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& ASSOCIATES**

P3 WORKSHOP SERIES

Private-Public Partnerships: The Art of the Possible

Workshop Outline

Background

The aim of this workshop is to explore the complex relationship between the public and private sectors in Canada. With the strong interdependence between economic, political and social policy agendas, it is important for public and private managers understand the decision making processes of their counterpart. But this long standing concern over lobbying and how to shape policy has been eclipsed recently by the need of public and private managers to find better ways to actually work together.

Inspired by some success under the umbrella of the New Public Management and often enabled by the capabilities of new and emerging technologies, governments in Canada and in many western countries have sought to engage in partnerships both horizontally and vertically across the public sector and with private sector organizations to:

- reduce public sector service delivery costs,
- improve the quality of public service delivery,
- increase the efficacy of public sector interventions,
- rationalize administrative systems, and
- increase the legitimacy of the public process.

Indeed there is a growing acceptance in the senior ranks of Canadian Public Servants¹, for instance, that:

- Partnerships are a necessary requirement of policy development, programming and service delivery;
- Involvement in partnerships is a legitimate role to generate economic and community development;
- The federal government does not have all the resources it needs to fulfill all of its policy intents;

¹ *Transformational Changes and Policy Shifts in Support of Partnering – Within, Across and Outside Government*, Results of National Survey on Partnering, CBNC, 2006

- That current and previous federal experiences with partnerships suggests there needs to be a better sharing of risks and rewards; and
- The accountability at a senior management level has changed and partnerships present a new and not yet clearly defined challenge for this new regime.

Currently there are several reviews of partnerships and horizontal governance taking shape, and they are likely to focus on better definitions of the nature of ‘partnership’ between businesses and the public service; on the ‘pooling’ of departmental resources related to a single initiative; on establishing the requirements for accountability that are both mutual (to each other) and shared (collective); on creating a new culture of collaboration through incentives for departments and public servants that encourage and reward collaboration; on the streamlining of reporting and accountability requirements in partnerships involving multiple federal departments; and on the establishment of norms for succession planning over multi-year initiatives.

As the Canadian Policy Research Network has pointed out, multi-sector and multi-level governance and collaboration requires a careful balance of what are in practice a series of competing pressures, including:

- Public and private interests,
- Citizen-centred service and bureaucratic centralization,
- Compliance and results based accountability,
- Single accountability and the need for joint decision-making and shared accountability,
- The need for increasing trust and openness versus the limits of trust and the need to control information,
- Pressures for immediate results and the need for patience in collaboration.

Balancing these cross pressures amounts to a hugely transformative view of the Public Sector -- one that is unlikely to occur in either the short or medium terms given the size of public sector organizations but which will also require a commitment to experimentation and organizational learning in order to find the right balance between traditional and distributed governance practices.

Collaboration is a form of mutually beneficial cooperative arrangement between government units and/or levels, and between government and business and other organizations. Partnership initiatives are thus pushing the boundaries of evolving trends in horizontal governance. This trend to increasing horizontality is driven by the realization that although the status quo may be unacceptable, the levers necessary to produce effective partnerships may not be in the hands of a single stakeholder. Departments may have mandates to effect change but nonetheless lack all the power or the resources to do so on their own. Hence, the strong appeal of partnerships from a results-based perspective. However, there is also ample evidence that partnerships are time consuming, at times difficult, and often distracting from an organization’s mainstream activities with less certainty or control over the outcomes.

Consequently, there is a need to better understand the dynamics of business-government partnerships in Canada. More importantly, however, is what people may be willing to do with such knowledge. The enormity of the organizational and cultural changes involved in moving a public sector organization to accept more collaborative approaches can not be overstated. While the very size of the challenge can induce cynicism, paralysis and inaction, there is an appreciation that such change has always been introduced by individuals or small groups.

Therefore, this workshop will undertake to identify some of the mechanisms that may be employed by individuals and small groups to further partnership behaviour. This begins by exploring how, and under what conditions individual businesses and government stakeholders might be willing to collaborate. We will then identify the ‘winning conditions’ or processes which would encourage and maintain their effective collaboration? In the end we will explore whether there is a general theory of business government relations that can be applied as a framework to guide partnership interactions? Or, is the

partnership challenge best met through the development of certain capacities, tools, techniques and behaviours that may comprise the “art of partnership governance” rather than a theoretical application?

Workshop Objectives

- To provide an understanding of why business and public sector organizations in Canada choose to cooperate, collaborate and partner together and why this may be beneficial to Canadians;
- To develop a understanding of the challenges faced by business and public sector organizations when they choose to work together;
- To examine where the relationships between the two sectors may be enhanced; and
- To identify some of the mechanisms and ‘winning conditions’ that may be employed to facilitate more effective collaboration and partnership.

Schedule

Session 1 Introduction: Theories of Business - Government Relations

Readings:

Introduction and Chpts 1 & 2 of text

Additional Readings available on website:

Canadian Federal Public Service: The View From Recent Executive Recruits, Larson & Zussman <http://www.optimumonline.ca/article.phtml?id=269>

Bridging Two Solitudes, PPF survey on website

Session 2 The Art of Governance

Readings:

P3s and the Porcupine problem, Hubbard & Paquet

Chpt 3 in Text: Procurement & Partnership

Additional Readings available on website:

The Politics of Public-Private Partnerships, Flinders

Public-private Partnerships: A Review of Literature and Practice, Allan

Economics of P3s, De Bettignies & Ross

Flawed P3s, Mehra

Session 3 Contingent Cooperation and the Dynamics of Relationship Management

Readings:

Facilitating Contingent Cooperation: I will if you will, Wilson

<http://www.optimumonline.ca/article.phtml?id=271>

Transformational Changes and Policy Shifts in Support of Partnering – Within, Across and Outside Government, Results of National Survey on Partnering, CBNC, 2006

<http://www.crossingboundaries.ca/files/transformationalchange.pdf>

Additional readings

Social traps and the Problem of trust, Bo Rothstein, Cambridge University Press, 2005

Session 4 Building Capacity and Investing in the Future

Readings: *Cat's Cradling: APEX Forum on Wicked Problems*, Hubbard & Paquet
<http://www.optimumonline.ca/article.phtml?id=279>
Canada as a Disconcerted Learning Economy, Paquet

Additional Reading available on website:
A New Way to Govern, Turnbull

Session 5 Mechanisms

Readings:
New Directions: Managing service transformation relationships between government and industry, Dutil, Langford & Roy
<http://www.ipac.ca/files/New%20Directions%20%2317.pdf>
Betting On Mechanisms, Hubbard & Paquet

Added Reading available on website:
Moral contracting as enabling mechanism, Paquet
Managing Complexity, Peach

Session 6 Accountability for Learning

Readings:
Concluding Chapter of Text
Accountability for Learning, Lenihan, et al. 2003
<http://www.crossingboundaries.ca/files/ppg4.pdf>

Added Readings available on website:
"Third Party Governance: Accountability Challenges", in *Comparative Trends in Public Management* (pg 48-70), Posner http://www.ccmd-ccg.gc.ca/Research/publications/pdfs/p135_e.pdf
Gomery's Blinders and Canadian Federalism, R. Hubbard & G. Paquet, University of Ottawa Press, 2007

Assignment

Conduct an assessment of the partnership activities in your organization utilizing the *CWA Partnership Test*. Identify and prioritize the areas of partnership working that require attention. Identify those mechanisms that might be applied in your organization. Prepare to discuss those areas which require attention and for which there appears to be no obvious mechanism to facilitate better collaboration.

Text

A text is suggested for the workshop: *Business and Government in Canada: Corporate and Collaborative Governance in an Interdependent Era*, by Jeffrey Roy and published by the University of Ottawa Press (2007). It will be available through Chapters or the University of Ottawa Bookstore. Additional materials and online resources will be made available on the course website.

Bibliography

- *Getting to Maybe: How the World Has Changed*, Frances Westley, Brenda Zimmerman and Michael Quinn Patton, Random House Canada, Toronto, 2006
- *The New Geo-Governance*, Gilles Paquet, University of Ottawa Press, Ottawa, 2005
- *The Future of Knowledge: Increasing Prosperity through Value Networks*, Verna Allee, Elsevier Science, Burlington, MA, 2003
- *Making Local Governance Work: Networks, Relationships and the Management of Change*, Sue Goss, Palgrave, 2001
- *The Efficient Society: Why Canada is as Close to Utopia as it Gets*, Joseph Heath, Penguin Canada, Toronto, 2001
- *Birth of a Chaordic Age*, Dee Hock, Berrett-Koehler Publishers, San Francisco, 1999
- *Crossing Boundaries: Collaboration, Coordination, and the Redefinition of Resources*, S. Sarason & E. Lorentz, Jossey-Bass, San Francisco, 1998