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European Policies Research Centre

Embedding Partnership in Local Development: The Role of the Structural Funds in Western Scotland
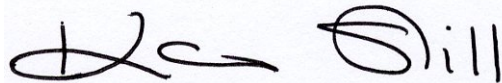
By

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This thesis is the result of the author's original research. It has been composed by the author and has not been previously submitted for examination which has led to the award of a degree.

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ABSTRACT

This thesis considers the theoretical debates on partnership working and its close association with the international trend of New Public Management. Specifically, the research looks at the role of European Regional Policy and the use of Structural Funds to foster domestic models of partnership working. The research contends that the introduction of the European Union Partnership principle, which became a formal regulatory requirement of the Structural Funds in 1988, resulted in the strengthening of partnership working. The thesis tests this by: 1) focusing on the West of Scotland as a case study; 2) exploring distinct policy areas of economic development and regeneration that are both linked strongly to partnership working; and 3) by analysing partnership literature to develop a conceptual framework to evidence the relative influence of EU policy transfer.

1. INTRODUCTION AND RESEARCH PHILOSOPHY AND METHODS

1.1 Introduction

This study investigates the role of the European Union's Structural Funds in influencing partnership working as a mechanism for the delivery of public policy objectives in the West of Scotland[1]. In relation to this research, partnership working is defined as: '*multi- agency collaboration to achieve public policy objectives*'. The definition of the West of Scotland area is based on the geography of the European Union (EU) Structural Fund Objective 2 Programme 2000- 2006[2]. This chapter defines the scope of the research and sets out the key research objectives and questions and the underpinning research philosophy.

Partnership working is a key 'driver' of public policy implementation in Europe, the United Kingdom (UK) and Western Scotland (TAVISTOCK INSTITUTE and ECOTEC Report, 1999; BALLOCH and TAYLOR, 2001; BACHTLER and TUROK, 1997). Partnership has increasingly become an organising principle for certain areas of public policy implementation. There are some general trends that can explain why partnership has acquired such importance within the EU and the UK over time.

The evolution of partnership working is closely associated with an international trend towards New Public Management (NPM) and the growth of neo-liberalism, which argues for private sector inspired forms of management of public sector services and the reduction or transfer of government powers (JESSOP, 2002; GEDDES, 2005, 2006). NPM has been characterised by a process of administrative government reforms and a shift of responsibilities away from traditional local government institutions. This involves new forms of policy implementation by arms-length public-private partnerships in response to tightening fiscal pressures and the

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1 The research for this thesis was undertaken during the period June 2005 – Mar 2010.

[2] See Figure 1 for Map of Western Scotland Objective 2 Programme Area, 1997 Crown Copyright.

increased need to achieve best value (TAYLOR, 1997; BALLOCH and TAYLOR, 2001; GEDDES and BENNINGTON, 2001; CONSIDINE, 2002; RACO, 2002; STOKER, 2002).

Across the UK, the institutional landscape has been clearly differentiated with varied configurations of institutions operating at different levels over the past two decades. Although UK central government has traditionally exercised considerable control over public policy, it can be argued that a reluctance to intervene in some regions encouraged the emergence of domestic partnership governance structures that focused on multi-sector joined-up working to address the needs of complex domestic socio-economic problems. Over the past twenty years, there has been a general trend in the UK towards both devolution, characterised by the unbundling and transfer of policy functions and budget control to bodies representing the individual nation states (Scotland, Wales and Northern Ireland) and decentralisation i.e. the transfer of powers to bodies representing regions or localities, including in England.

It is within this context of decentralisation that the increasing importance of partnership in UK public policy will be assessed. This will be explored in more detail in subsequent chapters. However, the main focus of this research topic is to consider to what extent the European Union Regional Structural Funds have driven partnership working in Western Scotland. The Structural Funds (SFs) were created as regionally targeted aid instruments to address economic and social disparities among EU Member States. So, has the experience of implementing Structural Funds programmes influenced the growth and strengthening of partnership working in the domestic context?

The research contends that the introduction of the EU Partnership principle, which became a formal regulatory requirement of the Structural Funds in 1988, has resulted in the strengthening of domestic partnership working. This contention is tested in the research in three main ways: 1) by focusing on the West of Scotland as a case study, as it has a long history of partnership working in local and regional government and also a long tradition of Structural Funds implementation; 2) by exploring a distinct

policy area associated with partnership approaches (economic development and regeneration); and 3) by developing a conceptual framework (based on analysis of partnership literature) to assess different aspects of partnership working where EU influence in establishing or strengthening domestic partnerships can be evidenced: policy focus, leadership, structures, funding and processes.

Overall, the research aims are to contribute to the knowledge and theory of partnership working and EU policy transfer debates by extending the current knowledge base and addressing research gaps. Initially, this involved considering an existing body of theoretical contributions on partnership (LOWNDES and SKELCHER, 1988; MATTESSICH and MONSEY, 1992; MACKINTOSH, 1993; McCABE et al, 1997; PRATT et al, 1998, 1999; CAMERON and DANSON, 1999; HUXHAM and VANGEN, 2000a, 2000b, 2003, 2005; BALLOCH and TAYLOR et al, 2001; GEDDES and BENNINGTON et al, 2001; SULLIVAN and SKELCHER, 2002; GEDDES, 2006).

Much of the existing academic work has focused on definitions of partnership working along with an analysis of its key features and characteristics. However, these definitions of partnership are not universally consistent and are subject to continuing academic debate. Moreover, debate continues around the factors that are essential pre-conditions for driving partnership (i.e. stimulating, strengthening and embedding effective partnership working). Effectiveness is used here in terms of the ability to get things done through multi-agency partnerships that result in the planned usage of resources more efficiently to achieve greater socio-economic impact. This research aims to contribute to a theoretical framework for understanding the combination of factors that are needed for effective partnership working.

Furthermore, whilst many authors have contributed to the conceptual framework for understanding EU Regional Development Policy and the policy transfer processes (MARKS, 1992, 1993, 1996; HOOGHE, 1996; HOOGHE and MARKS, 1997; WALLACE. 2000; BACHE and OLSSON, 2001; BAUER, 2002; BACHTLER and TAYLOR, 2003; BACHE and MARSHALL, 2004; and BACHE, 2010), there is still

relatively little academic case study consideration of the interaction between domestic policy and EU policy on driving partnership as a delivery and governance (decision-making) mechanism within Member States. This research seeks to address this particular gap.

The 1988 policy reforms of the EU Structural Funds introduced partnership working as a fundamental organising principle of the funds in order to mobilise a wide range of domestic actors in tackling regional socio economic disparities. The Structural Funds are the main mechanism for achieving EU regional policy, which is founded on the assumption that redistribution between richer and poorer regions in Europe is required in order to balance out the disparity effects of economic integration as well as the need to create economic and social cohesion. Over the past two to three decades a total of £1822.471 million of Structural Funding has been disbursed to tackle European Regional Development priorities in the West of Scotland (see Table 1 below)[3].

Table 1 – Summary of Structural Funds Allocated to Western Scotland 1986-2006

Period	Main Programmes and Community Initiatives	Exp (£m) Nominal	Price Year	Exp (£m) 2007-08
1986 – 1987	Glasgow National programme of Community Interest (ERDF)	64	87	132.097
1988 - 1992	Strathclyde Integrated Development Operation (ERDF/ESF)	274	88	540.078
1990-1993	Western Scotland RECHAR 1 (ERDF/ESF)	3.0	93	4.676
1991-1993	Western Scotland RENEVAL (ERDF)	16.4	93	23.38
1992-1993	Western Scotland STRIDE, NOW, HORIZON, KONVER, RETEX, EUROFORM	5.0	93	7.014
1993	Western Scotland Operational Programme (ERDF/ESF)	73.5	93	107.548
1994-1996	Western Scotland Objective 2 (ERDF/ESF)	226	94	321.475

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[3] Source: See BACHTLER J., JOSSERAND F., and MICHIE R. (2003) for detailed notes and sources of individual figures. This figure is an under representation as it excludes non-regionally attributable expenditure in Scotland, Uprating of figures to 2007-09 prices based on HM Treasury deflator tables 2007-08 (2001-02 figures multiplied by 1.169).

1994-1999	Western Scotland RECHAR II	1.99	94	2.338
1994-1999	Western Scotland RESIDER	7.74	94	10.521
1997-1999	Western Scotland Objective 2 (ERDF/ESF)	224	97	296.926
1997-1999	URBAN – Glasgow North and Paisley (ERDF)	9.8	98	12.859
2000-2006	URBAN II Clydebank South and Port Glasgow (ERDF)	7.99	00	9.352
2000-2006	Western Scotland Objective 2	290	00	354.207
Total		**1203.42**		**1822.471**

To summarise, the research is contributing to two theoretical fields that are arguably under-researched: the conditions or factors necessary for the emergence and growth of partnership working; and, the EU policy transfer process that influences the interaction between EU and domestic policy systems. The research aims to extend the knowledge debate about the theory of partnership and address research gaps by considering how partnership structures have evolved in the West of Scotland as a mechanism for achieving both domestic and EU public policy objectives. Specifically, the study will consider the interaction between both and will identify any lessons from the West of Scotland experience that may have wider applicability (i.e. lessons that can be transferred) to other sectors, or regions of the UK or the EU.

The research is important in that it focuses on a form of policy implementation that has become prominent in Scotland and elsewhere over the past two decades. Significant levels of domestic public funding resources are being channelled through partnership structures. For example, a total of £48 million of Scotland's Urban Aid government funding was allocated for disbursement by Social Inclusion Partnerships in Scotland between 1999 and 2001[4] and £60 million was allocated in 2003 to

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[4] The Scottish Executive established Social Inclusion Partnerships (SIPS) which were multi agency partnership bodies typically involving the Local Authorities, National Health Service (NHS), other Public Bodies such as the Police, Enterprise Agencies and local Voluntary and Community sectors. SIPs operated from 1999-2003 to tackle local regeneration and inclusion issues. http://www.scotland.gov.uk/library/documents-w7/sima-08.htm (re-accessed 15th May 2009)

support the transition to Community Planning Partnerships in 2004-2005.[5] More recently an allocation of £435 million per annum of the Scottish Government's Fairer Scotland Funds has been allocated for disbursement by Community Planning Partnerships for the period 2009-2011.[6] It is therefore appropriate to consider both the factors that underpin partnership working as an effective delivery mechanism and the extent to which EU regional policy has influenced the adoption and embedding of this mechanism in the West of Scotland, given the scale of EU funding allocated over the past two decades.

The research topic will be of interest to both policy-makers and academics alike as it will provide case study analysis of the policy transfer and interaction process as well as contributing to the theoretical framework for analysing the effectiveness of partnership as a mechanism for policy delivery. The West of Scotland experience is an interesting research case study for a number of reasons. First, it provides a framework for taking a view on the relative influence of European Regional Policy and the introduction of the partnership principle over a long term timeframe; as the West of Scotland has been in receipt of EU Structural Funds for over 20 years. Second, the model for managing the implementation of the Structural Funds in the West of Scotland has been distinctive from other parts of the UK. Therefore, it can be contrasted within the UK domestic policy context with the more general approach to the management of Structural Funds, which has tended to be dominated by central government across all decision-making functions. Third, it is an opportunity to consider to what extent European Regional Policy has shaped the adoption of partnership working as the established mechanism for delivery of public policy objectives in Scotland in contrast to domestic policy influences.

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[5] Established under the Local Government (Scotland) Act 2003, Community Planning Partnerships provide the partnership framework for co-ordinating services across a range of public bodies led by the Local Authorities. There is a statutory obligation for some public agencies to participate in CPP's e.g. LA's, police, fire, NHS, transport authorities, and enterprise agencies. Voluntary and private sector participation is encouraged but not required under legislation. http://www.Scotland.gov.uk/Topics/Governmnet/PublicServiceReform/Community-planning (re-accessed 15th May 2009).

[6] http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/fairer-scotland-fund (re-accessed 15th May 2009).

Figure 1: **Western Scotland Objective 2 Area**[7]

Some key objectives and specific research questions have defined and limited the scope of the research.

1.2   Research Objectives and Questions

The research had three principle objectives: to produce an analysis of the theoretical concepts and characteristics associated with partnership; to explore the interaction between domestic and EU policies; and, to relate these theoretical concepts to the role of EU regional development policy in driving and strengthening partnership working in the West of Scotland through the implementation of Structural Funds.

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[7] Source: Map of Objective 2 Area, Crown Copyright 1997 as printed in Strathclyde European Partnership News No 1 June 1997, accessed on 10th May 2009 at http://www.wsep.co.uk.content/Publications/Newsletters.asp.

The research sought answers to some key questions. What does 'partnership' actually mean in conceptual terms? How is it defined? Are there particular behaviours and characteristics associated with partnership working? What are the key drivers i.e. factors that are essential for the emergence, strengthening and embedding of partnership working in the context of public policy? How did partnership become established in the West of Scotland as a delivery mechanism for achieving public policy objectives? What has been the influence of EU regional policy on the growth and development of domestic partnership working? What lessons can be learned from West of Scotland experience and applied elsewhere?

The approach to the research philosophy and methods design in response to these research questions are outlined below.

1.3   Research Design

The research scope centred on public policy implementation in relation to partnership working and European Regional Development and focused on the economic development and regeneration services in the West of Scotland. The researcher has worked in local economic development and regeneration activities and European Regional Development for over twenty years, and therefore has a strong level of background in this field.

In the mid-1980s, the researcher worked for the Manpower Services Training Commission in Glasgow; then with a private sector training company running Youth Training Schemes. In the late 1980s, the researcher worked for Strathclyde Community Business (now CEIS Ltd) managing their European Funded Programmes. The role involved supporting the business development and growth of a number of grassroots community businesses across many of the most deprived areas of the West of Scotland region. Throughout the 1990s, the researcher was part of a Senior Management team overseeing the implementation of various EU programmes as UK Manager and then Operations Manager for the Ecos-Ouverture Programme and Regional Manager for the PHARE Credo Programme. Ecos-Ouverture supported

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socio-economic regeneration activities between local government authorities in the EU and non EU Accession states, whilst the Phare Credo Programme supported cross border activities between Central European Accession States. In 2000, the researcher joined the Senior Management team at Drumchapel Opportunities, a local Economic Development Agency, were she headed up the Employability & Training and Engagement functions for six years. During this period, she was also a Member of the Board of Strathclyde European Partnership (SEP Ltd), which was the body responsible for implementation of Structural Funds in the West of Scotland. Currently, the researcher is employed as Director of Development and Delivery with the Wise Group, a leading Social Enterprise, and is responsible for business development and collaboration activities across the main business areas: Employability, Criminal Justice, Regeneration, Sustainability and Social Enterprise. As a result, the researcher has a good understanding of the day-to-day practicalities of partnership working within the economic development and regeneration sector based on her career to date.

Initial consideration of the philosophical approach to underpin this research included Postivism as proposed by COMTE (1853) and others such as: PUGH, (1984) and HOFSTEDE, (abridged edition, 1984). The positivist approach takes the ontological view that there is such a thing as external, objective reality that can be scientifically measured, evidenced and proven. Positivists are looking for high-level and universal 'laws' that govern the way the world works and as a result are looking for outputs that can be generalized. The approach requires that the researcher is detached from the subject of the research and therefore comes to it value-free. The approach is rooted in the researcher having conducted a comprehensive literature review from which hypotheses can be deducted. Subsequently, data are collated and analysed to identify the causal relationships between the data that either falsify or verify the original hypothesis. The positivist paradigm seeks a high degree of universality. Adopting this methodological approach lends itself mostly to the use of quantitative methods, (EASTERBY-SMITH et al, 2002; and SAUNDERS et al, 2000).

There are a number of difficulties in applying the positivist methodology effectively to the topic of public policy partnerships, which is why it was ultimately considered unsuitable for this research topic. In the context of public policy, the term 'partnership' is used to describe a range of relationships and interactions between different parties. The term 'partnership' is subject to different definitions and interpretations (McCABE et al, 1997; PRATT et al, 1998; CAMERON and DANSON, 1999; CLARKE, 2002) and these definitions are not universally consistent. Partnership links to a number of other complex concepts such as: mutuality and collaboration, common and shared goals and mutual benefits, power, equality, responsibility and accountability; (HUXHAM and VANGEN, 2000a, 200b, 2005; JUPP, 2000; BALLOCH and TAYLOR, 2001). Moreover, such concepts are not easily quantified or measured. The level of power and influence exerted by a particular partner in a partnership cannot be measured and compared as easily as the financial contributions partners make to the delivery of the partnership outputs. Interpreting linkages between complex concepts requires a methodological approach that lends itself to the analysis of rich qualitative data. Academic consensus is that the research methodology must be appropriate to the needs of the research topic, (EASTERBY-SMITH et al, 2002; and SAUNDERS et al, 2000), and that the underlying research philosophy needs to be consistent with the adopted research methods.

The positivist requirement for complete detachment from the process, separation of data collection and analysis, and the need for universal applicability, was not suited to the theme of this research. This research topic specifically required the acquisition of in-depth local knowledge and comprehension of a particular situation, spatially focussed on the West of Scotland. The organisations and the key stakeholders with specialist knowledge of the decision-making processes and history of the implementation of the Structural Funds in Scotland are relatively small in number.

Essentially, the research topic was contextually bound and there was a need to concentrate on the actual experience and practice of key stakeholders and local partnership practitioners. The research methodology needed to be capable of dealing

with the inherent complexity of concepts associated with partnership working. Also, it had to be sufficiently flexible and adaptable to deal with the different organisations and stakeholders who are involved in partnership working and the Structural Funds in different ways. The research was seeking the views of those who manage and monitor the use of Structural Funds as well as those who use them to carry out partnership activities. It sought the views of those involved in partnership working that do not utilise Structural Funds to see both similarities and differences in the implementation of partnership working. The researcher was looking for insights from which rich meaning could be derived.

Thus, rather than taking a Positivist approach, the research philosophy underpinning the methodology is largely, but not exclusively, rooted within the Social Constructionist/Interpretivist paradigm, as developed by BERGER and LUCKMAN, (1966), and developed by authors such as WATZLAWICK, (1984) and SHOTTER, (1993). The Interpretivist philosophy is based on the ontological position that there is no objective and external reality, (EASTERBY-SMITH et al, 2002), but that reality is based on the internal perceptions of individuals. The researcher's philosophical position is that reality is socially constructed. This occurs through the process of sharing experiences and through the language used by people to describe and recount their personal experiences, for example, in narratives or during face-to-face interviews or through workshop facilitation. The epistemological assumption of the researcher is that an individual interacts with data and that the process of interaction and involvement shapes the knowledge outcome. The Interpretivist approach supports the researcher being involved in the research process; (EASTERBY-SMITH et al, 2002).

As the researcher has a long standing career history in the topic under research, it is important that the research philosophy supports an involved approach. It would be very difficult for the researcher to claim objective detachment from the research process, given her career background. However, it was also important to ensure that claims of potential subjectivity and individual bias were addressed, as this is often the main criticism of the Interpretivist approach. This was achieved by using a mixed

methods research approach and combining data from multiple sources in order to verify the results.

The methodology underpinning this research topic is also associated with the requirements of 'Grounded Theory' as proposed by GLASER and STRAUS (1967), and GLASER (1992). The researcher was looking for new theoretical advances to arise incrementally and emergently through the gathering and analysis of rich data induced from the research process. Grounded theory is an iterative process of data collection and analysis which, aims to add to existing theory and identify meaning. It makes sense of things, as well as being the basis for generating new theory. Adopting this methodological approach lends itself mostly to the use of qualitative research methods (EASTERBY-SMITH et al, 2002; GILL and JOHNSON, 2002).

The researcher adopted an approach more consistent with 'grounded theory'. This methodological approach was, for the reasons noted above, deemed more appropriate to the research topic. This research does not take the strictly 'grounded theory' view (tabula rasa) of putting aside pre-conceived ideas and concepts and not looking at the existing literature, which, GLASER (1992), a founder of grounded theory, latterly adopted. This is at odds with his initial theoretical collaborator, STRAUS, who accepts the need for having a baseline of knowledge and understanding and that some pre-conceptions are inevitable (STRAUS and CORBIN, 1998). In order to provide theoretical context for the research, an extensive literature review was one of the key research methods.

1.4   Research Methods

The research used a mix of research methods commencing with an extensive literature review of both partnership theory and EU regional policy, which was conducted from June 2005 -June 2006. This was followed by a case study approach that combined documentary review with secondary research data and report findings along with the feedback from eight semi-structured elite level interviews, conducted

between June 2006 and March 2007. Multiple data sources were used in order to validate and verify the research study findings.

The literature review of both partnership theory and theories of EU regional development policy provided the researcher with a sound understanding of the topic. As a result, the researcher was able to identify, collate and codify data into significant data categories. Without this knowledge base it would have been extremely difficult to understand the value of the data collected, far less be able to code and analyse the significance of relationships between data. Nor would it have been possible to relate the data to abstract higher level concepts, which is necessary to add to or potentially generate new theory. Furthermore, it would have been inappropriate to follow an approach that did not take the researcher's existing knowledge and experience and professional background into account. Many of the public sector organisations and individuals that are subject of the research are personally known to the researcher. A major benefit was that the researcher has been able to gain high-level access to elite stakeholders across a range of public sector organisations using existing professional networks and good working relationships. Such access would be unlikely for an unknown researcher. The approach followed has some similarities with an ethnographic approach, which involves immersion in the research setting and has a significant focus on participant observation (DELBRIDGE and KIRKPATRICK, 1994), and the RO-AR research oriented action research approach as proposed by HUXHAM and VANGEN (2003). It is similar to these methods in that the researcher has used some qualitative data that occur naturally in the workplace: e-mails, business plans, marketing materials etc. and other data that demonstrate the practical day-to-day realities of partnership working. However, this has not been the only approach to data collection. In addition, the researcher has used extant research and some quantitative data: published reports, statistical data, journal articles and official UK government publications and official EU publications and websites.

The researcher opted to use semi-structured interviews because this method was identified as more suited to the research topic and underlying research philosophy

than structured interviews. It is appropriate to use semi-structured interviews to conduct discussions to reveal and understand the meaning that respondents give to words or for taking certain decisions (SAUNDERS et al, 2000). This was an appropriate research method given that the interviewees were from different organisational and professional backgrounds, allowing more flexibility in the questioning and the opportunity to create rapport. Semi-structured questionnaires are a method consistent with theory being induced from analysis of rich qualitative data as the questions are not uniform and standardised. There is a list of themes and questions to cover, but the order can vary and some questions can be omitted or others added in, depending on the interviewee. This was useful as it allowed the researcher to cover themes which were relevant to each respondent. Some questions were universal, for example, finding out what the concept of partnership meant to an individual, allowing some elements of direct comparison.

Whilst different types of data can be measured using a structured questionnaire, factual 'hard' data sets such as someone's age or gender are relatively easy to measure using a range of closed questioning techniques, but other data such as behavioural traits, attitudes and opinions represent more complex information to capture and generally requires a highly sophisticated questionnaire. The validity of the results depends upon the soundness of the structured questionnaire in terms of being 'fit for purpose' i.e. capable of measuring what it is intended to measure. Its reliability as a method is dependent upon its capacity to replicate the same findings consistently (SAUNDERS et al, 2000). The use of a structured questionnaire would not have enabled open questioning techniques and in-depth probing of interviewees on particular themes. It would not have allowed data to emerge incrementally as part of an iterative process.

Semi-structured interviews are generally recommended as the most useful method when using personal contacts to gain access (SAUNDERS et al, 2000), and where a large number of questions need to be asked. A benefit of this method is that it offered flexibility, which enabled the researcher to adapt questions and include additional themes and topics as these emerged during the interviews. A key feature of the

positivist methodology is the need for clear separation between the data collection and the data analysis stages (EASTERBY-SMITH et al., 2002; SAUNDERS et al., 2000), and this would have been inappropriate for this research topic.

The use of a structured questionnaire for this research was rejected for the following reasons. First, the method did not sit easily with the underlying research philosophy, which is inductive rather than deductive. The structured questionnaire is most often associated with the positivist/objectivist paradigm research philosophy (SILVERMAN 1993; CORBETTA, 2003). Second, the researcher would have needed to commit to a universal set of research questions that could be easily measured and numerically quantified. When questions are worded differently to the various respondents, there is uncertainty in terms of the objectivity of the analysis of the results and therefore concerns about reliability and validity. Consequently, structured questions are invariably drafted and pre-tested and committed to in advance. As a result, the researcher needs to know in advance of conducting the questionnaire the relationships that are likely to exist between variables (SAUNDERS et al., 2000). With a structured questionnaire the survey population also needs to be clearly identified in advance. There are considerations about the representativeness of the size of the selected sample in order to draw reliable and valid conclusions and counter any potential criticism of sample bias (SAUNDERS et al., 2000). If the sampling is representative and the response rate is high then the results will have greater validity. Identifying both universal questions in advance and a large sample population was considered inappropriate to the research topic. The research aim was to explore and explain the nature of partnership working, which, as noted above, cannot be easily measured and quantified due its complexity and the method needed to capture the actual experiences of the respondents.

Third, the approach was unsuitable due to the characteristics of the interviewees. The researcher interviewed those who administer and monitor the use of Structural Funds and those who implement them to carry out partnership activities, as well as those who are working in partnership but have less direct experience of the Structural Funds. The majority of interviewees were senior executives/managers who would

have been unlikely to respond well to answering a list of questions in set order. This could have stifled the interaction of the interviews.

Furthermore, the research method took the researcher's experience and professional *involvement* into account. Many of the public sector organisations and individuals that are the subject of the research were personally known to the researcher. Adaptability of the method was important as many of the interviewees have different professional backgrounds. Respondents are involved in partnership working at various levels and in varying ways. Using open-ended and probing questions enabled interviewees to use their own expressions and insights based on their actual experience, unconstrained by too rigid questioning. The research was able to flow into new areas of enquiry that may not have been previously considered. The importance of social interaction in the interview process to assist in gaining new insights is recognised (SILVERMANN, 1993). The method selected is not as rigid as the structured interview nor is it as free flowing as the in-depth interview, which could have ended up with respondents going off in inconsequential directions. It was a middle road between the two.

A potential drawback of the semi-structured interview is that the method risks allegations of bias, both of the interviewee and the interviewer, and the danger is that its credibility could be discounted as anecdotal renditions. Therefore, it was important to address this in order to ensure that the value and practical worth of the research was not undermined. This meant demonstrating that the research captured the experiences of those interviewed and that the process of data collection and analysis was transparent and replicable and that any emerging theoretical constructs could be related to higher concepts (EASTERBY-SMITH et al., 2002).

Clear criteria for the selection of interview candidates were developed, in order to reduce potential concerns about bias in the interview process. The criteria considered the relevance of: knowledge, skills, and experience and to what extent the interviewees represented key institutions engaged in economic development in the West of Scotland. The selection criteria considered their understanding of the Public

Policy arena in the West of Scotland, their knowledge of EU Regional Policy implementation, their active involvement in a range of local partnership structures, experience of sitting on Structural Fund decision-making structures (i.e. appraisal and monitoring groups) and skills and experience related to either implementing EU funded partnership projects or Structural Funds programme management. Representatives of the following key domestic institutions were interviewed: the Scottish Government, Programme Management Executives for EU Structural Funds Implementation, Glasgow City Council Development and Regeneration Dept, Jobcentre Plus, a leading Academic Training and Employability Institution TERU, a Local Regeneration Agency and a private sector Development and Regeneration Consultancy.

An initial long list of potential interviewees was refined down to ten, but two individuals were not available to participate within the study timescales. This resulted in no voluntary sector representative being interviewed and no Community Planning Manager being interviewed. However, the results were not adversely affected by this because the semi-structured interviews from this study were underpinned by extant research findings on partnership working [8] based on a questionnaire with responses received from 43 individuals and 27 organisations and 10 face-to-face interviews.

The purpose of the semi-structured interviews within this research study was to identify elite interviewees that have specialist and in depth knowledge of partnership working and EU Structural Funds implementation to provide rich insights based on their personal experiences. For the interpretivist paradigm it is more important to consider the credibility, worth and practical value of the research. This means demonstrating that the research has captured the experiences of the interviewees, that the process of data collection and analysis is transparent and replicable

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[8] GRAHAM (2003) MBA dissertation, "To determine the understanding of partnership working and the use within the Glasgow economic regeneration sector, as a tool for improving partnership working relationships."

(EASTERBY-SMITH et al., 2002), and that theoretical constructs can be related to higher concepts.

Another way of overcoming bias was by being well-prepared for the interview process (SAUNDERS et al., 2000). Briefing interviewees by telephone in advance about the themes to be covered helped them to organise their thoughts prior to the interview. Interviews were scheduled carefully, as the process generally takes longer than using structured interviews. The researcher sought out as much information about the organisation in advance from other data sources, to contextualise each interview. Questions were framed in advance so that they would not be potentially 'leading'. Ethical considerations were discussed with all interviewees who were advised of the ethical confidentiality codes governing the collection, usage and subsequent disposal of data, in line with Strathclyde University's code of ethics.[9] All of the interviewees provided signed permission to use the data provided for the purposes of this research.

As stated above, initially the aim was to interview ten individuals from across a range of organisations but due to time constraints and the availability of people, the actual number of interviews conducted was eight. Inevitably this limited the range of views that could be taken into account and the range of institutional perspectives. Nevertheless, the quality of the contributions from the eight interviewees provided substantial insights into partnership working in the West of Scotland (see Annex 1).

Also, whilst a full hour of time with each person was planned in advance, most interviewees were able to give more time and only one interview was curtailed to circa 35 minutes, which inevitably limited the number of questions that could be answered and therefore that particular individual's contribution. Notes were taken throughout the interview process, and summarised key points were read back to interviewees to verify that the data captured was correct and not misunderstood.

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[9] http://www.eprc.strath.ac.uk/eprc/Documents/PDF_files/Ethics_Guidance_for_researchers.pdf
Last accessed Jan 2009.

Draft transcripts of interviews were e-mailed to interviewees for their verification prior to finalisation.

The focus of the questioning and therefore the data collection was on establishing the knowledge, experience, attitudes and skills of participants in terms of partnership working as well as their views on the culture of partnership working in the West of Scotland. Interviewees were asked explicitly about the impact of Structural Funds on partnership working in the West of Scotland and their views on the future for this way of working within the domestic context with the reduction in Structural Funds for the 2007-2013 period.

Interviewees were also asked about their views on how effective partnership has been as a mechanism for tackling social and economic regeneration and about the barriers and benefits of this mode of working. A limitation of this approach was that there was no quantifiable measure used to assess the effectiveness of partnership working and therefore the feedback was based on the personal experiences of interviewees and not on empirical data. However, the purpose of this particular research was to obtain rich qualitative data. The value and worth of the feedback correlates strongly to the combined depth of knowledge and experience of interviewees, representing key institutions, engaged in economic development and regeneration activities across the West of Scotland for 15+ years.

By adopting the above research methods approach to the research, potential criticisms of bias and subjectivity can be adequately addressed. By using a mixed methods approach the researcher aimed for triangulation, which is generally regarded by academics as a solid basis for validating research results (EASTERBY-SMITH et al., 2002; GILL and JOHNSON, 2002).

Data responses were deliberately and systematically codified against a template and cross-referenced to partnership theoretical concepts. This would allow another researcher to potentially replicate both the process and the results, should they wish to confirm or challenge the research findings. The process of analysing the results

involved tabulating all the responses in order to compare and contrast the answers against the template themes, and then these were synthesised into one analytical report. Only one interviewee did not have time to answer across all the themes, and therefore there was some missing data, but this was reflected in the report. On reflection, one problematic issue was that it was too early for respondents to comment on how the proposed changes in the institutional infrastructure related to the implementation of Structural Funds would make a difference in the domestic context.

Having explained the research design and methodological approach, it is important to also describe the thesis structure.

1.5   Structure of the Research Thesis

The research thesis is divided into three main sections, consisting of six chapters in total. The first section sets out the theoretical context of the thesis both in terms of partnership theory and practice and the role of European Regional Development Policy as a driver of partnership. The first chapter provides an introduction to the research topic and objectives as well as explaining the approach taken to the research design and methods, which takes a case study approach and combines this with documentary review and elite semi structured interviews. The second chapter provides an overview of the general theory and context of partnership. It explains some of the origins of partnership working and sets out key concepts and debates associated with partnership theory. Specifically, it considers the growing importance of partnership as a new form of 'governance' for implementing public policy and disbursing public funding. The term governance is used here in the context of the emergence of the concept of New Public Management (NPM) which is defined by the decentralisation of decision-making responsibilities from traditional local government institutions to arms-length partnership organisations and structures that are like a network of institutions focused on collective actions (FERLIE et al., 1996; GEDDES, 2005, 2006). The chapter explores the meaning of partnership, how it is defined and the key drivers of partnership working.

Chapter three considers the EU regional policy dimension. It demonstrates how and why partnership and European Regional policy are linked. It provides an analysis of the theoretical debates on the concept of EU policy development and policy transfer through the implementation of the 'partnership principle'. This was a key regulation introduced as a condition of funding in the 1988 reforms of the Structural Funds. The chapter draws on existing studies and evaluations of the impact of the introduction of the 'Partnership principle' across EU Member States. It considers briefly the wider competing theoretical debates on EU polity and EU Integration that underpin academic debates associated with regional development policy. The section ends by pulling together some key conclusions from the research context and highlighting issues and gaps in literature that are the main focus of the next section of the thesis.

The West of Scotland case study forms the second main section of the thesis. Chapter four considers the domestic partnership context. It explores the roots of partnership working in the West of Scotland and key drivers for the growth in local partnership working. The chapter provides an analysis of the influence of domestic public policy drivers and takes into consideration the feedback from elite interviewees with considerable knowledge and experience of the partnership working in the West of Scotland. Chapter five concentrates on the impact of EU regional policy on local partnership working. It identifies from the elite interviewees evidence of a strong culture of partnership working based on a solid understanding of the theoretical concepts associated with this mode of working. It demonstrates how a combination of domestic and EU policy drivers influenced the growth and strengthening of partnership working in the West of Scotland over the past two decades. This was due to the unique adaptability of Strathclyde Regional Council and supporting local authorities to the process of 'Europeanisation' and policy transfer through the implementation of the EU partnership principle. The clearest manifestation of this has been the Scottish Model of implementing the Structural Funds. This unique model was based on the creation of a regional partnership to implement funds and the establishment of Programme Management Executives (PMEs) to manage the funds implementation process. The chapter ends by considering the new management

arrangements for the implementation of the 2007-2013 programme of Structural Funds in Scotland and the implications for the future of partnership working locally.

Chapter six concludes by summarising the key research findings and provides some theoretical and practical insights into partnership. There are some areas of commonality between partnership theory and how it is understood, interpreted and practiced. However, there are also some areas of divergence between theory and practice, which are worthy of further academic research. There are lessons to be learned from the West of Scotland case study related to the key factors that encourage and strengthen partnership working and how the implementation of the EU partnership principle can lead to 'added value' benefits. It suggests that the legacy of the Structural Funds post-2013 is likely to be its contribution to embedding partnership working and building the capacity of local actors to work strategically together in planning solutions to socioeconomic problems. Lastly there are some recommendations based on the research outcomes. Specifically, it recommends the need to invest in training in partnership working for senior officers charged with the leadership of public policy organisations and the need for an empirical framework to measure the effectiveness and efficiency of partnership working in the delivery of public policy objectives.

2. THEORIES AND DEFINITIONS OF PARTNERSHIP WORKING

2.1 Introduction

This chapter provides an overview of the general theory and context of partnership. The term partnership describes a range of relationships and interactions between various parties (LOWNDES and SKELCHER, 1988; MATTESSICH and MONSEY, 1992; MACKINTOSH, 1993; PRATT et al., 1999; McCABE et al., 1997; PRATT et al., 1999; CAMERON and DANSON, 1999; HUXHAM and VANGEN, 2000a, 2000b, 2005). Understanding the evolution of partnership working and how the concept is applied and interpreted are crucial to understanding the cause and effect relationships that have driven forward current socio economic, political agendas, and regional development issues, within the European Union, the UK and Western Scotland.

This chapter will begin by outlining the context of the research area and explain the importance and relevance of the partnership concept. Next, it will provide an analysis of some key elements of partnership theory and how it actually fits with policy implementation and partnership practice. Finally, the chapter will summarise some key conclusions on the concepts and key drivers of partnership working (i.e. the factors that influence the emergence and strengthening of partnership working) Prior to looking at the partnership concept in detail, it is useful to set out the context of the wider research aims.

2.2 Research Context

Overall, this research aims to contribute to the knowledge of both the theory and practice of partnership working by looking at the emergence of partnership as a mechanism for achieving public policy objectives. The research is anchored within a conceptual framework of both partnership theory and European Regional Development policy. However, the main aim of this chapter is to review partnership literature and analyse the concept of partnership and from this to come up with a

conceptual framework for exploring the interaction between domestic and Structural Fund partnership working.

2.3 The Importance of Partnership

Partnership theory is an important concept, which has featured increasingly in both policy and academic literature. Over the past 20 years the usage of the term partnership and associated concepts has grown into a body of work on the theory and practice of partnership working most of which has focussed on defining the concept and the key features and characteristics of partnership working: (LOWNDES and SKELCHER, 1988; MATTESSICH and MONSEY, 1992; MACKINTOSH, 1993; McCABE et al., 1997; PRATT et al., 1999; CAMERON and DANSON, 1999; HUXHAM and VANGEN, 2000a, 2000b, 2005; BALLOCH and TAYLOR et al., 2001; GEDDES and BENNINGTON et al., 2001; SULLIVAN and SKELCHER, 2002).

Nevertheless, the literature on the theoretical context of partnership is still subject to debate. Definitions of partnership are not universally consistent, despite these notable academic contributions. Partnership is an under-researched area given the increased practical usage of this concept in driving the public and policy agenda and the significant and growing levels of resources that are being channelled through this mechanism in terms of the delivery of public services.[10]

As stated in the opening chapter, partnership is associated increasingly with part of a conceptual shift in approach from traditional government to a new form of 'governance' of public services and new approaches to the allocation of public funding (TAYLOR, 1997; BALLOCH and TAYLOR, 2001; GEDDES and BENNINGTON, 2001; CONSIDINE, 2002; RACO, 2002; STOKER, 2002. This rise in New Public Management (NPM) as argued by FERLEE et al., 1996; and

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[10] An allocation of 435 £million of Fairer Scotland Funds has been allocated for disbursement through Community Planning Partnerships during 2009-2011 http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/fairer-scotland-fund (re-accessed 15th May 2009).

GEDDES, 2005, 2006). This has resulted in a shift of responsibilities and accountability from traditional Local Government institutions (with clearly defined powers, duties, resources, boundaries and accountabilities) to new arms-length, multi-sectoral, public–private partnerships involving actors from local government as well as those from non-government institutions and, arguably, these partnership structures have less clearly defined boundaries and accountabilities. The approach is prevalent in countries that have developed more open liberal welfare and government policy regimes and implies the 'hollowing out of the state' i.e. the reduction/transfer of central government powers at both supranational (levels above the nation state) and sub-national levels (below the nation state.) Nonetheless, the pace of change and degree to which nation states have adopted NMP governance structures are differentiated. Therefore, there are theoretical gaps to be filled in terms of the specific conditions or factors necessary for the emergence and growth of partnership structures and the extent to which the EU partnership principle has been an effective policy instrument or 'institutional tool' (LASCOUMES and LE GALES, 2007), in the policy transfer process to the domestic arena.

An understanding of how the partnership concept is being applied at both policy and implementation levels is important. As stated earlier, the concept of partnership working is a key policy driver influencing current socio economic, political agendas, and regional development issues, within Western Scotland, the UK and the EU, (BACHTLER and TUROK, 1997; TAVISTOCK INSTITUTE Report, 1999; BALLOCH and TAYLOR, 2001; JOHNSON and GORE, 2004). The public policy implementation of partnership working has been speedily and comprehensively driven forward as a new form of new public management and governance, yet understanding of the partnership concept is not universally consistent nor is there an obvious empirical framework for understanding the essential pre-conditions that combine to drive effective partnership working. This research aims to contribute to the theoretical framework for understanding the combination of factors that are needed for effective partnership working. It is important also to understand the variety of meanings and interpretations attached to partnership, so that we can be clearer about this theoretical concept. Such clarity is required to equip us to respond

to the current policy rhetoric concerning partnership and therefore enable us to debate the effectiveness of it as a mechanism for implementing public policy objectives. This is particularly pertinent at this time of global economic crisis with public authorities under increased fiscal pressure and systems of policy implementation and resource allocation under review. This, along with declining access to Structural Funds in the UK, makes questions about the value and sustainability of the partnership approach even more relevant.

By exploring the actual experiences of partnership practitioners, the research aims to be able to contribute in a concrete way to the debate on the efficacy of partnership as a new form of 'governance'. The research also aims to explore to what extent the theoretical concept of partnership aligns with the actual experiences of partnership practitioners, which is also an under researched area. In order to do so it is important to consider the nature of the term partnership. What does partnership actually mean? Is the concept universally understood in a similar way or does it mean different things to different parties? How did the concept originate?

2.4   Defining Partnership

The term 'partnership' is subject to different theoretical definitions and interpretations, which are not universally consistent. Nevertheless, it is possible to highlight some common, core elements.

Table 2: Definitions of Partnership

Core Elements Defining Partnership	Meaning
Mutuality	Interdependent and reciprocal benefits for all
Collaboration	All working together in a united manner
Equality	Fair treatment of all parties
Common/Shared Goals	Similarity of purpose in the interest of all parties
Relationships	An affinity/ connection between parties
Formal [11]	An organised structure

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[11] Many academics, but not all, argue that partnerships are clearly distinguished from other forms of alliances and networks by having a more formal structure.

First, the concepts of '*mutuality*' and '*collaboration*' are widely viewed as central to partnership working. JUPP (2000) proposes that 'collaboration' is at the core of partnership along with the idea of common goals and mutual benefits. The quality of relationships among partners in key leadership roles is also often seen as the key to the partnership**. JUPP (2000) states that;

> *"At the centre of the idea of partnership is collaboration."*
> *(Ref. page 13)*

> *"Partners work together in a mutual fashion to achieve a "common goal".*
> *(Ref. page 1)*

Furthermore, the concept of mutuality goes beyond mutual benefits to imply a sense of '*equality*' among partners**. Practitioners' also endorse this interpretation (CIVIC TRUST Regeneration Unit, 1999; CLARKE, 2002, Scottish Enterprise Report). For instance, the CIVIC TRUST Regeneration Unit offers the following definition of partnership,

> *"a coalition of organisations ….who agree to work together for a common aim...members of a partnership share resources and responsibilities and agree to work together in a co-operative and mutually supportive fashion to achieve partnership aims,"* CIVIC TRUST Regeneration Unit 1999.

Second**, '***shared*' or '*common goals*' are other core elements of partnerships; stressed by both academics and practitioners, such as McCABE et al. (1997). This view is also endorsed by PRATT et al., (1998), who define partnership as a spectrum or continuum of differing arrangements that are based on '*shared goals*'. The LOCAL GOVERNMENT MANAGEMENT BUREAU (1993provides a definition that similarly refers to '*common aims*'.

Third, the idea of '*mutual benefit*' between partners is often highlighted. Partnership is usually described as means of being able to achieve a goal through working with

others that would be unlikely or impossible without their involvement, e.g. by sharing resources. This view of partnership is proposed by a leading UK NGO, with a global remit, the HIV/AIDS ALLIANCE (2002), which defines partnership working as follows:

> *"A partnership is 'a special kind of relationship', in which people or organisations combine their resources to carry out a specific set of activities"* (Pathways to Partnership" (1st published 1999, reprinted 2002, page ref 11).

A key area of debate surrounding the concept of partnership is to what extent (if any) there are distinguishing characteristics of partnership. What potentially differentiates partnership from other forms of joint working, such as networking and general collaborative working or alliances? In terms of academic interpretation it would appear that the level of '*formality'* is a key distinguishing factor for many (McCABE et al., 1997; CAMERON and DANSON, 1999; CLARKE, 2002). The level of '*formality'* ascribed to partnerships varies. According to PRATT et al., 1998, the spectrum of partnership is wide, ranging from informal loose groupings to highly formalised partnerships, where the roles and responsibilities and accountability of partners are clearly defined. For instance, GEDDES and BENNINGTON (2001) refer to partnership as:

> "*one point in a continuum, with formally and tightly defined contractual relationships at one end and looser more fluid 'network' relationships at the other.* (Ref. page 2).

These authors all argue that partnerships can be identified as being more formal in nature and are much more focused on achieving clearly identified and specific goals, as opposed to simply involving information exchange across a range of general topics, which is more common in networks and other forms of broader collaborative working.

McCABE et al. (1997), strongly argue that partnerships and networks can be

differentiated by their level of formality. They contend that networks have more fluid memberships, with new members joining and others leaving, whilst partnerships generally tend to have quite fixed membership with much clearer boundaries concerning the aims and objectives of the partnership. Other academics substantiate this view. CAMERON and DANSON (1999), state that networks of organisations do not constitute proper partnerships largely because of their lack of structure and formal agreements. The inference here is that networks are less focussed and purposeful than partnerships. On the other hand, SKELCHER et al. (1996), state that while some partnerships are formal this is not always the case. There is still a degree of overlap in defining relationships, networks and partnerships. SKELCHER et al. (1996), argue that relationships are the basic building blocks, which generate initial loose networks that often lead to more formal partnership formation. Nonetheless, SKELCHER et al. (1996), maintain that there is still a 'blurred edge' between the definitions and the typology of partnership.

Figure 2: Relationships, Networks and Partnerships (SKELCHER et al, 1996)
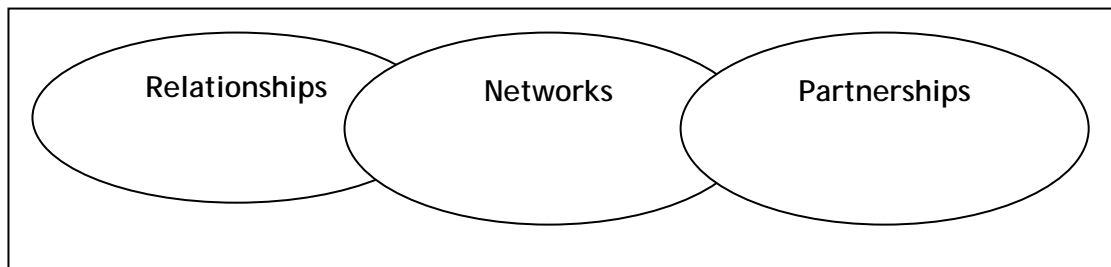
In contrast to the above 'open' definitions of partnership, some organisations have developed 'tighter', more formalised definitions such as The Prince of Wales Business Leaders' Forum (PWBLF) Partnership Unit, (1994). Unlike the definition of JUPP (2000), which stressed collaboration, the PWBLF definition puts shared risk and profit (both familiar private sector business drivers) at the heart of the relationship. This definition suggests that the purpose and specific contributions and expectations of each partner need to be agreed in advance of establishing the partnership. Partnership is seen as having a specific lifespan in terms of completing a task or an obligation. This contrasts with most other definitions, which refer to

common and shared goals, which may or may not require a finite timescale. Although the PWBLF interpretation of the nature of partnership aims does appear to differ from the majority of academic interpretations, there is some common ground, particularly concerning the idea of clarifying and agreeing partnership aims, contributions and expectations in advance, (McCABE et al., 1997; SCOTTISH OFFICE CENTRAL RESEARCH UNIT, 1998; CAMERON and DANSON, 1999).

For practical purposes, some policy practitioners have offered more specific guidelines on definitions that can be used to determine the nature of partnership and to distinguish it from other forms of collaboration. For instance, CLARKE (2002), Scottish Enterprise Dunbartonshire, Partnership by Design Report, produced the following broad definitions to define and distinguish between relationships, networks and partnerships.

- *Relationship***:** a relationship involves a continual connection between two parties, individuals or organisation. A relationship is not for a specific goal.
- *Network***:** a network comprises multiple relationships. Again, it can refer to people or to organisations (likely to be among individuals within different organisations) it is general in scope and usually informal in nature. Relationships and networks usually represent the foundation for partnership working.
- *Partnership:* a partnership is more formal (an explicit agreement exists between parties) and more focused (joint arrangements centre on the achievement of a specific goal or goals) and reflect the fact that all partners are 'jointly and severally' liable for losses or failures and share in profits or successes. A partnership is similar to an alliance or coalition, which involve a formal agreement between two or more parties for a specific reason.

In summary, it is clear that whilst interpretations of the meaning of partnership do differ, there is nevertheless significant academic agreement on some core distinguishing features of partnership such as: ' *collaboration' 'shared or common goals'* as well as associated ideas of *'mutuality'* and *'mutual benefits'*. The term

partnership is also most often distinguished from other forms of collaborative working by being more *'formal'* in nature than other forms of co-operation. The concept of partnership built upon strong *'relationships'* is central.

Having given an introduction to the common elements that define partnership working, it is also useful to set out some background on the emergence of partnership working.

2.5   Origins of Partnership

This section will briefly set out the origins of partnership working in the context of public policy. This is not a comprehensive account as it is not the intention of this research to explore or focus on this in detail.

The origins of partnership in relation to EU policy can be seen in the transfer of some national government powers to supranational institutions as a result of economic globalisation and marketisation. The increasingly complex and 'global' pattern of economic linkages and interactions since the late 1970s/1980s has led to greater levels of European integration (WALLACE and WALLACE, 1996; GEDDES and BENNINGTON, 2001; GEORGE and BACHE, 2001, 2006), and the transfer of national government decision-making powers to the supranational level e.g. the European Union. The process of 'globalisation' reflects the increasing dominance and influence of multi-national companies trading internationally across a range of territorial boundaries as a result of the need to be competitive in a global marketplace.

The concept of partnership emerged as a central proposition in the system of multi level governance, which is at the core of Europeanisation theory (HAAS, 1958; LINDBERG, 1963; HOFFMAN, 1964a, 1964b; WALLACE and WALLACE, 1996; BACHE, 1998; MARKS, 1992, 1993; BENZ and EBERLEIN, 1998). Europeanisation theory argues that the process of integration of Member States within the European Union has evolved over time to create a system of decision-making and governance in which power is shared across multiple levels of

government at sub-national, national and supranational levels, and over time this has expanded to include non-governmental institutions and civil society (MARKS, 1992; 1993; BENZ and EBERLEIN, 1998).

The growth of the NPM concept, due to the influence of policy reforms of government functions, led to the evolution of partnership governance structures and this is:

> "*closely associated with the emergence of so called 'multi-level governance' implying the increasing importance of sub-national and supra national governance alongside the nation state*" (GEDDES, 2005 p360)[12].

The shift towards NPM has been identified by GEDDES (2005), as part of an international phenomenon, which has three observable traits associated with it:

- the growth in new forms of public service management based on public-private partnerships
- increasing involvement of networks and local groups as well as private sector actors in policy partnership structures
- the emergence of new forms of citizen participation.

Whilst forms of NPM have been identified as a broad international trend it has been highly visible in the UK. This is demonstrated by the increasingly dominant role of partnerships as a governance mechanism for the delivery of public policy objectives throughout the 1980s and 1990s across a range of policy sectors and this process accelerated over ten years under the Labour government's agenda of policy reform and its aim to modernise local government (CONSIDINE, 2002; STOKER, 2002; RACO, 2002; GEDDES 2005, 2006). Analysis of the literature related to the emergence of partnership working also suggests that the *policy focus* has been a key factor. Partnership working within the UK public policy context also emerged from

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[12] Geddes M. (2005) *Policy Studies Journal*, Vol. 26 Nos. 3-4, Ref page 360.

'bottom-up', government-funded local community development initiatives in the late 1960s and early 1970s. Their aim was to tackle pockets of severe socio-economic deprivation (PEARSON, 2001; GEDDES and BENNINGTON, 2001; and JOHNSON and GORE, 2004). In these cases, the community-based framework for the way services were delivered supported the logic of partnership-working. Community-based anti-poverty strategies and regeneration models based on partnership working gained momentum in the UK in the 1980s, particularly in the West of Scotland building on earlier experience developing multiple partner joint working initiatives linked to the Glasgow East Area Renewal (GEAR) project. This was a formal partnership model established in 1976 as a vehicle for inter-agency collaboration. [13] The importance of such initiatives in the development of EU partnerships has been the subject of other published research (DANSON et al., 1999, TUROK, 2004).   Partnership expanded throughout the 1990s, leading to the establishment of area-based partnership structures, such as the Social Inclusion Partnerships in Scotland (1999-2003).

Having given a brief introduction to the definitions and origins of partnership this chapter will now focus in greater depth on the theoretical concept of partnership by providing an analysis of how partnerships function. The main questions are: What are the power, equality, responsibility and accountability relationships within partnerships? Do partnerships really work together on the basis of shared '*common goals*' and for '*mutual benefit*'? Is this reflected in the implementation of working partnerships? In effect, do the theory and the reality of partnership working practice align?

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[13] GEAR: Glasgow East Area Renewal was a formal economic development partnership established in 1976. GEAR was promoted by the Scottish Office, led by the central government Scottish Development Agency, through Glasgow Development Agency in partnership with Strathclyde Regional Council and Glasgow District Council and Scottish Special Housing. The purpose was to undertake a jointly agreed and funded programme of urban regeneration and renewal in the East End of the City of Glasgow.

2.6   Theory & Practice: How Do Partnerships Function & How Effective Are They?

Beyond academic debates and concepts, it is important to assess how partnerships really function and whether they are effective in achieving public policy objectives in terms of efficiency and greater socio economic impact. Therefore, a conceptual framework for understanding and analysing the factors that create the impetus for and the embedding of partnership working is required.

Many academics refer to partnership working being associated with ideals of *'participation'*, and *'equality',* (BALLOCH and TAYLOR, 2001; GEDDES, 1998). BALLOCH and TAYLOR (2001), state that ideally, *"Partnership reflects ideals of participation, democracy and equality between partners."* (Ref. page 2)

This idealistic view of partnership appears attractive, as it is based on the notion of a democratic partnership of equals, but in reality many partnerships operate on an unequal basis. GEDDES (1998), CAMERON and DANSON, (1999); and, MOHIDDEN (1998), all refer to the dominance of those partners who control significant financial power. The power to allocate resources along with the size and scale of available funding are often key motives or determinants of partnership working**.** Conditions attached to funding can often encourage or necessitate partnership working in order to 'pool' and align resources. Therefore, *funding* is a fundamental factor to consider in partnership working.

BALLOCH and TAYLOR (2001) also make the case that power relationships, institutional cultures and behaviours of key leaders (i.e. their willingness to initiate and progress partnership working) have often impeded the potential of partnerships to deliver. The most powerful partners in any partnership, usually national government departments or agencies, have the resources to dominate and control the direction of partnership working through their agenda-setting powers, control of financial and other resources, and regulatory frameworks. By deciding who sits at the decision-making table and by setting the agenda, they can either support or impede partnership working. Leaders can assist the partnership to realise its objectives or

turn it into a talking shop where little progress is made towards achieving results. This makes the notion of equality of 'responsibility' and 'accountability' for the success or failure of a partnership in reaching its goals difficult to achieve in practice. BALLOCH and TAYLOR (2001), use LUKE's theory of power to underpin their argument (LUKE, 1974). The theory is based on the notion that power has three distinctive dimensions. The first dimension relates to the process of agreeing decisions, this is when the decision-making appears to be open and transparent but, in fact, much of the actual decisions are happening out-with the formal structures, at a level well below the surface, or behind closed doors. The second dimension is referred to as the non-decision making stage. It is the ability to use power and influence to limit the range of alternatives and options to be discussed, which is done by controlling agendas and ensuring that some issues never even get on the agenda. LUKE (1974) suggests that this is the role that is often adopted by the most powerful partners, who are often the lead partners and the paymasters. The third dimension of power is the power to shape and influence the parameters of debate. This dimension is referred to as the unchallenged or 'common sense' approach. This is where potential aspects of the debate are never aired or opened up for wider discussion and debate and therefore limits the scope for creative solutions. From this analysis it is clear that *leadership* is a crucial aspect to explore in how partnership works.

The dual concepts of '*responsibility'* and '*accountability'* are another two key elements regularly cited by academics as important to partnership working; HUXHAM and VANGEN, 2000a, 2000b; GEDDES, 1998; GEDDES and BENNINGTON et al, 2001. The argument put forward by BALLOCH and TAYLOR (2001), that the power of partners to set and shape agendas is related to their '*responsibility'* for the partnership outcomes is argued strongly and convincingly, but arguably the link to '*accountability'* is far less clear. Increasingly, the notion of accountability is associated with the idea of partnership as a new form of public management and local '*governance'*. However, there is a degree of debate concerning the accountability of partnership bodies in comparison to traditional government structures, which are clearly accountable directly to the electorate (GEDDES and BENNINGTON, 2001; RACO 2002).

HUXHAM and VANGEN (2000a, 2000b) argue that policy pressure or competitive pressure often leads to tensions within partnerships, producing '*collaborative inertia*'. This is when considerable effort goes into pulling a partnership together but little output of real merit is achieved. This is often because individual partners are unclear about the level of autonomy and authority they have to make decisions and take action. Many are unable to act without getting clearance through the decision-making processes within their own organisations' management structure. In contrast, '*collaborative advantage*' is when real benefits emerge from the partnership and drive action forward. They suggest that such benefits stem from three key leadership media: structures, processes and participants. In their research HUXHAM and VANGEN (2000a. 2000b) note that the structure of the partnership is frequently out-with the control of the members of the collaboration; membership is often externally imposed by policy-makers or funders. They suggest that the structure of partnership often drives the agenda and determines key factors concerning who sets the agenda, which participants have the power to act and the level of resources that are made available. BALLOCH and TAYLOR (2001), also emphasise the importance of structure and conclude that the unequal distribution of power and resources, the dominance of bureaucratic cultures within governance institutions and technical barriers (e.g. unaligned spatial planning boundaries and lack of data sharing systems) have, to date, made it difficult for partnerships to be fully effective in realising public policy objectives. Therefore, the partnership *structure* is another key factor in partnership working.

In contrast, PRATT et al. (1999), argue that it is the behaviours of partners that impede progress on delivery of tangible outcomes i.e. socio economic impacts. They contend that the most effective type of behaviour is based on collaboration and is a '*co-evolution'; a 'whole systems*' approach. Here, joint working takes place across traditional sectoral and spatial boundaries in order to tackle the multi-dimensional nature of regeneration issues. This requires strategic alignment and consultation around common policy objectives and the debating and agreeing of decision making

processes. For example, this can involve who gets to a say or vote on the criteria for appraising funding allocations and how potential conflicts of interest will be handled. Therefore, an agreed *policy focus* among multi agency partners and common decision making *processes* are a further two factors that determine how partnership working functions.

The analysis by PRATT et al, 1999, does not take into account the unequal distribution of power, relationships and resources between partners nor does it address the cultural and technical barriers as noted by HUXHAM and VANGEN, (2000a, 2000b), or BALLOCH and TAYLOR (2001). These are the barriers that partnership practitioners cite most frequently as impeding the progress of partnerships to deliver on their original objectives, INTERNATONAL AIDS/HIV ALLIANCE, 2002.

HUXHAM and VANGEN (2000a, 2000b, 2003, 2005) have written extensively on the above themes based on their action–research into collaborative working. They conclude that there is no generic advice about 'good management' of partnership working techniques. The advice given in partnership toolkits is often too simplistic and does not explain why many partnerships often make negligible progress. Much of the existing theory suggests agreeing partnership aims in advance is the best way forward. In contrast with popular theory, HUXHAM and VANGEN have found from experience that even when partners appear to agree on broad-based aims in principle, all partners have their own organisational and individual aims in mind. The process of agreeing mutually acceptable aims can prevent any progress or action taking place. Therefore, in their action-research interventions HUXHAM and VANGEN have encouraged practitioners to move forward and implement joint actions without fully debating and agreeing the aims of the partnership. Their experience is that the process of joint action, leads to successful outputs, creating a virtual circle that breeds mutual trust and respect and creates an emerging agenda for joint partnership aims. An important argument made by HUXHAM and VANGEN (2000a) is that partnership working requires clarity of leadership. Their theoretical argument is evidenced by over ten years of collaborative action research, working across both the

public and private sector, thus giving their conclusions substantial weight. Whilst the leadership argument proposed by HUXHAM and VANGEN, 2000a, is very strong it does not take account of two other media that have been highlighted by a range of other academics as key i.e. the *policy focus* and *funding*.

The importance of *leadership* in partnership working has been stressed by many, including GRAHAM (2003), who makes some interesting points in his dissertation regarding the huge expectations placed on Senior Managers and Executives working within the public sector in terms of progressing partnership working. As a Chief Executive leading a Local Economic Development Company (now a Local Regeneration Agency) within the public sector, he has had significant practical experience of partnership working in this sector over the past 20 plus years. As part of his MBA research he conducted a survey of 43 organisations and 75 individuals with a response rate of (57%) from individuals and (63%) from organisations. The purpose of the survey was to ask Senior Managers and Executives specific questions regarding their experience of partnership working. The results showed that (95%) had accumulated partnership working experience over the previous four years and that they were expected in their current role to lead and drive partnership working. However, a significant number (58%) also identified that staff lacked the skills development training to successfully operate partnership working arrangements. This highlights a significant gap between the expectations place upon key personnel in terms of partnership working and the implementation of current policy and the skills and competence levels of people to do so. Furthermore, he argues that the delivery architecture of agencies and organisations and technical issues make it difficult to achieve the full potential of partnership working i.e. efficient utilisation of resources to achieve greater socio economic impact. As a consequence of this research, GRAHAM, 2003, concludes that there is a significant need for strong leadership and collaborative working training for public sector staff. He also argues that as *'funding drives behaviour'* joined-up collaborative working can only realise its full potential when the *funding* regimes and the institutional architecture of delivery organisations, that is, the institutional *structures* are aligned.

In summary, analysis of the literature on partnership has identified five key determining factors that can influence the development and strengthening of partnership as a mechanism for the delivery of public policy objectives: *structures, policy focus, leadership, funding and processes.*

The above conceptual framework has been consolidated by the research findings through the interview dialogue with partnership practitioners. Feedback was given by elite interviewees representing 'leaders' from across a range of relevant socio-economic domestic institutions. The interviewees were asked about their experience of partnership working in the West of Scotland, how they function and their views on both the benefits and drawbacks in terms of the effectiveness of partnership working. Overall, a range of partnership working benefits were identified by interviewees, demonstrating a strongly embedded positive culture of partnership working. These benefits are summarised below.

First the concept of promoting '*effectiveness and efficiency*' i.e. solutions being based on a thorough '*understanding and knowledge*' of the issues and priorities within other sectors that individuals gain from their participation in multi-agency discussions and thereby there is an impetus to '*maximise resources*' and drive up quality. Second, there are benefits associated with '*legitimacy and transparency*'. This is about providing a decision-making process that is seen to be open and equitable and reflective of the parties that are required to deliver integrated solutions and offering '*clarity*' about who does what and the roles and responsibilities of partners in the decision-making process; thereby providing a level of partnership '*accountability*'. Third, the interviewees highlighted benefits related to '*ownership and commitment*' and getting a better outcome through the '*buy in*' to the decision-making and the sharing of responsibility and risks. Fourth, there is a focus of working together on '*common goals*' that reflect the shared and mutual interests of relevant agencies and parties, particularly focused on the strategic planning of economic development and regeneration. Last, it provides improved institutional '*communication and co-ordination*' resulting in better delivery of multi agency solutions to complex socio-economic problems. Overall, the feedback demonstrates a

strong belief in and positive attitude towards partnership working in the West of Scotland. Whilst the interviewees strongly endorsed the benefits of the partnership approach, there was a sound understanding and agreement on the main drawbacks associated with partnership working too. Issues of '*time and cost*' were most often quoted as the main drawbacks, as the pace of partnership working can be very slow in order to achieve consensus. Other negative comments concerned issues of '*politics and power*', related to the process of decision-making and the lack of equality among partners i.e. how agencies in control of funding and budgets often dominate decisions. Concerns about '*people and commitment*' were raised i.e. the importance of having the right stakeholders engaged, and the behaviours and attitudes of individuals i.e. their willingness to get involved. Issues around '*structures and technical barriers*', e.g. legislative and institutional controls, were highlighted as a drawback along with the lack of integrated data collection and management systems. '*Funding*' constraints were identified by almost all of the interviewees as the biggest technical barrier. Finally, there were concerns about the lack of proper '*investment and training*' in partnership working e.g. a lack of training in how to work in partnership and tools to support effective partnership working. Specific questioning of the interviewees revealed that most of them had never had any formalised training in partnership working, though it forms a significant part of their job roles. Despite the drawbacks, the overwhelming majority of elite interviewees were clear about the strong culture of partnership working in the West of Scotland and the benefits that this way of working over many years had brought to the region. Nevertheless, both the academic literature and the interviewee feedback on the drawbacks of partnership working to some extent raise further questions about the concept of partnership itself as well as its efficacy as an organising principle.

As discussed above, there are clearly some commonly agreed themes within the framework of partnership theory, whilst there are different academic views on the theoretical potential of partnerships to deliver and the experience of practitioners in successful partnership working. Subsequent chapters will develop these debates further by analysing at the West of Scotland experience in more detail.

Based on the literature review, five factors have been identified that influence the growth and strengthening of partnership working. These will be used as a conceptual framework for further analysis of partnership working in the following chapters. Definitions of each factor are given below:

- *Structures*: concerning the emergence of partnership based governance models and who sits at the decision-making table, the influence of regulatory frameworks and institutional architecture that can either support or impede partnership-working. It includes the degree of flexibility and autonomy within organisations that may be required to collaborate and form partnership links.

- *Policy focus:* concerning the policy context, which sets the framework for the way services will be delivered, the general shift towards policy approaches that integrate a range of sectors and administrative boundaries, and the adaptability and flexibility of institutional cultures towards working in partnership.

- *Leadership*: concerning the characteristics and behaviours of individuals in organisational leadership roles, including the awareness, capacity and willingness of senior management and executives to initiate and progress partnership working

- *Funding:* relating to the power to allocate resources, the size and scale of available funding, the limitations that can necessitate partnership working to either 'pool resources' or alternatively, the conditions attached to funding that require and encourage partnership approaches.

- *Processes:* concerning the input of partners into the various stages of policy design and delivery: agenda setting powers, the strategic alignment around common policy objectives and commonly agreed decision-making processes, identifying priorities and decisions around public policy organising

mechanisms for the delivery of interventions i.e. agreeing ways of inter-agency working to meet the policy objectives by setting the parameters for how partners will work together in terms of: consultation and debating policy, contributing to action plans, setting funding appraisal criteria, voting, and managing potential conflicts of interest.

2.7   Summary

This chapter set out to explain the importance of partnership as a research topic. It did this by providing an overview of the research context and highlighting key gaps in knowledge about the effectiveness of the approach, given its use as a mechanism for driving policy and channelling significant levels of public funding. Partnership working is central to the emergence of New Public Management (NPM) 'governance' and characterised by traditional powers and accountabilities of Government being devolved to multi agency bodies. The review also gave a brief analysis of the origins and theory of partnership. It did this by looking at the key factors influencing the emergence and growth of partnership working: economic globalization, the influence of EU policy and the process of European integration and 'Europeanization', the shift towards NPM, the role of UK policy reform and the growth of 'bottom up' area-based community initiatives. Finally, the chapter went on to analyse the common theoretical concepts used to define partnership working, and provided an analysis of some of the key debates on the theory and practice of partnership working. The chapter concluded by identifying an analytical framework for considering five key drivers of partnership working that have influenced the growth and strengthening of partnership as a new form of governance: structures, policy focus, leadership, funding and processes. The next chapter will consider the growth of partnership working and the influence of EU regional policy on the domestic systems.

3. THE EU REGIONAL POLICY DIMENSION

3.1 Introduction

A basic contention of this research is that partnership working in public policy circles must be understood within the context of EU policy practices. More specifically, the research aims to assess whether the adoption of EU regional policy and the management and implementation of EU Structural Funds programmes can contribute to a culture of partnership working in domestic policy-making arenas. It will consider whether the introduction of the Partnership principle, a formal regulation of the Structural Funds since 1988, has influenced domestic partnership working through a policy transfer process from EU Commission to Member States onto sub-national actors. Has its introduction led to a growth in partnership working generally across the EU, or has this been variable and, if so, why? Many authors have contributed to the debate on the conceptual framework for understanding European Regional Development Policy and the nature of policy development and the policy transfer process. One aspect of this complex debate is centred on questions concerning what partnership means to the EU and why it was introduced as an underlying principle of the Structural Funds (MARKS, 1992, 1993; HOOGHE, 1996; WALLACE, 2000; BACHE and OLSSON, 2001; BAUER, 2002; BACHTLER and TAYLOR, 2003; BACHE and MARSHALL, 2004; BACHE, 2005; MANZELLA and MENDEZ, 2009; BACHE, 2010).

This chapter analyses the evolution of partnership within the EU regional policy context. In order to set the context, the chapter will begin by charting the evolution of EU regional policy and Structural Funds, concentrating on the evolution and growth of partnership as an underlying principle of Regional Policy. This will be followed by an assessment of the impact of the partnership principle in practice, drawing on evaluations carried out on behalf of the EU, as well as an independent study, and referring to some specific examples from Member States. The next section will trace the emergence of academic debate on the impact of the EU's partnership principle, as part of broader debate on how EU policy is developed. It will consider its scope to

encourage policy transfer between the Commission and Member States delivery system for Structural Funds and its ability to influence domestic policy implementation and delivery systems. Discussions range between contentions of clear 'Europeanisation' processes and arguments that Member States retain the authority to set their own policy agendas and delivery frameworks. Finally the chapter will draw together some conclusions about the theory and practice of EU policy transfer and whether EU-influenced partnership approaches can impact on the domestic context.

3.2   Evolution of the Partnership principle in EU Regional Policy: A Phased Approach

The role of regionally targeted programmes resourced through the EU Structural Funds (SF) in promoting regional economic development has been closely scrutinised. SFs were created to address increasing interregional disparities that might threaten the social and economic cohesion of the EU. Initially, they were regarded as support to lesser developed regions as they were drawn into EU-wide markets (BACHE, 1998; GEORGE and BACHE, 2001, 2006). Over time, they have evolved and different phases can be identified, often related to enlargements of EU membership and marked by 'manoeuvring' (actions designed to progress or impede control over decision-making on funding) between the Commission on one side and Member States on the other for control over the allocation of funds (WALLACE, 2000; BACHE, 1998), (see Table 3).

Within this, the partnership principle has not always been part of EU regional policy. It has emerged during different phases of change, particularly following the SF reforms of 1988, as a means of mobilizing a range of actors across vertical and horizontal levels (i.e. actors operating below and above the nation state) in order to tackle the multi-dimensional nature of socio-economic problems concentrated in specific regional areas of the EU. The idea of involving sub-national and social partners in the co-ordination and delivery of regional development programmes was argued for in the first Commission Communication on regional policy in 1965.

However, the roots of current partnership approaches lie in the shift towards integrated, multi-annual, programme-based approaches to the administration of the funds that began in the mid-1980s. This approach demanded stronger input from a broader range of actors to inform the design and delivery of increasingly sophisticated programmes, to improve their targeting and to boost the potential for local commitment to interventions. In fact, the related moves towards programming and partnership-working in EU regional policy gained momentum following the agreement in 1985 on the Integrated Mediterranean Programmes (IMPs). Drawing on the experiences of 'integrated operations' supported by the Commission in Belfast and Naples at the beginning of the decade, the IMPs further extended multi-annual programming, and an integrated and participative approach (involving regional and as well as local actors) to Community regional policy which the Commission and other EU institutions had been calling for (MANZELLA and MENDEZ, 2009). Partnership subsequently evolved through different programming phases.

Table 3: Milestones in the evolution of partnership in EU regional policy

	EU Context	Impact on EU regional policy	Partnership?
1970s	1973 Economic, geo-strategic factors drive enlargement – UK, Denmark, Ireland join. Nine members 1978 Proposal for European Monetary System passed	1975 Creation of European Regional Development Fund (ERDF) 1979 'Mini-reforms' of ERDF	None – ERDF as simple redistributive mechanism between Member States
1980s	Geo-strategic stability in the Mediterranean prompts 2nd enlargement – Greece (joins 1981), Spain, Portugal (join 1986). 12 members. 1985 Delors Commission charged with a timetable for the Single European Act	1984 'Mini-reforms' of ERDF 1988 Major reform of SFs – double allocations, introduction of basic organising principles for SF programmes	Initially limited, but emergence of more strategic, programme-based approach that implies interaction between different actors. 1988 reforms launch partnership as basic SF organising principle
1990s	1991 Maastricht Treaty on European Union 1995 fourth enlargement, focus on monetary and political union – Austria, Finland, Sweden join (15 members) 1997 Agenda 2000 launched, new focus on eastward enlargement to Central Eastern Europe 1999 Euro introduced to 11 Member States	Cohesion policy launched, 1994 Cohesion Fund with allocations for CEE accession states.	Embedding and expansion of partnership principle to include both economic and social partners Subsidiarity principle introduced
2000s	2000 Lisbon agenda for growth and jobs launched 20004 5th enlargement, Cyprus, Malta and CEE MS join (25 members). 2007 6th enlargement – Romania and Bulgaria (27 members)	2004 reforms reorganise cohesion policy priorities for 2007-13	Lisbon agenda stresses role of private sector in partnerships. Importance of partnership confirmed in new programming environment

Source: Collated from EU policy literature

The first identifiable phase relates to the establishment of the European Regional Development Fund (ERDF) in March 1975. The fund was initially allocated a budget equivalent to £500,000 million for five years. The fund was for projects focused on industrial and infrastructure activities aimed at targeted regions. Project applications were submitted to the European Commission Directorate General responsible for regional policy (DG XVI, now DG Regio) which selected bids for final consideration by the Funding Management Committee (made up of Member States and chaired by the Commission). At this stage, ERDF constituted a simple mechanism for the redistribution and transfer of financial resources from the richer Member States to

poorer areas of the EU based on a process on intergovernmental bargaining (BACHE, 1998; GEORGE and BACHE, 2001, 2006; ANSELL et al., 1997).

In the second phase, mini-reforms of ERDF were introduced in 1979 and 1984. In 1979, the Commission succeeded in gaining control over a share of funding to target specific measures and assist areas of greatest disadvantage. Although this 'non-quota' aid involved a small five percent of total funding, it gave the Commission some discretion to allocate funds across Member States and to pioneer its multi-annual 'programming model' of integrated fund support, via a process of direct contracting; (BACHE, 1998; GEORGE and BACHE, 2001, 2006). A further reform of the ERDF in 1984 introduced upper and lower limits for the funding that each Member State could receive based on the severity of its regional problems. By this time, the budget for the ERDF had progressively increased to 2,290 million ECU5 (7.5 percent of the Community budget), a nine-fold increase compared to 1975. Moreover, building on the experience of the 'non-quota' schemes of multi-annual assistance, the ERDF created a combination of 'Community programmes' and 'National Programmes of Community Interest' (NPCI). The 'Community programmes', were run along similar lines to the previous non-quota system. They were initiated and directed by the Commission and targeted common issues across Member States. NPCIs were initiated by the Member States (and approved by the Commission), and were used to fund national regional aid schemes or regeneration programmes for specific problem regions. At this stage, changes to EU regional policy and Structural Funds ideas of partnership-working were not an explicit part of the agenda. However, levels of funding had increased, and the administration of funds had begun to evolve from basic redistributive mechanisms to more strategic, programme-based approaches that implied increasing interaction between different actors involved in the administration of funding. The partnership approach owed much to the influence of the French 'Contrats du Plan' system which was introduced under legislation in France in 1982. Essentially, these were multi-annual funding agreements between the nation state and regional authorities regarding the prioritization of large infrastructure and inward investment projects.

However, in the context of this research, it is the reforms introduced in 1988 that were particularly significant. The reforms were driven by two major developments. First, the enlargement of the EU in 1986 to include Spain and Portugal doubled the EU population concentrated in 'less favoured regions', intensified regional disparities across the Community, necessitating a review of EU regional development policy. Second, the push for completion of the Internal Market was a key driver of the 1988 reforms. The ratification of the Single European Act in 1987 recognised that economic and social cohesion within the Community formed an essential part of the completion of the Single Market. The Member States debate on the introduction of the SEM revealed concerns that completion of the internal market could lead to even greater disparities between EU regions and that poverty and unemployment would become more concentrated in particular territories. Against this background, the concept of 'cohesion' gained increasing weight. The policy described a range of measures aimed at reducing regional economic and social disparities between Member States. A further factor was the need to improve the efficiency and 'additionality' of policy, in particular to avoid the tendency of Member States to use European funding to reduce national expenditure for projects that would have been undertaken anyway (MARTIN, 2000).

Thus, in 1988, the Community agreed a wide-ranging reform of the Structural Funds. This involved a significantly increased budget, concentrated on the most disadvantaged regions of the Community. It was agreed to double the Structural Funds. (7.2 billion ECU in 1987 to 14.5 billion ECU in 1993) Objective criteria were introduced to target the allocation of funding, with support based on five main objectives (as listed in Table 4 below)

Table 4: Objective Programme Criteria[14]

Objective	Focus	Structural Fund Instruments
Objective 1	promoting the development of the "less developed regions" i.e. those with a per capita GDP of less than or close to 75% of the Community average under "special circumstances"	ERDF, ESF, and EAGGF(Guidance Section)
Objective 2	converting the regions seriously affected by industrial decline	ERDF, ESF
Objective 3	combating long-term unemployment	ESF
Objective 4	assisting the occupational integration of YOUNG people below the age of 25	ESF
Objective 5 a	accelerating the adjustment of agricultural structures	EAGGF (Guidance Section)

Moreover, there was a clear shift from the support of individual projects to the financing of development programmes. The Commission had gained experience in launching an Integrated Mediterranean Programme in response to the accession of Spain and Portugal in 1986. The IMP was not designed and developed by Member States but by DGXVI the department within the Commission responsible for regional policy. The IMP also actively sought the involvement of sub-national actors in the decision making over the design and development of the IMP (BACHE, 1998; GEORGE and BACHE, 2001, 2006). As DGXVI was also responsible for drawing up the 1988 reforms it is probable that their experience of involving sub-national actors in the IPM influenced the content of the ERDF reform proposals.

As a result of the reforms, assistance was channelled through multi-annual programmes (110 Community Support Frameworks and almost 1,000 Operational Programmes and global grants), defining priorities for the use of Commission funding, and drawn up and implemented by partnerships involving the Commission, national government, local authorities and other actors. There were three stages to endorsing these new programmes. First, national governments had to submit development plans (based on a national consultation process involving sub national partners). Second, the Commission would then incorporate national views in a

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[14] Source: See BACHE (1998) The Politics of European Union Regional Policy: Multi Level Governance or Flexible Gate-Keeping, Ref. page 71.

Community Support Framework Document (CSF) which would outline spending priorities, describe eligible forms of assistance and set out a financial plan. Third, a more detailed operational plan would be produced in agreement with all partners, as a means of implementing the strategic objectives of the CSF**:**

> *"It summarised a novel policy rationale to deal more effectively with the old problem of regional economic disparities, but it also held a political promise to involve subnational actors more openly in European decision-making. Subnational mobilization was crucial to its success***", HOOGHE, 1996b:89 quoted in BACHE, 1998. Ref. page 69.

Taken together, the 1988 reforms introduced a number of principles for the implementation of Structural Funds. These principles remain at the core of SF activities today: programming (based on strategic, multi-annual plans instead of a project-based approach); concentration (on a limited number of objectives and focused on the least developed territories); additionality (to ensure that EU funding does not substitute for national expenditure). Notably, the principle of partnership (understood as the participation of national, sub-national and supranational actors in the design and implementation of programmes) was embedded in the new system.

As part of the 1988 reforms sub-national actors were invited for the first time to engage in the decision-making processes around the design and development of national planning and the financial targeting of resources. The Framework Regulation adopted by the Council of the European Union in the 1988 reforms formally defined partnership as:

> *"close consultation between the Commission, the Member States concerned and the competent authorities designated by the latter at national, regional local or other level, with each party acting as a partner in pursuit of a common goal" (Regulation (EEC) 2052/88.*(Ref. page 74, BACHE, 1998).

As noted above, this emphasis on partnership was directly linked to the decisive shift towards programme-based approaches to the administration of the funds. Through partnership-working the European Commission aimed to improve effectiveness in both the policy development and management stages of the Structural Funds programming process.[15] This was based on the belief that the mobilization of a range of actors would produce a clearer understanding of the complexity of social and economic problems in a given territorial region and therefore provide a sound basis to plan and implement solutions to addressing such problems. Beyond a basic, statutory relationship between the Commission and each Member State, partnership was central to the operation of a wider formal mechanism for programme monitoring involving social and other sectoral partners in the form of programme monitoring and steering committees.

Subsequent reforms in the 1990s were relatively modest. Revision of the Structural Funds in 1993 increased the funding available, broadened both their spatial coverage and the scope of associated measures and introduced steps to simplify the programming process and improve accountability through monitoring and evaluation. The 1993 reforms encouraged the expansion of partnerships to include both economic and social partners thus strengthening the Commission's commitment to broadening the range of actors involved in managing Structural Funds. However, the reforms also clarified that Member States had the ultimate authority to determine who qualified as a 'partner'. It is worth noting that the principle of subsidiarity was introduced at this stage, strengthening Commission support for the administration of programmes at the smallest (or, the lowest) competent authority.

By the end of the 1990s, the period of consistent growth in Community regional policy spending was coming to an end. Discussions began on the next round of enlargement that would include countries from Central and Eastern Europe. Given that the GDP levels of these countries were significantly below other EU Member States, it was obvious that this would put a strain on the existing Structural Funds

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[15] European Commission: Partnership in the 2000-2006 Programming Period, EU, DG Regio, formerly DGXVI, Brussels.

budgeting. There was increasing reluctance among the richer EU Member States to fund a larger EU budget. Enlargement would also involve considerable administrative burdens requiring a re-think on fund regulations and criteria and methods of disbursement and programming, (BACHE, 1998). In July 1997, the Commission presented a strategy document entitled *Agenda 2000: For a Stronger and Wider Union*. The 'Agenda 2000' debate led to an agreement in 1999 which allocated €195 billion to Structural Funds in the EU-15 Member States during 2000-06 with annual spending in real terms declining from €29.4 billion in 2000 to €26.7 billion in 2006. The spatial coverage of the funds was also reduced for the first time, from 52.1 to 40.2 percent of the EU population. Agenda 2000 also proposed that the Structural Funds would support development in potential Member States (and pre-accession aid of 7 billion ECU became available from 2000 onwards).

Despite these changing circumstances, the governing Structural Fund principles were maintained in the 1999 reforms and a fifth principle of efficiency was introduced, reflecting the environment of increased fiscal constraint. The Commission reasserted its commitment to partnership as an underlying principle of the Structural Funds, setting out explicit provisions to Member States to guarantee the involvement of partners:

> *"in concertation on the implementation of the Structural Funds at national, regional and local level"* (Commission 1998b:11 in BACHE, 1998, Ref. page 126).

The accession of ten new Member States, mostly from Central and Eastern Europe in 2004 altered significantly the socio-economic situation in the EU and this has prompted further changes to the regulations governing Structural Funds. The Commission produced a set of Community Strategic Guidelines that contained the principles and priorities of EU regional policy and suggested ways the European regions could take full advantage of the €308 billion that was made available for national and regional aid programmes over the period 2007-13. National authorities used the guidelines as the basis for drafting their programmes and planning for 2007-

2013. According to the guidelines and in line with the renewed Lisbon strategy, programmes co-financed through the cohesion policy were asked to target resources on the following three priorities:

- improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services, and preserving their environmental potential;
- encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities, including new information and communication technologies; and
- creating more and better jobs by attracting more people into employment entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital.

These priorities were translated into three Community Objectives for allocating the use of Structural Funds during the 2007-2013 programming period:

Table 5: EU Cohesion Policy Objectives 2007-2013

Objective	Focus	Structural Fund Instruments
Objective 1 81.54% of Budget	Convergence: to support growth and job creation in regions lagging behind	ERDF/ESF/Cohesion Fund
Objective 2 15.95% of Budget	Competitiveness and Employment:	ERDF/ESF
Objective 3 2.52% of Budget	European Territorial Co-operation:	ERDF

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Partnership remains a key principle of regional policy for the 2007-2013 period. The Community Strategic Guidelines recognise the importance of involving regional and local actors and social partners, particularly in areas where greater proximity is essential, such as innovation, the knowledge economy and the new information and

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[16] Source: Europa Website: http/ec.europa.eu/regional_policy 30/10/2007. Last accessed October 2007.

communication technologies, employment, human capital, entrepreneurship, support for small and medium-sized enterprises (SME) and access to capital financing. The provisions of Article 11 of the General Regulation (GR) require Member States to apply the partnership principle from the very beginning of the preparation of the Structural Funds interventions and to involve '*the most representative partners at national, regional and local level in the economic, social, environmental and other spheres'*.

This requires an active, broad, balanced and transparent participation of the relevant partners in the process. Moreover, in November 2006 the Commission adopted a new initiative for the 2007-2013 period called *Regions for Change.* The purpose as stated on their website is:[17]

> **"***to dynamise regional and urban networks to help them work closely with the Commission to have innovative ideas tested and rapidly disseminated into the "Convergence" "Regional Competitiveness and Employment and European Territorial Co-operation Programmes (i.e. cross border and transnational) "*

To conclude this brief overview, it is clear that, as the system for implementing EU regional policy funding has evolved, the partnership principle has become increasingly prominent. Over time, the development of programme-based approaches to implementation, processes of decentralisation and the eventual enshrining of partnership as a fundamental organizing principle have supported the involvement of a range of private sector actors and social partners, as well as regional and local authorities. The principle implies close cooperation between the Commission, the authorities at national, regional and local level in the Member States and other governmental and nongovernmental organisations and bodies during the different stages of the implementation cycle of the Structural Funds. The authority of Member States to agree the composition of the partnerships was not challenged in the 1999 reforms of the Structural Funds. However, there was further encouragement from the

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[17] http/ec.europa.eu/regionalpolicy/cooperation/interregional/echochange/index_en.cfm 30/3/2007) last accessed March 2007.

Commission to extend the partnerships to include environmental and gender groups; increasing the involvement of a wider range of different civil society groups. Whilst the form of partnership composition was left within the control of each Member State, the reforms of 1988 and subsequent reforms of 1993 and 1999 have ensured that the practice of partnership working has become the accepted mechanism for steering the management of Structural Funds across all EU Member States. The latest reforms of 2004 still have partnership working as an underlying principle of Structural Funds management. It is also worth noting that during this period, the European Union launched its Lisbon Agenda aimed at making the European Union (EU) the most competitive economy in the world and achieving full employment by 2010. The strategic framework set by the Lisbon Agenda has stressed the involvement of the private sector in SF partnerships. However, a crucial question is the extent to which the increasing emphasis accorded to partnership working in EU regional policy has had an impact on the implementation of SF programmes in practice and, in turn, what influence this has had on domestic regional policy delivery systems. To what extent has there been a policy transfer of EU partnership approaches to the domestic context? The following section will address these issues, drawing on theoretical debates and policy evaluations.

3.3   Assessing the Impact of the Partnership principle: Theory and Practice

As noted above, to assess the impact of the partnership principle in EU regional policy, three related questions can be posed. Has the European Commission's 'championing' of the partnership principle had a significant impact on the management and implementation of SF programmes in practice? If so, have SF programmes based on the organising principle of partnership influenced the broader adoption of partnership working within EU Member States? To what extent has the partnership principle policy transferred between the EU Commission and influenced Member States Structural Fund implementation systems?

The Partnership principle in the Operational Management of Structural Funds

The EU Commission has been keen to know on an on-going basis whether the introduction of the partnership principle in 1988 has had any impact on the efficiency and effectiveness of operational practices of Member States. To this end it has undertaken internal reviews, commissioned specific pieces of research work and reviewed partnership delivery mechanisms as part of the regular ex post evaluations of each SF programme period. The key points to note from this are:

- the interpretation of the partnership principle in managing SFs has varied greatly between Member States and in some cases within Member States (for example within the UK the mechanisms for the disbursement of SFs have varied in England, Scotland and Wales)

- the interpretation of the partnership principle has evolved over time and over successive programming periods

- across Member States the level of partnership involvement varies between stages of the programme management cycle (e.g. partners may be involved in programme design but may not be involved in the project selection process).

In 1999, the European Commission contracted the TAVISTOCK INSTITUTE, in tandem with consultants ECOTEC, to conduct a study evaluation of the partnership principle and the implementation of the Structural Funds. The purpose of the study was to provide context for the application of partnership working within different Member States and to draw together some general lessons about partnership working in the EU. The Commission aimed to improve the operation of the Structural Funds, highlight best practice, and assess the potential negative trade-off between efficiency and cost effectiveness of partnerships and their level of inclusiveness. The evaluation study looked at 54 examples of territorial programmes and Community Initiatives supported via Structural Funds involving partnership working across 15 Member States. As result the study is one of the most comprehensive pieces of research on partnership within the EU that has been undertaken.

The report concluded that the adoption of the partnership principle had strongly embedded partnership working at all stages of Structural Fund programming in EU Member States. Crucially, partnership working had expanded beyond the statutory requirements set out for programme management and implementation and it encouraged and influenced partnership working beyond the remit of Structural Funds activities. Lastly, it ascribed a number of positive attributes arising from the adoption of partnership within Structural Fund implementation. These were identified as:

- improved effectiveness in programme development and monitoring;
- better project selection;
- improved transparency and legitimacy of decision-making;
- greater ownership of and commitment to programme outputs;
- opportunities for strengthening innovation and the exchange of learning across organisational boundaries;
- institutional capacity building at sectoral and territorial level.

According to the report, partnership had become:

> *"a complex nexus of strategic and operational relationships concerned with programme development, programme management and the substantive tasks of programmes themselves. Partnership in many programmes and initiatives had now gone beyond a formal arrangement for consultation, co-ordination and decision making at each of the programme stages as envisaged in the Regulation to boost significantly the capacity for joint multi-organisational action and operations in specific policy areas, sectors, regions and localities. In many cases, this capacity now reached well beyond the remit of the Structural Fund activities to become a key resource for broader regional and local development initiatives."* (TAVISTOCK INSTITUTE Evaluation Report, 1999, overview section 3 ref. page 2:11)

It is clear that the above statement endorses the significant capacity-building aspects of policy implementation within regions. The Tavistock Report highlighted that the

key actors engaged in Structural Funds went beyond the 'vertical' hierarchical governmental structures consisting of the Commission and Member States to include new and complex 'horizontal' structures of sub-national actors representing cross sector interests and policy networks.

On the other hand, this generally positive assessment of the impact of partnership included a crucial caveat: the influence of the EU and the programmes it funds is not uniform across Member States or regions, or through time. The Tavistock evaluation found that forms of partnership-working were variable across and even within Member States, conditioned by a range of specific historical and contextual factors including the level of pre-existing decentralisation of national government functions to other competent authorities. The report concluded that in some countries such as Portugal and Greece the stimulus for partnership-working was clearly driven by the introduction of the partnership principle regulation. Some other countries like the Netherlands and Ireland were quick to embrace the principle due to their long-standing tradition of inclusive and co-operative ways of working. In other countries, such as in Spain, the approach was more about compliance with the regulation as there was some tension within the country about the on-going process of decentralisation of powers being transferred from central government to the regional level and reluctance to decentralise further to sub-regional levels. The report also noted that within the UK there were different systems for implementing Structural Funds between the nation states (England, Northern Ireland, Scotland and Wales) and there was more inclusive partnership-working in the regionally focussed Objective Programmes than in the ESF Objective 3 and 4 Programmes.

Following on from the Tavistock Institute externally conducted research, an internal evaluation of the partnership principle was conducted by the department of the European Commission responsible for regional policy, DG Regio (formerly DGXVI). Its formal discussion paper *Partnership in the 2000-2006 Programming Period* (2005) provides an additional and more up-to-date analysis of the implementation of the partnership principle within EU Member States and supports many of the conclusions of the earlier Tavistock Institute Report. The findings were based on: the

outcomes from previous evaluations; desk research of internal documents undertaken by DG Regio country desks; the completion of 176 questionnaires to social partners; other literature; and country sheets (on impact and added value) focusing on the roles of various partners in the decision-making processes.

The key message emerging from the DG Regio paper is generally positive about the adoption of the Partnership principle, but it also included some caveats. The paper concluded that the implementation of the Partnership principle in the disbursement of the Structural Funds during the 2000-2006 programming period made a significant contribution towards achieving Cohesion policy and addressing social and economic disparities between Member States. It also identified a core of common benefits of policy transfer as a result of the implementation of the Partnership principle. According to the report, partnership can contribute to the effectiveness, efficiency, legitimacy and transparency of Structural Funds operations, and to the commitment to, and ownership of project outputs.

Furthermore, the report highlighted that benefits were stronger in those Member States that were implementing the partnership principle well. Where it was well implemented, partnership had generated further benefits:

> "*such as the improvement of institutional capacities at different levels (local, regional and national), better institutional co-ordination and communication at the national level, or a better involvement of civil society*"[18] (Ref. page 12)

Nevertheless, the DG Regio paper states that in some Member States the potential benefits of partnership working *"are still not widely understood and the method of its application is not fully transparent"* (Ref. page 3).

The above statement implies that the Commission is aware that some EU Member States did not embrace fully the partnership principle or implement it in line with the

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[18] European Commission, Partnership in the 2000-2006 Programming Period (2005) Section 5.1 concluding remarks.

EU regulations; i.e. some Member States were more resistant to the policy transfer process than others. The paper stated that some social partners had raised concerns about a lack of consistency in engaging with them and implementing the partnership principle in some EU Member States and regions. This demonstrates that there continued to be scope for some EU Member States to avoid application of the partnership principle and continue to be able to frustrate the policy transfer process at the policy implementation stage. To some extent, these findings support the arguments of intergovernmentalist academics who state that it is the nation states that ultimately choose to adapt to, or to frustrate, the successful implementation of EU policy directives (BACHE, 1998; WALLACE, 2000; BACHE and GEORGE, 2006, 2nd edition).

Other research conducted in the UK and covering both Objective 1 and 2 regions, presents a similar message. Whilst acknowledging new policy approaches in some domains, it has questioned some of the added value effects of the funds including those related to partnership (ECOTEC, 2003). While there was found to be no evidence of a consistent influence of Cohesion policy on domestic policies, there was evidence that aspects of the domestic regional development agenda or features of the associated management and implementation system may bend SF programmes and vice-versa. Therefore, there has been some evidence of policy transfer interaction between the domestic arena and EU partnership approaches.

However, the adoption of the partnership principle has varied greatly between Member States and even within Member States; for example, Nordrhein Westfalen in Germany had wider partnership involvement in its Objective 2 programmes than other regions of Germany. Whilst Sweden, Denmark, France and the UK have utilised additional decision-making committees made up of local actors for project appraisal and selection processes, this has not been the case in other Member States. Also, the ways of working in partnership have evolved over consecutive programming periods. Ex post evaluations of programme periods show that the partnerships set up for the 1994-1999 programming period were relatively inexperienced in working together (BACHTLER and TAYLOR, 2003), whilst the

partnerships over the 2000-2006 period were more effective due to improvements in modes of working together, and greater joint understanding based on stronger partnership relationships were formed (DAVIES et al., 2007).

A range of conditioning variables have been identified to explain the differential influence of programmes on domestic regional development activities and to assess the causality of change. This includes: the orientation, geographical coverage and financial scale of domestic regional development activities compared to SF programmes; the existing distribution of competences between national and sub-national levels; and the amount of experience Member States have in administering EU programmes, (BACHTLER and TAYLOR, 2003).

More recent research substantiates the argument by BACHTLER and TAYLOR, (2003), that, whilst the definition of the partnership principle is common to all Member States, its application is not. Beyond the rhetoric of the partnership principle there are a range of factors that influence why this is the case (BRUNAZZO, 2007).

There are considerable differences in the partnership *structures* at vertical (supranational, national, regional and sub-regional authorities) and horizontal levels (multi-institutional/sectoral actors) located at the same regional or sub-regional level across Member States. This depends largely on historical factors and existing constitutional structures and the division of competencies often related to territorial planning. For example, local actors are involved in drafting development programmes in Sweden, which has a strong decentralised decision-making, whereas this role is restricted to the national government in Ireland. In countries where regional government is strong, such as Catalonia in Spain, then partnerships will tend to operate at this regional-level structure and not involve actors at sub-regional level.

The decision-making *processes* vary between Member States in terms of who is formally or informally included in the partnership structure and consulted at different stages in the SF programming cycle, i.e. at policy-making, agenda shaping or implementation, monitoring and evaluation stages. In some instances, there are

strongly centralised decision-making processes such as in Greece and Portugal, where the institutional capacity of sub-national actors is relatively weak and the partnership approach is consequently much less well developed. In other Member States, there is more decentralised and diffused decision-making such as in the Netherlands, which is characterised by a high degree of willingness to co-operate in partnership at both vertical and horizontal levels, (TAVISTOCK INSTITUTE Report, 1999; BRUNAZZO, 2007). The social partners are not involved generally in regional partnership implementation structures, due partly to their more recent inclusion in the Commission's definition of partners. However, they are more actively involved in specific countries, mostly in smaller Member States where it is easier for a range of actors to get involved; Denmark, Finland, Ireland, and the Netherlands.

In summary, the EU partnership principle has had an impact on the delivery of SFs in Member States and regions but this varies. A mix of different political traditions, national policy and strategies, pre-existing institutional structures, competencies and the capacity of actors in managing spatial planning and regional development, in combination with EU Cohesion *policy* evolution, has affected the degree to which the partnership principle has been adopted across and within Member States.

3.3.2   Assessing the Theoretical Impact

In recent years a substantial body of Europeanisation literature has developed to address issues concerning EU policy transfer. Various academic interpretations of the Europeanisation process have been put forward, including (GEORGE and BACHE, 2006, 2nd edition, page 60):

- a top-down process of domestic change deriving from the EU;
- the creation of new EU powers;
- the creation of a new, European 'lodestar' (that is a model or guide) for domestic politics;
- horizontal transfer or 'cross-loading' of concepts and policies between states;
- an increasing two way interaction between states and the EU.

This research uses the term Europeanisation to describe the EU's impact on Member States (BACHE and MARSHALL, 2004). It is based on Radaelli's definition of Europeanisation as "processes of (a) construction, (b) diffusion and (c) institutionalisation of formal and informal rules, procedures, policy paradigms, 'ways of doing things' and shared beliefs and norms which are first defined and consolidated in the EU policy process and then incorporated in the logic of domestic discourse, identities, political structures and public policies (RADAELLI, 2000). Specifically, the research is concerned with the effects of the policy transfer process and whether the Structural Funds have driven and strengthened a system of partnership working in domestic policy arenas.

This strand of the literature has followed the broader Europeanisation debate, much of which centres on the basic issue of causality in determining the balance between European and domestic drivers of change. Up until the 1990s, the literature tended to analyse the influence of the EU from a 'top-down' perspective, with the European Commission as a crucial agent driving changing approaches in Member States. For instance, 'neofunctionalist' or 'pluralist' arguments credit the European Commission with exercising considerable influence and power over processes at Member State level, including through the operation of Structural Funds programmes. These arguments were based on the following propositions. First, that the concept of statehood was much more complex than realists conceived it, i.e. the significant interests of players apart from the state government had to be taken into account. Second, the activities of interest groups and other key actors such as business already operated at levels above national borders and were not confined to the domestic political arena. Third, there is the perception that non-state actors were important players in international politics in their own right. As a result, these theories stressed the concept of 'spillover' at both functional and political levels. The idea of functional spillover is related to the notion that the increased integration of EU members in one sector inevitably leads to a process of further non -intended integration in other related sectors. Political spillover relates to the build up of pressure from groups and interested parties in Member States who directly benefit

from the process of integration and therefore want it to continue. Later theorists such as TRANHOLM–MIKKELSEN (1991), argued the existence of a third type of spillover, namely 'cultivated spillover'. This concept was used to describe the role, principally of the Commission, but also other major players in driving the process of further integration. A final type of spillover, based on legal integration, was proposed by BURLEY and MATTLI (1993).

The move towards a system of multi-level governance (MLG) within the EU has been identified by some academics as a significant aspect of this 'Europeanisation' process. MLG is used to describe how the EU has moved over time towards a system of decision–making and governance in which power is shared across multiple levels of government and other actors at sub-national, national and supra national levels (MARKS, 1992, 1993; HOOGHE and MARKS, 1997). The thrust of the argument is that the participation of sub-national actors in the design and implementation of SFs and a focus on partnership can prompt new approaches to the delivery and impact of domestic regional development.

According to this school of thought, the contribution of EU regional programmes and organisational principles such as partnership to the broader evolution of domestic regional development activities is evident. EU regional policy is non-regulatory: there is no legal authority to demand harmonisation of Member State approaches, but rather the role is to supplement and support them. Nevertheless, concepts such as policy diffusion/transfer or 'spill over' have been introduced to explore how EU preferences can be incorporated more broadly into domestic regional policy arenas via SF programmes in a voluntary or indirect way. Setting a mechanism for the administration of EU-funded regional development programmes based on partnership has, it is argued, played a significant part in changing perceptions of how domestic regional development interventions are designed and delivered (CONZELMANN, 1998).

Analyses of cases in different Member States have concluded that the implementation of SF programmes has stimulated the creation of specific

frameworks and institutions which can provide practical experience in the design and steering of regional development programmes, and encourage a multi-level, partnership-based perspective to the coordination of regional development activities beyond those that are EU-funded. For instance, BACHE (1999) completed an analysis of the introduction of the Community Economic Development Priority in the United Kingdom, initially as a pilot measure within some Structural Fund programmes (Merseyside Objective 1 in 1994) and notes the contribution made to the growth of local partnership structures to resolve issues of economic regeneration in deprived areas. In Austria, SFs have financed *Regionalmanagements*, which administer and implement SF programmes at the sub-*Land* level. However, they also support networking amongst regional public and entrepreneurial partners for both EU and non-EU funded activities; ÖIR, 2006: 92. In Denmark, Regional Growth Fora, that include representatives regions, the municipalities, local trade and industry, knowledge institutions and the labour market parties, were created to aid the delivery of Structural Funds programmes. However, recent reforms mean that each of the five newly-created regions in Denmark is statutorily obligated to establish one (or more) of these Regional Growth Fora. These partnerships will now provide input to the elected regional councils with regard to development measures including domestic as well as Structural Funds initiatives (HALKIER, 2006).

Nevertheless, some theoretical approaches have reversed the dynamic in the relationship between the EU and Member States. Notably, intergovernmentalist theory argues that Member States are the key actors making decisions in terms of when and how to collaborate within EU frameworks with other nation states, based upon domestic policy interests (HOFFMAN, 1964a; 1964b). The 'realist' intergovernmentalists such as MORGENTHAU (1973) were critical of the neo-functionalist arguments and rejected them on three counts. First, they argued that European integration could not be viewed in isolation from the global environment; that the inevitability of integration as proposed by neo-functionalists assumed that the external environment would remain static and therefore have no impact on the progress of integration. Second, the neo-functionalist argument did not sufficiently acknowledge that the control and pace of EU integration sits with the nation state,

which would only allow progress on integration based on the prevalence of 'national interest'. Finally, the intergovernmentalists argued that whilst nation states would accept integration on areas of relatively low importance to cover 'technical needs' this would not be extended to integration higher level interest areas such as national security, GEORGE and BACHE, 2001, 2006.

An updated version of the intergovernmentalist argument known as 'liberal intergovernmentalism' was proposed by MORAVCSIK (1993), based on his analysis of five key milestones in the history of EU integration. The conclusions were that the key decisions in support of European integration were driven by nation states and not supranational bodies. He argued that national preferences were based on economic benefits and interests rather than political or security concerns, and that the outcome of the negotiating process depended on the relative bargaining power of states, (GEORGE and BACHE, 2001, 2006).

This theoretical debate highlights the scope for 'differential influence' of the EU across Member States and emphasises the role of domestic regional development environments in shaping the content and implementation of SF programmes. Rather than driving the evolution of domestic approaches to regional development, the shape and impact of programmes themselves is dictated by the domestic setting. The effectiveness of the Funds relies on the existence of coherent and supportive domestic policy frameworks and a suitable system for delivering regional development interventions (EDERVEEN et al., 2002). In some Member States, domestic processes of institutional reform and the introduction of new policy initiatives can provide incentives for participation in EU programmes, improving their operation, (BRIDGES et al., 2001).

Specifically, in terms of partnership, GEORGE and BACHE (2006), point out that Member States have the ultimate authority to determine the size and composition of partnerships involved in the design and implementation of SF programmes. According to them, this demonstrates the reassertion of power of the Member States, after having lost ground to the Commission as a result of the 1988 reforms. This

point supports 'liberal intergovernmentalist' academic theories related to the influence of European regional policy on EU integration, which take the view that the nation state has ultimate decision-making power and acts as a 'flexible gatekeeper' in moderating the adoption of EU policy (BACHE, 1998).

The importance of the partnership principle in supporting the development of the theory of multi-level governance is noted by BAUER (2002), but he has raised concerns about its transforming potential in overcoming the nation state agenda through the mobilisation of supranational bodies (including the Commission) and sub-national bodies. Indeed, based on his analysis of two case studies within Germany, BAUER (2002) suggest that regional sub-national players have become increasingly suspicious and frustrated with the Commission in terms of the growing demands it has placed on regional partnership structures. He argues that this has led to conflict, putting into question the sustainability of partnership structures as an appropriate multi level, inter-administrative co-ordination device. Therefore, recent theoretical analyses, suggest that the impact of the EU's partnership principle on domestic regional policy systems and approaches varies considerably, and that a complex and interactive relationship is involved.

3.4   Conclusion

This chapter set out to provide a framework for understanding how EU regional development policy and the partnership principle need to be understood within the context of the wider competing theoretical debates on EU polity and EU integration. The partnership principle was not always part of regional policy. It was introduced as part of the 1988 reforms as a means of mobilizing a range of actors across vertical and horizontal levels (i.e. actors operating below and above the nation state) in order to tackle the multi dimensional nature of socio-economic problems concentrated in specific regional areas of the EU and was embedded as a fundamental organizing principle for SF programmes. Academic analyses of the impact of the partnership principle are linked to wider competing theoretical paradigms (notably neofunctionalism and intergovernmentalism) that have dominated academic EU

integration theory for over forty years, drawing in concepts and theories such as multi-level governance and Europeanisation. Assessments of the practical impact of the partnership principle have followed the broader evolution of debates in the Europeanisation literature, with arguments for the scope for EU principles to impact on domestic policy systems competing with models that emphasise the continuing power of Member States. Evaluation studies and academic research generally conclude that this fundamental principle of Structural Funds programming has brought enhanced transparency, cooperation and coordination to the design and delivery of regional development policy, and better quality regional development interventions as a result. The commonly perceived benefits of partnership are new forms of governance, stronger involvement of local actors, collaborative working and cooperation on economic development initiatives, improved decision-making in the management of economic development interventions (e.g. project selection) and opportunities for exchange of experience (ÖIR, et al., 2003; ROBERTS, 2003; TAVISTOCK INSTITUTE, 1999). However, this potential influence on domestic policies and delivery systems is not consistent. In practice, partnership has been variably adopted across Member States, depending on a range of factors related to the programming environment and the domestic policy context. Thus, assessing the impact or 'added value' of the partnership principle raises some basic questions. Has the adoption of EU regional policy through the implementation of the Structural Funds led to a culture of partnership working? Can new, EU-influenced approaches to the delivery of domestic regional development interventions be identified? These questions are integral not only to ongoing academic debates on 'Europeanisation' processes but also to the efficient implementation of ongoing regional development programmes, domestic and EU-funded. The West of Scotland provides a particularly interesting case study for assessments of the impact of the EU's partnership principle. The next chapter will provide a more detailed exploration of these issues in this context.

4. THE WEST OF SCOTLAND: THE DOMESTIC PARTNERSHIP CONTEXT

4.1 Introduction

This chapter assesses the evolution of partnership working in a public policy context in the West of Scotland. First, the chapter will explain why the region is a good case study. Next, it will consider how partnership became rooted in the domestic arena. Lastly, it will explore core factors that have driven partnership working in Western Scotland i.e. influenced the growth and strengthening of partnership working in the domestic context.

Chapter 3 presented research evidence demonstrating that the implementation of the Structural Funds has stimulated partnership working in some parts of the EU. Furthermore, it contended that, in particular instances, there had also been an additional positive impact on stimulating domestic regional development. However, a number of academics (HOOGHE, 1996, BACHE, GEORGE and RHODES, 1996, BACHE, 1999, BACHTLER and TAYLOR, 2003, BACHE and GEORGE, 2006, 2nd edition) have argued that this impact is not uniform across EU Member States. The extent of such influence relies on a range of variables, not least the characteristics of the existing domestic systems for the policy design and delivery as well as the nature of the interaction between domestic and EU policies, and the Structural Fund programming environment. The key objective of this research is to explore this interaction and to assess the influence of EU regional policy on the growth of domestic partnership working.

The West of Scotland provides an excellent case study for a detailed assessment of this process for a number of reasons. It has a long-standing partnership tradition going back to the 1970s, independent of Structural Funds, and can therefore provide a case where progress under the Structural Funds can be benchmarked. The region has a long experience of Structural Fund implementation over 20 years, so the conclusions drawn from an assessment of the interaction with domestic partnership approaches is based on a long-term perspective and will therefore be robust.

Furthermore, the West of Scotland adopted a partnership model for the delivery of Structural Funds programmes that was unique within the UK and much of the rest of Europe. It is interesting to see whether the adoption of this approach encouraged stronger use of partnership working mechanisms for the delivery of public policy in the West of Scotland i.e. the usage. Finally, as Structural Funds are now declining significantly within the West of Scotland there are also important questions about the long-term sustainability of partnership as an organising mechanism for the delivery of regional development programmes, EU-funded or otherwise. In the face of constrained EU and domestic funding, a streamlined system for managing and implementing SF programmes for the programming period 2007-13 is now underway. Given these circumstances it is relevant to ask whether partnership is sufficiently embedded to continue as the main organising mechanism for the management and implementation of the SF programme in Scotland. Furthermore, will the new programming environment have any impact on the domestic policy system?

The next chapter will consider in detail the impact of SF programmes on partnership working in the West of Scotland. Prior to this, it is important to establish and analyse the domestic partnership context. How did partnership working become rooted in the West of Scotland? What was the impetus for partnership working and what were the conditions that allowed it to flourish as a mechanism for the delivery of public policy objectives? How well are the key theoretical concepts and characteristics associated with partnership working understood by local practitioners? To answer these questions, the chapter has marshalled analysis under the five key partnership factors established as part of the theory review, i.e. structures, policy focus, leadership, processes and funding.

4.2   Structures

A key impetus for partnership working has been the importance of institutional structures and the impact of the administrative reform agenda within the UK. Different regulatory frameworks and institutional architectures can support or impede partnership working. The degree of flexibility and autonomy within

organisations can have an impact on the extent to which they are able to collaborate and form partnership links. The reform of government structures and functions has played a considerable role in providing a framework for the emergence of new institutional partnership structures at both UK and Scottish levels. In this respect, two related trends are worth noting: the push towards greater devolution and decentralisation of decision–making; and the emergence of new modes of policy governance. This broadly refers to a shift from the hierarchical mode of organisation associated with the term government to forms of organisation and structures that are more like a network and are based on collective action. As a result, partnership structures are increasingly responsible for the implementation of public policy objectives and the allocation of considerable public funding resources. Within the UK, there has been traditionally strong central government control and asymmetrical regionalisation i.e. unevenness in regional administrative systems and institutions across the UK. However, the evolution in government structures over time as part of the administrative reform process has created new institutional structures that have supported the emergence of partnership working as a mechanism for achieving public policy objectives.

4.2.1 Administrative Reform within the UK and Scotland

The NPM trend across the UK has been characterised by institutional administrative reforms and the transfer of responsibilities from centralised government structures to arms length public-private partnerships. These often developed to fill a void in sub-national administrative architecture, which can also be filled by state offices or self-governing regions. The NPM trend has also been implemented in Scotland but has been conditioned by the pre-existing and differentiated institutional and administrative structures in the country.

Within Scotland, the roots of partnership working go back to the administrative reform of local government structures in the mid-1970s in response to the findings of the WHEATLEY COMMISSION REPORT (1969) that led to the creation of a two-tier system of local government in Scotland, but did not progress in England. The

new two-tier system of local government in Scotland was based on the establishment of first-level district authorities with specific local levels of responsibility for housing, libraries, museums and refuse collection etc. and the introduction of a second level of larger, regional authorities, with more strategic functions across wider geographic areas. In the West of Scotland, Strathclyde Regional Council was established in 1975 with an overarching remit for policing, fire and transport services as well as education and social work. Subsequently, this regional authority became a significant driver of local regeneration initiatives and supported the growth of new institutional structures.

4.2.2 *Devolution/Decentralisation*

Partnership working has been apparent as part of the administrative reform and decentralisation process across the UK. Traditionally, the UK has operated a centralised administrative system. However, the administration of regional policy has been in a state of transition for two decades. A broad trend has been the changeover from a largely centralised system, characterised by centrally defined policy and award making powers, to a more decentralised one. The trend has been apparent through: devolution (i.e. the transfer of powers to bodies representing the individual nations within the UK); deconcentration (i.e. the unbundling of powers to regional or local administrative units of central government) and decentralisation (i.e. the transfer of powers to bodies representing regions or localities). A fundamental objective is the expansion of the capacity of sub-national actors to negotiate with, accommodate and adapt to external forces. Increasingly the view is that the role of central government should be to manage the overall macroeconomic framework for regional development and undertake microeconomic reforms targeting specific market failures and to provide regions with the scope to pursue locally relevant and led policies (STORPER, 1997, AMIN, 1999; SMITH, RAINNIE and DUNFORD, 1999).

The UK institutional landscape is not homogenous, and traditionally Scotland has had different legal, educational and local government systems. The Scottish Office

was established in 1885 and operated as a department semi-autonomous from Whitehall central government departments from 1939 onwards, with responsibility for policies on education, law and order, agriculture and health. Devolution in 1999 in Scotland saw the re-establishment of the Scottish Parliament, which is responsible for a wider range of devolved powers including: education, health, agriculture, justice, local government, environment, culture and sports, social work, housing, police and fire and local transport issues and included powers over several areas of economic development. First, the Scottish Parliament, through its elected executive, has decision-making control over the budget assigned to Scotland through the UK Parliament. Second, it has potential to increase the resources available for economic development through tax-varying authority (although it has not used this power to date) and the ability to deliver industrial policies independently from the rest of the UK. However, such policy-making authority is limited by the powers 'reserved' to Whitehall. The UK government retains control of the following reserved matters: Crown and State, fiscal economic and monetary policy, foreign policy, national defence and security, welfare and social security. This includes policy authority for decisions relating to the UK's commitment as a Member State of the EU, such as the Community ceilings on industrial assistance and the designation of Assisted Areas within the UK as well as welfare reform (which remain under the responsibility of the Department of Business Innovation & Skills and the Department of Work and Pensions respectively).Therefore, the degree to which the Scottish governmental institutions can progress specific policy initiatives and partnership delivery arrangements is limited to its control over devolved powers only.

As evidenced above, there has been a differentiated semi-autonomous institutional architecture operating in Scotland over a very long period that has set its structures part both at national and local government levels.[19]

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[19] Currently there are 32 local authorities providing local services across Scotland comprising 29 unitary and three island authorities. See Figure 4 which represents the spatial boundaries of the 32 local authorities in Scotland today.

Prior to the Local Government (Scotland) Act 1994 and the changeover to unitary local authorities, the Strathclyde Region was spatially one of the largest regions in Europe, with a population of circa 2.2 million. [20]

Figure 3: Boundaries of Strathclyde Region in Scotland
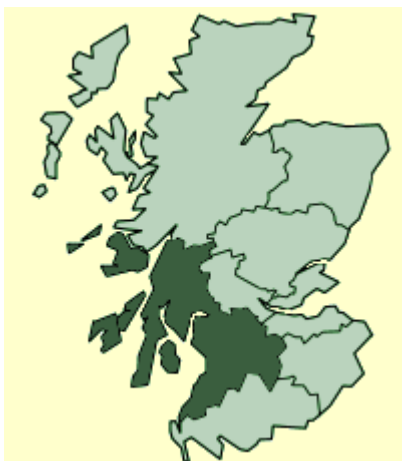
The problematic socio-economic conditions that faced Strathclyde Regional Council in the 1970s were a significant impetus for change. By the mid-1970s the region's old, heavily industrialised economy was in crisis. There was a need for massive investment to achieve social and economic regeneration and the Strathclyde regional authority looked to both the UK government and Europe for resources to undertake economic and social regeneration programmes. Local authorities within the region also took action to develop local initiatives to tackle scale of economic decline. This led to an expansion in local development strategies and community initiatives that nourished the roots of partnership working. The size and scale of Strathclyde Regional Council gave it a prominent role in leading local strategies and community -based initiatives to deal with social and economic regeneration. Throughout the 1980s, partnership working increased as a means of mobilizing a range of actors to deal with the effects of socio-economic problems concentrated in specific communities.

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[20] Source: Maps of the Strathclyde Region area in 1985 sourced online at :

http:www.undiscoveredScotland.co.uk/usfeatures/areas/strathclyde.htm last accessed October 2010

Figure 4: Representing the current spatial boundaries of Local Authorities[21]

Local Authority Areas

Local authority:

1 Aberdeen City
2 Aberdeenshire
3 Angus
4 Argyll & Bute
5 Clackmannanshire
6 Dumfries & Galloway
7 Dundee City
8 East Ayrshire
9 East Dunbartonshire
10 East Lothian
11 East Renfrewshire
12 Edinburgh, City of
13 Eilean Siar
14 Falkirk
15 Fife
16 Glasgow City
17 Highland
18 Inverclyde
19 Midlothian
20 Moray
21 North Ayrshire
22 North Lanarkshire
23 Orkney Islands
24 Perth & Kinross
25 Renfrewshire
26 Scottish Borders
27 Shetland Islands
28 South Ayrshire
29 South Lanarkshire
30 Stirling
31 West Dunbartonshire
32 West Lothian

Source: GROS, 1998

Scottish Executive Geographic Information Service 2001

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[21] Source: Map of current Local Authority Spatial boundaries in Scotland as produced by the Scottish Executive Geographic Information Service 2001 and accessed online at: www.Scotland.gov.uk/Resources/Doc/933/0009386.pdf. (last accessed October 2010)

4.2.3   Expansion of Community Initiatives and Third Sector

There was a strong bottom-up development perspective within the West of Scotland, leading to a diverse range of new organizations as a result of local community base initiatives. The local authorities committed to funding for the establishment of a raft of new 'not for profit' organisations and companies set up to provide locally responsive solutions to a complex range of regeneration issues. In 1986 two Joint Economic and Social Initiatives were established in the peripheral housing areas of Drumchapel and Easterhouse (DANSON et al., 1997 and TUROK, Chapter 5 in BACHTLER and TUROK, 1997). These fledgling organisations paved the way for the establishment of eight, area-based Local Economic Development Companies across the City of Glasgow, during the 1980s and 1990s, with a remit to provide economic and social regeneration services to local people in some of the most economically deprived communities: Drumchapel, Castlemilk, Govan, Easterhouse, Gorbals, Glasgow North, Maryhill and Pollock.

Local authorities in the West of Scotland also supported the growth of other similar organisations to tackle regeneration issues. The Wise Group was established in 1983 initially as a charitable organisation but is now one of the UK's largest social enterprises operating in the Welfare to Work market.[22] The Wise Group was originally established with a remit to help people move into employment through intermediate labour market programmes focussed on physical insulation measures and regeneration activity. This organisation has grown to have a wider delivery role over time but it and similar types of organisations, providing both generic and specialist employability support to people, were created originally with significant local authority funding and support in the West of Scotland. For example, Community Enterprise in Strathclyde was set up to assist the growth of the social economy and voluntary sectors. Nationally funded development agencies also

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[22] The Wise Group was successful in 2009 in the multi-million Welfare to Work contracts tendered by the UK government's Department of Work and Pensions (DWP) to deliver support services to assist long-term unemployed people into work. The organisation was the only social enterprise in the UK to be awarded a contract of this scale in competition with large private sector and international companies.[22]

supported the creation of these new third sector organisations. For instance, the local office of the Scottish Development Agency (Glasgow Development Agency) provided financial support for the start-up and contributed for many years to the on-going service provision of these organisations. As a result of this investment in the third sector organisations, the capacity for partnership working as a means of tackling local community-based regeneration problems in Scotland was strengthened.

4.2.4   Growth of Scottish Partnership Structures

Throughout the 1990s there was a significant expansion in local partnership working aided by the growth of new Scottish institutional structures. For example, 48 local Social Inclusion Partnerships (SIPs)[23] were established across Scotland. SIPs were local governance models involving community actors and delivery organisations in agreeing and aligning local area priorities (e.g. employability, health, community safety etc). SIPs controlled the allocation of devolved Government budget resources to each area and resources for helping specific excluded groups, for example, disadvantaged young people. There was a degree of flexibility around the organisations required to participate and partnership links within the SIP structures. The main criticism in their final evaluation was the tension between their service delivery role and their ability to deliver on the strategic role of influencing other partner agencies, policy practices and initiatives (MACPHERSON, 2006).

To address criticisms, SIPs were replaced in 2004 by Community Planning Partnerships (CPPs) [24] which are tasked, under legislation, with delivering public policy objectives at a local level. A number of organisations are now legally required

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[23] The Scottish Executive established Social Inclusion Partnerships (SIPs) as multi-agency partnership bodies typically involving the Local Authorities, National Health Service (NHS) other Public Bodies such as the Police, Enterprise Agencies and local Voluntary and Community sectors. SIPs operated from 1999-2003 to tackle local regeneration and inclusion issues. http://www.scotland.gov.uk/library/documents-w7/sima-08.htm (re-accessed 15th May 2009).

[24] Established under the Local Government (Scotland) Act 2003, Community Planning Partnerships provide the partnership framework for co-ordinating services across a range of public bodies led by the Local Authorities. There is a statutory obligation for some public agencies to participate in CPPs e.g. LAs, police, fire, National Health Service, transport authorities, and enterprise agencies. Voluntary and private sector participation is encouraged but not required under legislation.

to participate. Specifically, the CPPs pursue spatially focused strategies to address the *Closing the Opportunity Gap* policy.[25] Their set-up demonstrates continuing (NPM) trends within the Scottish policy context. The aims of community planning in Scotland are firstly to make sure that people and communities are actively engaged in the process of decision-making around public services that affect their lives as citizens and secondly, to co-ordinate multi-agency collaboration and joined up working in order to provide better public services. The NPM trend is evident across the other areas of the Scottish public sector, for example administrative and institutional reforms and new regulatory frameworks within the Health Sector. Scotland's White Paper on health *Partnership for Care* (2003)[26] and the *National Health Service (NHS) Reform Act (Scotland)* 2004[27] set out the need to establish Community Health Partnerships (CHCPs) across Scotland. These were established in 2005 to deliver on Scotland's agenda to improve health inequalities and to bring health and social care planning together in a bid to deliver efficiency and effectiveness in the delivery of public services.

Overall, within Scotland there has been increased focus on strategically aligning delivery mechanisms and common policy priorities in order to target resources most efficiently and effectively and address issues of greatest need. This is based on growing awareness within the Scottish public policy arena that issues of poverty and regeneration, which are concentrated in particular communities, are interlinked with issues concerning health inequalities. There is a growing impetus to improve health outcomes by increasing employability within disadvantaged communities. Multi-

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[25]The CPPs were set up to implement the Scottish Labour policy objective of targeting social and economic exclusion as set out in their strategic policy document: *Closing the Opportunity Gap, 2004,* See Scottish Executive (2004a). Initially CPPS operated under the guidance of Communities Scotland; a Scottish Executive Agency which was established with a national remit to improve housing and regeneration in Scotland. Following the election of an SNP government this agency was abolished in 2008 and its functions subsumed by Scottish Government Departments.

[26] Scotland's White Paper on Health: *Partnership for Care (2003)* set out a vision for the future of the health service. The policy document foreword states ministerial ambition that care services will be developed in a new partnership between patients, staff and government. See Scottish Executive (2003).

[27] The National Health Service (NHS) Reform Act (Scotland) 2004, See Scottish Executive (2004c).

level organisational collaboration is currently being adopted as a means of joining up services, pooling budgets and aligning organizational governance structures (MACPHERSON, 2006). Also, over time, the private sector has been encouraged to participate in domestic partnerships structures and in some instances encouraged to take on the role of chair.

> *"It's the generation of 'added value' by bringing together resources, expertise, power, experiences and creating a new momentum and energy which is not there when organizations are working individually"* [28]

Outlined below is a relevant example of how this NPM trend has been reflected in the institutional landscape within the City of Glasgow.

4.2.5 *Glasgow Community Planning Partnership: An Example*

A good example of how governance models, regulatory frameworks and institutional architecture are being re-aligned to support efficiency and effectiveness in public services through partnership organising mechanisms is in the City of Glasgow. Over the past decade, the institutional architecture of the city has changed significantly. At a city level Glasgow Community Planning Partnership (GCPP 2004) brings together a board of key public, private and community organisations. The role of GCPP is to manage multi-agency collaboration around community planning processes in the city and to co-ordinate responses to a range of public service issues including socio-economic regeneration. Most organisations are required under law to participate. The partnership consists of senior executives from the following key organisations[29]:

- Glasgow Chamber of Commerce[30]
- Glasgow City Council

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[28] Interview A, dated 23rd Feb 2007.

[29] Source: www.glasgowcommunityplanningpartnership.org.uk. Last accessed June 2007.

[30] The Chamber of Commerce represents the important role of the private sector in the partnership structure.

- Glasgow Colleges Group

- Glasgow Council for Voluntary Sector

- Glasgow Housing Association

- Jobcentre plus

- NHS Glasgow and Clyde

- Scottish Government

- Strathclyde Fire and Rescue

- Strathclyde partnership for transport

- Strathclyde Police

Whilst GCPP operates at a Glasgow wide level there is also alignment of partnership working structures occurring at five main area-based levels within the city (see Figure 5[31]). The map highlights where Glasgow City Council has aligned its service delivery to five geographical areas designated as key boundaries within the city.

Figure 5: Glasgow Community Planning and Glasgow City Council Boundaries

[31] Source: www.glasgowcommunityplanningpartnership.org.uk. Last accessed June 2007.

At the time of writing, Glasgow city service boundaries are aligned to the delivery areas of the five Community Health and Care Partnerships, (CHCPs) which are responsible for the delivery of joint health and social care (primary care) service provision within the City. These are the services that are provided within local community settings as opposed to acute care, which is delivered in hospitals. Furthermore, whilst a total of ten Community Planning Groups (CPPs) operate within each of these five main areas (two in each) a series of unified strategic groups have been established that bring together both CHCP and CPP partners and other local partners to co-ordinate services across each of the five main area geographies. For example, The Glasgow West Strategic Employability Group brings together the area-based leadership of the CPP, CHCP the Local Regeneration Agency, the Employer's Coalition, the Community Learning Network Education Department, Jobcentre plus and the voluntary sector. The remit of the group is to identify local employment priorities, plan services and to co-ordinate joined up working among local agencies.

"You get clarity about what people are doing" [32]

A number of other city organisations and services have aligned their provision within the five key spatial areas. In 2006, the eight Local Economic Development Agencies merged to create five Glasgow Regeneration Agencies and their delivery boundaries are now aligned with the above map. Likewise, the Equal Access Strategy, which was launched in 2004 by Glasgow City Council and their partners to drive joint working between health and social care and training and employability services, re-assigned its locality based staff in 2006 to cover the five geographies. According to interview feedback, this reflects the latest trend in NPM which is to rationalise and align existing partnership structures in order to improve strategic co-ordination and increase levels of resource efficiency and effectiveness in the delivery of services.

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[32] Interview B, dated 26th June 2006.

Further institutional rationalisation and alignment of services and merged boundaries is likely to continue and intensify as public resources tighten in the aftermath of the 2008 recession. Plans are now under way to consider further rationalisation of boundaries and institutions such as the Glasgow Regeneration Agencies.

> *"The new planning structures will provide the infrastructure for improved strategic planning in the city"[33]*

The aligned institutional architecture and governance models in Glasgow is a major step change towards addressing some of the structural and technical barriers that have been highlighted by academics as serious impediments to partnership working achieving its full potential (HUXHAM and VANGEN, 2000a, 2000b; BALLOCH and TAYLOR, 2001). The Glasgow example demonstrates the NPM aim to target public funding resources most efficiently and effectively, through joint decision-making processes regarding the prioritization and disbursement of funding. However, this trend may now be waning under the influence of the SNP government, which has demonstrated greater policy commitment to the traditional governmental role of local authorities as evidenced by its formalised 'Concordat' agreement with local authorities in 2007.[34]

From the above it is clear that reforms to public policy administrative structures, at both the UK and Scottish levels, have had a significant impact on the growth of partnership working.

4.3   The Policy Focus

As identified in Chapter 2, the willingness of leading policy-makers to initiate partnership, the adaptability and flexibility of institutional cultures towards working

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[33] Interview C, dated 30th November 2006.

[34] The Concordat is an agreement between the Scottish Government and local authorities that provides more autonomy for local authorities on utilizing the resources they receive from central government to deliver a wide range of public services.
www.scotland.gov.uk/publications/2007/11/132092240/concordat (accessed Mar 2008).

in partnership and the importance of the policy focus, which sets the framework for the way services are delivered, are all key drivers of partnership. One of the main motivations behind partnership-working in policy delivery is the desire to 'join up' related policy fields and instruments. In particular, the multi-faceted nature of socio-economic problems, and linkages between issues of poverty, inclusion and economic regeneration, suggest the need for collaboration across organisational boundaries and policy fields, and this has contributed to the increasing popularity of partnership as a mechanism for policy delivery (PRATT et al., 1999).

4.3.1   UK Policy Focus

Over the past three decades, the policies of consecutive UK governments have driven the growth of partnership working approaches for delivering public policy objectives, albeit from different ideological bases and with different aims and objectives in mind. This process began under UK Prime Ministers Margaret Thatcher and John Major, and intensified under Tony Blair and Gordon Brown over 10 years of the 'New Labour Agenda' which has focused on reforming the delivery of public services. The trend continues today and is moving at an even faster pace under the new coalition government led by David Cameron.

In the 1980s, the neo-liberal ideology of the Thatcher government pursued a policy of 'contracting out' of public service provision (BALLOCH and TAYLOR, 2001). The private sector was encouraged to participate in economic regeneration partnerships as part of an agenda to 'roll back the state' i.e. decrease public sector bureaucracy and control over decision-making and the allocation of resources in order to achieve public sector efficiency and cost reduction (GEDDES and BEDDINGTON, 2001; GEDDES, 2006; MACPHERSON, 2006). Partnerships dealing with public policy issues were increasingly being driven by private sector values. The Thatcher years saw the use of Urban Development Corporations and Enterprise Zones, with much of the activity focused on physical rather than social or economic regeneration.

The Thatcher government was criticised for a lack of strategic coherence in its approach to regeneration, evidenced by a plethora of 'initiatives'[35] and for excluding local government. This led to the Major government in the 1990s focusing on a process of rationalisation of existing initiatives, a consolidation of Whitehall's UK central government departmental responsibilities and budgets, and an increased emphasis on partnerships bidding jointly for resources. A total of 20 separate regeneration programmes were merged to create a Single Regeneration Budget (SRB) and a network of ten Integrated Government Offices for the regions (GORs) created in England, each with a single Regional Director. Regeneration projects were devised by partners at a local level. The administration of the competitive bidding process was organised at the regional level and devolved to the GORs, whilst the final decisions were taken by national government. It was during this period that SRB City Challenge funding was on offer to local authorities, which were encouraged to bid competitively for resources to undertake major regeneration activities. The Major government encouraged clear aims and objectives for working in partnership and required hard evidence of partnership outputs. This led to a growing culture of audit and evaluation within the public sector. The process of regionalisation of government services and budgets began in the 1990s and laid foundations for partnership working between central and regional government departments and other actors at a regional level. It began with a process of co-location of government departments and regional offices that led to integrated regional offices. Initially there were separate departmental budgets too but over time funding was combined into pooled budgets.

The New Labour government in 1997, under the leadership of Blair, was highly committed to partnership working, although from a different conceptual perspective. The efficiency related motivators of partnership working were still evident, as the government invited multi-agency partnerships across a range of sectors to bid for central government funding (BALLOCH and TAYLOR, 2001; GEDDES, 2005). However, other objectives were evident, specifically the value of partnership working in 'joining up' related policy fields and this was a central objective of all

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[35] UK Government: The Audit Commission Report of 1989.

public sector reform agendas under New Labour (LING, 2002; CONSODINE, 2002; STOKER, 2002; RACO, 2002; JOHNSON and GORE, 2004). For instance, during this period there was a significant focus on joint planning between healthcare and social care agencies (BALLOCH and TAYLOR, 2001; MACPHERSON, 2006) evidenced by the introduction of the UK Government's Department OF Health's White Paper *Modernising Social Services*: *Promoting Independence, Improving Protection, Raising Standards* (1998). The introduction of the UK Government's Department for Communities and Local Government White Paper *Modernising Local Government in Touch with the People* (1998) also argued that effective local partnership was central to the strategic role of local authorities.

New Labour increased the number of partnerships responsible for the delivery of public policy objectives, accelerated the pace of institutional change, encouraged resource maximisation of public agencies and encouraged involvement of communities and service users and the private sector. This was in order to tackle deep rooted socio-economic problems and to demonstrate public sector efficiency and value for money.

4.3.2   Scottish Policy Focus

Whilst New Labour encouraged partnership as part of its reforming government policy agenda, distinctive Scottish policy and regional factors have also had an impact. Scotland's distinctive policy environment and administrative context aided the growth of partnership working in the West of Scotland. Consecutive Scottish Office, Scottish Executive and most recently Scottish Government policies have all contributed to the growth of partnership working as a means of delivering public policy objectives. This expansion in domestic partnership working was linked to the introduction of anti-poverty and social inclusion policies and strategies developed in response to the economic re-structuring of the UK during the late 1970s and throughout the 1980s and 1990s (PEARSON, 2001; GEDDES and BENNINGTON, 2001; JOHNSON and GORE, 2004).

A significant part of this activity was concentrated in the West of Scotland as a result of the scale of industrial decline in this part of the country from the late 1970s to the late 1990s. The severity of the economic downturn in this area, the appearance of 'pockets' of significant unemployment and deprivation and funding constraints imposed on local authorities accelerated the emergence of partnership working. It was imperative to mobilise a range of local actors to tackle the scale of problems that were concentrated in particular spatial areas. Increasingly, local authorities looked beyond internal departmental boundaries to collaborate in partnership with external bodies in new and innovative ways.

> *"from an economic regeneration point of view there is no sole organisation that can deliver on the needs of clients, these are too complex for one agency"* [36]

Anti-poverty strategies were predominately adopted by Labour-controlled local authorities in order to alleviate the impact of Conservative central government policies that had led to high levels of unemployment and poverty. Local authorities were increasingly willing to work in partnership as a mechanism for maximizing resources. An important priority was 'bending' mainstream services and resources to meet the needs of disadvantaged people. Local authorities increasingly adopted anti-poverty measures such as: income maximisation/welfare rights; health initiatives; increasing citizen access to services; energy efficiency programmes; and community economic development (PEARSON, 2001).

Strathclyde Regional Council was a significant force for stimulating locally based regeneration activities, given that it was the authority with the largest resources at its disposal (TUROK, 1997, in chapter 5 of BACHTLER and TUROK, 1997). It pursued an area-based anti-poverty strategy from its inception until its demise in 1996. It did this by working in collaboration with other local authorities, particularly

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[36] Interview D, 15th March 2007.

Glasgow District Council as the largest city conurbation in the region, along with the Glasgow Development Agency (GDA).[37]

The first notable area of multi-agency collaboration in the West of Scotland was the Glasgow East Area Renewal (GEAR)[38] project (1976) which focused on the physical renewal of housing and local infrastructure in the significantly deprived east end of the city of Glasgow. The project was promoted by the Scottish Office, led by the Glasgow Development Agency and was based on a formal economic development partnership with both Strathclyde Regional Council and Glasgow District Council.[39] It used a formal partnership model as a vehicle for inter-agency collaboration. Whilst the GEAR initiative was later evaluated to have had limited success in the delivery of long-lasting regeneration impact for the area, it did initiate a new multi-agency approach to dealing with problems by bringing the GDA, Strathclyde Regional Council and Glasgow District Council to work together on the project, TUROK, 2004.

The GEAR project was one of the first initiatives to adapt institutions in order to encourage a culture of multi-agency partnership working in the West of Scotland. During 1978-1980 there was further on-going co-operation between Strathclyde Regional Council and six District Councils on the identification of seven areas of significant deprivation that were identified as areas targeted for priority treatment (APTs). As a result, these benefited from joint area-based anti-poverty strategies (TUROK, 2004). Anti-poverty and area-based initiatives were at the heart of Strathclyde Region's '*Social Strategy for the 1980s'*, launched in 1984[40]. Throughout

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[37] The Glasgow office of the Scottish Development Agency; a Scottish Office funded agency tasked with the delivery of infrastructure development, business growth and employability training programmes.

[38] GEAR: Glasgow East Area Renewal was a formal economic development partnership established in 1976. GEAR was promoted by the Scottish Office, led by the central government Scottish Development Agency, through Glasgow Development Agency in partnership with Strathclyde Regional Council and Glasgow District Council and Scottish Special Housing. The purpose was to undertake a jointly agreed and funded programme of urban regeneration and renewal in the East End of the City of Glasgow.

[39] Confirmed in interview A, dated 23rd Feb 2007.

[40] See Strathclyde Regional Council, (1984) Social Strategy for the 1980's.

the 1980s and 1990s, the Scottish Office actively encouraged local authorities to develop a raft of community-based bottom up initiatives to tackle poverty and local regeneration issues as part of its Urban Aid programme. This approach was endorsed in its flagship policy *'New Life for Urban Scotland'[41]*, Scottish Office, 1998.

More recently, the Labour-led LibDem coalition of the Scottish Executive pursued its inclusion and anti-poverty policy from devolution in 1999 onwards. Its key inclusion policy *'Closing the Opportunity Gap'*, 2004[42], targeted financial resources on people and areas with greatest need as identified and ranked in the Scottish Index of Multiple Deprivation (SIMD). Predominately area-based Social Inclusion Partnerships (1999-2003) were set up to tackle local regeneration and inclusion issues. These were replaced in 2004 by Community Planning Partnerships (CPPs) which continue as the main delivery vehicle for the disbursement of targeted funding resources[43] and are nested within and led by local authorities.

The current SNP Scottish Government supports partnership working as evidenced by its commitment to maintaining the CPP structures and its formalised 'Concordat' with Local Authorities, agreed in 2007, which is founded on partnership working.[44]

From the above analysis, it can be seen that the emergence of partnership-working was particularly noticeable where policy focussed on issues of poverty, inclusion and economic regeneration. growing appreciation of linkages between these issues and their tendency to be spatially concentrated, suggested the need for collaboration

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[41] See Scottish Office (1988).

[42] See Scottish Executive (2004 a).

[43] http://www.improvementservice.org.uk (accessed Mar 2008).

[44] The Concordat is an agreement based on partnership between Government and Local Authorities and the Convention of Scottish Local Authorities (COSLA) that provides more autonomy for LAs on utilising the resources they receive from central government to deliver a wide range of public services. These are bundled into a Single Outcome Agreement (SOA) with each of the 32 Scottish local authorities. Each SOA operates under a common framework aligned with national outcomes and indicators with the local priorities and outcomes to be achieved. (Dec 2007)[44]

across organisational boundaries and policy fields, and this has contributed to the increasing popularity of partnership as a mechanism for policy delivery.

4.4   Leadership: The People Factor

As noted in Chapter 2, the literature suggests that the characteristics and behaviours of people in key leadership roles, including their awareness and willingness to initiate, drive and participate in collaborative approaches to policy design and delivery is an important factor in effective partnership working. The literature also highlighted that the behaviours of key leaders has the potential to impede partnerships from delivering its potential. The most powerful partners, often government departments or agencies, can control the agenda and therefore limit the issues discussed by partners and who gets to 'sit at the table', with the potential exclusion of some partners. Key leaders can dominate decision-making either through the control of finance or other forms of resource, (MOHIDDEN, 1998; CAMERON and DANSON, 1999; BALLOCH and TAYLOR, 2001).

It is arguable that the 'people factor' is particularly influential in partnership working in the West of Scotland for two reasons. First, the relatively small size and scale of policy and delivery networks related to economic regeneration within the Scottish context is important. On the one hand, the limited scope and resources of several organisations made collaboration a necessity in order to realise institutional goals.

> *"It's hard to see how you could tackle major economic and social problems within an area like Scotland without partnership working. Firstly, because there is no one agency that has all the expertise or resources to do it."* [45]

This was particularly the case within the economic regeneration field where different policy strands (infrastructure development, social inclusion, training, business support etc) came together. There has been an appreciation among leaders that the

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[45] Interview A, dated 23rd Feb 2007.

complex nature of deep-rooted, socio-economic problems could not be resolved by organisations working in isolation from each other and that partnership working is a means to overcome this:

> "…collective minds are likely to provide better solutions. Partnership can bring more expertise and knowledge to a situation and to tackling a problem.[46]

On the other hand, the relatively small scale of organisations involved in the above policy strands has allowed deeper interaction among people in key leadership roles to occur across the range of institutions. A number of key leaders have participated in the partnership structures and groups (both horizontal and vertical groupings) set up to implement the disbursement of funding for both domestic and EU resources.

Second, the stability of some key actors in these leadership roles over a sustained period of time has helped to build levels of trust that have formed the basis of long-term, effective partnership working. For example, the first joint economic strategy between the Glasgow Development Agency (GDA) and Glasgow District Council was produced by the same individual, a senior council officer responsible for economic and regeneration policies, who has subsequently been involved in the production of three further joint economic strategies between the local authority and the GDA successor agency, Scottish Enterprise Glasgow (SEG). A pattern of close working was established in 1970s (initially through the GEAR project) that has matured over time resulting in increased areas of inter-agency collaboration led by individuals willing to work in partnership within the successor local authority and SEG.[47] Therefore, the continuity of the involvement of key leading actors has been an important aspect of the working in partnership process. As a result, a strong

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[46] Interview E, dated 7th June 2006.

[47] The SNP led Scottish Government announced in Sept. 2007 its policy to overhaul the enterprise networks; leading to the amalgamation of the individual Local Enterprise Companies. As a result of this the Scottish Enterprise Glasgow (SEG) was subsumed into one overarching Scottish Enterprise structure that operates on a regional basis with its HQ in Glasgow.

culture of partnership working has evolved over time in the West of Scotland so that it has become "*the accepted way of working now*"[48] and is the recognised mechanism for governance of the strategic co-ordination of economic regeneration activity.

This research argues that the small size and scale of networks and the building of long-term trusting relationships between key people has contributed to the embedding of the partnership approach in the West of Scotland domestic context. However, there are potential negative risks associated with this type of partnership working as a governance mechanism. For example, there is a danger that relatively small networks of people working together over a long time can become locked into 'group-think', JANUS, 1972, McAULEY, 1989, leading to consensus decision making without proper evaluation of alternatives and as a result can become resistant to different ways of doing things. Decision-making powers could become dominated by a relatively few key individuals who may control what goes on the agenda. The views of those people who want to pursue alternative approaches may not be listened to and resources may not be awarded or they could be withdrawn.

Despite the potential risks, the feedback of elite interviewees who have worked to deliver economic and regeneration activities in the West of Scotland for between 15-20 years all identified that working in partnership has become an increasingly important aspect of their working lives over time. The interviewees were selected to represent 'leaders' from across a range of relevant domestic institutions with an interest in the regeneration and economic development field. They included: representatives from the Scottish Executive/Government, the EU Programme Management Executives, a leading academic training and employability research institution (TERU), Glasgow City Council, a leading regeneration consultancy (Rocket Science Ltd), Jobcentre Plus, and a local regeneration agency (Glasgow West Regeneration Agency). Whilst some of those interviewed stated that their involvement in partnership working often reflected the changing nature of their job

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[48] Interview E, dated 7th June 2006.

role, the majority of interviewees attributed well over 75% of their working time dedicated to partnership working.

> *"There was virtually no partnership working when I started at the Council 30 years ago. Now it's part of everyday life"* [49]

Key findings from elite interview responses were that effective partnerships are based on the following characteristics and behaviours: *'mutual trust', 'respect'* and *'success.'* Trust is considered to be central to supporting partnership working, HUXHAM and VANGEN, 2000b and BALLOCH and TAYLOR et al., 2001.According to interviewees, mutual trust and respect is based on an appreciation of the knowledge and decision-making authority that a particular partner brings to the table, as well as their individual leadership skills. Partnership is based upon *'openness', 'honesty'* and a *'willingness'* not only to work together but to put the *'greater good'* of the partnership before individual organisational objectives. Furthermore, interviewees agreed with the view that partnerships are generally formed by groups of agencies or organisations to achieve *'common goals.'*

It is clear from the above that the interviewees understand the main concepts associated with partnership theory. However, it is less clear to what extent these leaders truly commit to these values in practice when working in partnership. From the partnership literature it is clear that different personal agendas, 'power play', or competing institutional motivations often impinge on what can be achieved through partnerships.

Beyond formal partnership structures, the quality of the relationship between partners was seen by interviewees as the real key to success. Interviewees were keen to make a distinction between the variable levels of *'formality'* that operate within different types of partnership activity. This concurs with insights and theoretical definitions proposed by SKELCHER et. al*., (1996), McCABE et al. (1997); and, CAMERON

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[49] Interview C, dated 30th November 2006.

and DANSON (1999). Interviewees made a distinction between the more formal, often task-oriented partnerships and the more flexible network arrangements. Formal task-oriented partnerships have a focus that can assist in terms of ensuring the efficient performance of partnerships. More flexible network arrangements are generally concerned with building contacts and maintaining good '*relationships*'. The importance of relationships was identified as a key building block of successful partnership working, with the analogy of the family unit being suggested by one interviewee. There was a sense that ideally partnerships should operate in terms of flexible boundaries and that partners ought to be willingness to compromise.

Some negative concepts associated with poorly performing partnerships (i.e. the inability to get things done) were also mentioned by partners: '*frustration*', '*resentment*' and '*painful*' were words used to describe poor experiences. The analysis of partnership characteristics is broadly in line with the associated concept of leadership highlighted in the earlier chapter dealing with generic partnership theory (PRATT et al., 1999; JUPP 2000; HUXHAM and VANGEN, 2000a, 2000b; BALLOCH and TAYLOR, 2001; SULLIVAN and SKELCHER, 2002). This demonstrates a high level of knowledge and understanding of the both the concepts and the realities of partnership working amongst the elite interviewees. In addition, there was more emphasis from them on the importance of the quality of the personal relationships between partners and the associated behaviours and leadership interactions of key actors.

Feedback from the interviews suggests that it is often the quality of the 'relationship' between partners that is the real key to success. As one interviewee explained, a partnership group can have senior people both from the same organisation with similar knowledge and skill sets and corporate objectives but the 'behaviours' and non-verbal communication around a table can be widely different between individuals and can influence dramatically what can be achieved in partnership together. Whilst this may be the case, relationship-based partnership approaches can have some potentially negative impacts too, such as limiting the scope for fresh thinking, and excluding other alternative views on tackling issues or indeed this

approach can raise wider concerns about transparency and accountability in partnership decision-making. Certainly, the negative aspects associated with partnership working, as noted above, indicate that its effectiveness as an organising mechanism can be highly variable based on the personal interaction of individuals.

However, in the context of this research it is argued that, overall, the stable, small scale and close-knit characteristics of the Scottish policy-making community and the continuity of leadership and individuals that have been willing to initiate, progress and participate in partnership structures has been important in strengthening the quality of partnership working in the Scottish context.

4.5   Funding

The funding of public services and the need to show best value for the public purse has been a significant driver of domestic partnership working. Interestingly, the evidence to support the case for cost savings as a result of partnership working is less clear. So what has been the actual effect of funding on driving domestic partnership working?

There are different aspects that underpin the importance of funding as a key factor in stimulating and strengthening partnership working. There is the power of bodies to allocate resources and whether the size and scale of funding on offer is a sufficiently attractive incentive to bring partners together. Also, where there are shortages of resources, partnership can become a necessity requiring that agencies work together to maximize and 'pool' resources. There is also the conditionality that can be attached to accessing funds that require partnership working.

As stated earlier in this chapter, the scale of socio-economic problems within Strathclyde Region during the mid 1970s was significant. Local authorities could not borrow funds and therefore had to think of new opportunities for attracting additional financial resources and utilizing mainstream funding to best effect. Authorities in the

West of Scotland were aware that solutions would need to be generated locally as previous central government attempts to solve the crisis had been seen to fail. The Conservative-led government under Thatcher was not particularly supportive of the Labour-led Strathclyde Regional Council administration which was at the time the largest regional authority in the UK, (CHRISTOPOLOUS and HERBERT, 1996).

Domestic partnership working evolved as a mechanism for galvanizing a wide range of local resources and actors in order to tackle the large scale of the problems. In terms of domestic funding the West of Scotland looked to the Scottish Office for support. The Scottish Office control over the disbursement of domestic regional development resources provided Scottish local authorities with access to investment and leverage funding that could be matched to EU resources.

4.5.1   The role of Domestic Funding related to Partnership

The Urban Programme was introduced in 1969 in Scotland, with a relatively small budget of £500,000 to provide funding for specific geographic targeting to address issues of poverty and deprivation. The programme was reviewed in 1984 and consequently expanded to support the policy implementation of *New Life for Urban Scotland,* Scottish Office, 1988. The growth of the Urban Programme was used by Government as a means of encouraging and providing financial incentives for Local Authorities to focus spending on areas of significant urban deprivation. There was a 57% increase in funding via the Urban Programme. The Urban Programme fund for the period 1988-1990 was 44 million and this increased to a budget of £69 million allocated during the 1990-1991, this was inclusive of a 25% co-financing contribution from local authorities. Along with the increased funding there was also a priority for increased local enterprise projects. Some 1,200 projects were sponsored by local and regional authorities during the period 1989–1990 .The bulk of this Urban Programme funding went to Strathclyde Regional Council, which was allocated 55% of the total fund expenditure during 1989-90 and 12% allocated to Glasgow City Council as the next biggest beneficiary of the fund. In turn, these authorities used the funding to support a range of grassroots community regeneration

initiatives as part of their commitment to social and economic regeneration. This funding also helped to support the delivery activities of third sector organizations that the authorities had helped to create and thereby strengthened the community based institutional support mechanisms.

The review of the Urban Programme in Scotland in the early 1990s led to the introduction of the *Programme for Partnership (PfP)* in 1996.[50] This document marked a significant advance in Scottish Office thinking on partnership as it required recipients of funding to: work in partnership with a wide range of stakeholders at the local level; demonstrate that Urban Aid funding was being used to support a 'strategic' and planned approach to tackling issues of regeneration; and to measure the level of input, output and impact achieved. Urban Programme funding operated within a competitive bidding process, with local partnership structures taking on the role of selecting and administering funding as well as the delivery of services. The conditions imposed as part of the Urban Aid funding criteria necessitated the adoption of local partnership working approaches.

The Urban Aid Programme was replaced with the Social Inclusion Partnership Fund by the Secretary of State for Scotland and subsequently First Minister for Scotland, Donald Dewar, in 1998. The Social Inclusion Partnerships disbursed these resources both on spatial targeting and helping excluded groups. Their remit was to co-ordinate local strategies and overseeing a partnership approach to the delivery of activities on the ground and to fill gaps in local service provision. Subsequent domestic funds (e.g. Community Regeneration Funds and most recently Fairer Scotland Funds) are now disbursed via the Community Planning Partnership arrangements. The importance of delivery partnership structures as a form of new governance has incrementally become stronger and the amount of funding being disbursed through such structures

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[50] Scottish Office: Programme for Partnership: Guidance for Applying for Urban Programme Funding: Edinburgh, Scottish Office.

has significantly increased over the past decade, culminating in the significant value of Single Outcome Agreements agreed with the Scottish Government.[51]

The availability of domestic funding, initially through the Urban Aid programme during the late 1980s and 1990s and subsequently successor funds via the SIPs during the late 1990s and early 2000s led to an expansion in domestic partnership working. This trend has continued via allocations from the CPPs. In order to draw down funding for activities applicants have had to demonstrate the involvement of a range of relevant key actors to highlight that the proposed services provide rational and co-ordinated solutions to problems and avoid any unnecessary duplication and waste of resources. Furthermore, over time, partnerships have been used as a mechanism for influencing the decisions on the allocations of this domestic funding through the involvement of a range of key strategic actors in the designated appraisal and selection processes.

4.6   Processes

Partnership working is not just about structures, people and funding it is also about how partners work together and what they actually do. The agenda-setting powers of new governance institutions and their focus on strategic alignment around common policy objectives and commonly agreed decision-making processes has embedded the role of partnership working in the domestic context. Identifying priorities and agreeing decision-making processes for the delivery of interventions (i.e. agreeing new methods of inter-agency working to meet the policy objectives) has been about demonstrating 'best value', the avoidance of service duplication and driving up the quality of service provision. This has been more than just partner participation in committees and groups. There has been active engagement in the design of mechanisms for how partners will work together in terms of: consultation and debating policy; contributing to action plans; the setting of funding appraisal criteria;

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[51] Scottish Government Website: www.scotland.gov.uk/publications/2007/11/132092240/concordat (accessed Mar 2008).

agreement on voting rights; and managing potential conflicts of interest between partners.

The importance of process in supporting the partnership working agenda is crucial, which is why it is identified as a central plank of Community Planning.

> *" Community Planning is a process which helps public agencies to work together with the community to plan and deliver better services which make a real difference to people's lives."* [52]

The objectives of domestic partnership structures, such as SIPS and more latterly the CPPs are generally set at two levels. First, there is the need to show strategic alignment with key national policies, for example, *Closing the Opportunity Gap.* Second, there is the identification of specific common objectives that reflect the particular priorities of local strategies. The partnership structures bring together the key agencies and community representation that are required to agree on common priorities and strategies and decide how inter-agency collaboration will effectively deliver a range of interventions to achieve the agreed objectives. Partnership structures have agenda-setting powers that are underpinned by a range of essential processes to support decision-making, particularly around the disbursement of financial resources.

In the West of Scotland, the partnership processes have evolved and become more sophisticated over time. Multi-agency partners now work together to: agree funding priorities and types of interventions to be supported; agree funding criteria and funding conditions; decide what is eligible for funding and what is not; agree the data that must be supplied as part of any funding process; agree the appraisal process and timescales; conduct eligibility checks or apply scoring criteria; decide how to deal with potential conflicts of interest; conduct appraisal panels and discussion of

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[52] Source: Definition of Community Planning from Community Planning Website
www.glasgowcommunityplanningpartership.org.uk (accessed May 2008).

projects or service delivery applications; approve or reject proposals; and agree the reporting monitoring and evaluation mechanisms to be implemented.

A recent example of partnership processes in action that reflects joint activities is the Glasgow City Strategy Consortia, founded in 2006. This brings together many of the same institutions and leaders already driving the Glasgow Community Planning Partnership agenda. These funding bodies and stakeholders worked together to submit a successful joint business plan to the Department of Work and Pensions (DWP) to be one of the 15 cities in the UK with City Strategy status. The jointly agreed business plan aims to deliver on a range of objectives that will significantly increase the City of Glasgow's employability rate during 2008-2010 through target-setting aimed at those individuals who are currently furthest away from the labour market. The business plan is recognised by the Scottish Government as the combined Workforce Plus plan (i.e. the targets set out in the Glasgow City Strategy Business Plan 'Glasgow Works'[53] also contribute to the Government's aspirations and targets set out in its national Employability Framework 'Workforce Plus').

The City Strategy approach also aims to align and 'streamline' partnership structures, merging, where necessary, units in existing organisations. It supports the alignment of multi-agency funding streams and joint decision-making on the commissioning of existing and new employability services. A formal Memorandum of Understanding between key local institutions and funders has been drawn up and signed by the following organisations as evidence of their commitment to the furtherance of partnership working in the delivery of the City Strategy: Glasgow City Council, Glasgow Community Planning Partnership, Jobcentre plus, Greater Glasgow and

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[53] Glasgow Works is the name given to the implementation of the Glasgow City Strategy Pathfinder. It borrowed the name from a previously established and now defunct ESF funded partnership programme involving a range of stakeholders (Scottish Enterprise, Glasgow City council and others, which was latterly run by Community Enterprise in Strathclyde) to provide an intermediate labour market support programme for the long term unemployed.

Clyde NHS, Scottish Enterprise,[54] Employer's Coalition and Glasgow Chamber of Commerce.

The Chair of the Group (at time of writing) is Jim McColl who is a highly successful private sector businessman and owner of the global company Clyde Blowers. His involvement demonstrates the increased policy push towards the involvement of the private sector in driving the public policy governance arrangements.

The Glasgow Works business plan commits the key funding bodies and policy makers to the development of a joint performance management information system for monitoring and measuring progress, and this system requires joint data sharing protocols.[55] The plan has been prepared with an understanding that no significant new resources are being allocated to the city from DWP. However, there is an opportunity to use existing resources more effectively and flexibly. The outcome of the jointly commissioned service delivery will be an interesting area of further research on the development of the partnership working approach in Scotland.

The above example from Glasgow highlights that joint partnership working through agreed and aligned planning processes looks set to be a continuing feature of public policy implementation in the West of Scotland.

4.7   Conclusions

In summary, this chapter contends that there were a range of historical and contextual factors that assisted the growth and evolution of domestic partnership in the West of Scotland over the past two decades, which were independent of the influence of EU regional policy. The drivers of partnership can be identified under five broad categories: structures; policy focus; leadership; funding; and processes. Certainly both at UK and Scottish levels the push for partnership was strong and part

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[54] Scottish Enterprise Glasgow no longer exists as a separate institutional entity but has been subsumed into the regional Scottish Enterprise structure.

[55] Glasgow - City Strategy Business Plan April 2007 draft 7 (a).

of a wider trend of New Public Management pursued by both consecutive UK political leadership and expanded considerably during the Blair New Labour years. The distinctive and differentiated Scottish institutional and policy context encouraged greater interaction among key leaders and increased institutional adaptability to working in partnership. The public policy reforms that led to two-tier government and funding allocated through the Urban Aid programme enabled Scottish local authorities to take a lead in mobilising 'bottom up' partnerships to tackle a range of complex area based regeneration issues. This created a critical mass of community-based institutional capacity to deliver on regeneration objectives, which was further developed as a result of the setting up of partnership based administrative mechanisms such as the SIPs and the CPPs. Funding conditions have also increasingly driven a diverse range of organisations to work in partnership. The process of applying for funding meant having to demonstrate strategic alignment, best value and the avoidance of service duplication. This has resulted also in greater focus on improving the quality of service provision. Within the West of Scotland, all these factors have resulted in a strong network of key leaders that are committed to working in partnership and willing to initiate and progress partnership. The evidence of the elite interviewees endorses a sound understanding of key concepts associated with partnership and revealed a strong domestic culture of partnership so that it has become the standard way of doing things.

> *"In the quasi public sector partnership working has become the norm, whether it's about supporting individuals or putting together a partnership project to undertake some physical infrastructure developments such as creating a business or a community centre"[56]*

However, whilst it is evident that this culture of partnership working has strong domestic roots, a key question of this research is to consider what role, if any, have EU funds and European regional policy had in extending or embedding it? Are there any distinctive parts of partnership working that can be attributed to the influence of

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[56] Interview D, dated 15th March 2007.

the Structural Funds as part of a policy transfer process? These questions will be considered in the next chapter.

5. WESTERN SCOTLAND AND PARTNERSHIP WORKING: THE INFLUENCE OF THE STRUCTURAL FUNDS?

5.1 Introduction

Assessing the influence of EU regional policy on domestic policy systems is very challenging. However, by applying a common conceptual framework that breaks down partnership factors as identified in the theory review (structures, policy focus, leadership, funding and processes), to both to the West of Scotland and the influence of EU regional policy systems, a consistent analytical approach is achieved that provides more nuanced insights into a highly complex and interactive relationship.

The previous chapter looked in depth at the combination of domestic policy influences on the growth and evolution of partnership working. This chapter will focus primarily on the influence of the EU and European regional policy on local partnership working in the West of Scotland through the implementation of the Structural Funds (SFs). First, the chapter will consider the range of EU influences and interaction with domestic factors, using the feedback from the elite interviews. Next, it will explore whether there have been examples of policy transfer. Lastly, it will identify key findings and draw summary conclusions.

A number of key questions are central to this chapter. What influence has EU regional policy factors had in relation to the development of partnership working as opposed to domestic policy influences? Why were SFs needed and what difference did they make? Was there a policy transfer process and, if so, to what effect? How can the West of Scotland experience of working with SFs and the growth of partnership working be differentiated from the rest of the UK?

The West of Scotland experience in the delivery of public policy and the growth of partnership working within regional economic development has been and continues to be subject to a range of different policy influences, as Figure 6 below illustrates:

Figure 6: Range of Policy Influences on the West of Scotland[57]
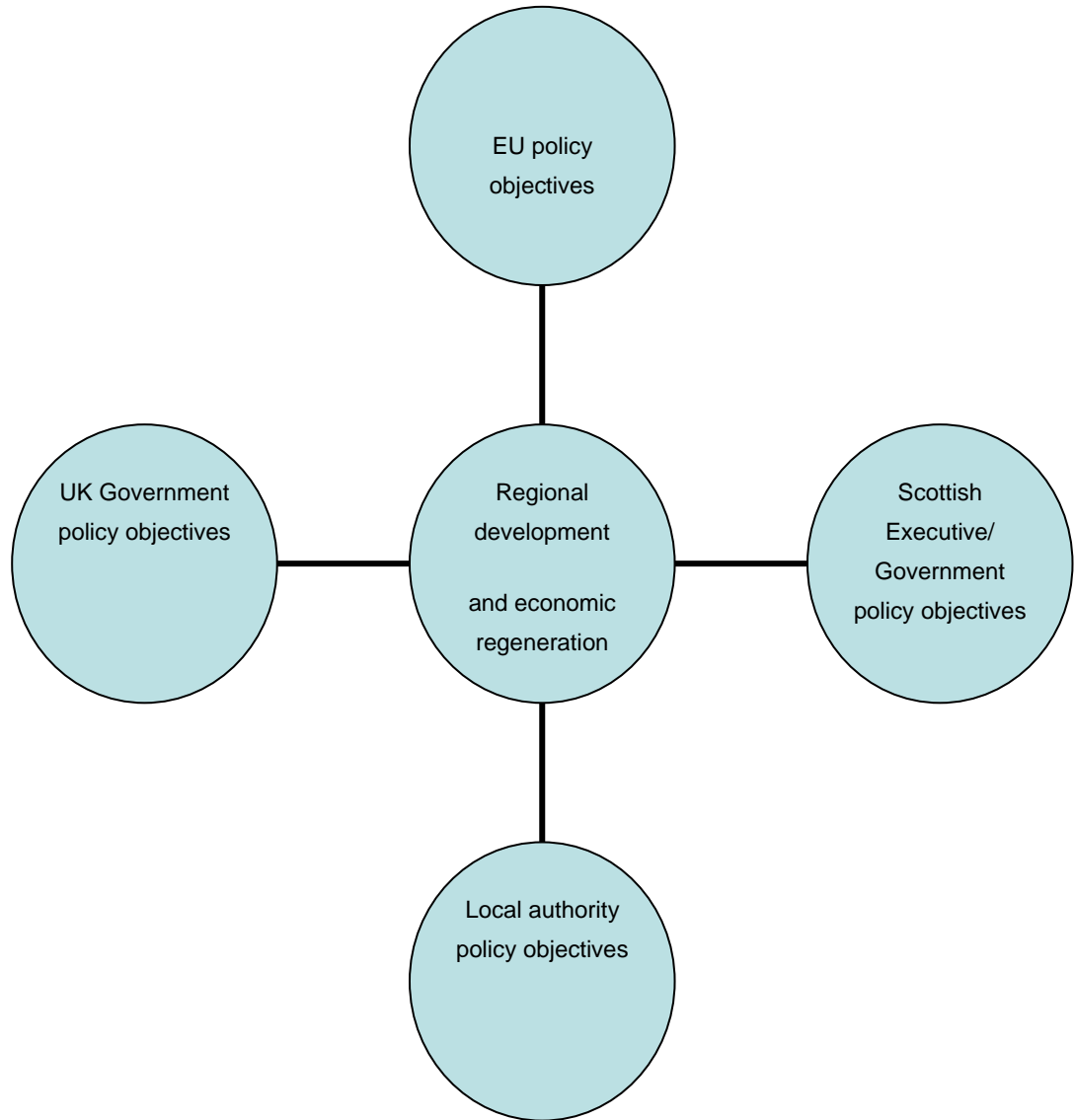
So, how did the differentiated SF implementation structures in the West of Scotland impact on the domestic partnership context?

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[57] Figure 6, diagram created by K. Still to highlight the nature of different policy influences on the domestic context, June 2006.

5.2 Structure

As noted earlier, structure is a key driver of partnership working, and the institutional structures and regulatory functions of bodies can either align to support partnership working or alternatively they can create technical barriers. A contention of this research is that the way in which the SFs were implemented in Scotland strengthened and embedded domestic partnership working. This was due to the differentiated institutional structures that were set up, which were unlike other areas of the UK and the EU.

5.2.1 Implementing the Structural Funds in the UK

The approach to the management of the SFs adopted across most of the UK was historically centralised and controlled through the UK Department of Trade and Industry (DTI).[58] More recently the Managing and Paying Authorities (managing authorities-are bodies responsible for managing and being accountable for the funds on behalf of central government, paying authorities- are bodies responsible for approving and paying out grants) for the English programmes have been: the Department for Communities and Local Government (DCLG) for ERDF, the Department of Work and Pensions for ESF, the Department of Food and Rural Affairs (DEFRA) for European Agricultural Guidance and Guarantee Fund (EAGF) and the Financial Instrument for Fisheries Guidance (FIFG).

During the 1994-99 and 2000-06 programme periods the funds were overseen by Regional Government Offices in England that worked in collaboration with a range of local partners, but the control over the programme management functions were directly exercised by central government and Whitehall departments. Prior to devolution in Wales the funds were also managed by central government ministries via the Welsh Office. The Welsh National Assembly is now the Managing and Paying Authority, and the implementation of the funds is the role of the Welsh

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[58] This is now the Department of Business, Innovation and Skills (BIS).

European Funding Office (WEFO). This office was originally set up as a stand-alone agency but was incorporated into the Assembly's Enterprise, Innovation and Networks Department in 2003. WEFO also works in collaboration with a range of local partners. It is clear from the above that the models in England and Wales have been traditionally dominated by central government which have also had the main task of managing the funds. There were some attempts to use independent secretariats for the implementation of Structural Funds programmes in Wales and some parts of England but these were short lived, unlike Scotland which developed its own unique decentralised secretariat model for the implementation of the Structural Funds.

5.2.2 *The Scottish Model for Structural Funds Management and Implementation*

The Scottish Model for the governance of SFs was a unique structural model that was founded upon partnership decision-making and supporting the growth of domestic partnership working capacity. The model was also politically inspired by the leaders of Strathclyde Regional Council. As a Labour-dominated authority, it did not want the flow and control of Structural Funds to be channelled to the West of Scotland through the Scottish Office, which was led at that time by the Conservative party. Discussions between Strathclyde Regional Council (SRC) and the European Commission as part of the set-up in 1988 of the Integrated Development Operation (IDO) led to the creation of the Scottish Model for the implementation of SFs. This model was highly influenced by Commission officials who were keen to promote the new EU policy regulation, introduced in 1988, endorsing the Partnership principle. The approach by Strathclyde Regional Council was to challenge the Conservative ideology and undermine the influence of the UK government as the Member State and to support a stronger influence of the Commission. It is unsurprising therefore that the IDO proposal submitted by Strathclyde Regional Council displayed more of a commitment to partnership and subsidiarity, (i.e. decision-making being taken at the level nearest the citizen than any other area in the UK at that time, (McALEAVEY 1995; BACHE, 1998). Nevertheless, it was because there was already an established tradition of partnership working in the West of Scotland and

also because SRC shared the Commission's vision of mobilising actors to tackle the scale of domestic problems that the PME model was established.

> **"***I think that the model of partnership developed in the West of Scotland owed its genesis to how Strathclyde Regional Council set up the original IDO; it was strongly influenced by the Commission's popular model of partnership. It was mini devolution in action and in stark contrast to what was happening in other parts of the UK at the time.***"**[59] Quote from a long-standing Scottish Government civil servant.

Once developed, this model was subsequently extended across Scotland leading to the establishment of five Scottish PMEs that engaged in liaison regularly with the Commission.

The IDO was set up as the first PME, which later became an independent company Strathclyde European Partnership Ltd in 1996 (SEP Ltd) Its role and remit essentially remained the same as that of the IDO: to manage the day-to-day implementation of SFs in West of Scotland, within the designated Objective 2 areas of Western Scotland, under delegated authority of the Scottish Office and later the Scottish Executive/Government. The roles of the PME bodies and government officials were clearly delineated in line with EU Structural Funds regulations and the formal structures that set out the roles and responsibilities of parties in the delivery of tasks in the management of SFs. PMEs were set up to be accountable to Programme Monitoring Committees (PMCs) and central government, initially though loose agreements and more latterly via a series of legally binding Operating Agreements, introduced in 2005. Scottish-based government officials acted as the Managing Authority, with overall management responsibility and accountability at a central government level for the use of EU funding in Scotland. They also acted as the Paying Authority, responsible for approving grant claims and making payments. The differentiated role of the PMEs

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[59] Interview F, dated 17 October 2006.

was the operational management of the implementation of domestic Structural Funds. The Scottish approach to the implementation of the European regional policy and the management of the SFs was based upon:

1) creating a large and inclusive **partnership** to inform and guide the decision-making on priorities and the allocation of resources; and

2) the need for **professional programme management structures** independent from central government (Programme Management Executives).

The Western Scotland model was often referred to as an example of good practice by the Commission, (BACHE and MARSHALL, 2004). Similar views were endorsed by Graeme Meadows (former Director General for EU regional policy) during his input to the *It All Adds Up* event held to mark 20 plus years of Structural Fund implementation in the West of Scotland on the 21st of June 2007. He spoke with personal authority and knowledge of the early years of Strathclyde Region and the Commission working collaboratively and in partnership with key political actors whom he praised for having a clear vision to regenerate the region utilising SFs. It is worth noting that his support for Strathclyde Regional Council was also on shared ideological grounds (Labour-supporting activism). Meadows stressed that key actors were aware that centralised solutions had been tried and failed and that new ways were needed to tackle the problems of the area. The impetus for innovation and regeneration needed to be founded on a consensual partnership approach and the development of bottom-up community-based economic development strategies. This impetus for a collaborative partnership approach led to a willingness of a range of local actors to engage in and work through the PME structures.

Integral to the Scottish Model has been the partnership approach. Over 200 local organisations were involved in various roles at different levels in the West of Scotland Partnership, forming a range of economic regeneration policy and practitioner networks, both formal and informal. The composition of the West of

Scotland PME demonstrated a capacity for joint multi-organisational action and operations in specific policy areas and sectors across the West of Scotland. Therefore, it reflected the aspiration of an inclusive and multi-layered partnership as outlined in the EU regulation and the theoretical concept of multi-level governance as described by MARKS, 1992, 1993.

The PME structures brought together a significant mass of multi-sector expertise, thereby creating new regional policy networks through the various PME advisory group structures. This led to the emergence of greater clarity on local regeneration priorities, and galvanised integration and co-ordination of strategic activities and funding resources. An example of the commitment of local partners to the Scottish Model was demonstrated by their willingness to contribute as Company Board Members and to provide voluntary management fees to co-finance the running of PME company structures, over a number of years. For example, in the case of SEP Ltd the members of the company included: Scottish Enterprise, the 12 Local Authority Councils, the five Local Enterprise Companies in the region, and the West of Scotland Colleges' Partnership on behalf of the wider partnership[60].

Overall participation in the PME structures raised awareness of domestic institutions about the importance of partnership from an EU perspective and also improved local capacity for partnership working.[61] It is important to stress that this approach to the implementation of SFs in Scotland was different from much of the rest of the UK.

The Scottish Model was actively resisted elsewhere in the UK, where the system for the disbursing of SFs was dominated by central government across all functions. The nature of the resistance was both institutional and political (BACHE and MARSHALL, 2004). This was because the Commission's concept of partnership encouraged power-sharing with local authorities and the European Commission, and the involvement of trades unions, which clashed with the neo-liberal approach of Conservative ideology at the time, which was about encouraging the growth of

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[60] (ref http://www.wsep.co.uk/).

[61] Interviews E, dated 7th June 2006 and G, dated 3rd August 2006.

private sector partnerships to deliver on public policy objectives. This divergence in approach was because there were clear policy and institutional differences between Scotland and other areas of the UK (BACHE and MARSHALL, 2004).

However, it is also true to say that, over time, the involvement of other partners in the decision-making process in other parts of the UK has become greater. Nevertheless, the process was more tightly controlled by central government, even if through regional offices of central government, than in Western Scotland.[62]

5.3 Policy Focus

In the West of Scotland context, the role of Strathclyde Regional Council (SRC) was significant in driving local partnership working as it had an institutional culture that was both pro-European and pro-partnership from its early inception and its policy focus was aligned with that of the EU regional policy. Both domestic and EU regional policy at this time were focussed on addressing areas of severe socio-economic problems, and both sets of policy solutions were about spatially targeted economic regeneration through joined-up, partnership-based, actions. There was synchronicity of timing, with the 1988 ERDF reforms coinciding with significant economic re-structuring happening in the West of Scotland, which led to a shared vision between SRC and senior officials in the European Commission's DG for Regional Policy on how to use and disburse Structural Funds to best effect. Local actors recognised that no single organisation could tackle the scale of problems on their own. So, existing collaborative initiatives in the West of Scotland provided the foundations on which Structural Fund programmes could build. Over successive programming periods the Structural Funds have been a galvanising influence in assisting local actors to clarify regeneration priorities and this has stimulated and strengthened domestic collaborative working (DAVIES et al.,2007).

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[62] Currently the model for the implementation of the Structural Funds for the 2007-2013 periods in England has changed significantly, with competitive tendering via co-financing bodies such as the Learning and Skills Councils and the Department for Work and Pensions). New governance arrangements for the implementation of SFs in Scotland have been implemented too.

Strathclyde Region was established in 1975, the same year as the ERDF. Its remit was wider than district authorities and included co-ordination of more strategic functions: policing, fire and transport services, as well as education and social work. Within the Scottish Office at that time it was widely believed that the creation of larger local authority structures would provide the optimal spatial areas required to plan physical and socio-economic renewal and attract more professional and talented politicians and officials (MIDWINTER, KEATING and MITCHELL, 1991). Therefore, it was unsurprising that SRC was encouraged by the Scottish Office to have a role in the implementation of the SFs. However, the role of the Scottish Office and that of local authorities were clearly delineated.

Evidence of Strathclyde Regional Council's pro-European attitude can be demonstrated by its commitment to become active in a range of EU networks and programmes. It took an active role in the Assembly of European Regions and held the presidency of this organization in 1992 and of the Association of European Regions of Industrial technology (RETI) in 1993. It also forged working links with the Council of European Municipalities and Regions (CEMR). It brokered a trans-national partnership of regions from its work through AER, which eventually led to further collaboration with the cities network to deliver the Ecos-Ouverture Programme on behalf of the Commission. This programme encouraged and facilitated a range of small-scale collaboration projects based on forming partnerships between local authorities in Member States and those in Central and Eastern Europe and the countries of the former Soviet Union, CHRISTOPOULOS and HERBERT, 1996.

Strathclyde Regional Council was one of the first UK local authorities to set up its own representative office in Brussels in order to forge links and influence EU policy directly and "*to by-pass the Conservative Government*" (quote from a research interview in CHRISTOPOULOS and HERBERT, 1996, Ref. page 11). The links between Strathclyde Region's local authority politicians and the Scottish Members of

the European Parliament were also strong and certainly helped in building a case to attract Structural Funds resources to the West of Scotland region.

Spatially, Strathclyde Regional Council (SRC) was one of the largest regions in Europe. It needed to intervene in response to the serious economic issues blighting the West of Scotland in the mid to late 1970s as a result of global market conditions. The region was suffering from the loss of traditional steel and shipbuilding industries leading to massive levels of unemployment. SRC's Labour administration, led by Charles Gray, wanted action to tackle area-specific problems and looked to the EU for financial assistance rather than UK Conservative government, which was seen as less inclined to help an area where there would be no political gain. SRC was granted EU regional funding as one of first seven National Programmes of Community Interest in 1986, DANSON et al., 1997. Later, in 1988, SRC set up the Integrated Development Operation (IDO) to implement SFs. This was the same year as the partnership principle was introduced within the EU regulation, drawn up by the same Commission department responsible for Structural Funds. As a result the IDO was highly influenced by the EU regional policy and specifically its thinking on partnership. The process of development brought the SRC and Commission together in discussions, achieving greater policy alignment between the West of Scotland and the EU Commission. Consequently, SRC was more adaptable than other parts of the UK to a process of Europeanisation i.e. the term here is being used in the context of voluntary EU policy transfer and a good fit with local policies and working practices; BACHE and MARSHALL, 2004.[63][64]

In summary, the institutional pro-European culture within SRC resulted in greater Europeanisation and policy transfer influences on key domestic actors across the West of Scotland. Therefore, a particular set of circumstances - policy alignment, the synchronicity of timing of domestic need, alongside the opportunity of SFs as a means of relieving this need - encouraged the leadership of SRC to mobilise a range

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[63] Interview F, dated 17th October 2006.

[64] Comments made by G Meadows at the "It All Adds Up" Event Glasgow 21st June 2007.

of actors at all levels through partnership working to tackle the pressing issues of poverty, community regeneration and social inclusion.

5.4 Leadership: The People Factor

An underlying thread throughout the research is the importance of people and relationships in making partnerships work. As argued in Chapter 4, there were existing networks and partnerships involving practitioners operating in the West of Scotland. However, this research contends that the SFs provided stability and continuity of funding that encouraged new opportunities to strengthen these personal networks and partnership approaches, thereby extending and enhancing the knowledge and experience of domestic practitioners. The EU and West of Scotland interactions were mutually reinforcing partnership working.

Nevertheless, whilst policies, processes, funding and frameworks can all be in place, it is often the vision and partnership skills of key leaders that lead to successful partnership working. A lesson from the West of Scotland experience is that having the right people at the right time working in a stable institutional environment over the longer-term allows partnerships to develop trust and mature. Therefore, people in key decision-making roles, timing and continuity of leadership are all important.

In terms of timing, a key opportunity had arisen in 1988 for the West of Scotland as there was strong support from the European Commissioner in Brussels, who was willing and had the capacity to progress EU assistance to the West of Scotland. Bruce Millan was a European Commissioner who was not only Scottish but also a previous Labour Scottish Office Minister. He had strong ties with many of the region's local authority politicians and Scottish Office civil servants. As a result, he was acutely aware of the scale of problems faced by the Strathclyde Region. The proposal for European funding for the Strathclyde Region, covering Labour-dominated heartlands, was clearly about getting much-needed resources to the region at a time when the Labour party was in opposition in the UK to the Conservative

Government in Westminster. The bid was supported by the Scottish Office and the UK Central Government, as it wanted to increase all the UK bids for Structural Funds in 1988 in order to maximise further Structural Fund receipts in subsequent programming years (BACHE, 1998).

The success of a massive initial funding bid of 350 MECU[65] led to the establishment of new institutional infrastructure and to a continuity of institutional leadership over a substantive time frame, which has also had a significant impact on the development of domestic partnership working. The individual appointed to manage the funding for this bid subsequently became Chief Executive of the Structural Funds Programme Management Executive (PME) in the West of Scotland and remained in post for a period of 17 years. Many of the original staff team remained in post for 10+ years too, thereby providing continuity of partnership infrastructure support. Personal commitment to the principles of working in partnership has remained strong throughout the career of this key actor in a leadership role. A similar continuity of leadership within the leadership of PME for the East of Scotland is also demonstrable, with the same Chief Executive in post since its inception. Both of these individuals and many other involved in the administration of Structural Funds in Scotland had previously worked for Strathclyde Regional Council creating informal partner networks, This research contends that continuity of leadership within the PMEs gave the Scottish Model an opportunity to grow and mature.[66] Furthermore, the relative spatial size and scale of the West of Scotland has meant that the policy networks concerned with socio-economic development have been more iterative and cohesive involving many of the same key actors in leadership roles over the last twenty years. Feedback from elite interviewees highlighted a view that the commitment of key individuals to partnership working has helped to embed it in the domestic context.

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[65] Commission Official (1995) quoted in BACHE (1998).

[66] Interview E, dated 7th June 2006.

> *"The nature of the partnership also owed a lot to and gained strength from the personality of……. His personal connections and networks permeated the organization, creating interdependencies."*[67]

Nevertheless, whilst the strong personality and network links of a committed leader can be seen by some as a positive influence it can also be deemed a blockage to progress by those who have divergent views on the relative roles and responsibilities and powers of their organisations or those who do not enjoy a good personal relationships built on mutual trust. There is also danger that like-minded people can dominate networks and can become resistant to change and unwilling to listen to alternative approaches. As a former Board Member of SEP Ltd, this researcher was well aware of institutional and personality tensions between the leadership of the organisation and the Scottish government civil servants as the organisation was seen by some as resistant to their control. This arguably made collaborative partnership working between SEP Ltd and the Scottish government more difficult at a time when decisions about role of the PMEs in the management of the Structural Funds 2007-13 needed to be made.

From the literature review on partnership it is clear that an individual's approach to collaborative working can be motivated by positive factors such as the common good and improved efficiency as well as negative factors such as power-play and self-promotion. However, this research argues that whilst there can be both positive and negative factors associated with partnership working the interaction of domestic and EU policy systems was mutually reinforced and embedded this mode of working in the West of Scotland. To test the argument elite interviewees representing leaders in key domestic institutions were specifically asked about the influence of the Structural Funds on domestic partnership working.

Most of the interviewees stated that the culture of partnership working in the West of Scotland owed something to the implementation of the SFs and a number of key

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[67] Interview F, dated 17th October 2006.

points around the positive influence of the SFs on the domestic context were highlighted.

- The funds brought people to work together who otherwise would not have met and created a basis for creating networks in the region.
- The integration of socio and economic regeneration funding produced some of the best partnerships in the West of Scotland.
- Partnership working was more political, cohesive and robust in the West.
- Partnership working through the SFs implementation was the Commission's mechanism for the competitive disbursement of EU funding.
- SFs had a galvanising influence in clarifying regeneration priorities that could not be done by any one organisation on its own.
- The funds drove the need for organisations to talk to each other before making funding applications.
- The funds required the demonstration of 'added value' and encouraged best practice.
- The SFs allowed people to become skilled and practiced in partnership working, enabling it to become a realistic mode of working.
- The SFs led to a culture of project evaluation, making people think through projects more carefully.
- Professional Programme Management Executives became skilled at developing and supporting the capacity of organisations to undertake partnership working.

Whilst some interviewees stated that they had participated in formal SF training organised by the Programme Management Executives, there was little acknowledgement of the benefits of this training. However, the above comments would suggest an active process of learning and knowledge transfer.

"I guess I must have done something in terms of gaining awareness of what to do in scoring bids and what to look for" [68]

Clearly, the above research findings indicate that the SFs had a significant influence on the development of domestic partnership working in the West of Scotland. The research findings suggest that the influence of the SFs was particularly strong in building the domestic capacity of both institutions and people to work more strategically together. Furthermore, the SFs introduced the concept of 'added value' and placed greater emphasis on the monitoring and evaluation of domestic programmes and projects. Therefore, the SFs also had a role in driving up the quality of projects and service provision. Interview research suggests that the PME structures were a significant support mechanism for local agencies in terms of developing regional and thematic networks and creating the institutional adaptability and capacity of many organisations to engage in partnership. These findings underline the importance placed generally on structure as a driver of partnership working and the supporting role of the PMEs in particular.

5.5   Funding

Another consideration of this research relates to whether or not access to SF funding over a long timeframe helped to embed a domestic legacy of partnership working.

The importance of funding in bringing partners together has different facets. There are those bodies with the authority to allocate resources and decide the size and scale of funding on offer; the scale of funding often determines whether or not there is any financial incentive to collaborate. Partnership may be needed in particular situations where resources are tight and agencies are encouraged to maximize efficiency by sharing resources. Conditions can be attached to accessing funds, requiring partnership working. However, partnership working is often at its strongest when it is financially well resourced.

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[68] Interview H, dated 10th August 2006.

"How organisations are funded generally drives their behaviour"[69]

5.5.1 The Size and Scale of EU Funding Allocations

The size and scale of SFs disbursed in the West of Scotland over 20 plus years had a significant impact on the domestic partnership context. The funds were introduced as a new financial resource for the West of Scotland in response to a massive socio-economic crisis. A total of 350 Million ECU[70] of SFs was initially allocated during 1988-1992 directly to the Strathclyde Integrated Development Operation (IDO). By comparison, the domestic Urban Aid Programme for Scotland was £44 million during 1988-1990. Therefore, the significantly larger size and scale of EU funding was bound to have greater impact on driving the behaviours of local actors. This is a view endorsed by the practical experience of elite interviewees.

> *"Partnership working was funding led and the PMC happened at a partnership level. It was a simple funding led approach but this was appropriate for economic regeneration."[71]*

The effective use of the initial 350 million ECU SF allocation required a strategically co-ordinated approach to its disbursement.[72] The Scottish Model evolved as a mechanism for achieving this by increasing the engagement of a range of actors being funded to work together to implement joined up solutions. The scale of funding provided resources for local authorities and other regional agencies to devolve economic and social regeneration functions to neighbourhood based regeneration bodies such as the Local Economic Development Companies (LEDCs – now Local Regeneration Agencies) and other similar voluntary and third

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[69] Interview with H, dated 10th of August 2006.

[70] Commission Official (1995) quoted in BACHE (1998).

[71] Quote from an interview with D, dated 15th of March 2007.

[72] Source of data related to 350million ECU, from a European Commission official quoted in BACHE (1998) Ref. page 78.

sector organisations in order to provide locally responsive and effective delivery services. This created the domestic institutional capacity for partnership working.

Over the past 20 plus years a total of 1822.471 £million of Structural Funding has been allocated to tackle European Regional development priorities. (See Table 6 below)

Table 6: Structural Fund Programme Expenditure in Western Scotland [73]

Period	Main Programmes and Community Initiatives	Exp (£m) Nominal	Price Year	Exp (£m) 2007-08
1986– 1987	Glasgow National programme of Community Interest (ERDF)	64	87	132.097
1988 -1992	Strathclyde Integrated Development Operation (ERDF/ESF)	274	88	540.078
1990- 1993	Western Scotland RECHAR 1 (ERDF/ESF)	3.0	93	4.676
1991-1993	Western Scotland RENEVAL (ERDF)	16.4	93	23.38
1992-1993	Western Scotland STRIDE, NOW, HORIZON, KONVER, RETEX, EUROFORM	5.0	93	7.014
1993	Western Scotland Operational Programme (ERDF/ESF)	73.5	93	107.548
1994-1996	Western Scotland Objective 2 (ERDF/ESF)	226	94	321.475
1994-1999	Western Scotland RECHAR II	1.99	94	2.338
1994-1999	Western Scotland RESIDER	7.74	94	10.521
1997-1999	Western Scotland Objective 2 (ERDF/ESF)	224	97	296.926
1997-1999	URBAN – Glasgow North and Paisley (ERDF)	9.8	98	12.859
2000-2006	URBAN II Clydebank South and Port Glasgow (ERDF)	7.99	00	9.352
2000-2006	Western Scotland Objective 2	290	00	354.207
Total		**1203.42**		**1822.471**

Source: BACHTLER, JOSSERAND and MICHIE (2003).

SFs have been a significant additional financial resource in terms of stimulating and co-ordinating domestic economic development and regeneration activity. As a result, the West of Scotland has developed considerable experience of working with Structural Funds both in the early pre programming days (1986-1988) and over successive programme periods (1989-1993) (1994-1996/1997-1999) and (2000-

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[73] See BACHTLER *et al* (2003) for detailed notes and sources of the individual figures. The total is an under-representation as it excludes non-regionally attributable expenditure in Scotland. Uprating of figures to 2007-09 prices based on HM Treasury deflator tables, 2007-08 (2001-02 figures multiplied by 1.169).

2006). It therefore provides a good example of looking at the particular effects SFs have had on domestic regional development.

SFs were limited to specific activities and were subject to stringent EU eligibility conditions, including the implementation of the partnership principle, thus SFs were bound to have been a strong influence on local partnership working.

The greater size and scale SFs in comparison to domestic Urban Aid funding, particularly in the late 1980s and throughout the 1990s gave them a crucial role in driving socio-economic change in the West of Scotland. A report on the impact of Structural Funds programmes in Scotland 1994-2006 by DAVIES et al., (2007) identified that whilst EU funding has been a relatively small proportion of total public funding expenditure allocated in Scotland, it has represented a sizeable amount dedicated to socio-economic development at circa 11%.

During 1994 -1996, the LEDCs and a range of other public and voluntary sector providers were able to capitalise on utilising Structural Funds in the West of Scotland under the extension of the Community Economic Development (CED) priority within the Strathclyde Objective 2 Programme; The CED priority was further extended during the 1997-1999 Objective 2 period. The funding had two strands: first, to target funding allocations on small neighbourhood areas of extreme deprivation within eligible regions; and second to involve the local community in decisions about the regeneration of their area. It was identified as a means of tackling the evident issues of social and economic exclusion that was concentrated in particular communities. It was also seen as a 'grass roots' rather than a 'top down' approach; BACHE and OLSSON, 2001.

CED funding was allocated through a competitive application process, and required demonstration of appropriate community partnership and the leverage of match funding from other sources. LEDCs and other organisations with a remit for elements of social and economic regeneration were, as a result of this process, subject to a form of Europeanisation in that local area development strategies were designed to

take account of EU criteria for funding. These organisations became adept at aligning this with the domestic criteria for funding (BACHE and MARSHALL, 2004). As stated in the previous chapter, domestic Urban Aid funding criteria from 1996 onwards and subsequent domestic funding via both the SIP and CPP structures required the demonstration of partnership working, strategic alignment and measurement of inputs, outputs and impact. Domestic funding criteria can therefore be seen as 'following in the footsteps' of EU funding criteria.

In the West of Scotland, a wide range of public and voluntary organisations became very knowledgeable and practised in putting together complex funding bids utilising the match funding of EU and domestic sources. As more than one than one elite interviewee pointed out, project applicants knew that not working in partnership meant less chance of getting EU funding.

> *"We advised partners that if they put in an application on their own without partners they would get a low score. They would get extra points for working together with others. The programme was competitive so people chased points to get funding…We provided training and the message got across, applicants would only get funding by working in partnership."[74]*

Some interviewees expressed doubts about whether the funding-led approach actually led to better quality partnership projects as initially some partners were included in a tokenistic manner in name only and had no real role in the delivery of the projects, demonstrating that the aim of some organisations was simply to access the funding while continuing to pursue their own institutional agenda. However, interviewees also responded that, over time, the approach provided an opportunity for people to become skilled and practiced in partnership working, allowing it to become a realistic way of working in the West of Scotland. As one interviewee put it - the early years were a bit of a painful process, due mainly to the length of time consensual partnership working can take to get things done but also due to the nature

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[74] Interview with G, dated 3rd August 2006.

of personal interactions and institutional power-play. Nevertheless, there was a common view among interviewees that without funding driving the process it is unlikely that partnership working would have become the norm or have the recognition it does in the West of Scotland today. It encouraged partners *"to walk knowledgeably in other people's shoes"*[75] i.e. to have greater understanding and knowledge of each partner organisation.

From the literature on partnership it is arguable that greater knowledge of different institutional agendas can be used not just for the common good but it can lead to more effective power-play. Therefore, the personal self-interest of leaders and their ability to engage and influence other partners still has the potential to progress or undermine what can actually be achieved through partnership working. Arguably, this raises questions about the concept of partnership as an effective organising mechanism for the implementation of public policy objectives.

5.6   Processes

The SFs introduced a range of new processes that helped to embed active, inclusive and participative forms of partnership working that clearly influenced the West of Scotland domestic systems. The disbursement of funding through the PME structures required the introduction of a wide range of new processes, for example, concerning strategic decision-making and peer appraisal of funding applications.

The agenda-setting powers of EU governance institutions and their focus on strategic alignment around common policy objectives and agreed decision-making processes reinforced domestic partnership working. Agreeing new methods of inter-agency working to meet key policy objectives has been about demonstrating best value for the public purse, the avoidance of service duplication and driving up the quality of service provision. The role of the SFs in establishing partnership working processes as an organising mechanism for the disbursement of allocations had an important

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[75] Interview with D, dated 15th March 2007.

impact on the domestic partnership context. SFs encouraged the involvement of local actors in agreeing decision-making processes, aligning strategic policy objectives, identifying priorities and co-ordinating multi-agency and multi-sector solutions.

The processes adopted in implementing the Scottish Model through the PME structures strongly reflected the Commissions' model of partnership, which was based on the involvement of local authorities and a wide range of other actors in the SF decision-making processes. As a result the Scottish Model was often referred to as an example of good practice by the Commission.[76] The PME remit encouraged 'added value' by raising awareness of EU policy objectives, supporting network and partnership formation across a range of sectors, providing advice and guidance on project development, driving up the quality of submission to fit with EU objectives, and the sharing and dissemination of know-how and best practice among partners.

Partners have been involved in various roles and processes that have been central to the effective management of the Structural Funds in Scotland. They have taken a lead in developing applications to provide solutions to tackling a range of social and economic development problems, under various programme specific themes and in line with a cohesive regional plan setting out the strategic priorities and desired outcomes across each theme.

Another key aspect of the SF partnership process was the involvement in the peer group appraisal and scoring of applications as members of a number of thematic Advisory Group Structures and in making recommendations to the Programme Management Committee (PMC) on whether or not projects should be approved for funding support. The various Advisory Groups encouraged more networking and provided regional decision-making fora for those involved in economic and regional development in the West of Scotland.[77]

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[76] Interview with F, dated 17th October 2006, and G Meadows speech at the *It all Adds Up* event 21st June 2007 in Glasgow.

[77] Sources: BACHTLER and TAYLOR, 2003 and ref http://www.wsep.co.uk/).last accessed October 2010.

> *"The philosophy of SEP Ltd was very much about taking multi agency approaches to solving problems"*.[78]

A number of partners from a range of agencies were willing to take on responsibility for running the PME companies on behalf of the wider partnership network, and partners were willing to provide voluntary contributions to support PME running costs.

It is again important to stress how the Scottish Model of implementing SFs was uniquely differentiated from the other domestic models of implementing the SFs in Britain. The concept of partnership based on the EU partnership principle model was at the heart of the Scottish system and this was not the general approach adopted elsewhere in the UK. Significantly, this is evidence that the West of Scotland was more adaptable to the EU regional policy transfer process in relation to the partnership principle.

PME structures encouraged applicants to undertake better evidenced-based planning in the development of project ideas (BACHTLER and TAYLOR, 2003; DAVIES et al, 2007). The PME support system encouraged a co-ordinated approach to the planning of services by avoiding any unnecessary duplication of provision. It also spawned a culture of project evaluation to check on the effectiveness of projects.

> *"It forced people thinking their ideas through more carefully"*[79]

Knowing that projects would be appraised by a peer group and then evaluated for its effectiveness made applicants plan projects more carefully in advance of applying. Therefore, the implementation of the Commission's model and the involvement of domestic partners in new SF processes interacted with domestic models, to the

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[78] Quote from an interview with C, dated 30th November 2006.

[79] Interview with C, 30th November 2006.

strengthen domestic partnership working as the main organizing mechanism for the delivery of public policy objectives.

5.7 Assessing the Influence of EU Structural Funds on Domestic Partnership Working

The SF processes encouraged applicants to consider issues of 'added value'. This terminology is used to describe the nature of outcomes that cannot be achieved without the use of EU funding. So what actual differences can be attributed to SFs in the West of Scotland?

An analysis of the 'added value' of SFs from a regional perspective was conducted by BACHTLER and TAYLOR (2003), based on the experience of IQ Net, which at the time was a network of Structural Funds programme management authorities, covering 19 partner regions in nine Member States, including Western Scotland. The research identified three key factors influencing added value i.e. the difference made by SFs that would not have happened without the disbursement of Structural Fund intervention. The factors identified were: the financial and geographical scale of the programme; the type of administrative systems in place to manage the Funds; and the maturity of programming experience. In addition, they identified (Ref. page 9) five added value components which they characterised as:

- **cohesion** added value (the extent to which programmes have influenced local regional development strategies and influenced coherent economic development and regeneration);
- **political** added value (EU more visible, encouraging economic and political integration);
- **policy** added value (the extent to which SF's have transferred to and influenced domestic policy priorities);
- **operational** added value (the most noted area is partnership working, and collaborative approaches to and co-operation on economic development initiatives); and

- **learning** added value (supporting learning and innovation and introducing reflexivity)

BACHTLER and TAYLOR (2003), concluded that partnership working is often most associated with operational added value around economic development initiatives. The report emphasized the benefits that the partnership principle has brought to regional development and argued that this influenced the development of regional policies that increasingly call for collaborative working not just as an object of policy but as part of the process of designing and delivering it. The SFs have acted as a catalyst for improved joined up working at the appropriate spatial level.

The findings of BACHTLER and TAYLOR (2003), in conjunction with the findings of the TAVISTOCK INSTITUTE Report, (1999), and the EUROPEAN COMMISSION'S DE REGIO research paper (2005), provide evidence that there are some common theoretical concepts associated with the adoption of the partnership principle and its EU regional policy transfer process, which can be summarised as:

- effectiveness and efficiency
- legitimacy and transparency
- ownership and commitment
- co-ordination and communication
- institutional capacity building
- joined-up working
- sectoral and spatial alignment
- partnership working contribution to EU integration

There are strong similarities between the majority of these concepts, which are associated with the evaluation of the impact of the policy transfer of the EU partnership principle, and the wider partnership theory concepts and the main findings of this research.

Looking at the case of the West of Scotland, it can be argued that these conceptual insights are relevant. SFs and the implementation of the partnership principle can be credited with making a specific contribution to the adoption, growth and strengthening of partnership working as a realistic mechanism for the delivery of public policy economic development objectives in the West of Scotland. As earlier analysis in this chapter demonstrated, the introduction of the PME model in the West of Scotland created new institutional architecture that supported the formulation and creation of collaborative partnership working and helped to embed partnership working as the accepted mechanism for the implementation of domestic public policy objectives.

5.8   A Changing Domestic Context: The demise of partnership working?

As the research has established, dedicated structures, relevant policies, people in key leadership roles, the size and scale of funding levels and the introduction of new processes have all been instrumental to the establishment and growth of domestic partnership working. As described above, the Structural Funds interacted with the domestic system across all these areas to embed partnership working. With significant reductions of Structural Funds to Scotland for 2007-2013 there was a need to review and streamline structures and processes in order to reduce the level of costs and complexity associated with managing the funds and to increase efficiency. [80] Reports commissioned by the Scottish Executive highlighted that administration costs associated with the independent PME structures were greater than in some other EU Member States that were able to absorb overhead costs within government departmental administration costs. Following these reports, the Scottish Executive took the decision wind down all but one of the PME organisations during 2008/9.

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[80] The Scottish Executive commissioned DTZ Pieda (2004) to produce a value for money financial assessment of the Programme Management Executives in Scotland, A Report to the Scottish Executive, DTZ Pieda, April, 2004. A further report on options for Structural Funds Administration was commissioned by the Scottish Executive (Hall Aitken 2006).

The traditional Scottish Model has been transformed as a result of almost 50%, reductions in SFs allocations to Scotland for the 2007-2013 periods. Two of the former PMEs - the East of Scotland European Partnership (ESEP Ltd) and Highlands & Islands (Scotland) Structural Funds Partnership Ltd (HIPP) remain - and have been awarded the contracts for administering SF programmes in the 2007-13 period via a competitive tendering process. They now act as the Intermediate Administration Bodies (IAB) on behalf of the Scottish Government for the implementation of Lowlands and Upland Scotland (LUPS) and Highlands & Islands programmes.

The change in title from PME to IAB reflects a reduction in the role of the partnership bodies and the responsibilities delegated. The IAB tasks are now focused on administrative rather than management functions as these have been assumed by the Scottish Government officials. In the lowlands and uplands area the LUPS programme provides co-finance funding for some strategic delivery bodies (e.g. the Community Planning Partnerships (CPPs) and Scottish Enterprise) and a proportion of challenge funding is available via competitive grant submissions. All submissions need to conform to the EU-approved LUPS Operational Programme document; which is aligned with the new EU Community Strategic Guidelines and the UK National Strategic Reference Framework.[81]

Perhaps inevitably, the reduction in the level of Structural Fund resources to Scotland has meant less need for a complex management structure and less extensive involvement of the wider partnership in the decision-making processes. With the closure of the PMEs, leading actors from these institutions have moved on to new careers. At time of writing it is unclear how changes to the management of SFs will impact on the socio-economic regeneration of the West of Scotland and its tradition of partnership working in the longer term. There were divergent views from elite interviewees on the potential impact of the changes to the administration of SFs; some took the view that there could be a negative impact on domestic systems whilst

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[81] Source: ESEP website last accessed 10th April 2006 http//WWW.esep.co.uk/03-info-consultation.html.

others were optimistic that it could lead to more efficient use of resources and improve partnership working.

On the one hand, concerns were expressed about the lack of involvement of the former PMEs and partners in the preparation of the new programme for 2007-2013. Unsurprisingly, the strongest criticism about the dismantling of the PME model came from those closely involved in the running of the structures. The view was expressed that the change management process initiated by the Scottish Executive had made the day-to-day functioning of the PMEs very difficult. The process failed to capitalise on the existing bank of skills, knowledge, and experience that could have assisted in informing the new programme design. There were concerns that the role of partners in the decision-making process could be significantly reduced; for example, the peer appraisal of Structural Fund projects could be lost. There was anxiety about a loss of strategic planning based on a regional spatial focus, due to the widening of the geographic coverage of LUPS. Also, the new structures would have a less strategic role and the value added activity of the PMEs would be lost, potentially leading to a widening gap, between policy development and implementation within Scotland, resulting in less cohesive socio-economic solutions.

Some other interviewees thought that the biggest impact on the reduction of SFs would most likely lead to a significant contraction in the employability infrastructure, but there was anxiety that this reduction would not be based on rational decision-making but influenced by the need to maintain politically sensitive provision. Overall there were concerns about a lack of transparency and accountability in decision-making by not involving the wider partnership.

On the other hand, it was accepted by some interviewees that there could be potential benefits from the changes. The reduction in Structural Funds could be painful for some existing partnerships, as there would be institutional tensions due to less money being available in the system, but the implementation of the new SF programmes could strengthen particular areas of partnership working. There was potential strength to be gained from the West being integrated more closely with the East and

South regions of Scotland. A common view was that the reduction, rationalisation and alignment of new institutional structures would improve the effectiveness of partnership working as the structures were too complex and needed to be streamlined. Local strategic partnerships have often been overly concerned with strategies and structures and much less effective at getting down to the practicalities of achieving better delivery on the ground. There was a sense that a tightening of resources could perhaps increase and improve strategic focus and actual delivery through the rationalisation of structures and encourage more innovative approaches. As CPPs and Scottish Enterprise are co-financing bodies in the new SFs management arrangements the existing partnerships would need to be "*fleet of foot*"[82] in linking in with these co-financing bodes.

One interviewee was optimistic about the opportunities for improved strategic policy alignment arising from the new Community Planning Partnership (CPP) structures within the City of Glasgow and the organisation of service delivery within the five locality areas. This interviewee was enthusiastic about plans for inter-agency co-location as part of the City partnership agenda to create virtual teams to tackle socio-economic regeneration issues in Glasgow.

Overall, the most important perceived benefits to the changes to administrative structures for implementing SFs were around streamlining, reducing bureaucracy and improving the efficiency of partnership working. The mixed feedback reflects uncertainties at time of writing about the impact of reduced resources and structural change and the implementation of SFs during 2007-13. Undoubtedly, the longer term effects of the changes to the institutional architecture for the disbursement of SFs in the Scotland will merit further research.

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[82] Interview with F, dated 17th October 2006.

5.9   Conclusions

In conclusion, this chapter focused on the influence of European regional policy has had on local partnership working through the implementation of the SFs. The research analysis was presented under the five broad categories representing the key drivers of partnership: structures, policy focus, leadership, funding and processes. The views of elite interviewees aligned to findings from the literature reviews and theoretical research analysis informed the chapter to achieve robust conclusions through the use of triangulation in the research methods. The research findings have identified a strong culture and positive attitude towards partnership working in the West of Scotland based on a sound basis of knowledge and understanding of concepts associated with partnership; such as '*common goals'* and *'mutual benefits'* and that the nature of the relationship and openness and trust between partners is often central to achieving partnership goals. This is consistent with partnership theory findings (MACKINTOSH, 1993, McCABE et al, 1997, HUXHAM and VANGEN, 2000a, 2000b, 2003, 2005; GEDDES, 2006) Furthermore, the research demonstrated that partnership working has become an embedded way of working in the West of Scotland and is now the accepted mechanism for governance of the strategic co-ordination of economic regeneration activity.

The conclusion drawn from this chapter is that a combination of strong domestic partnership working interacted with EU factors, mutually reinforcing each other and leading to the growth and strengthening of partnership working in the West of Scotland. There was already a domestic history of partnership working under bottom-up community initiatives. However, the influence of EU SFs helped to consolidate and strengthen the culture of partnership working as a mechanism for achieving public policy objectives. This has been due to a number of factors.

First, it was possible as a result of the different institutional _structure_ and political and policy landscape operating in Scotland compared to the rest of the UK. The relative autonomy of the policy and decision-making structures enabled Scotland to adopt the unique PME model for the implementation of SFs, and through its

structures it created new strategic, regional, multi-agency partnership networks. The West of Scotland Model was based on devolved partnership structures that were acknowledged as a model of good practice by the European Commission, (BACHE and MARSHALL, 2004).

Second, the *policy focus* on community regeneration in the SF programmes, which was based on multi-agency, cross-sector cooperation, and active input from local communities, galvanised domestic regeneration policies, which were moving in that direction. Policy-makers in the West of Scotland shared a common vision with the EU Commission on the need to involve a range of local actors working in partnership together to address complex issues of regeneration and industrial re-structuring (BACHTLER and TUROK, 1997). The domestic policy impetus and organising processes were increasingly aligned to partnership delivery mechanisms. Policies such as *New Life for Urban Scotland*[83] and *Closing the Opportunity Gap*[84] promoted partnership working as a means to achieving policy objectives. Initially, the Urban Aid Programme encouraged community-based partnership working and subsequently both the SIP and CPP funding processes sought the involvement of local partners in advisory and decision-making processes.

Third, the *leadership* and commitment of senior policy-makers to partnership working and to EU management and implementation ideas was crucial CAMERON and DANSON, 1999; BACHE and MARSHALL, 2004; DAVIES et al.' 2007. Several key individuals led the development of a stable and supportive PME infrastructure that encouraged inter-agency networking and led to the strengthening of domestic partnerships, which assimilated EU organising principles and promoted the sharing of knowledge and expertise.

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[83] Scottish Office (1998*) New Life for Urban Scotland*, Edinburgh.

[84] Scottish Executive (2004) *Closing the Opportunity Gap*, Edinburgh.

Fourth, the size and scale of *funding* provided by Structural Funds in the West of Scotland played an important part in the expansion of partnership working (BACHE, 1998.) At a time of great domestic need, the availability of significant funding over a lengthy period of time was a strong partnership incentive. The conditional aspects of accessing the funding, which required partnership-based approaches, helped to consolidate and expand partnership-working and partnership structures.

Finally, the new *processes* introduced through Structural Funds were influential in stimulating new ideas about partnership working and creating 'added value' (BACHTLER and TAYLOR, 2003). The involvement of partners in developing joint projects, appraisal, contributing to strategic programmes helped to develop a sophisticated and active approach to partnership working.

Overall, the research findings indicate that the influence of the SFs was particularly strong in building on existing domestic capacity of institutions and people to work more strategically together. The SFs introduced the concept of 'added value' and placed greater emphasis on the contribution partners could make to monitoring and evaluation of domestic programmes and projects. This played a significant part in embedding partnership as a feature of quality assurance in domestic projects and service provision.

The final chapter will summarise the key findings of this research and the main lessons that can be drawn from the Scottish experience that may be of interest to countries that will be receiving SF aid in future.

6.   CONCLUSIONS

6.1   Introduction

The aim of the research has been to consider the influence of EU Structural Funds on the evolution of partnership working in public policy in the West of Scotland. The research has been concerned with the extent to which Structural Fund programmes and their delivery systems have played a part in driving and strengthening partnership working as a mechanism for the delivery of public policy objectives. The West of Scotland was selected as a case study to assess the interaction of EU policy on domestic partnership working.

The conclusions noted below are based on analysis of a wide range of theoretical contributions on partnership (MACKINTOSH, 1993; McCABE et al, 1997; PRATT et al, 1998, 1999; CAMERON and DANSON, 1999; HUXHAM and VANGEN, 2000a, 2000b, 2003, 2005; BALLOCH and TAYLOR et al, 2001; GEDDES and BENNINGTON et al, 2001; SULLIVAN and SKELCHER, 2002; GEDDES, 2006) allied with insights from the literature on EU Regional Development Policy and the policy transfer process. (MARKS, 1992, 1993, 1996; HOOGHE, 1996; HOOGHE and MARKS, 1997; WALLACE. 2000; BACHE and OLSSON, 2001; BAUER, 2002; BACHTLER and TAYLOR, 2003; BACHE and MARSHALL, 2004; and BACHE, 2010) and tested through application to the West of Scotland experience.

The thesis has been structured in three main sections. The first section, chapters 1-3, provided the theoretical context of the research. The second section; chapters 4-5, were dedicated to the West of Scotland case study. This final section, chapter 6, provides a summary overview of the research thesis, its findings and conclusions and some lessons for the future of partnership working.

Chapter 1 defined the scope of the research and the key research objectives and questions. It outlined the philosophy underpinning the research approach (which is

largely grounded in Social Constructionist/Interpretivist approach) This section of the thesis justified the chosen methodology and research methods, which takes a case study approach and combines documentary review and secondary research with the findings of eight semi-structured, elite-level interviews.

Chapter 2 provided an overview of the general theory and context of partnership. It explained the origins of partnership working and key concepts and theoretical debates associated with partnership theory. Specifically, it considered the growing importance of partnership as a new form of governance as a mechanism of New Public Management (NPM) for driving public policy and disbursing public funding. This section explored what is meant by partnership, and how is it defined.

Partnership theory has developed over the past two decades. Analysis of the origins of public policy partnership in the UK suggests a range of influences including: academic theories; the effects of economic globalisation; Europeanisation processes; domestic policy and admin reforms; and regional or local community initiatives. The chapter explored in detail the range of concepts that are most strongly associated with partnership theory debates.

From an analysis of the literature five key factors were identified that are linked to the emergence and maintenance of partnership-working (i.e. structures, policy focus, leadership, funding and processes) and these were used throughout the research to provide a conceptual framework for exploring the interaction between domestic and Structural Funds partnership-working they are defined as:

Structures: concerning the emergence of partnership-based governance models and who 'sits at the decision-making table', the influence of regulatory frameworks and institutional architecture that can either support or impede partnership-working. It includes the degree of flexibility and autonomy within organisations that may be required to collaborate and form partnership links;

Policy Focus: concerning the policy context, which sets the framework for the way services will be delivered, the general shift towards policy approaches that integrate a range of sectors and administrative boundaries, and the adaptability and flexibility of institutional cultures towards working in partnership;

*Leadership***:** concerning the characteristics and behaviours of individuals in organizational leadership roles, including the awareness, capacity and willingness of senior management and executives to initiate and progress partnership working;

Funding: relating to the power to allocate resources, the size and scale of available funding, the limitations that can necessitate partnership working to either 'pool resources' or alternatively, the conditions attached to funding that require and encourage partnership approaches.

Processes: concerning the input of partners into the various stages of policy design and delivery*;* agenda-setting powers; the strategic alignment around common policy objectives and commonly agreed decision-making processes; and identifying priorities and decisions around public policy organising mechanisms for the delivery of interventions i.e. agreeing ways of inter-agency working to meet the policy objectives.

A contention of this research is that domestic partnership working, in relation to public policy, needs to be understood within the context of EU policy practices. In order to progress this argument, Chapter 3 assessed the evolution of the partnership concept in EU regional policy terms. Why was it introduced?

A phased approach to the evolution of EU regional policy was identified. The introduction of the Partnership principle in the 1988 reforms was a significant milestone. The EU partnership model as set out in the 1988 reforms was linked to the introduction of programme-based approaches to managing more effective implementation and absorption of Structural Funds in order to tackle regional disparities. The EU partnership concept has been based on the belief that the mobilization of a range of actors at vertical and horizontal levels (i.e. actors

operating at levels both above and below the nation state) enables better solutions to tackling complex socio- economic problems.

Chapter 3 analysed how this has been reflected in practice in the delivery of Structural Fund programmes within EU Member States. The analysis drew the academic and policy literature and evaluations carried out on behalf of the EU and independently. A body of Europeanisation literature was explored questioning the relative impact of EU regional policy on the domestic policies of EU Member States, and consideration was given to the potential for EU models of partnership-working to 'spill over', 'transfer' or 'diffuse' into domestic public policy systems. Examples of policy transfer cases in Member States were provided as well as the findings of two practical studies looking at the impact of the Partnership principle on Member States. According to these studies, policy transfer occurred as a result of the partnership principle, which contributed to improved efficiency and effectiveness, legitimacy and transparency of Structural Funds operations and greater commitment to and ownership of project outputs. The chapter concluded that EU policy transfer can have an impact but that this is not uniform across all Member States. The extent of the impact is conditioned by a range of historical and contextual factors in the domestic arena.

Chapter 4 concentrated on the West of Scotland case study and provided analyses of the domestic growth of partnership working as a benchmark for considering the level of interaction and influence EU regional policy has had on the domestic context. The chapter explained why the West of Scotland is a good case study for assessing the influence of the EU's partnership principle as the area has had a long standing partnership tradition going back to the 1970s independent of Structural Funds, and provides a case where progress under the Structural Funds can be benchmarked. The West of Scotland has had many years of experience of Structural Funds implementation, over 20+ years, providing a long term perspective on the interaction between domestic and EU influences. The partnership model for implementing Structural Funds in Scotland was unique within the UK and much of the rest of the EU. The chapter considered whether the adoption of a 'best practice approach', as

often cited by the Commission, led to a stronger culture of partnership working in the West of Scotland in contrast to the rest of the UK.

The evolution of partnership-working in public policy in the West of Scotland has been assessed from a domestic perspective. Some key questions were explored. How did partnership become rooted in the region? What was the impetus for partnership working and what were the conditions that enabled it to flourish and evolve as a mechanism for the delivery of public policy objectives? The chapter identified a range of factors that explain the evolution and growth of domestic policy in relation to the emergence of partnership working in the domestic arena. It concluded that a strong culture of partnership working exists in the West of Scotland and that it mainly evolved as a result of domestic historical and contextual factors. As a result, partnership structures have become a standard mechanism to achieve public policy objectives and disburse public funds.

Chapter 5 focused on the influence European regional policy has had on partnership working within the West of Scotland through the implementation of the Structural Funds. What role has EU regional policy had on the domestic policy environment and the evolution of partnership approaches to the delivery of domestic programmes?

A combination of strong domestic factors aligned and interacted with EU drivers to encourage the growth and strengthening of partnership working in the West of Scotland. Partnership working was already underway in the West of Scotland (before the introduction of the Partnership principle in the 1988 EU regional development Reforms) based on the domestic history of bottom-up community initiatives. However, the interaction between domestic and EU factors helped to embed further partnership working practices in the domestic arena.

Major changes to the traditional Scottish Model of implementing Structural Funds were introduced as a result of an almost 50% reduction in funding allocations to Scotland for 2007-2013. Interviewees expressed a number of concerns about the future demise of the Structural Fund partnership model, resulting from these changes.

Chapter 5 concluded that the influence of Structural Funds was particularly strong in building the domestic capacity of both institutions and people to work more strategically together in the West of Scotland.

6.2 Research results

6.2.1 Findings related to the West of Scotland Case Study

The main purpose of the West of Scotland case study was to assess the influence of EU regional policy on the growth of domestic partnership working.

The research findings suggest that there were a range of historical and contextual factors that assisted the growth and evolution of domestic partnership in the West of Scotland that were independent of the influence of EU regional policy. Subsequently, interaction between domestic and EU factors resulted in strengthening and embedding the domestic culture of partnership working. The combined key drivers can be explained as follows.

Structures: Local government administrative reforms in Scotland led to the growth of area-based development strategies and bottom-up community initiatives, creating a depth of institutional capacity to work in partnership across a range of organisations including third sector and voluntary sector bodies. The setting up of the IDO in 1988 to administer Structural Funds in the West of Scotland was heavily influenced from its inception by EU thinking on partnership and the pro-European approach taken by Strathclyde Regional Council. The relative autonomy of the West of Scotland policy and decision-making structures from the rest of the UK allowed the West of Scotland region to adopt the PME model for the implementation of Structural Funds that was, from its inception, influenced by the Commission's views on best practice. The establishment of the PME structures and support mechanisms increased local inter-agency networking and helped to build the domestic institutional capacity to work in partnership.

Policy Focus: Within the UK and Scotland there was a general policy shift towards partnership working as part of a New Public Management trend and the emphasis on joined-up working across economic development and regeneration activities and related policy fields. In the West of Scotland, appreciation of the linkages between domestic community regeneration, anti-poverty and social inclusion policies and the impact of these issues in specific locales stimulated the emergence of partnership working as a means of delivering public policy objectives throughout the 1980s and 1990s.

The coincidence of the Scottish and EU Structural Funds approach to dealing with these issues, combined with the adaptability of the West of Scotland's policy-makers to the process of Europeanisation strengthened overall commitment to partnership working. The region's willingness to adopt the partnership principle and EU regional policy within the domestic institutional context was crucial. The domestic leadership shared a common vision with the Commission around mobilising a range of actors to address complex socio-economic issues, therefore there was policy alignment between EU and the domestic institutions.

Leadership: The differentiated and distinctive policy and institutional context in Scotland encouraged greater interaction between key leaders across inter-related policy fields, sectors and institutions. Leaders have been willing to initiate, drive and participate in partnership structures at both horizontal and vertical levels. The relatively small size and scale of policy and delivery networks in Scotland has supported greater interaction among these key actors. The socio-economic policy networks have been more iterative and cohesive involving many of the same actors. Continuity of the same key actors in leadership roles within a stable institutional environment over the longer-term has enabled partnerships to develop trust and mature. For example the CEO of the West of Scotland Programme Management Executive was in post for 17 years, and similar levels of personnel continuity within domestic institutions aided the formation of long-term relationships that are often the foundations of successful partnership working.

Leaders in the West of Scotland have been keen to embrace active EU participation and adopt cultural 'buy–in' to work in accordance with the partnership principle from its introduction in 1988. This pro-European stance is evidenced by the active involvement of local actors in a range of EU programmes and institutions throughout the late 1980s and 1990s e.g. Strathclyde Region held the Presidency of the Assembly of European Regions in 1992 and took a lead role in managing the EU-funded Ecos-Ouverture programme.

Having the right people in the right place at the right time also supported a stronger interaction between the domestic and EU spheres e.g. In 1988, there was a sympathetic European Regional Commissioner in Brussels who was willing and able to promote EU financial assistance to the West of Scotland at a time when it required significant levels of investment to deal with major socio economic problems.

Funding: Initially, domestic fund allocations for partnership working were relatively small and therefore had less influence on domestic partnership working. Over time, this has changed as increasing amounts of domestic funding has become disbursed through local, area-based partnership mechanisms such as the Social Inclusion Partnerships and, more recently, the Community Planning Partnerships.

The availability of significant levels of EU Structural Funds at a time of great domestic need for large-scale investment had an impact on the domestic context. Stringent funding conditions and the eligible scope of activities associated with Structural Funds meant that applicants had to demonstrate genuine commitment to the partnership principle. This naturally had a strong influence on the behaviours of local actors to engage in partnership working i.e. the Structural Funds generally acted as a catalyst for joined-up working at the appropriate spatial level. The size and scale of Structural Funds disbursed in the West of Scotland over two decades (a total of £1.82 billion) was bound to have a significant impact on the domestic partnership context. Domestic funding bodies gradually adopted a range of selection criteria originally introduced to the West of Scotland through the Structural Funds, including the demonstration of partnership working.

Processes: Over time, there has been greater emphasis on processes of strategic alignment around common policy objectives within the domestic arena. This was encouraged by the implementation of both EU and domestic funding conditions that increasingly required applicants to demonstrate policy alignment, best value and the avoidance of service duplication. The competitive application processes introduced under the Structural Funds involved local actors in the peer appraisal of applications and decision-making processes. This encouraged the co-ordination of strategic priorities and the alignment of EU and domestic policy objectives. The Structural Funds introduced the concept of 'added value' (i.e. quantifying additional beneficial impacts) and placed greater emphasis on evidence-based planning and the monitoring and evaluation of domestic programmes and projects in order to measure the effectiveness of interventions. Therefore, the Structural Funds had a significant role in driving up the quality of domestic projects and service provision.

The evolution and combination of all of these factors over a long-term period has created a stronger culture of partnership working in the West of Scotland. As a result, partnerships are now a standard mechanism to achieve public policy objectives and disburse public funds.

An analysis of the added value of Structural Funds across the EU carried out by BACHTLER and TAYLOR, 2003, concluded that partnership is most often associated with operational added value around economic development initiatives. Structural Funds have often acted as a catalyst for joined up working at the appropriate spatial level. Along with the TAVISTOCK INSTITUTE and ECOTEC, 1999, report and the EUROPEAN COMMISSION'S DE REGIO, 2005, report, the academic consensus from the research is that EU regional policy transfer process via adoption of partnership principle is associated with some common theoretical concepts including:

- effectiveness and efficiency;
- legitimacy and transparency;

- ownership and commitment;
- co-ordination and communication;
- institutional capacity building;
- sectoral and spatial alignment; and
- partnership working contribution to EU integration.

These findings concur with feedback from elite interviews conducted in West of Scotland. Interviewees endorsed the galvanising influence of Structural Funds in building the capacity of both institutions and people in the West of Scotland to work strategically together within regionally defined boundaries and thematic sectors of expertise.

6.2.2   Lessons from the West of Scotland Case Study

The future influence of Structural Funds in the West of Scotland is still unclear, as the 2007-2013 model for programme delivery has involved significant changes to the traditional PME model. There are some concerns that a regionally co-ordinated approach to tackling socio-economic problems at an appropriate spatial level may be lost along with the added benefits associated with the approach e.g. capacity building at sectoral and territorial levels. Nevertheless, there is also some optimism that there will be opportunities for new innovative approaches as a result of the reduction in PME infrastructure and that there will be greater levels of SF management efficiency.

Analysis of policy trends and the feedback from elite interviews suggests that partnership working is likely to remain a key form of governance in the implementation of future public policy objectives. However, it suggested that partnership structures will continually need to be reviewed and rationalised to ensure that they are fit for purpose in terms of efficiency and effectiveness in order to demonstrate best value for the delivery of public policy objectives.

The research findings, based on the case study analysis, interview feedback, secondary research and documentary review, leads to the conclusion that the

Structural Funds have contributed to embedding partnership as the preferred organising mechanism for the tacking economic development and regeneration activities in the West of Scotland.

Recommendations arising from the research interviews include the need for greater investment in training for leaders in consensual partnership working to ensure they understand and can deploy collaborative working tools and techniques and can act as institutional role models for partnership implementers. This is essential given the increasing reliance on using partnership mechanisms to deliver public policy objectives and disbursement significant levels of funding. There is also a need for a robust framework for measuring the effectiveness and efficiency of partnership working as part of the new monitoring and evaluation framework for the Structural Fund period 2007-2013.

The limitations of this research meant that the means of monitoring and measuring the effectiveness of partnership working were not addressed, but this would also be an area worthy of further research. However, drawing on the research finding some lessons for understanding and supporting the process of partnership-working in the context of fulfilling the EU partnership principle and public policy objectives are highlighted under each of the key drivers.

Structures: Different regulatory frameworks and institutional design can support or impede partnership working. The degree of flexibility and autonomy within organisations can impact on their ability to collaborate and form partnership links. Therefore, institutional architecture and regulatory frameworks need to be strategically aligned to minimise the potential negative impact of technical barriers. The best-performing partnerships require a form of structure and focus and clarity of purpose in terms of what is to be achieved by the partnership. Also, the right people from the relevant organisations who have the power and authority to take decisions need to be involved.

Policy Focus: Some policy priorities are particularly open to partnership-based approaches. Both the Commission and the West of Scotland prioritised economic regeneration and were committed to joined-up, multi-agency working to tackle complex and inter-related issues. The adaptability and flexibility of institutional cultures towards working in partnership is a key driver for setting the policy context for partnership. The introduction of the partnership principle in the 1988 regulations encouraged the creation of new domestic partnerships and brought a range of 'added value' benefits to the West of Scotland and increased the capacity of domestic institutions and people to work strategically together to deliver economic regeneration solutions. New EU Member States that want to increase Structural Funds absorption need to consider how domestic government policy can encourage the formation of partnership mechanisms to implement similar public policy objectives.

Partnerships generally work best when founded on some key concepts that underpin institutional cultures. The most important values in terms of those quoted by the elite interviewees were: mutual levels of trust and respect and a willingness and commitment to work together for the common good.

> *"from an economic regeneration point of view there is no sole organisation that can deliver on the needs of clients, these are too complex for one agency"* [85]

The need for multi agency collaboration and joined up solutions is clear, and this requires a sound understanding of the process and practice of partnership working.

Leadership: (The People Factor): The characteristics and behaviours of individuals in key leadership roles, including their awareness and willingness to initiate, drive and participate in collaborative approaches to policy design and service delivery, remains central to establishing partnership working. The commitment of key stakeholders in terms of their time and energy is crucial to achieving results along

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[85] Interview with D, dated 15th March 2007.

with strong and highly skilled leadership. This requires an individual to chair the partnership who has excellent interpersonal qualities, as well as communication and partnership working skills. The quality of the personal relationships and the behaviour of partners are core to the success of the partnership outcomes. Partnerships evolve over time, and the continuity of key actors in leadership roles often leads to more mature and more effective partnership working. Effective multi-agency networks provide opportunities for leaders to interact and build the trust that supports progression to more formal partnership arrangements. Of course, such continuity can be challenging in certain cases where the turn-over or rotation of public policy officials is high.

Funding: The attractiveness of the size and scale of funding on offer can be a positive incentive to engage in partnership, as can partnership conditions attached to funding. Sometimes partners will come together when funding is tight in order to share resources. Resources need to be allocated for effective partnership working. Funding regimes need to be flexible and encourage and support joint working. There is a need to invest both time and money in partnership skills training for senior decision-makers.

Processes: The agenda-setting powers of new governance institutions and their focus on strategic alignment around common policy objectives and commonly agreed decision-making processes can help to embed the role of partnership working in the domestic context. The purpose of a partnership needs to be regularly reviewed and re-aligned to meet the changes in policy context and the institutional landscape. Tools for measuring and evaluating the effectiveness of partnership working are needed.

The legacy of the Structural Funds in Scotland post-2013 is likely to be its contribution towards strengthening and embedding partnership working and building the capacity of domestic actors to work strategically together in planning solutions to socio-economic issues.

There are also some implications from this research related to the policy and theory of partnership.

6.3 Understanding EU Regional Policy related to Partnership

The aim of this research study was to explore the interaction between domestic public policy practices and EU policy practices related to partnership working and whether the implementation of EU Structural Funds in Member States can contribute to embedding partnership in the domestic policy-making arena.

This study has demonstrated that the partnership principle has become an increasingly prominent mechanism for implementing EU policy in subsequent programming periods. Partnership has become the accepted mechanism for steering the management of Structural Funds across all Member States. The partnership principle implies close co-operation between the Commission, the authorities at national, regional and local levels in each Member State, and governmental and non-governmental bodies (including environmental and gender groups) during the different stages of the decision-making and implementation cycle of the Structural Funds.

Analyses of cases in different EU Member States have demonstrated that the implementation of Structural Funds programmes has stimulated the creation of specific frameworks and institutions that provide practical experience in the design and steering of regional development programmes. The adoption of the EU partnership model has encouraged the development of multi-level, partnership based approaches to the co-ordination of regional development activities beyond those that are EU funded. For example, in the UK, the introduction of the Community Development Priority in the Merseyside Objective 1 programme in 1994 led to a growth in local partnership structures to resolve economic regeneration issues. Similarly, regional development structures have been set up in both Austrian and Denmark that owe their genesis to the administration of EU Structural Fund programmes but now have responsibility for the co-ordination of domestic regional

development programmes also. Therefore, this research strengthens other literature that includes concrete examples of the impact of Structural Funds on the domestic policy arena.

This research study considered to what extent Structural Fund programmes, based on the organising principle of partnership, have influenced the broader adoption of partnership working within EU Member States. The extent of the influence on the domestic arena and the nature of the policy transfer is still contested among academics. Analysis in the academic literature on the domestic impact of the partnership principle is linked to wider competing theoretical paradigms - notably neofunctionalism that argues for strong potential for EU influences on Member State systems and intergovernmentalism which stresses the power of Member States in setting the EU agenda and adapting subsequent EU directives and guidance to suit domestic circumstances and priorities. These debates have dominated academic EU integration theory for over forty years, drawing in progressive concepts and theories such as multi-level governance and Europeanisation.

Recent academic analysis and policy evaluations recognise the 'differential influences' of the EU policy transfer process on Member States. The potential influence on domestic systems is not consistent but is shaped by a number of variables and that the interaction between EU and domestic context is most significant. A detailed case study of the West of Scotland was used to explore this interaction and the balance between the influence of the EU and domestic drivers of change.

The West of Scotland case study findings substantiate the more recent 'differential influences' theories of Europeanisation policy transfer rather than the traditional neofunctionalist and intergovernmentalist theories. The case study analysis demonstrates that, whilst there were a range of factors that assisted the growth of partnership in the domestic context that were independent from EU policy influences, there were distinctive elements of partnership working directly attributable to the influence of the Structural Funds implementation. Notably, this included the

introduction of more structured partner involvement in the multi-stage implementation process associated with Structural Fund programmes: project development and appraisal, monitoring and evaluation activities, contributions to the development of strategic programmes etc... Domestic and EU influences combined to strengthen and embed partnership as an organising mechanism for achieving public policy objectives and the experience of the Structural Funds model widened and formalised activities associated with 'partnership working'.

Partnership is increasingly part of a conceptual shift in approach from traditional government to a new form of 'governance' of public services and the disbursement of public funding. As partnership is likely to continue as a means of achieving public policy objectives what lessons can be learned from the research study related to the theory and practice of partnership?

6.4   Lessons for the Theory and Practice of Partnership

The research findings reveal that despite over two decades of academic interest, the concept of partnership is still contested and no universally agreed concept or definition of partnership exists. The literature review highlighted that there are on-going debates about partnership concerning levels of formality of structures and whether this distinguishes partnership from other types of networks and relationships. Nevertheless, the lessons from the West of Scotland practice suggest that formal institutional structures and processes are vital characteristics of partnership and that these were boosted by SF organising principles, which required formal processes in terms of project development, appraisal, monitoring and evaluation.

Furthermore, analysis of the partnership theory as part of this research study has identified a range of core concepts and distinguishing features associated with defining partnership. These concepts include: '*mutuality', 'collaboration', 'shared or common goals', 'mutual benefits', 'relationship'", levels of 'formality', 'power' 'equality', 'responsibility' and 'accountability' and 'governance'*

Based on the feedback from the elite interviews and analysis of the literature, the most effective partnerships are those with '*the ability to get things done'*. Such partnerships are based on the following values, characteristics and behaviours: '*mutual trust'*, '*respect'* and '*success'*. Successful partnership is based upon '*openness', 'honesty'* and a '*willingness'* not only to work together but to put the '*greater good'* of the partnership before individual organisational objectives. '*Common goals'* are often identified as central to the formation of partnerships. Certainly the West of Scotland case study demonstrated that the personal ties between leaders that trusted and respected each other resulted in effective partnership working among a close- knit and stable group of practitioners, working together over the long term, that were receptive both to the concept of partnership and the adoption of the EU partnership principle.

Research interviews highlighted that the biggest drawback of partnership working is that developing consensus can be time consuming. Some negative concepts associated with poor performing partnerships (i.e. the inability to get things done) were also mentioned by partners; '*frustration'* and '*resentment'* and '*painful'* were words used to describe poor experiences. In addition, the following barriers were most often cited as impeding partnership working: governance structures; funding; unequal distribution of power and resources; bureaucratic cultures; technical barriers; and the behaviours and characteristics of individuals. The West of Scotland case study findings demonstrated that the personality of leaders and their behaviours has an impact on what can be achieved through partnership working. Interview research stressed that, above all, it is the quality of the personal relationship between partners and their associated behaviours and leadership interactions that is the real key to partnership success.

This research study builds on the work of HUXHAM and VANGEN (2000a, 2000b 2003, 2005), who identified three 'leadership media' for determining what can be achieved within any given partnership: structures, processes and participants. This research argues that two additional media have to be taken into account: the policy focus and funding. This research contends that there are five core 'drivers' that are

linked to the emergence and maintenance of partnership-working i.e. structures, policy focus, leadership, funding and processes. The research analysis demonstrates that these drivers of partnership working are a complex nexus of interconnections and variable influences. Nevertheless, a limitation of this research is that it was not focused on the measurement of these variables. This is a gap that would be worthy of further research. Furthermore, no common theoretical and empirical framework for answering questions about the effectiveness of partnership working in the delivery of public policy objectives exists. It is clear that partnership theory is an area worthy of much further academic research.

In conclusion, the research indicates that successful partnerships are characterised by a synergy across a number of the core partnership drivers, with the most important being the nature of the relationship and behaviours between key actors, whereas the potential of partnerships to deliver can be inhibited by any one of the above-cited barriers.

ANNEX

List of Research Interviewees

Interview	Name	Organisations	Date
A	Professor Alan McGregor	TERU at Glasgow University	23 Feb 2007
B	Alistair Grimes	Director, Rocket Science Consultancy	26th June 2006
C	Steve Inch	Director, Glasgow City Council	30th Nov. 2006
D	Calum Graham	CEO of Glasgow West Regeneration Agency	15 March 2007
E	Laurie Russell	CE of Wise Group and former CEO of SEP Ltd.	7th June 2006
F	Diane McLafferty	Senior Scottish Government Official and former government representative responsible for overseeing PMEs	17th October 2006
G	Christine Mulligan	Senior Scottish Government Official and CE of the Objective 3 PME	3rd August 2006
H	Morag Sweeney	External Relations Manager for Jobcentre Plus	10th August 2006

NB. Positions within organisations as noted at time of interviews.

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