

FOURTH GLOBAL FORUM, CAPACITY DEVELOPMENT WORKSHOP – PANEL FIVE

MARRAKESH MOROCCO DECEMBER 2002

STRENGTHENING PARTNERSHIPS BETWEEN THE STATE, THE PRIVATE SECTOR AND CIVIL SOCIETY

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INTRODUCTION: PERSPECTIVES ON PARTNERSHIP

After two decades during which increasing reliance on the private sector seemed to be leading to a permanent reduction in the role of the state and the distinctiveness of the public sector the tide is turning. Excessive reliance on the private sector – like excessive reliance on the public sector in earlier decades - has not been an effective recipe for meeting the challenges of today's public policy problems. It is increasingly apparent that neither the state alone nor the market alone provides adequate solutions to many problems of managing service provision and social development. Implementing solutions frequently requires a combined effort that brings together public and private actors in various forms of partnership.

The debate about public private partnerships has a number of different facets. From a management perspective the key question is whether partnerships can, in practice, deliver what they promise. Answering this seemingly simple question involves dealing with the ambiguity surrounding the concept of partnership and selecting criteria of effectiveness that take into account the public interest and the interests of other stakeholders. Successful partnerships need adequate management capacities to ensure effectiveness and appropriate forms of organisation and governance to safeguard the interests of third parties. Often the prerequisites of success are not adequately met. Even if it is accepted that there are many areas in which good results can be achieved, partnerships fail to deliver because it is often difficult to specify; a) what the terms of partnership should be and b) what capacities are needed to manage partnerships productively.

Panel 5 provided an opportunity to examine what is involved in strengthening partnerships for public policy management - whatever combination of state, business organisations, NGOs or other civil society organisations is involved. The panel 5 group explored the options to see how the potential benefits of partnerships can be achieved in practice. The participants discussed partnerships among civil society, government institutions and business organisations in formulating and implementing public policies and fostering economic and social development. In addition to three presentations by Metcalfe, Selby Smith and Missoni which considered public private partnerships from different perspectives, the participants played an active part in the proceedings on the basis of their experience and expertise. *Their contributions suggest it is time to recognise that the formation of public-private partnerships is a key element of public*

entrepreneurship - building the networks that modern governments need to ensure effective performance.

Contributions by speakers and participants were related to three specific goals.

1. The first was to examine the range of partnership options available and in use in different countries and contexts.
2. The second was to consider the management and governance implications of different forms of partnership, drawing on the diverse experiences of the participants.
3. The third was to set out some implications for policy. These are summarised in the conclusions.

The following sections cover the main points made in the three presentations and incorporate points made by the participants from their experience. Since there was inevitably some common ground the content has been edited to avoid duplication. Differences of focus and emphasis among the three presentations remain.

PARTNERSHIPS: FASHION AND FUNDAMENTALS

It is important to distinguish between fashion and fundamentals in the partnership debate. As with any reform proposal, over-enthusiasm may tempt advocates into lobbying for superficial and ill-thought-out schemes that discredit the original idea. Because “partnership” has become a fashionable political slogan there is a danger that it is regarded as a newly discovered panacea for all problems of public management. But partnerships are not new phenomena in public management. Public procurement and contracting out have long been common practice, even if the language of partnership was not used. As Chris Selby Smith indicated, in many countries the relations between levels of government or, of course, “the social partners” have been described in terms of partnership. Often, it has often been unclear precisely what the term signified. Moreover Eduardo Missoni emphasised that misunderstandings can arise between actors at the global and local levels if there are discrepancies between the *set of values* “partnership” is presumed to embody and the *management tools* through which it is implemented.

There is certainly an element of fashion in the current enthusiasm for partnerships. And the political rhetoric of partnership, emphasising egalitarian, voluntary and participative forms of relationship has oversimplified and polarised the issues. Partnerships do offer valuable alternatives but that does not mean they provide a standard formula diametrically opposed to conventional methods of public management. One message that came through strongly from this panel is that “partnership” does not denote one single type of relationship or a single set of core values. Partnerships come in a variety of forms with different uses and different management implications. But before considering differences it is important to begin by clarifying what is meant by partnership in general.

PARTNERSHIPS AS WORKING RELATIONSHIPS BETWEEN ORGANISATIONS

All partnerships share some common features because they are based on cooperative working relationships between two or more organisations. The kinds of working relationships may be different and the ultimate beneficiaries of services delivered can range from individuals, families, communities, regions or even national governments. But the common factor is that the process of service provision depends on organisations working together. In all cases there is (i) a division of labour among organisations (ii) management processes between the partners to cope with

interdependence and (iii) a framework of governance to regulate their mutual relationships. Inter-organisational management capacities are crucial to effective performance. This definition is broad enough to encompass many forms of public-private partnership as well as partnerships between different levels of government or among non-governmental organisations.

Partnerships are based on the premise that there is added value in cooperation and joint action. But at the same time there are costs in creating and managing partnerships because they require investments in skills and capacities for managing organisational interdependence. Performance suffers – and conflict may ensue - if there is lack of agreement or unclarity about objectives, roles and responsibilities among the organisations involved. Managing partnerships involves negotiations to set the terms of cooperation and to implement agreements. The success of partnerships depends on skills in negotiation, across organisational boundaries, to deal with a number of generic problems and inherent sources of conflict that arise from the combination of joint responsibility and shared risk. Negotiations are needed to establish mutual trust and shared assumptions. Even if partnership is legally mandated, the precise terms of cooperation are better agreed through bilateral (or multilateral) negotiation than the unilateral exercise of authority.

FOUR MAIN TYPES OF PARTNERSHIP

Within this broad definition many different forms of partnership are possible. The three presentations and the contributions of participants from Africa, Asia, the Indian subcontinent and South America revealed a large array of practical possibilities. However it is possible to see some common themes in the diversity. Partnerships appear to be variations or combinations of four fundamental forms of partnership. For ease of reference they are called *commercial*, *professional*, *administrative*, and *democratic* partnerships.

Commercial partnerships are based on exchange and involve the negotiation of performance contracts between customers and suppliers. Often commercial partnerships utilise or simulate competitive market processes in order to secure best value on price, quality and delivery. *Professional partnerships* are based on expertise rather than exchange. The basic value underlying them is service to clients rather than the commercial self-interest of customers and suppliers. *Administrative partnerships* are based on the extension of hierarchical authority across organisational boundaries. This may be in the form of links from one level of government to another, or from government to non-governmental organisations. *Democratic partnerships* are based on consensus and shared, rather than contingent, interests. Their crucial features are participative processes for joint decision-making and mechanisms for agreeing on, and implementing, collective actions.

The four labels reflect familiar and generally recognisable categorisations. More important, they provide a basis for examining distinctive ways of managing partnerships. The underlying logic of the typology is that each form of partnership is based on a combination of complementary roles. To choose one of the roles is, in effect, to propose the other as its counterpart. In the analysis below the pairs of complementary roles that partners must play and the implications for managing the partnership are explained. An important corollary is that “strengthening” partnerships means different things in the four different cases.

Commercial partnerships

Commercial partnerships are strongly associated with recent public management reforms. They are regularly portrayed as the “New Public Management” antidote to bureaucracy. They reduce the scope of what government does and ostensibly introduce business management methods into the

way it works. Government is cast in the role of customer or purchaser rather than supplier or provider. Instead of services being provided *by* government, commercial partnerships change relationships round so that services are provided *to* government by the private sector on a contractual basis. Commercial partnerships rely upon the adoption of business style management methods and utilise the pressures of competitive markets to ensure value for money in the provision of services. This is not just an extension of public procurement. What is different is that there are strong pressures on governments to contract out the provision of public services such as welfare, education, health, prison management and policy advice, which have normally been provided in-house.

A major misconception about this kind of outsourcing of public services is that that it simply hands public management tasks to private organisations. Government buys in the market place what it formerly produced in-house. But often this is not what happens. Government does not buy standardised products or services already available in the market place. Commercial partnerships usually give the governmental customer a significant management role. Rather than defining fully what will be provided, contracts usually leave a range of discretion to deal with unforeseeable contingencies. When such “incomplete contracts” are agreed government is drawn into the management process of defining and re-specifying what it wants and also into managing delivery. Thus, commercial partnerships change government’s responsibilities from operational management to contract preparation and management of suppliers. As in Osborne and Gaebler’s “Re-inventing Government” which, presumably, inspired the title of this forum, shifting the boundary between what is done in-house and what is contracted enables government switch its focus from *rowing* to *steering* i.e. from operational management to strategic management. However this masks a number of significant management questions. The role of purchaser presumes that government has the capacities not only to be an active and informed customer but also good at contract management. There are often significant transactions costs in steering the service supply chain. “Managing the market” for public services becomes more important as government’s requirements become less standardised, more complex, more subject to change and dependent on technical or policy innovation. Government becomes involved in structuring the market for public services and defining what should be produced rather than just buying in the market.

Professional partnerships

Professional partnerships are less prominent in public debate than commercial partnerships, but not less important in practice. Many public services, in fields ranging from health and welfare through education to urban planning, justice, transport, scientific research and defence are professional services in the sense that their provision depends on the deployment of professional expertise of teachers, doctors, lawyers, social workers, police, engineers, architects, scientists. The roles of professional and client are different from those of supplier and customer. Managing professionals makes a distinctive set of demands which are unlike those of conventional public organisations and also unlike those of contract management referred to above. Some of the differences are familiar from the extensive work that has been done on the management of professional organisations from architectural practices to universities. Contrary to the usual assumptions of command-and-control bureaucracy and profit seeking commercial organisation professionals expect autonomy in the exercise of their skills and support from their organisation rather than direction from above.

On the client side of the partnership there are also important differences. First, what is the difference between a customer and a client? A client is not a customer by another name. Customer *wants* and client *needs* are defined and met in different ways. Although the two terms are

sometimes used interchangeably and in some languages it is difficult even to find words that draw any kind of distinction it is important to be clear what the difference is. Whereas a commercial partnership is based on the principle of consumer sovereignty - on satisfying consumer wants as they are expressed - a professional partnership is based on an independent diagnosis of clients needs and the application of expertise to develop solutions. Customers are supposed to know what they want and expect to get what they are prepared to pay for. By contrast, clients are not equipped with the expertise to diagnose their own needs. Whereas suppliers are supposed to be responsive to what customers want professionals should conduct an independent diagnosis of needs and advise on that basis. Professional autonomy presupposes professional integrity in operating in accord with professional ethics that put the interests of clients first. The professional client relationship presupposes trust in the integrity of professionals. The ENRON scandal showed how much damage can be done if organisations play to two quite different sets of rules. Arthur Andersen allowed its independent professional client relationship as auditor to be subverted by its commercial interests in supplying consulting services. ENRON exploited this conflict of interest to secure the auditing reports that it needed to cover malpractice.

A second key question in professional partnerships is “Who is the client?” Sometimes government is the client. But often, government employs the services of professionals to meet the needs of other clients, individuals, families, communities, regions or industries or even another government. The European Commission has employed professionals of various kinds as consultants in projects designed to strengthen the administrations of candidate countries engaged in the accession process for European Union membership. Development projects frequently utilise the services of consultants and establish trilateral relationships between professional, client and sponsor. This complicates the management of professional partnerships. Government (or an international organisation) is involved in setting up and funding professional partnerships as the sponsor, or donor rather than the client. Professionals seeking future contracts may become excessively concerned with what the sponsor or donor expects rather than what the client needs. The disparities in power and potential conflicts of interest need to be recognised and managed.

Administrative partnerships

Administrative partnerships have much in common with traditional forms of hierarchical organisation. The crucial difference is that, instead of being integrated into a chain of command within one organisation, superiors and subordinates are located in separate organisations. Though subordinates are subject to hierarchical authority in the partnership, they often have to account to a different political constituency and network of stakeholders. The respective roles of administrative partners can be defined in terms of principal-agent relationships. For example, national government may act as the principal with regional or local government units acting as its agents. There are various degrees of specification from relationships prescribed in considerable detail to relationships in which considerable discretion is allowed to adjust and adapt general policies to specific local circumstances. The exact requirements also depend on whether the purpose is to establish a partnership for managing a project or for managing an ongoing activity.

The key management issues in administrative partnerships centre on familiar questions of decentralisation and central control. But the fact that relationships between organisations are involved means that it is not feasible or effective to rely on intrusive old fashioned hierarchical methods of supervision. The main question is how best to decentralise operational management functions while retaining strategic management responsibilities at the centre. In this context there is a need for sophisticated management tools that offer better combinations of operational decentralisation within the framework of centrally defined and monitored policy parameters. Administrative partnerships are currently unfashionable but they are still a useful part of the public

management repertoire and can work well provided the appropriate investments are made in management capacities at the periphery and the centre. Agents must possess the operational management capacities to carry out the work and principals must have complementary supervisory and strategic management capacities.

Democratic Partnerships

Democratic partnerships embody values that are regarded as essential to securing commitment and motivation in community development and institution-building programmes which have the character of public goods where outcomes depend on shared commitment to joint action and are vulnerable to “free-riding”. They include programmes to prevent the overexploitation of natural resources such as irrigation schemes or fisheries management and development projects which require coordinated action on a large scale to realise their full potential. Democratic partnerships are distinctive in that they are based on voluntarism, participation and consensus. They are more egalitarian than administrative and professional partnerships (which both involve the exercise of authority). They presume and produce greater solidarity than commercial partnerships (which are based on coincident rather than common interests). Partners are jointly involved in a common enterprise and expect to participate in deciding what is to be done and contributing to collective action to implement agreed policies. As well as being a value in its own right, democratic participation in formulating policies is an important means establishing the mutual understanding and trust among partners that facilitates the process of implementation.

It is possible to envisage democratic partnerships working more or less spontaneously on a small scale when there are relatively simple tasks and clear-cut common interests. But there is usually a need for deliberate management when the tasks involved in providing public goods are more complex, long-term and large-scale. Here the key management questions are about leadership and coordination. Leadership is essential in order to achieve integration and define common interests. But it is important to establish a bottom up rather than a top down leadership process. Issues of trust and empowerment are paramount. Rather than a leader exerting authority, the appropriate style of leadership in democratic partnerships is that of a representative seeking to articulate and integrate the views of members or constituents and construct a vision of the common interest. In large part this style of integrative or participative leadership is an exercise in creating conditions for teamwork among the various stakeholders.

Partnerships, Power and Governance

While it is useful for purposes of presentation to consider the four types of partnership separately, in practice they are often combined. Commercial partnerships are often interlocked with administrative or professional relationships. The former combination occurs when governments purchase non standard services or are continually involved in contract management along with suppliers. The latter combination comes into existence when governments sponsor or finance professional services but are not themselves the clients.

One of the contributions of *public entrepreneurship* is to bring partners together and ensure that the appropriate combination of capacities for managing a partnership network is developed. This is not easy to do. Combinations of partnerships are more difficult to manage than separate partnerships. Managers have to be aware of tensions and role conflicts between partners which arise from the different demands and expectations of, say, customer supplier and professional client relationships. In different phases of the same partnership managers may have to be able to negotiate between shared power between customer and supplier and the unequal distribution of

power between principal and agent. As noted above, several participants in panel 5 had significant practical experience of performing this key entrepreneurial function successfully.

There is also a more general point. One of the major challenges in strengthening partnerships is that they are not just technical means of coordinating activities to achieve joint objectives. They also raise political questions about power and governance. The four forms of partnership, based on different roles and relationships, generate distinct configurations of power. But how should power holders be held to account? What checks and balances are needed to ensure that power is effectively used and partners are constrained and motivated to co-operate in fulfilling their respective obligations? Concerns about “good governance” have highlighted the fact that partnerships do not fit neatly into conventional frameworks of accountability. But there has been little discussion about how to design alternatives.

Very briefly, it is possible to sketch out the main forms of governance that provide the rules of the game to legitimise and constrain the exercise of power in each of the four forms of partnership. This will be done in terms of what *should* exist rather than what *does* exist because it is evident that in current practice there are frequently gaps and mismatches between types of partnership and forms of governance. *Commercial partnerships* should be subject to the competitive constraints of the market that in the usual economics textbook way are supposed to limit the exercise of monopoly power. *Professional partnerships* should be constrained and guided by peer group review and also by feedback from clients. *Administrative partnerships* should be subject to some form of independent oversight and appeal to higher authority outside the hierarchy. *Democratic partnerships* should operate within a framework of citizen or membership control over representatives to ensure that they are responsive to grass roots opinion. When different types of partnerships are combined in public management networks the design of corresponding governance frameworks poses delicate problems of setting priorities and resolving conflicts among overlapping systems of checks and balances.

Partnerships in Practice: Outcomes and Processes

Chris Selby Smith focussed on the outcomes and processes of partnerships observed in a number of different settings. Drawing on experience in government and in universities, and in the four continents of Asia, North America, Europe and Australasia, he identified five types of partnerships. First, there were partnerships between the public and private sectors; which include two main sub-types. The first sub-type consists of partnerships between the public authorities and private sector organisations operating on a for-profit basis. The second sub-type consists of rather different partnerships between the public authorities and organisations which are primarily religious, voluntary or charitable in their orientation. In the former case, the motivations for developing partnerships can include promoting more efficient use of resources, gaining access to improved technology (including management techniques, organisational approaches and production processes or products) and reducing the need for capital expenditure by governments. In the latter case the motivation can be rather different, including providing services at lower cost, as when members of religious orders work at equivalent levels of achievement, but at rates of pay and conditions which are less expensive, or catering in a more flexible way for the diverse needs and aspirations of particular client groups.

A second type of partnership relates to partnerships between the social partners, employees and trade unions on the one hand, and employers and their representative bodies on the other. In some cases such partnerships involve only these two social partners. In other cases the government is involved as a third party. Such partnerships have not received much attention in the workshop discussions so far, but they have been important in particular countries including Australia. The

social partners certainly have some divergent interests, but they also can have common interests, which benefit from cooperative partnerships. This is similar to the situation in business, where firms may be competing in relation to some parts of their overall activities, while at the same time cooperating in relation to others.

A third type of partnership arrangement concerns the effective planning, organising, implementing and evaluation of activities which involve different levels of government. Often the distribution of financial strength and the desire to ensure reasonably similar levels of provision throughout a country ensure an important role for the national authorities. Nevertheless, the variations which exist in local circumstances, the desire to remain close to the particular combination of needs of local people, and the opportunities for local flexibility ensure an important role for the lower levels of government. This tends to be especially the case in relation to the delivery of services. Local pilot schemes and trials can also play a valuable role in appropriate policy development and effective implementation.

The fourth type of partnership which is identified here is partnerships among organisations in different countries, sometimes directly, but often involving intermediaries, including private firms and international organisations. Here, there can be problems when the parties to the partnership are of unequal strength, for example in income, knowledge or experience. While partnerships often benefit from the diverse contributions of the participants, where the strength of the partners is very unequal the result can be subservience rather than partnership, with the objectives of the stronger party dominating those of its ostensible partner. When countries are poor and beset by many serious problems it may be hard to reject an offer of assistance, even when the problem which is to be addressed is far from being the highest priority in the recipient's estimation.

Finally, there can be productive partnerships in relation to knowledge. There is a danger that we think of partnerships in terms of interests and institutions, but take less account of possible partnerships in relation to knowledge--its augmentation, its utilisation and its potential power--and how they can be harnessed for useful ends. Experience suggests that sustained interactivity is required, rather than merely dissemination of results at the end of a research project. Mutual esteem between the various participants, which must be earned, has been shown to facilitate their effective contribution to improved outcomes. Also, it has been shown that movement of people across the various boundaries (such as those between research, practice or policy-making) can contribute significantly to improved linkages between the various actors and sectors. This can occur at the national, state or local government level, at the level of specific institutions; or at the level of individual practitioners, such as teachers in education or doctors in healthcare.

In considering the politics of partnerships it is important to keep in mind some of the participants' less obvious intentions, which are in evidence from time to time, such as rewarding supporters or penalising opponents. Some of the necessary conditions for effective partnerships include the development of additional skills in contract management in the public sector especially when contracts are intended to extend over decades during which objective circumstances or political and social priorities change. Partnerships can involve more than two partners, and they often do, just as they can cross more than one sort of boundary. An example concerned the need for more effective partnerships between the public and private sectors, between the health and education sectors, and between the different levels of government when considering the implementation of changes recommended by the recently completed review for the Australian government of nursing education, training and work.

Partnership in practice: views from the (global and local) field. Summary

Eduardo Missoni looked particularly at the way partnership has become a fashionable idea among international organisations, without sufficient attention to what it means in practice at local (and other) levels.

“Partnership” is in danger of becoming just another trendy word in the international arena. As with other “key words” (for example “governance”, “ownership”, etc.) it may mean different things. For some it represents a value, an approach that is almost an end in itself. For others it is an organisational/implementation model that is simply a technical means to other ends. For example the OECD Development Assistance Committee (1996) defined partnership as “A comprehensive approach, drawing on the resources, energies and commitment of institutions and individuals in government at all levels, in the private sector in non-governmental organisations in developing and industrialised countries and in international organisations” as well as “an individual approach that recognises diversity among countries and societies and that respects local ownership of the development process”.

Partnership is often presented as a panacea, an indispensable requirement with the concept being sometimes reinforced with attributes like “strong” or “true”. But too often, behind this is a specific model of global public private partnership that does not serve well for all purposes. Too much attention is paid to securing private corporate and philanthropic organisations participation with UN and government representatives at the global level and not enough to building links downwards to the local level. The growing prevalence and uncritical adoption of this model has significant disadvantages if there are not the management capacities to handle implementation at the local level and not a sufficiently robust framework of governance to ensure accountability.

The global governance role of the UN seems to require an emphasis on an integrated rather than a segmented approach to problems at the local level. This is not easy to do because in the interests of demonstrating progress, global public private partnerships may focus too narrowly on specific issues (i.e. diseases, for health global public private partnership) and seek to push solutions from the centre. The danger here is that “verticalism” does not allow for a thorough diagnosis of the structural origin of cross-cutting problems and actually weakens existing comprehensive and integrated approaches to development at the local level. Two examples of this are the General Agreement on Vaccines and Immunisation and the General Fund for the Fight against Aids, Tuberculosis and Malaria.

Experience also shows that, in developing countries that can ill afford it, this vertical approach adds to management costs rather than reducing them. A growing number of vertically driven initiatives employing different procedures and based on competing international agendas can result in a misallocation of local resources towards meeting external “conditions” and satisfying an excessive load of managerial requirements coming from above rather than being directed towards, completing the locally defined task. “Success”, both in terms of efficiency and effectiveness measured by progress in dealing with single problems (diseases), may overstate what is being achieved if it is evaluated in a more comprehensive health perspective. .

On the other hand, at country level the so-called “Sector Wide Approach” remains a good example of partnership among development actors (national and international). The sector wide approach represents an important step forward from project to programme focus. It offers the opportunity for joint planning, monitoring and evaluation of policies and activities, as well as the possibility of pooling international and national resources. It would be valuable to insist on this as a condition

for initiating sector wide initiatives. However it has to be said that such partnerships are difficult to manage because roles, responsibilities and power are widely distributed rather than concentrated. Even if a country's government is "in the driver's seat" it does not have sole control of the steering wheel.

Sector wide initiatives should be part of wider and more comprehensive poverty reduction strategies. In current practice these also respond to a "model" defined at a global level to which countries must adhere to gain access to international aid (i.e. World Bank loans). However they can also be seen as a valid opportunity to integrate national strategies for poverty reduction in a single plan and as an adequate intersectoral framework for partnership among development actors. At present, in many cases, participation in their development and open debate about the form they take is too limited. The danger is that Poverty Reduction Strategy Papers prepared by a small group of officials (in many cases limited to economy and finance ministries) in combination with external consultants run the risk of producing documents that are too general and do not take enough account of the local details of particular situations.

The local level (i.e. Municipality or equivalent) seems to be the most appropriate for real partnership among development "stakeholders". Here is where sectoral policies are more naturally integrated. In development work, priorities, policies, strategies and procedures should always be developed in recipient countries and be fully respected. Real, active, participation between institutions and civil society is possible with each partner retaining its core values, identities and responsibilities, while committing to common goals and outcomes. The objectives of a particular partnership should be identified and negotiated by the partners. But it is here that management capacities are often in very short supply. Partnerships are often associated with implementation but it is also possible to develop them at other stages of the policy cycle such as issue identification, policy development, policy implementation, monitoring and evaluation. Several of the participants in the panel had extensive successful experience of developing and managing partnerships and this type of policy entrepreneurship deserves a higher public profile. Experience shows that at the local level international twinning with counterparts in other countries (North or South) may provide added value to partnership through exchange of experience and knowledge as well as resources.

Conclusions: Implications for Policy

Several implications for policy emerged from the presentations and discussions. It is useful to provide a summary of them here.

1. *Critical analysis of needs and opportunities for developing partnerships is important both to avoid raising false expectations and to guard against simplistic general prescriptions.* Like many developments in public management reform, public private partnerships have acquired a fashionable status as a "remedy" for the disease of old-fashioned rigid centralised public bureaucracy. But there is no one-size-fits-all solution. Rather there is an array of problems and a range of possible solutions.
2. *In public management the development of partnerships is usually about building working relationships between organisations.* Although partnerships can be constructed at many different levels from the individual to the global, in practice the common factor is that they are partnerships between organisations.
3. *Objectives should be clearly defined and agreed by the partner organisations.* Public private partnerships may serve a variety of purposes better than government or non-

- governmental organisations could do on their own. But objectives should not be taken for granted. On the contrary the objectives of partnership should be explicitly agreed.
4. *The benefits of partnership will only accrue if the transactions costs of designing and managing them are met.* Partnerships are not free goods. There are costs as well as benefits. The benefits sought may take the form of efficiency savings, better service, greater flexibility, and responsiveness to local diversity, identification of new opportunities, The costs are principally in the form of investments in management capacities and many of the responsibilities for making partnerships work fall on government.
 5. *The partnership relationship itself has to be managed; not just the tasks.* Within any partnership there is a division of labour. But partnership about managing interdependence as well as allocating tasks and monitoring compliance. Interdependence means that there is always an explicit or implicit sharing of risks and costs. The stability and productivity of partnerships depends on having a sufficient basis of trust to resolve the problems and conflicts that arise between partners. It is better to manage risks and costs explicitly.
 6. *Partnerships take many different forms but the strategic policy choices are among a few basic types based on pairs of complementary roles.* The typology of commercial, professional, administrative and democratic partnerships helps to structure policy debate about the design of partnerships and development of management capacities.
 7. *Strengthening partnerships means different things depending on the types of roles and relationships between partners* The design and management of partnerships should take account of the differences in the roles and responsibilities that are assigned to partners
 8. *Whatever pattern of partnership is adopted a framework of governance appropriate to it should also be established.* The design of governance frameworks is an important but neglected aspect of the public private partnership debate. Given that partnerships involve the exercise of power under conditions of uncertainty and risk, and that third party interests may also be involved, the rules of the game within which partners work should be clearly established. The performance of a partnership will suffer if it is not embedded in an appropriate framework of governance.
 9. Even in cases where government does not participate itself, there is a public interest in ensuring that there is an appropriate and reliable governance framework.