |
| • Manitoba | 17 April 1997 | • Yukon | 24 January 1998 |
| • Quebec | 21 April 1997 | • Saskatchewan | 6 February 1998 |
| | | • Northwest Territories | 27 February 1998 |

The agreements struck with provinces varied. Some, like New Brunswick, moved immediately towards devolution, while the British Columbia agreement contains a re-opener clause, allowing that government to move from co-management to devolution at a later date. Some provinces opted for co-management of federal programs, while others still, like Newfoundland, wanted the federal government to continue delivering services to their joint clients. In all cases, the language rights of clients were protected, and measures were taken to ensure federal visibility. All arrangements are for a five-year renewable term, with committed financing.

Various aspects of the development and implementation of collaborative partnerships are explored here by looking at four cases from the labour market field. *Case 1: The B.C. Experience with LMDAs: Co-Management*, is illustrative of key management and policy issues raised by the B.C. and Canadian governments' efforts to integrate and jointly manage the

policies and programs covered by the agreement. *Case 2: Labour Market Programs in Ontario* shows how the Ministry of Education and Training (MET) in the Government of Ontario is proceeding to develop collaborative partnerships with non-governmental service providers, in spite of its being the only province without an LMDA. It also provides an excellent example of how one jurisdiction has responded to issues over accountability. *Case 3: Ottawa-Carleton's Youth Services Bureau* focuses on a service provider at the local level. The case contains valuable lessons about the importance of building trust at a variety of levels. *Case 4: Canada/Alberta Labour Market Information Strategy* examines how the two governments are cooperating to provide the information infrastructure required to support labour market programs. The development of a national labour market information system is a key issue for virtually all governments.

3.1 CASE 1: THE B.C. EXPERIENCE WITH LMDAS: CO-MANAGEMENT

The Canada-B.C. LMDA provides rich lessons about implementation challenges. It helps identify the management tools and approaches needed to establish performance-based collaborative public services. When the LMDA between the federal and B.C. governments came along, B.C. was already involved in major service-delivery reform for clients on provincial income assistance. This took the form of implementing alternative service-delivery arrangements at the community level and integrating traditional services provided by traditional departmental structures with separate management systems, cultures and even service boundaries. The simultaneous move towards both provincially driven performance management and intergovernmental collaboration, brought about by the LMDA, added significantly to the management challenge faced by B.C. officials.

The Canada-B.C. LMDA is large in scope, guaranteeing, 1.25 billion federal dollars to B.C. for labour market development and training over the next five years. In total, six programs are involved:

- Job Creation Partnerships
- Targeted Wage Subsidies
- Self-employment
- Training
- Employment Assistance Services
- Local Labour Market Partnerships.

The Canada-B.C. LMDA is a co-management agreement (see chapter introduction).

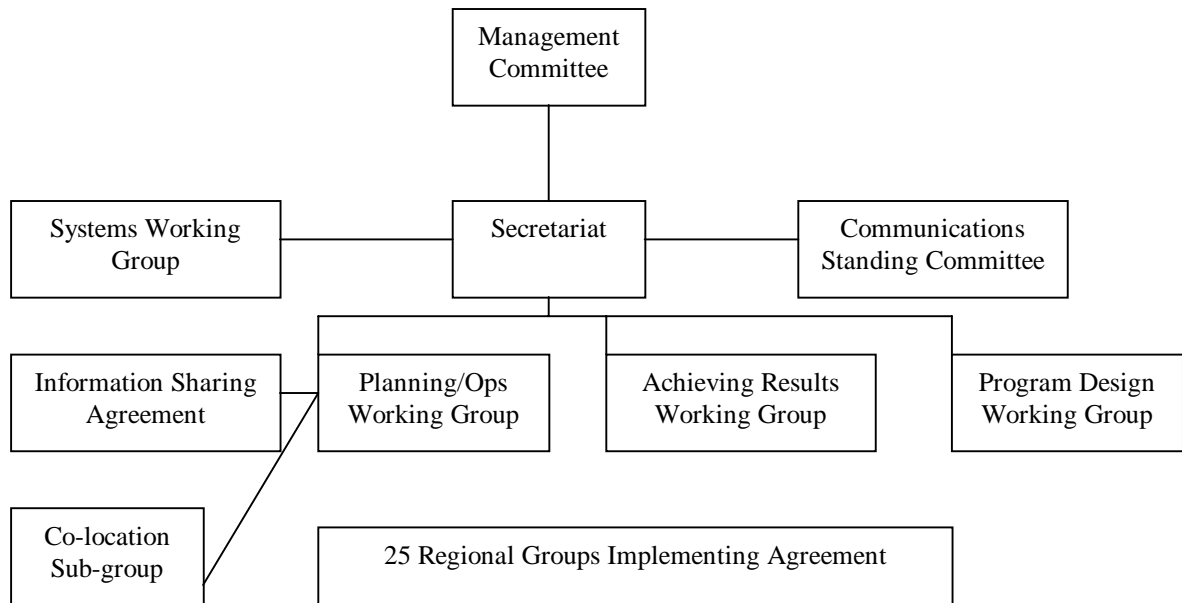
The provincial public administration was already undergoing a transformation from traditional departmentalized service delivery to a management culture of performance. This government-wide initiative was designed to shift public-sector culture and practice from a focus on compliance with rules and control of inputs to a focus on setting clear objectives and measuring results. This shift in the province's approach to public administration involved four strategies:

- enhancing financial accountability and legislative compliance, with accountability for results;
- transforming a monopolistic governmental service-delivery system into one that uses a large variety of community-based alternative service-delivery mechanisms;
- moving from fragmented and discrete policy areas (income assistance, training, employment creation) to an integrated seamless set of policies and programs; and
- converting largely passive social assistance, employment and training programs to ones that are active and built around the needs of recipients and the communities in which they live.

In the midst of this change came the Canada-B.C. LMDA, signed on 25 April 1997. The goal was to establish a foundation for a fully integrated provincial labour market development system, with shared responsibilities, based on adequate sustainable funding. The LMDA contains a re-opener clause that would allow for the transfer of federal program and delivery responsibility to the province, along with administrative resources and staff paving the way from co-management to provincial delivery.

The primary objective of getting people back to work, thus reducing their dependency on public resources, was established and shared between the two parties. There were also goals of achieving savings to the Employment Insurance (EI) Account and to the Provincial Income Assistance Account. There was also a commitment to maximize the benefits from the joint planning of co-managed federal programs. The federal and provincial governments together set annual fiscal and performance targets for service to EI clients. A joint Management Committee was established to coordinate and oversee implementation, and develop an approach for evaluating progress. This committee was supported by a secretariat. The structure established to deal with the change process is illustrated below.

B.C.'S LMDA IMPLEMENTATION STRUCTURE



MAJOR MANAGEMENT CHALLENGES

Moving to the co-management phase required

- joint infrastructure and decision-making;
- joint communications;
- joint planning processes;
- joint case management;
- bridging organizational cultures;
- accountability frameworks and performance measurement;
- information systems; and
- effectiveness review.

To deal with these issues, management needed to concentrate on three groups of activities: collaboration between existing provincial departments and the federal government; performance monitoring; and operational management. Effective collaboration was central to the success of the undertaking. The involvement of all partners in infrastructure development and decision-making was essential, as was the careful recording and communication of all activities and decisions. For example, the collaborative planning process required the involvement of community and local partners in setting targets; careful management of headquarters and field-staff relationships; and the full inclusion of all parties. A

communications standing committee was empowered to oversee internal and external communications using a variety of vehicles.

COLLABORATION CHALLENGES

The biggest collaboration challenge revolved around case management. To be effective, the new approach depended upon the ability of case managers at the field level to provide a full range of services to clients. This entailed developing an integrated delivery system, starting from different jurisdictions, locations, geographical service boundaries, roles, responsibilities, and practices—a significant logistical challenge. A major problem was, and continues to be, the ability of field workers to access the full range of necessary information about services and their clients. Needless to say, there were many systems connectivity issues. Establishing tripartite case management groups at the field level facilitated progress. This helped the development of common understandings of client identification, assessment and referral—an important early step.

However, a greater issue arose with the attempts to bridge different organization cultures and their concurrent core values. The differences among the cultures were substantial among the provincial ministries involved and extreme between the province and the federal partners. They existed at numerous levels: approaches to local autonomy; spending authorities; consultation practices; internal communication practices; labour-management practices; bargaining units; personnel practices; salary schedules; approaches to process versus results; trust levels, to name a few. Developing a culture supportive of the new collaborative partnership approach requires hard work over a long period of time. Several approaches helped this cultural change process along. For example, rather than grappling with the differences, attention was focused on identifying and acknowledging common interests. The main one at field level was servicing clients effectively. With this strong common interest, the stage was set to move forward.

Another useful approach consisted of developing collaborative approaches to staff development, frequently involving staffs from several of the founding organizations in joint problem-solving activities. However, the most effective means of merging the cultures was actually working jointly on real problems and achieving goals and meeting targets together. A significant observation was that the merging of cultures was most easily accomplished at the field level, where service demands were clear and staff had relatively unequivocal roles and a single focus and commitment to client service. It seemed, however, that this collaborative culture became more and more difficult to realize the further up the hierarchy one travelled.

PERFORMANCE-MONITORING CHALLENGES

Collaboration on the scale required by the B.C. LMDA forced the partners to rethink accountability frameworks and, indeed to develop new ones. Naturally, this could not be done without new performance indicators. Considerable effort was put into developing key performance measures and targets, which are negotiated annually with the partners involved. Initially, these key performance measures focused on savings to Employment Insurance costs and income assistance through employment. They also included the evaluation of incremental impacts, such as the determination of whether or not programs and services make a difference

in clients' abilities to enter the workforce. The first Canada-B.C. targets set for 1997–98 were simple: 25,000 out of 65,000 clients would successfully return to the workforce. Employment Insurance savings would reach \$117 million and Income Assistance would realize savings of \$27 million or a total of \$144 million savings. The 1998–99 targets were set at 30,000 returns to work and total savings of \$167 million. (The 1997–98 targets were not. The partners will be building on the lessons learned in the first year of implementation to make 1998–99 more productive.)

Because of significant regional economic and workforce differences within the province, regional client targets were developed. A special working group was set up among the partners to focus on “achieving results.” Its first major challenge was to establish mechanisms to track and report results. This in turn led to additional demands for an integrated information system.

Simultaneously, an effectiveness review project was launched. Operational teams in each region set to work to identify issues and best practices on specific topics including

- managing client flow;
- planning and delivering services to clients;
- moving clients into employment;
- involving stakeholders; and
- establishing priorities after targets are met.

These issues and best practices became the centrepiece of a province-wide tour by the tripartite project team to share the lessons learned.

OPERATIONAL MANAGEMENT

Given the aim of providing seamless client-centred service and institutionalizing collaboration, a number of changes to administrative structure and operational processes were needed. One of the initial mistakes was to underestimate the amount of time and resources required to manage this change process. For example, operational planning was very much more complex in the collaborative partnership world than previously imagined. Additional time and resources had to be made available to manage the change process.

Similarly, the impact on field-headquarters dynamics was not fully considered and, perhaps, could not have been foreseen. The service providers at the field level had, it seems, much more experience innovating and collaborating to meet clients' needs than had supervisors and managers further away from the action. The normal tensions between field and headquarters staff intensified greatly during implementation. The need to fully involve field staff cannot be underestimated. This requires lots of time and resources. Careful consideration for support and resources required by field staff during the transition needed to be factored into the change management process.

Many issues became evident in setting up a case management system that works, given different jurisdictions, locations, roles and responsibilities. Systems connectivity issues had to be dealt with, as did the linking of diverse geographically based structures. For example, one provincial ministry was organized into five provincial regions, the other into nine, while Human Resources Development Canada (HRDC) operated out of fourteen regional offices. Most change efforts of this nature begin with co-locating the various partners. This was found to be an unproductive route. Co-location has to follow program design and redesign and is of little use in driving it.

LESSONS

B.C. officials have some important lessons to share:

- Collaboration intensifies the need for finely tuned, focused management tools.
- Planning must be jointly shared to be effective.
- Performance management must be based on consensual goals and objectives.
- Targets alone are not enough; strong personal relationships across different organizational cultures need to be built.
- Unwavering political and executive commitment is essential.
- Service improvement will only happen if there is collaboration in the field—where the action is.
- Necessary resources must be put into systems or technological solutions
- Communications need to be constant.
- The amount of time needed to tend to the partnership must never be underestimated.

3.2 CASE 2: RESULTS-BASED PARTNERSHIPS: LABOUR MARKET PROGRAMS IN ONTARIO

The Province of Ontario is unique in that it is the only province that has not yet signed an LMDA with the federal government. Nonetheless, within that province there is a wide variety of innovative collaborative partnership arrangements. One place these are found is in the Ministry of Education and Training's (MET) Labour Market Programs in Ontario.

MINISTRY OF EDUCATION AND TRAINING (MET) LABOUR MARKET PROGRAMS IN ONTARIO

Experience with collaborative partnerships led the Ontario Ministry of Education and Training (MET) to the fundamental conclusion that results-based management is the essential key to managing partnerships between government and third-party service providers. Like the B.C. example, Ontario's experience with collaborative partnerships takes place against the backdrop of significant provincial reform initiatives. Ontario's reform initiatives are rooted in four interrelated areas: fiscal constraint; business planning; alternative service delivery; and improved accountability frameworks.

The need to reduce the size and cost of government—doing better for less—was a driving force behind the public-sector reform initiatives. It necessitated taking a more businesslike approach to planning and managing government work, including:

- developing and clarifying missions, visions, core businesses, organizational strategies, and expenditure patterns;
- defining expected results and selecting and applying performance measures;
- setting standards and targets; and
- evaluating, adjusting and continuously improving.

Restraint and looking at the issues through different glasses shifted thinking from traditional departmentalized service structures and direct service delivery to third-party delivery and other forms of alternative service delivery. Although Ontario has had a long history of working with third-party service providers, the new reliance on results-based management has enhanced accountability and created new opportunities for joint planning and decision-making, that is, for more collaborative arrangements.

Not surprisingly, this led to the examination of accountability frameworks. In this newly defined world of service delivery, it became clear that improved accountability frameworks needed to be developed. Again, a fundamental shift in thinking was required: government is accountable for outcomes, not only inputs. For the first time, a clear link between funding and performance needed to be established, which in turn required the need to develop measurements and standards, without which the government would be unable to ensure either value for money or adequate accountability.

The accountability framework developed by Ministry of Education and Training is indeed robust. The cornerstone is the Memorandum of Understanding (MOU) developed by the Ministry. It serves as a framework for the more than 400 specific contractual arrangements that MET has negotiated with its partners. The MOU

- defines working relationships;
- articulates values and principles;
- ensures that performance is a key to securing funding;
- specifies the consequences for non-performance;
- standardizes planning and funding mechanisms; and
- provides the framework for outcomes-based reporting.

Having dealt with the framework that structures the relationship, it is important to note that each partnership is built on joint planning and joint-program design. For example, MET negotiates annual targets, business-planning approaches, and program evaluation requirements with each partner. Further, MET plays an active role in building the capacities of partners, bears the responsibility for the considerable technology investment, and offers training and development for the staff of its many partners.

The three main clusters of management and implementation challenges faced by MET were the following:

- Setting and meeting targets: It was discovered that, for these targets to be meaningful, consequences of poor performance had to be developed and implemented along with performance measurements.
- Implementing adequate reporting mechanisms and information systems that had hitherto not been required: The communications challenge increased proportionally with the number of partners, and MET's need to communicate with clients, stakeholders and staff did not diminish. As government visibility was more important now than in the past, and both the need and the challenge to communicate effectively were stronger than ever, MET was under considerable pressure to develop effective information management systems.
- Honing partnership management skills: The shift from the old command-and-control mode required different skills. Officials needed to learn to let go, to understand partnerships, and to manage relationships and outcomes rather than only inputs. Simply sorting out who had control over what and to what degree required a greater effort than expected. Moreover, the variety of local conditions and partners, and ongoing change, made it a continuous and challenging task.

Working through these issues resulted in a foundation upon which MET now oversees delivery in three key program areas:

- Job Connect, which offers on-the-job-training and matches skills to jobs (primarily for youth) and utilizes 81 different service deliverers at 131 points of service, has an annual budget of \$110 million and serves 94,000 clients annually.
- MET's Literacy and Basic Skills Program, which is delivered by 250 partners from 300 points of service, has 57,000 clients and a budget of \$55 million.
- Summer Jobs Service, which engages 68 partners and provides 34,000 summer jobs, has a budget of \$25 million.

MET's experience led it to the conclusion that several key elements are vital for effective collaborative partnerships:

- solid frameworks to support partnerships, including well thought out contractual arrangements, support systems and processes such as capacity building, and a robust information technology infrastructure to support operational improvements and enhance strategic planning and accountability;
- the ability to manage in a collaborative rather than hierarchical world, which requires unique expertise and knowledge;
- commitment to manage and nurture relationships: this is critical, since the approach will fail without trust and a willingness to work together. It necessitates

a new level of government transparency in how decisions are made, who makes them, and for what reasons;

- a shared purpose and common goals for all parties in the arrangement;
- shared power, gain and pain, without which the notion of partnership is vacuous. It must be clear that there is value-added for all parties; and
- redefined roles and functions for the host organization: in MET's case, it developed a role in capacity-building, training and development, and providing essential infrastructure support.

Overall, MET appears to be successful. Ontario is committed to expanding the role of non-government deliverers and is convinced that there will be a strong trend toward more collaborative partnerships and locally driven solutions. In moving in this direction, it will be looking to the community rather than bureaucracies to solve issues and deliver programs. Ontario is also convinced that it has found ways not only to solve accountability issues but also to put improved, transparent, and community-supported accountability frameworks in place.

3.3 CASE 3: OTTAWA-CARLETON'S YOUTH SERVICES BUREAU

There are so many examples of collaborative partnerships at the local and regional levels in Ontario and elsewhere that it was most difficult to select an illustrative one. It was concluded early in our thinking that the picture would be far from complete without a view from a third-sector, community-based partner. The many local and regional examples differ from federal and provincial ones, as they were initiated much earlier, perhaps because the enormity and reality of social and economic problems is felt more acutely (or less abstractly) at the local level. For years, service deliverers have had to collaborate with one another to meet the needs of their clients and communities in the face of growing and increasingly complex social problems and decreasing resources. The Youth Services Bureau (YSB) of Ottawa-Carleton exemplifies this generalization. It also further illustrates the role of MET in collaborative partnerships.

The YSB is a local, non-profit social-service organization working with high-risk youth (12 years of age and older) who are deemed to have high needs. YSB is funded by federal, provincial and municipal governments and by the United Way. It provides a variety of services tailored to community and youth needs across Ottawa-Carleton, such as

- individual, group, and family counselling;
- employment counselling;
- housing;
- young women's emergency shelter;
- youth drop-in centres;
- observation and detention facility;
- needle exchange programs;
- AIDS education and counselling;
- male violence counselling;

- crisis intervention; and a
- 24-hour on-call emergency service.

Compared to many larger service deliverers in Ontario, such as community colleges, YSB has limited resources and power, therefore making it necessary to work collaboratively with many other groups and funding agencies. YSB has almost twenty years of experience in collaborative partnerships. In 1982, it worked with MET to plan the first Youth Employment Counselling Centre in the region, which opened in 1983. In 1985, YSB was one of the agencies delivering the FUTURES program designed to provide basic employment skills for youth. By 1989, considerable experience working collaboratively together with partners, such as MET, John Howard Society, Algonquin College and others, led to YSB's involvement in a community-planning process to cooperatively address problems faced by youth in the region.

In 1997, MET introduced the Job Connect Program. YSB became the partner responsible for Information Referral Services and Employment Preparation Planning Services along with the front-end responsibilities for preparing clients for the labour force. Community college partners were given responsibility for on-the-job-training programs and recruited employers prepared to train youth and monitoring youths' work experiences. Other partners included the John Howard Society, which provides information and referral services for employment planning and preparation, and La Cité collégiale, which provides on-the-job-training for French-speaking clients. We see, then, that YSB found itself collaborating closely with other service providers in the community to solve local problems.

Managers of each of these organizations joined forces to work together on the Youth Training Access Committee, whose role is to coordinate joint planning, identify gaps in service, provide joint professional development for staff, evaluate service, and provide joint marketing. In terms of structure and membership, the manager of each organization sits on the committee, along with a representative from MET. The position of chair rotates among members, as does the hosting of meetings. Front-line staff are involved through subcommittees. Partners work together in preparing a joint business plan. This joint planning process has several key elements, without which the collaborative arrangement would not work. The process

- identifies transitional processes for programs;
- outlines decision-making processes;
- outlines the methods of delivery;
- delineates catchment areas;
- articulates the evaluation process;
- develops a joint marketing plan;
- develops a service-delivery model that is agreed to by all partners; and
- Facilitates agreement on a common goal.

MET's role on the Youth Training Access Committee is largely one of capacity-building, training and development, coordination, and monitoring the partnership arrangements. MET is assigned lead responsibility for monitoring the activity levels of partners and measuring outputs

and outcomes. This is an important function, since partner funding is based on performance. It clearly requires involvement at the community level. MET also provides training to non-Ontario public service front line workers and managers.

The first year of operating in this complex form of partnership was not as successful as envisioned. The targeted activity levels established by the committee were simply unattainable. For example, on-the-job-training activity reached only forty per cent of the projected activity level and employment preparation programs achieved only sixty per cent of their targets. The experience of underreaching their targets actually strengthened the coalition of partners and led to more realistic performance targets and measurement processes.

Key lessons offered by the YSB experience include the following:

- A solid base of trust among collaborating partners is essential. This requires open and honest communication. Much of the success of YSB and their collaboration is based on eleven years of working together to solve community problems.
- Partnerships take time to develop.
- Agreement on common objectives and goals is essential.
- Front-line staff should be involved.

3.4 CASE 4: CANADA/ALBERTA LABOUR MARKET INFORMATION STRATEGY

On 6 December 1996, an agreement between Alberta Advanced Education and Career Development and Human Resources Development Canada resulted in Alberta being the first province to sign a Labour Market Development Agreement (LMDA). The agreement included devolution of responsibility to the province. It was agreed that the following National Employment Service functions would be provided by Alberta: Services Needs Determination; Employment Counselling and Labour Exchange Services. One function that did not become the sole responsibility of the province was labour market information. The agreement stated that “Canada and Alberta agree to the joint preparation of a strategy that sets out how each party will collaborate in the gathering, production and dissemination of local and provincial labour market information.” The joint strategy was to be implemented in a fashion consistent with the National Labour Market Information System and would encompass national, provincial and local components.

One of the reasons why labour market information was different from the other functions of the agreement was that Human Resources Development Canada had developed an information strategy to support a National Labour Market Information System. This strategy had a number of guiding principles and characteristics:

User-driven - information products that focus on needs of individual Canadians; organizations and businesses; and policy-makers;

Accessibility - availability of products in a variety of formats and methods;

Smart partnerships - strong information partnerships with provinces, NGOs, private sector, with the federal government working in niches appropriate to its role.

Result-driven - accountability framework including user-feedback and sharing best practices.

In Alberta, there was already cooperation between the two levels of government on labour market information. There were some common assumptions that created this cooperation: labour market information was a public asset; achieving more with less would mean increasing the focus on information; nobody had all the information and nobody could do it all. The LMDA created the opportunity to pursue a more collaborative partnership and to maximize the resources available for the gathering and dissemination of information.

The *information partnership* has been designed to support people, industries and communities in adapting to a knowledge-based economy and society by

1. developing and maintaining systems that match available skills and work opportunities quickly and efficiently anywhere in Canada;
2. providing individuals and employers with the information they need to make better-informed career or employment decisions; and
3. providing information to education and training institutions and suppliers to enable them to participate and respond to change in the workplace, the economy and society.

The components that together ensure the development of the information partnership strategy include:

1. continuing to share information;
2. developing a means of sharing access to common databases; One of the major projects under way is the development of a labour market information warehouse to capture all the types of information needed to carry out the strategy;
3. developing joint projects: there are currently a number of projects that are joint efforts, such as a wage and salary survey;
4. coordinating the common dissemination of products to customers—the principle involved here was to build on the unique strengths of each partner to provide better products;
5. exchanging information about work in progress; and
6. completing an annual workplan, with commitments for yearly reporting.

These objectives will ensure the availability, accessibility and appropriateness of labour market information to users and their awareness of this information. The goal of the information warehouse is to have better information for individuals, industries, occupational groups, communities, and education and training suppliers. The *information partnership* has identified key result areas. The strategy will be effective when individual and organizational users can

1. identify appropriate work;
2. obtain appropriate employment;
3. plan careers with sound futures;
4. identify further information required and know how to access it;
5. identify geographically promising locations in which to seek work;
6. integrate the information into the design of their own programs to meet the needs of specific client groups;
7. coordinate and avoid duplication of the use of resources; and
8. Identify and respond to emerging opportunities.

The vision, goals and objectives of the undertaking are breathtaking. However, there are some factors that will help to achieve these ambitious plans. First, Alberta and Human Resources Development Canada have a long tradition of effective collaboration in the labour market area. This includes the co-location and co-management of programs and services, as well as having specific committees in place to coordinate and collaborate on labour market information. Second, the development of information services has become an increasingly more important component of the programs and services mix of both partners. Third, the skill-sets of staff complement each other. This allows better product

development, as client focus and content can both be addressed and a greater range of products developed. Fourth, managerial will and vision are the same. Information is viewed as an untapped resource that needs to be fully developed. Both partners recognize and agree that the only way that this will occur is through partnership arrangements.

The *information partnership* is still in its early stages, although it has already had some significant accomplishments. As the business lines of both levels of government continue to evolve there will be strong emphasis on labour market information as a way of ensuring that the future needs of Canadians can be addressed.

4 MANAGEMENT AND POLICY IMPLICATIONS: PART 1

The roundtable discussions suggest that collaborative partnerships may be an important part of Canada's future. The idea is gaining momentum, from sources ranging from the social, political and information technology forces referred to in Chapter 2 and to provincial legislators and community groups. Still, enthusiasm was tempered by a sense of realism. As we have seen, uncertainties about the long-term implications inclined participants to a cautious approach. Moreover, making partnerships work in the public sector often involves a sharp learning curve. Typically, they involve people from outside government, including citizens, clients and other stakeholders, in program design and delivery. This puts pressure on managers to clarify roles, overcome differences in organizational culture, and build trust.

Generally speaking, management lessons from the case studies and roundtable discussions fell into two broad categories: supportive environment and strategic management. Success depends on both. Without a strongly supportive environment, the best strategic management in the world won't go far. Similarly, a strong supportive environment without a rigorous strategic approach to management will not amount to much. Key elements of a supportive environment include long-term, high-level commitment, leadership, relationships based on trust, central agency support, and clear accountability frameworks. Strategic management includes the key elements of strategic direction, capacity, results-based management, and change management.

4.1 SUPPORTIVE ENVIRONMENT

LONG-TERM, HIGH-LEVEL COMMITMENT AND RELATIVE STABILITY

Collaborative partnerships add new complexities to the challenges of restructuring, downsizing and service improvement initiatives facing public servants. Implementing collaborative partnerships can involve rapid and profound change in difficult circumstances. As seen in the B.C. example, there can be a wide gap between the decision to embark on a new collaborative venture and implementation—making it work on the ground. Developing a collaborative partnership often amounts to a long-term change management project. This requires long-term commitment from senior management to ensure stability.

Forcing community partners to change course because of changing public-sector positions, leaders and executives, or altered intergovernmental strategies, can be disheartening for the people and devastating for the project. Managers of regional programs have reported for decades that one of the biggest barriers to collaboration at the regional or community level is a lack of trust. This is not a result of bad relations between individuals at the community or regional level but of bad practices within the public sector as a result of changing senior Ottawa officials and ministers, changing delivery methods, management styles, and priorities.

By contrast, roundtable participants tended to see the LMDAs as heralding a change, because they are based on law, joint decision-making by the Forum of Labour Market Ministers

(FLMM), and a new act. Evidence of a long-term commitment to the new partnerships they engender was found in many places.

The long-in-the-making 1996 Employment Insurance Act provided one example. The contribution to national unity and the high level of provincial commitment to the new labour market federal-provincial partnerships were also pointed to as an example of this commitment. Five-year financial commitments and eleven signed agreements are other signs. Finally, the FLMM itself is evidence. It demonstrates that collaboration is both possible and mutually advantageous and stands as a model of high-level collaborative leadership for those implementing change on the ground.

RELATIONSHIPS AND TRUST

Collaborative partnerships require a shift in traditional public-sector thinking, since they are relationships built on power-sharing, interdependence, and joint management and planning. Shared needs, interests and objectives should be central to the project. The emphasis must be on trust, consensus-building, and conflict resolution. These characteristics are foreign to traditional command-and-control hierarchies, where authority is exercised in quite a different way. The use of collaborative management practices instead of control approaches will not succeed without a corresponding change in the organizational culture.

CENTRAL AGENCY LEADERSHIP

According to participants at the roundtables, collaborative agreements are often at risk of breaking down at the program level, as a result of unresolved differences in program-delivery philosophies (culture), priorities (strategic direction) and systems (processes). Often this is a result of inertia, reluctance or inability on the part of central agencies to facilitate or permit line departments to find a resolution. By and large, central agencies are not organizationally, philosophically or culturally inclined to be supportive of collaborative approaches. Indeed, they often hinder or prevent collaborative solutions from being found. Senior officials in central agencies, we heard, often lack the sense of urgency about such problems experienced by those who deal with partners and clients face to face.

Generally speaking, we heard that central agencies must be more supportive of agreements and decisions made at the program level. Roundtable participants claimed that current financial management, audit, accounting, evaluation, personnel and other systems are barriers to collaboration and cooperation. Collaborative partnerships, they said, will be sustainable only if significant changes are made, including

- changes to labour management practice: are confrontational strategies suitable for a collaborative world?
- classification systems that place value on service, performance and problem solving;
- recruitment practices based on service values, relationship-building, and collaborative skills;

- compensation and promotion systems that reward new desirable behaviour rather than the old compliance and conformity;
- strategic-planning systems that involve stakeholders and set out clear visions, leadership and action planning;
- financial management systems and policies designed to help achieve the desired results; and
- technology infrastructures designed to facilitate citizen service rather than control.

ACCOUNTABILITY FRAMEWORKS

Although asymmetry in program delivery is widely seen as a virtue of collaborative partnerships, central hierarchies still have difficulty accommodating or accepting it in practice. One reason is that asymmetry raises important issues regarding accountability. For example, if programs are designed and delivered differently in different places, who is responsible for differences in the quality or level of the service that may result? To whom should they answer? Participants agreed that strong accountability frameworks must underwrite collaborative partnerships. At the same time, there was agreement that this could be achieved without compromising the flexibility in program design and delivery that collaborative partnerships permit. The Ministry of Education and Training case study was viewed as a promising demonstration that mechanisms can be put in place to ensure and improve accountability while preserving flexibility.

4.2 STRATEGIC MANAGEMENT

STRATEGIC DIRECTION

According to some participants, a critical first step of collaborative partnerships consists in setting strategic objectives. For collaborative partnerships to work, multiple, often-competing objectives and priorities need to be balanced. Effective collaborative partnerships require a mechanism for collaborative planning. At the highest level, this involves setting strategic objectives and managing the competition between them, whether the partnership is at the level of an entire policy field or a specific program.

The Forum of Labour Market Ministers provided a convenient example at the level of a large national policy field. In establishing clear objectives, the forum showed that it was possible to allow enough asymmetry to meet specific regional needs, while ensuring a reasonable consistency in service levels across the country. At the same time, it set a framework for ensuring delivery expertise, base levels of client service, visibility and financial efficiency.

Outside of the FLMM, however, there are few mechanisms in place to facilitate the process of collaborative planning at the national level. As for the provinces, the joint committees established in B.C. provided an example of a province-wide collaborative planning mechanism. The Youth Training Access Committee in Ottawa-Carleton showed participants how collaborative planning can be done at the local level.

In addition to setting realistic goals and targets, developing and maintaining a strategic direction requires consensus-building, facilitating buy-in, sorting out accountability and visibility issues, and communicating effectively with all involved. This takes time and requires considerable planning among the partners.

Setting the direction is thus the cornerstone of an effective strategic management process. Ensuring that it is both appropriate and sustainable requires

- long-term commitments;
- realistic goals and objectives;
- a well thought-out implementation strategy based on consultative/collaborative planning; and
- realistic measurement and review mechanisms.

Negotiators of the LMDAs, we were told, paid careful attention to the first two requirements. However, in hindsight, some thought that the second and third were, at best, hastily considered. Indeed, in some cases, implementation processes, measurement and review mechanisms, and support systems were only put in place later in the process. And some jurisdictions still have not done so.

CAPACITY

In the course of discussion, it became clear that many practical, operational issues, such as the impact of collaborative partnerships on front-line workers, also needed to be explored. What support systems, skills, training, qualifications, management frameworks, etc. will be needed to make these arrangements work? Do we know what core competencies an effective front-line worker will need in the new world of collaboration? Perhaps as important is the question of third-sector capacity: Is it reasonable to expect that many community-based organizations have the internal capacity to engage in the kind of strategic planning and performance management that collaborative partnerships require?

Other capacity questions were raised. For example, if one partner, such as HRDC, devolves responsibilities to another, what levels of expertise and capacity are prudent to keep in-house? The same question holds for provinces that devolve responsibilities to private- and third-sector delivery agents. There is a tendency for departments to divest themselves of in-house expertise once someone else has the responsibility. Over the long run, this can have serious consequences.

MET provides an instructive example of an organization that has resisted this tendency. Its redefined role includes ongoing responsibility for

- the training and development of staff in the agencies delivering programs;
- building and maintaining infrastructure (a task that no single agency could contemplate doing); and
- capacity-building within the policy domain itself.

In the course of these tasks, MET ensures that it will retain the expertise to monitor performance, effectively administer the hundreds of service-delivery contracts, and ensure that client service standards are met and policy objectives achieved. Equally important is its preparedness to help its many partners build capacity and work together to solve problems.

RESULTS-BASED MANAGEMENT

As both the B.C. and the MET cases illustrate, collaborative partnerships lead governments towards *results-based management*. By focusing on outcomes, a government can leave choices open to its partner about the *means* by which outcomes are to be achieved. Government assesses the partner's success through the use of performance measures.

Setting effective measures can be difficult and complex. For example, in policy areas such as labour market development, the environment, or national health and welfare outcomes are often the products of multiple causes originating in a variety of policy fields, governments or sectors. The unemployment level, for example, is the result of many interrelated factors such as government regulations, policies, programs, market forces, international monetary rates, social attitudes, values, even weather patterns.

Results-based management also helps integrate planning and service delivery. Because outcomes are often horizontal, managing for them automatically involves coordination across boundaries. The use of results-based management will be discussed further in the next chapter.

CHANGE MANAGEMENT

A frequently overlooked task is assessing the human, financial and other resources required to manage and complete the change process itself. For example, in one case, implementation was well under way before the realization set in that the new delivery mechanisms required the reconfiguration or replacement of information systems that were unable to communicate with one another. Moreover, operating the new systems required formidable workforce cultural change. Individuals from a variety of different organizational cultures and with very different value sets had been asked to work together effectively, yet were frequently reporting to two or more supervisors and, in spite of this, were being given little support or guidance.

In the midst of major reorganization, change management questions like these often go unasked, sometimes with devastating results. The roundtables raised some of the same issues. In particular, participants wondered how carefully governments were examining such issues as they work towards the development of sophisticated labour market information systems. For example, suppose that a third-party service provider from, say, the voluntary sector needs access to a specific kind of information to serve its clients effectively. Will government officials have compatible systems so that they can transmit it? In the B.C. case, for example, there are 800 staff members in fifty offices, using multiple systems. And how will governments ensure that personal information is not misused? Moreover, linking systems to provide information can involve enormous costs. Who is going to pay?

In conclusion, collaborative partnerships raise a plethora of management issues. But they do more than that. They demand a different kind of management approach, one based on trust, consensus-building, and conflict resolution, as opposed to command and control.

Our participants were ambivalent about the prospect of implementing such an approach. Sometimes the mood was optimistic, even enthusiastic, about bringing such changes to government. At others, it was doubtful and even cynical – especially with regard to central agencies. Coming to terms with this ambivalence led us into stimulating discussions of a number of high-level management and policy issues around the idea of collaborative government. The next chapter focuses on these issues.

5 MANAGEMENT AND POLICY IMPLICATIONS: PART 2

In democratic politics, public debate, public decision-making, and public administration— three stages in the process of governance—are the primary tools by which communities shape themselves. Though these stages are in theory separable and successive, in practice, they are usually interdependent and simultaneous. The classical view that action begins with debate (ideas), flows through decision-making (policy), and results in implementation (programs) must therefore be taken with a large grain of salt.

Indeed, the arrows sometime point in the other direction, as the practice of government runs ahead of the theory. Introducing new instruments, mechanisms, methods and models of public management can spur governments to take new directions. On the one hand, this can lead to innovation, which is to be encouraged; on the other, there will likely be unforeseen or unwanted consequences. To guard against these, informed debate over *what* should be done (policy) should be linked to a debate on how things *are* being or *can* be done (implementation).

As we have seen, experiments with new management tools are being tried across the country. Canadian governments have

- tried new techniques of policy development;
- established new planning, evaluation and reporting processes;
- arrived at major new agreements for the co-management of key policy areas;
- experimented with new service agencies; and
- entered into new arrangements with private- and voluntary-sector organizations for the delivery of public services.

We are on a track towards significant, perhaps radical, change in the way government organizations relate to citizens, the private and voluntary sectors, other governments, the legislatures, and the *attentive public*, such as media, academics, advocacy groups, and think-tanks. These changes affect the process, substance, values and machinery of government. Yet, in most quarters, public debate over them is scarcely audible. Where it is heard, claims are often extravagant: either the new tools are a dark horse with the spirit and muscle to outrun the old favourites, or they are a whip on the hind quarters of a runaway; either we should be galloping towards the future or yanking on the reins.

Alternatively, some have begun to speak of a *Canadian way* to manage change. It would be incremental and consciously experimental and would aim at using the new tools differently in different circumstances and regions of the country, in keeping with Canada's diversity and values. In this view, then, whether an expanded use of these tools will make government more effective, accountable or democratic depends largely on how, where and why they are used. (In the end, the devil remains in the details.)

How much do the experts know about these new practices and the changes they bring? How skilled are experts at applying them? How far down this road do Canadians want to go? How

fast? What choices do they have? Can governments plan for and manage change effectively? If so, by what means? How concerned or involved should ordinary citizens be?

These are not *mere* management questions. This is about more than management. Ultimately, it is about using these tools to redesign traditional practices of governance by changing how governments work, how they work together, and how they relate to citizens. Therefore, a more informed and open discussion of the mechanisms, strategies and consequences of change is called for.

In particular, if, as we suggested in the Introduction, collaborative partnerships can serve as a mechanism for applying these tools strategically to generic governance relationships, they are deserving of serious attention by theorists and practitioners. Insight is needed into how the new tools can be used to construct such partnerships and where they can be applied.

We can begin such a discussion by grouping the things that governments are doing differently under five headings, including how they

- form policy;
- plan and evaluate tasks;
- coordinate with one another;
- cooperate with one another and private and voluntary organizations in the design and delivery of programs and services; and
- consult with and engage citizens.

As the roundtable discussions reported on here illustrate, the new management tools being used to engineer change in these areas may be making government more effective and accountable, but they are also altering traditional governance practices.

5.1 POLICY: NEW TOOLS, NEW APPROACHES

Policy-makers of the past tended to treat departments as relatively self-contained policy fields. By contrast, contemporary approaches increasingly cut across departmental and other boundaries. The main innovation lies in how the relationships between citizens and government are seen.

Advocates for the new approach maintain that government policies and programs should treat citizens as *whole persons* with more or less integrated and balanced needs rather than treating their needs in isolation. For example, advocates say traditional health policy focused on developing a system that treats illness. As a result, public health was narrowly defined, and the research, policy and programs that promoted it were largely reactive. By contrast, advocates propose an approach that is more proactive and holistic. This approach rests on concepts like *wellness*, which links together a number of policy areas, including education, environment, industry, and community services.

A commitment to wellness calls for more than a system of reactive measures to treat illness. It requires that government departments work together to design a comprehensive approach to public health around a more complete and integrated view of citizens and their needs. At the same time, such an approach assumes that *citizens have a responsibility to participate* in promoting public health by developing positive lifestyles that include exercise, good nutrition, and less stressful work habits.

This new approach to policy faces at least three challenges. It must

- integrate diverse policy fields around broad social goals or *outcomes*, like wellness, that balance a range of needs and interests;
- redesign the machinery of government around the citizen rather than expect the citizen to fit into government, with its maze of departments and programs; and
- enlist citizens as active participants in the achievement of key social goals, such as wellness, by encouraging them to reflect on their lifestyle and develop routines that promote wellness.

Fulfilling these conditions is no small task and will require

- a broader vision of policy;
- greater coordination across policy fields and even jurisdictions;
- agreement on key goals or outcomes across departments and, where possible, jurisdictions;
- an effective way of assessing whether the right outcomes have been selected;
- a method of assessing whether desired outcomes are being achieved;
- means of ensuring that, where possible, programs and services are coordinated and delivered together; and
- effective means of engaging citizens.

Can these challenges be met and, if so, how? The next section provides an overview of the key management tools governments are using to respond.

5.2 PLANNING AND EVALUATION: NEW TOOLS, NEW APPROACHES

Many governments have recently introduced *results-based* planning and evaluation processes. These processes are supposed to lead to more coordinated, effective, transparent and accountable government. If there is a central idea here, it is that governments have become too focused on *process* (how it does things) and not enough on *outcomes* (the results of what it does).

The new planning processes play a critical role in governments' efforts to change their focus. They do so in at least two ways. First, they commit officials to publicly evaluate and report on

their policies and programs from the standpoint of the results they produce and the citizens they serve. Second, they require that officials produce and adhere to departmental plans that provide the following terms of reference:

- a clear statement of the broad outcomes the department aims to achieve (its *mission*);
- a clear statement of the core businesses in which it is engaged to achieve the outcomes;
- a clear statement of the specific objectives of its policies and programs;
- an analysis of how those policies and programs will achieve the objectives;
- an analysis of how the objectives, if achieved, will contribute to the broad outcomes in the plan; and
- a list of performance indicators that will help assess the effectiveness of policies and programs in achieving their objectives and, ultimately, the outcomes.

Taken together, the terms of reference in the plan provide a framework for further planning at subdepartmental levels and for evaluating the effectiveness of policies and programs. However, what becomes a greater challenge in the multijurisdictional world, as illustrated by LMDAs, is the need for collaborative planning. In this area, we find very few tools or tested mechanisms.

Evaluations through performance indicators in the plan assess the effects of a particular policy or program in achieving its objectives. Officials are expected to evaluate programs and policies regularly and to adjust them to achieve a better fit with the objectives and outcomes. Results-based management thus encourages a culture of continuous learning, innovation and improvement, a crucial condition of an effective organization.

Moreover, by adopting government-wide outcomes and performance indicators, each department is supposed to contribute to a greater integration and coordination of the entire system. If individual departments pursue common goals, adopt the same performance indicators, and use the evaluation results to improve their own policies, programs and approaches to service delivery, a natural integration and coordination of activity should result. This spreads the task of coordination around the system and, at the same time, encourages some decentralization with respect to policy-making and program design and delivery.

Such an approach departs from the traditional view that system-wide coherence is most effectively achieved from the top down by central authorities such as treasury boards, cabinet secretariats or departments of finance who shape and maintain a system of government through a combination of policy directives, rules and regulations. The old model requires a considerable centralization of policy-making authority that, notoriously, is controlled by a small group of policy experts. In contrast, the new decentralized approach allows for greater flexibility in policy-making, program design and service-delivery methods.

Finally, if the plan is a public document, it can serve as a clear statement of the department's or agency's mission and core businesses, the specific purposes of its programs and policies, as well as provide performance indicators for assessing their effectiveness. If, in addition, evaluation reports are made public, legislative committees and members of the attentive public can use them to call upon responsible officials to account for successes and failures. In principle, this should improve transparency and accountability in government.

All in all, there are some clear advantages in the new system

- it should make government more integrated and coordinated.
- the more decentralized approach should mean less top-down control by small, centralized planning groups and, correspondingly, more bottom-up influence for front-line service providers, citizens or stakeholder groups.
- government should become more transparent and accountable.
- bad programs and policies should be gradually improved or weeded out through the three-fold process of monitoring, assessment, and adjustment.

However, the new planning approach also raises some questions:

- Can effective performance indicators always be found? What happens when people disagree with them?
- How much information is needed to do an effective evaluation? What happens if data collection turns out to be too costly or difficult?
- Can we ensure that key outcomes are not so general or inconsequential that they allow almost any policy and program to be worked into the plan?
- What about the opposite concern? Could a department's hands be tied in ways that unduly limit its capacity to respond to unforeseen circumstances that do not fit into the plan?
- Sometimes the political objectives of a program can be quite different from the public-policy objectives. What happens when the two diverge? Can we expect elected officials to support a system that fails to recognize, let alone accommodate, *their* interests?
- How far will elected officials or senior public servants buy into a planning process that makes them more open to public scrutiny and criticism?

We have seen why the new tools are thought to make governments more coordinated, effective and accountable. But what about making them more democratic? Current discussions on improving governance make much of two interconnected themes: citizen engagement and partnerships. As we found in the roundtables, a searching discussion of the issues around the use of new management tools sooner or later links up with these themes. Once that connection has been made, it is a short step to recognizing these management tools as potential instruments of governance.

5.3 NEW INSTRUMENTS OF GOVERNANCE: CITIZEN ENGAGEMENT AND PARTNERSHIPS

CITIZEN ENGAGEMENT

In governance debates, there is much talk of *citizen engagement*. Proponents argue that ordinary people should have a greater and more direct voice in government. Why? First, the people want it and, in a democracy, have a right to it. Second, it leads to better government. Both answers, of course, are open to debate. But let's assume that there is some—perhaps much—truth to them. What would it mean then to give people a greater voice or degree of participation?

On the one hand, greater participation can revolve around more and more varied consultation on *what* government should do—policy. Interestingly, most of the public debate is here and centres on greater use of instruments like deliberative polling, referenda, citizen juries, or Internet chat lines. On the other hand, citizen engagement can be approached in terms of greater public participation in *how* things are done—implementation. We have already seen how the LMDAs have helped to encourage this approach. So far, however, whether or not such approaches lead to better governance has received scant attention in the debate, a remarkable fact, given the keen interest citizens show in the quality of the programs and services they receive.

PARTNERSHIPS

A second theme of governance debates is partnerships. These can be intergovernmental, public-private, or community-based. As discussed in Chapter 1, traditionally, partnerships between government and the private or voluntary sector (or other community-based organizations) have been much like contracting-out arrangements. Intergovernmental partnerships have tended to involve some form of cost-sharing arrangement. Governments, we have seen, are now experimenting with new arrangements requiring *collaborative planning* and some degree of *shared decision-making*. Insofar as these *collaborative partnerships* change the way public decisions are made and carried out, they are in fact alternative models of governance.

Intergovernmental relations are one area the new management tools for policy, planning and evaluation are being extended to redesign governance. Canadian governments are using these tools to better coordinate and collaborate in areas, such as health, labour market development, and the environment, where more than one level of government is active. The outcomes governments want to achieve in such fields often result from a variety of sources, including federal, provincial and municipal governments, as well as private- and voluntary-sector organizations. Consider, for example, all the factors that determine the unemployment rate or a healthy population. Developing policies and programs that promote such complex outcomes poses at least two major issues.

First, a government must accurately assess how its programs or policies will contribute to the desired outcome, such as a lower unemployment rate or a healthier population. Assessing the impact of particular programs on complex outcomes like these can be extremely difficult.

Second, because the outcomes are complex, different programs and policies from different departments, governments or sectors can conflict with one another in ways that undermine or significantly weaken their effectiveness. Good government thus requires more than the right policies and programs; it requires a *coordinated* approach across levels of government and even across the private and voluntary sectors. How can this be achieved?

Results-based planning suggests an answer. If two governments seek the same outcome and adopt the same performance indicators, a certain level of coordination should automatically follow. First, by seeking the same outcomes, the parties have already agreed to focus their efforts on the same end. Second, in adopting the same performance indicators, they impose the same evaluation standards, and hence the same measure of discipline, on the policies and programs that they may adopt to promote those ends. At a minimum, this should ensure that the parties do not undermine one another's efforts. The LMDAs illustrate how choosing the same outcomes and performance indicators focuses the efforts of provinces and the federal government on the same end. This new focus is on *results* rather than on *process*.

More promising, the shared outcomes and indicators together constitute a framework in which to discuss other positive forms of cooperation and coordination: informal *knowledge networks*, such as meetings, seminars or conferences for sharing ideas, experiences and information, or more formal arrangements, such as an agreement to adopt common service standards or professional practices, co-location to provide single-window services, or development of a Labour Market Information Strategy, as described in Case 4. Or, at the other end of the spectrum, these forms of cooperation can extend all the way to collaborative partnerships.

Collaborative partnerships involve a *formal agreement to plan and work together in specific ways to promote specific outcomes*. The commitment can be fairly limited in scope, like a partnership agreement to work together to provide integrated business information services to the public, or it can extend to the co-management of an entire policy field. The Framework Agreement on the Environment, adopted in 1996 by the Canadian Council of Ministers of the Environment and the LMDAs provide recent examples of results-based, federal-provincial agreements to co-manage entire policy fields.

Like the departmental plans, the framework includes a statement of vision and lists key objectives, principles and performance measures. It also contains guidelines that will help determine future roles and responsibilities for the various jurisdictions. Significantly, the framework assigns no specific responsibilities for programs or services. Instead, in keeping with the emphasis on strategic planning in results-based approaches, it begins by trying to identify outcomes, along with principles and indicators, on which all governments can agree. Once a framework has been developed, it serves as a basis for collaborative planning, that is,

for further discussions on specific roles and responsibilities or for putting parameters around permissible activities.

Generally speaking, the collaborative partnership approach presents many advantages:

- It plays down contentious questions about who should deliver which program or service, when and where, concentrating instead on developing a framework of outcomes, principles, objectives and indicators that can be used to define more specific kinds of cooperation.
- It moves beyond the traditional command-and-control model of government by encouraging communities to come together to solve their own problems in creative ways.
- Insofar as individual governments have undergone a similar exercise in their own planning processes, a basis should exist for identifying policy areas where common outcomes, objectives, principles and performance indicators may be found. The analyses of the relation between programs, objectives and outcomes in departmental plans may also help governments disentangle their various activities.
- Even without agreeing on specific program roles and responsibilities, an agreement on a framework alone will improve coordination. At the same time, such an agreement allows individual governments to have as many or as few programs in the areas as they wish, to choose which ones they want (subject to the performance tests), and to design and deliver them according to their own preferences. In short, the framework allows asymmetry in programming to evolve with reduced conflict, while maintaining a common commitment to national outcomes. As such, it goes some distance towards resolving the long-standing debate over national standards versus provincial autonomy.

These new policy, planning and evaluation tools are also being extended to redesign governance through collaborative partnerships with the private and voluntary sectors. As we have seen in our discussion of the implementation of the LMDAs, the focus is on transferring some responsibility for the design and delivery of programs and services to industries or community-based organizations.

Unlike the traditional partnerships, which are based on a contract for the performance of specific tasks, collaborative arrangements are based on a contract for results and a commitment to share decision-making. As with the intergovernmental agreements, the government and its partner(s) negotiate a framework of outcomes, principles, objectives and indicators. The partner(s) then commit to achieving the outcomes and to having their performance evaluated against the indicators. At the same time, they acquire some flexibility regarding the design and delivery of services, tasks that may even include elements of policy-making.

The *flexibility* that is built into these partnerships amounts to a delegation of some decision-making authority to non-governmental actors. Exactly how much, of course, depends on the agreement. At present, various sorts of collaborative partnerships are in use in a wide range of

policy fields. A significant increase in their scope and use could radically change the nature of government. If we understand citizen engagement to mean making government more democratic by increasing the voice and participation of citizens, these partnerships have some attractive features:

- They give citizens or community-based organizations and stakeholder groups a direct role in designing and managing the services they care about.
- By allowing greater community involvement in government, they could foster a sense of personal responsibility for the achievement of broad public goals like wellness, sustainable development, respect for cultural diversity and social equity, thus encouraging citizens to adopt routines and lifestyles that promote them.
- They combine a tolerance of asymmetry in program design and delivery, with a commitment to national outcomes, thus allowing communities and industries to tailor services to their specific needs.
- Community-based partnerships have proven to be effective and efficient ways of delivering key government services, especially in social policy areas such as health services or employment counselling.
- Industry-government partnerships also have proven to be effective and efficient ways of delivering some public services, such as food inspection, road construction, and park maintenance.

At the same time, collaborative partnerships at both the intergovernmental and non-governmental levels raise many governance issues:

- How accountable are they to their own members, to governments or to the public? If something goes wrong, which level of government is responsible?
- Do we have the right information to assess the effectiveness of large-scale intergovernmental partnerships in achieving broad outcomes? Or might this lead to a consolidation of information and databases that threatens individual privacy and security?
- Are outcomes and performance indicators enough? Can they capture all that is important to Canadians?
- Do we really want non-governmental service providers to make important decisions affecting policy or program design and delivery?
- Where should government retain exclusive control of the design and delivery of services?

6 CONCLUSION

The roundtables provided convincing evidence that inside and outside of government there is serious interest in and a willingness to experiment with collaborative partnerships. At the same time, no one doubted that the challenges are daunting. By way of a conclusion, then, it may be useful to pull together a few of the issues and questions that, at the close of this exercise, seem central to any further attempt to improve Canadians' understanding of, or capacity to develop and manage, collaborative partnerships. These questions fall into two categories: those about the culture of government and those defining the nature of a partnership.

ORGANIZATIONAL CULTURE: At the outset we noted that collaborative partnerships pose at least two issues regarding the organizational culture and traditional values of the public sector. They are worth recalling here.

First, participants clearly saw the collaborative approach, and the values of mutual respect and cooperation underlying it, as unsustainable in traditional, command-and-control organizations, or by old-style technocratic, compliance-centred approaches. In representative democracies like Canada, however, governments have been, by and large, unwilling to *share decision-making authority*, particularly with private- or voluntary-sector organizations. Collaborative partnerships require such willingness. If they are to flourish, this must change.

Second, because the long-term implications of collaborative partnerships are poorly understood, governments are inclined to be sceptical about them. Governments dislike uncertainty. It increases the risk of error, which governments will go to great lengths to avoid. If these arrangements are to become part of the landscape, governments must be willing to accept new uncertainties and recognize that they will make mistakes. In addition, they must be open to new ways of managing that will improve their capacity to learn from error. In brief, governments must *develop a learning culture*.

POWER SHARING: Insofar as collaborative partnerships are about sharing decision-making authority, there are a few key questions that must be addressed in their development. The remainder of this section surveys these questions.

WHY AND WHERE WOULD WE USE COLLABORATIVE PARTNERSHIPS? Collaborative partnerships may be used in two different, though related, ways. One is as a *management tool* with the capacity to reshape conventional public-sector approaches to the delivery of public services. There are case studies suggesting that partnerships lead to more integrated relationships and a more open and collaborative culture, resulting in more effective and more responsive programs and services.

A second use for collaborative partnerships is as an *instrument of governance*. In particular, it may be possible to redefine generic relationships as collaborative arrangements, including those between

- central agencies and line departments within governments (e.g., through the use of system-wide outcomes and measures and a business-planning process);
- levels of government or different governments (e.g., through large structural agreements such as the Labour Market Development Agreements or a Social Union agreement); and
- citizens and their government(s) (e.g., through collaborative partnerships with private- or voluntary-sector organizations).

At the beginning of this report, we defined these as *generic governance relationships*. We noted that, because collaborative partnerships are defined by a commitment to *shared* planning and decision-making, a serious effort to redefine these relationships as collaborative partnerships would change the way public decisions are made and implemented. A picture emerged of collaborative partnerships as a management tool that could be used to re-engineer governance. How far down this road do Canadians want to go? Which relationships do they want to change?

WHAT SORT OF POWER-SHARING IS UNDER CONSIDERATION? Power, or decision-making authority, has different forms. Sometimes it is concentrated, as it is, for example, in the prime minister’s authority to appoint the governor of the Bank of Canada. Sometimes it is dispersed throughout a larger system, as it is, for example, in the authority of immigration officials to approve or refuse individual requests to enter Canada as a refugee. When we speak of “sharing” decision-making power, it can be in different ways. First, a government can *delegate* some of its authority to another agent who then has the right to exercise it. Alternatively, it can create *joint* decision-making structures. Second, concentrated power may remain so or become dispersed, and dispersed power may remain so or become concentrated. In developing a collaborative arrangement, it must be clear from the beginning how the authority is currently exercised and by whom and how will it be exercised in the new arrangement and by whom.

WITH WHOM IS POWER TO BE SHARED? If partnerships with the private or third sector are a good way of including citizens in government decision-making, what happens to organizations that are excluded from the partnership? Who should decide who will be *included* and who will be *excluded*? What evaluation criteria would be used in the decision-making process?

WHO IS ACCOUNTABLE? Have all important accountability relationships been identified and dealt with? Collaborative partnerships tend to blur traditional lines of accountability. Clear lines of accountability must be identified and preserved. For example, suppose the federal government is raising revenues through taxes. It is accountable to citizens for the legitimate use of those funds. If it agrees to transfer them to provincial governments or third-party service providers in a collaborative arrangement, adequate measures must be put in place to ensure that accountability for the use to which these funds are put is not lost.

While this list of issues is hardly exhaustive, it provides a framework of questions that should help us think more critically about the development and management of collaborative

partnerships.

* * * * *

It's well accepted in Canadian public debate that the 1990s were about downsizing government in order to reduce deficits. In addition, governments were buffeted and reshaped by the pressures of globalization and new information technologies. In both management and policy circles, to say that change is upon us or that it needs to be managed is now almost trite.

We have seen that, in response, Canadian governments, like many others around the world, have begun to experiment with new collaborative practices. Unlike deficits, globalization or information technology, however, these new approaches have not been widely discussed and, outside of the government labyrinth, remain poorly understood. Mostly, one hears sweeping judgements of the sort that the new approaches are either a stain on government or its redemption.

Such claims are not enough. Canadians need to be better informed. They need a fuller and more searching public debate. In particular, they need to discuss how more collaborative approaches to government are changing the country and where, when, how and why they should be used to make government more transparent, accountable and democratic. It is time to publicly explore the possibility of developing a *Canadian way* of managing change and, perhaps, of renewing governance.

Our roundtables leave us wondering whether a change in public management thinking and, ultimately, in governance may be in the wind. But old habits die hard. Can governments really learn to collaborate? To do so is to share more than gain and risk. It is even more than sharing values, aspirations, visions and objectives. It is about sharing decision-making. That means some power and control must be given up. Prudence and past experience remind us that it is easy to talk the talk, much harder to walk it.

REFERENCES

Harland Cleveland, "The Twilight of Hierarchy: Speculations of the Global Information Society," *Public Administration Review*, vol. 456, no. 1, January-February, 1985.

Benjamin Barber, *Strong Democracy: Participatory Democracy for a New Age*, University of California Press, 1984.

About the authors

Jim Armstrong has 25 years of national and international organizational consulting and leadership experience. Based in Ottawa, he is a frequent contributor to management

literature and conferences. His expertise centers around governance, leadership and development, institution building, performance management, human resource development, citizen-centred service, alternative service delivery, higher-level policy and strategic thinking, organizational renewal, partnerships, and stewardship. He has been Chairman of the Public Service Commission, Government of Saskatchewan; Vice Principal, Canadian Centre for Management Development; Director General, Government Consulting Group for the Government of Canada. He has a Ph.D. in Applied Management from the University of Birmingham, UK.

Donald G. Lenihan is director of Research at the Institute of Public Administration of Canada. Over the last four years, he has developed, managed and contributed to a series of national research projects involving senior public servants, academics, elected officials, business leaders and members of the national media. Dr. Lenihan holds a PhD in political theory from the University of Ottawa. He has written numerous articles on public policy and public administration and is the co-author of *Canada: Finding the Middle Ground*, a book on Canadian federalism, published by the Institute for Research on Public Policy.

The New Directions Series

The Institute of Public Administration of Canada (IPAC) has, for many years, sponsored issue-oriented working groups of public servants and academics to find practical solutions to emerging issues. The Institute assembles groups of experts working on public-sector reform and public policy to discuss, compare, analyse, document and advance the understanding of critical issues and themes. While these reports are published in the language in which they were written, the executive summary is provided in the other official language.

The projects continue to explore a wide range of issues. In its continuing commitment to exploration and exchange, IPAC launched this series. Publications in this collection highlight critical findings and analysis from our action-oriented research activities. Besides advancing the understanding of current best practices, this work also serves to advance the understanding of what these initiatives mean with respect to the broader concerns of public-sector reform. These reports are available free of charge to IPAC members. Orders can be placed by contacting the IPAC national office in Toronto (www.ipaciapc.ca).

La Collection *Nouvelles Directions*

Depuis plusieurs années, l'Institut d'administration publique du Canada (IAPC) commandite des groupes de travail axé sur les grandes questions en administration publique. Composés de praticiens et de théoriciens, ces groupes d'experts se réunissent pour apporter des solutions pratiques aux nouveaux enjeux qui confrontent les administrateurs publics. Spécialisés dans les secteurs de la réforme administrative et des politiques, ils discutent, comparent, analysent les problèmes et questions critiques qui sont soulevés et documentent leurs observations, faisant ainsi avancer la compréhension dans ces domaines. Des rapports découlant de ces études sont publiés dans la langue dans laquelle ils sont soumis. Un sommaire exécutif est présenté dans l'autre langue officielle.

Nombreuses questions d'actualité sont continuellement étudiées dans le cadre d'activités de recherche. L'IAPC a donc lancé cette collection afin de poursuivre son engagement d'explorer et d'échanger. Les publications qui paraissent dans *Nouvelles Directions* mettent en relief des conclusions et analyses importantes qui sont tirées de notre recherche active. Tout en faisant avancer la compréhension des meilleures pratiques en vigueur, ces études permettent de mieux saisir leur importance en ce qui a trait aux préoccupations plus générales concernant la réforme du secteur public. Ces rapports sont offerts gratuitement aux membres de l'IAPC. Pour obtenir des exemplaires, prière de communiquer avec le bureau national de l'IAPC à Toronto (www.ipaciapc.ca).

Other Reports in the Series/ Déjà parus dans la collection

1. *Management and Performance Measurement in the Jewellery Industry: A Golden Opportunity?* By Ann Rauhala.
2. *Performance Management: Linking Results to Public Debate.* By John English and Evert Lindquist.
3. *From Controlling to Collaborating: When Governments Want to be Partners.* By Jim Armstrong and Donald G. Lenihan.
4. *Improved Reporting to Parliament.* By Jim Thomas.
5. *Crossing Boundaries: Privacy, Policy, and Information Technology.* By Harvey Schachter.
6. *Collaborative Government: Is There a Canadian Way?* Edited by Susan Delacourt and Donald G. Lenihan.
7. *Business Planning in Canadian Public Administration.* Edited by Luc Bernier and Evan H. Potter.
8. *Making Government the Best Place to Work: Building Commitment.* By Monica Belcourt and Simon Taggar.
9. *To Better Serve Canadians: How Technology is Changing the Relationship Between Members of Parliament and Public Servants.* By Jonathan Malloy.
10. *Service North of 60.* By Frances Abele and Katherine Graham.