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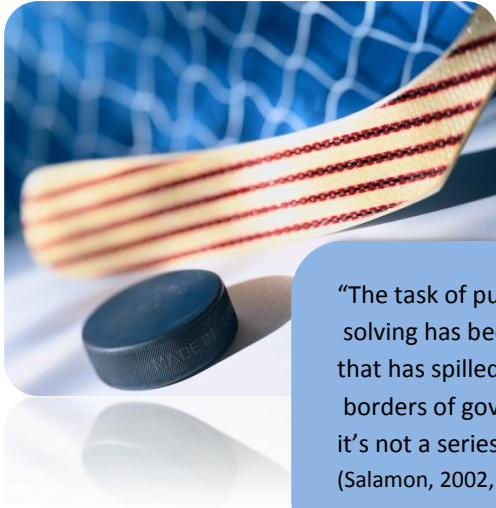
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## Negotiated Governance: Passing the Puck

Teresa Bellefontaine, Policy Horizons Canada



"The task of public problem solving has become a team sport that has spilled well beyond the borders of government agencies... it's not a series of pick-up games." (Salamon, 2002, p. 600)

As governments and the societies they serve continue to cope with complex challenges and economic uncertainty, "negotiated governance" is gaining renewed traction as one way to liberate innovation. Networked governance, collaborative governance and co-creation all describe similar policy approaches - those that aim to maximize society's ability to address common problems using shared discretion. This trend is not new, but it is increasingly seen as a legitimate approach by policy makers. Examples abound, but do we understand the strengths and challenges of this approach?

### The Game is Changing

Negotiated governance takes many forms and the level of decision-making authority varies, as do the governance arrangements, the partners and the goals. Governments may or may not initiate them, and may be a senior or junior partner; but commonly a non-governmental party directly provides services and innovation. Government has

only indirect influence and - when they are involved at all - it must enter into a relationship based on negotiation rather than control. The imperative for efficiency has been one driver for governments behind this shift to negotiated governance. Other drivers include changing demographics, public expectations for greater engagement, new technology, a changing political environment due to globalization, and complex issues and challenges.

Under Salamon's "indirect" New Governance Paradigm (see table 1) the shift toward shared discretion has implications for the type of governance structure (networks), the actors (both public and private), the leverage points for government (negotiation and persuasion), and the types of skills required in the public service (enablement skills). Lester Salamon has argued that the shift toward networks calls for a focus on policy tools, rather than agencies or programs, as it is the tool that forms the nature of the network and the roles of the actors in it.

**Table 1: Salamon's New Governance Paradigm**

Classical Public Administration	New Governance
Program/agency	Tool
Hierarchy	Network
Public vs. private	Public + private
Command and control	Negotiation and persuasion
Management skills	Enablement skills

Source: Salamon, 2002

For Salamon, the ability of the public service to implement and manage network processes is another important aspect of different models of negotiated governance, based on whether new structures need to be built. Additional challenges

include the capacity for long-term planning, new forms of accountability, and enhanced public sector skills sets. These include enablement skills to activate and coordinate networks of actors without controlling them, and negotiation skills to find common ground amongst partners and modulate incentives. In particular the administrative needs of networks are argued to not be aligned with public sector strengths such as hierarchical traditions and a rules-based culture.

## Negotiated Governance in Practice

The trend toward collaboration can be observed even within seemingly traditional arrangements. For instance, contracts are a form of negotiated governance in that private contractors are used to deliver an outcome, and the offered contract terms must be favourable enough to attract competition. More recently, policy observers point to more collaborative approaches to contracting, where more autonomy is given in how the contract achieves desired objectives (Donahue and Zeckhauser, 2011, p. 69).



On the other end of the spectrum, [Action for Neighborhood Change](#) (ANC) is a Canadian example where five federal agencies, three non-profit organizations and local communities engaged in a partnership to revitalize neighbourhoods. Significant discretion rested in the hands of each community to determine their needs, develop intended outcomes of the project, as well as the strategies to achieve them. According to Neil Bradford, there were several lessons to be learned from this program. ANC is seen as a notable innovation in Canada from the public sector perspective. The multiple partners were able to negotiate a single federal contribution agreement and one evaluation framework - a feat that was described as a "miracle" (Bradford & Chouinard, 2010, p. 63). The multiple accountabilities were accommodated

by focusing on process outcomes such as relationship building and capacity building within the evaluation framework. However, Bradford points out that both the short-term evaluation requirements and a lack of federal horizontal integration were considered barriers to the project's innovation and achievement of longer-term results. This project highlights the challenges with existing governance structures and accountability requirements for collaborative policy approaches.

Co-creation and co-production of public services is another way innovation is being pursued. [New Synthesis](#) argues that the users of services are an untapped source of public value, and that by shifting decision-making away from traditional contracts and direct public service delivery to more reciprocal processes, people can improve both the development of services and their delivery. A case in point is Denmark's MindLab, which used co-creation to improve young people's interaction with the public sector in its [Away with the Red Tape](#) initiative. Ethnography, including home visits, provided a better understanding of citizens to create user-centred design. The project identified several areas for improvement including the importance of:

- users knowing how their case will be dealt with;
- creating self-reliance by improving on-line processes;
- investing early on in personal contact including face to face meetings; and
- building horizontal alliances to ensure positive interactions throughout the system.

[Radical Efficiency](#) is a similar approach in the United Kingdom that pursues "better services for less" by making the improvement of people's lives the goal for public sector reform and empowering people at the local level to achieve these results. This effectively puts the search for cost-savings on its head, placing the emphasis not on

efficiency, but rather empathy and innovation as the way to discover new insights, new customers, new suppliers, and new resources in the delivery of public services. This approach has delivered cost-savings of twenty to sixty percent according to Nesta, and enables government to manage four bottom lines: productivity, service experience, results, and democracy.

Where governments initiate projects, shared discretion can be seen as a trade-off: direct control and the power to enforce government goals are traded for the ability to draw in the capacity of other actors within a negotiated relationship. In the context of networks, Eva Sorensen and Jacob Torfing describe this as [meta-governance](#), or the “governance of relatively self-governing networks”. These are networks that operate within limits, using on-going dialogue to develop norms and approaches, rather than the more traditional use of legal sanctions or the fear of economic loss to impose a hierarchical interpretation of policy objectives. This approach, can widen available resources, free innovative thinking, build consensus and create alternate forms of legitimacy. It may not necessarily translate into over-all cost savings and in some cases has cost more, as was the case in Chicago’s

[Millenium Park](#), due to the creation of a broader public vision. This example also demonstrates that partners are more likely to become involved if they have input into how a project will be developed and if they know they are creating something above and beyond what government could have achieved through taxation alone.

## **Being a Team Player**

Negotiated governance is best used when a joint public and private approach can deliver better outcomes, increased public value or productivity. However, it is about more than outcomes; it is also seen as a way to increase the authenticity of inputs, including participation, democratic values and accountability (Sorensen & Torfing, 2010, p. 306). The cases reviewed here merely indicate the wider experimentation that is providing a rich source of learning, and point to opportunities, risks and needed skills development within government, the private sector and civil society. Whether it is discussed in terms of “indirect government”, “meta-governance” or “co-creation”, negotiated governance is about recognizing the strengths and weaknesses of diverse players in our society and learning to work together as a team.

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