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## The role of partnerships in regional and urban development at the turn of the century

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**THE ROLE OF PARTNERSHIPS IN REGIONAL AND URBAN DEVELOPMENT AT  
THE TURN OF THE CENTURY**

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## **ABSTRACT**

“Partnership” is increasingly used in regional development policies although the practice of partnership in urban economic policy, if not the terminology, has a long history. Currently partnerships receive widespread support from practitioners as they are seen as allowing each partner to gain the benefits from co-operation, while still retaining their autonomy. However, the theoretical basis of these views is poorly developed. This paper seeks to present an exploration of the theoretical basis of regional and urban development partnerships and to draw resulting lessons for their improvement. From an analytical perspective, can be argued that in order to fully understand the behaviour and policies of organisations involved in local economic development, it is necessary to consider their partnerships and the associated relationships with networks of other actors, including the flows of resources, power, and information within these networks.

## **1 Introduction**

Partnerships receive widespread support from across the political spectrum, including the new Labour Government in the UK, the EU and from practitioners. A major aspect of most urban regeneration project has been partnerships between the various bodies, such as in the GEAR project in Glasgow which was the largest urban regeneration initiative of its kind in Europe in the 1970's and 1980's (Wannop, 1990). In the European Union and the UK, the term "partnership" is increasingly used in many urban policy documents such as 'Inner City Partnerships' or 'Partnership in Progress' and regional 'European Partnerships', although the practice of partnership in urban economic policy, if not the terminology, is common and has a long history (see for example Ward, 1990 for earlier examples).

However, the theoretical basis of these views is poorly developed. Many studies of partnerships have been based upon case-studies which, while being very useful, have limited theoretical frameworks linking these together, hence limiting our wider theoretical and policy understanding. It is important to move the debate on partnerships to include more explicit theoretical perspectives in order to answer not only theoretical questions, but also applied questions such as: when is it appropriate to have partnerships; what types of partnerships are appropriate in different circumstances; and how can partnerships be made to work better and to add more value?

This paper begins to explore the theoretical basis of partnerships using as a basis urban economic development and regeneration partnerships. It seeks to identify key issues and factors that models of partnership should develop and draws lessons for their improvement. It largely uses examples from economic development based urban initiatives in the UK, primarily Scotland, where there is a long history of such initiatives. Urban development is a particularly useful field to consider partnerships as important aspects of policies in this area have been to form partnerships between public bodies, between public and private sectors and between these and the local communities so as to affect the policy process especially in terms of what priorities are identified, what policies are developed and how they are implemented. Hence there are insights to be gained for a range of types of partnerships and circumstances. Indeed, from an

analytical perspective, in order to fully understand the behaviour and policies of organisations involved in urban regeneration, it is usually necessary to consider their partnerships and the associated relationships with networks of other actors, including the flows of resources, power, and information within these networks.

The term “partnership” covers greatly differing concepts and practices. It is used to describe a wide variety of types of relationship in a myriad of circumstances and locations. Indeed, it has been suggested that there is an infinite range of partnership activities as the “methods for carrying out such (private-public) partnerships are limited only by the imagination, and economic development offices are becoming increasingly innovative in their use of the concept” (Lyons and Hamlin, 1991, p.55). While there have been a number of studies of particular types of partnerships in particular circumstances this paper considers more general components of partnership that may be useful for analysing partnerships in different types of urban economies, or for forming frameworks for this analysis.

While partnership is a function of particular historical, economic, social and political contexts, there are trends in local economic development based partnerships. The natures of urban economic partnerships, particularly “private-public partnerships” but also partnerships between quasi-public and/or public agencies, are altering due to changing global economic patterns, government funding and changing economic structures, in both the US (Weaver and Dennert, 1987) and the UK (Harding, 1990; Law, 1988; McQuaid, 1994).

Partnership approaches are likely to remain high on the policy agenda at all levels. In the European Union context, the European Commission continues to promote partnerships as it operates with and through Member States and more local agencies to achieve its policy aims. At the national level, in the UK, there has been government pressure to move away from public provision of services towards greater private provision, which often involves formal joint working between the public and private sectors, and greater use of private sector resources, together with a massive increase in the use of (and resources controlled by) quasi-autonomous non-governmental organisations. At the local level, factors such as resource constraints, the move towards enabling local authorities (where policy implementation is carried out by other

bodies for voluntary reasons or due to compulsory tendering out of services), and a recognition that any one local actor does not have all the competencies or resources to deal with the interconnected economic development issues, may lead to continued or greater involvement in economic partnerships.

This paper seeks to deal with these questions by exploring some of the general components of urban economic development partnerships and their economic rationale. It also considers particular cases in Scotland. Section 2 discusses certain components useful for analysing such partnerships, Section 3 considers some of the implications for helping the successful development of partnerships, and is followed by a conclusion.

## **2 Types Of Partnership**

This section considers some general and policy-orientated definitions of partnership. It then considers key components of urban economic partnerships.

### **2.1 Definitions**

Partnership in urban policy can be defined as co-operation between people or organisations in the public or private sector for mutual benefit (see Holland, 1984)<sup>1</sup>. Harding (1990) sets out a similar general definition of 'private-public partnership' as "any action which relies on the agreement of actors in the public and private sectors and which also contributes in some way to improving the urban economy and the quality of life" (p.110), although he argues that this has little conceptual value. Mackintosh (1992) develops partnership models involving public, private and 'third sector' (or voluntary) bodies. Her study focuses upon partnerships which involve sustained joint working (rather than 'one off' schemes). It also involves some social benefit as a criteria of partnership (so excluding purely commercial transactions) because two assumptions underlying the literature on partnerships are the potential for synergy and that in public-private partnerships the public sector are not pursuing purely commercial goals (see below).

From an economic development perspective, Sellgren (1990) presents a definition of partnership as a scheme with involvement or funding from more than one agency (i.e. based upon the participation of more than one body), while Bennett and Krebs (1991) also stress the joint objectives of the bodies and defines partnership as co-operation between actors where they agree to “work together towards a specified economic development objective”. In a later study Bennett and Krebs (1994) draw the key distinction between generalise policy communities that develop a broad local vision for the area or local economy and the specific networks (or partnerships) that are necessary to support individual projects. Bailey (1994) provides a working definition of private-public partnership in urban regeneration as “the mobilisation of a coalition of interests drawn from more than one sector in order to prepare and oversee an agreed strategy for regeneration of a defined area” (p.293)<sup>2</sup>.

From a policy perspective there are a number of definitions. One that shows the wide scope of partnerships and the contributions of partners is from the Commonwealth (State) of Massachusetts which says “(a) partnership is a collaboration among business, non-profit organisations, and government in which risks, resources and skills are shared in projects that benefit each partner as well as the community” (Stratton, 1989). Within the context of urban regeneration in areas of multiple deprivation in Scotland, the UK Government defines the partnership approach as involving the “voluntary commitment by the wide range of bodies with a contribution to make to urban regeneration (including local communities, the local authorities, Scottish Homes, local enterprise companies, the Employment Service, Health Boards, the private sector and the Scottish Office) to an agreed comprehensive long-term regeneration strategy for their areas” (Scottish Office, 1993, p.6). This approach incorporates the issues of: the voluntary nature of the relationships; the wide range of participants, ranging from the community to the private sector (the voluntary sector is only mentioned elsewhere), local government, national government departments and quasi-autonomous non-governmental organisations; the need for an agreed strategy; the long time scale; and agreed contributions of resources (presumably in a variety of forms) to the process.

At European Union level, one of the European Commission’s three main principles in its guidelines for its structural policy was “to implement a partnership with all the parties involved

in structural policy, especially the regional authorities” (CEC, 1987). It went on to define the term partnership in its framework Regulation for reforming the Community’s Structural Funds 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” (CEC, 1989, p.15). Hence this type of partnership implies both consultation and action at a local level, as will be discussed below.

Clearly some definitions of partnership are so encompassing that they include most major economic development initiatives in urban areas, although when co-operation between public and/or quasi-public agencies are included, they form an outer boundary for what this paper will include as partnerships. In order to refine the concepts of differing types of partnerships it is necessary to consider some of their key characteristics. Otherwise we may be left at one extreme with such a level of generality that few lessons can be learned, or at another extreme with a series of specific case studies which do not fully consider the external environment and possible underlying principles and pressures affecting partnerships. Linked to this, it is important to distinguish different purposes of partnerships in a policy sense. For example, partnerships may have different functions: to create and agree a broad development strategy or for a programme of European Commission Funds for an area, or to implement the overall strategy, or to evaluate the results. Others may be concerned with specific projects or initiatives.

## **2.2 Components of Partnership**

This section considers four main groups of components for considering partnerships in urban economic development, covering what the partners seek to do, who is involved, how is it to be implemented and how it may change over time. These groups of components are discussed below and summarised in table 1 under: remit, including aims, range of activities and spatial dimensions; key actors, including the range of actors, the formal structure of their relationship in the partnership, their informal relationship; implementation mechanisms; and the temporal dimension.

### **2.2.1 Purpose and Remit**



If form does indeed follow function, then the most significant dimension concerns the *aims of the partnership*. The aims of a specific partnership may emphasise employment and wealth redistribution (e.g. through assisting certain groups to get better access to employment etc.) or employment and wealth creation (see Bennett and McCoshan, 1993). The aims may involve a *range of activities or programmes*, focusing upon a single project (for example the redevelopment of a particular building) or a series of programmes affecting a range of factors influencing the “quality of life” for residents in an area (for example involving social, health employment, environmental etc. factors as discussed in the next section).

They may focus on different scales of *geographical area* (for example concentration on a small area of urban deprivation or on the wider travel-to-work area), or on a particular *client group* within the area or across a wider area. They may also focus on a narrow range of activities (e.g. building a business park, or business development) or a wide range (e.g. see The Scottish Office, 1993, on improving incomes and the quality of life for residents in a peripheral estate, including non-economic aims). Partnerships may also be at the *strategic* level, covering the broad aims of the organisations and dealing with major long-term issues or at more tactical or operational levels involving specific programme or project orientated.

Also there may be implicit purposes of the partnership. These may be to improve effectiveness or efficiency, to attract additional resources into the area, or to manipulate one of the partners to supporting your activities, or to overcome local opposition (see below). Clearly issues such as how and by whom the components making up the overall remit are set are important, differences in focus between partners are not necessarily mutually exclusive, although conflicts between aims are common and it is crucial for each partnership to be clear where its priorities lie. This issue is discussed further in the next section.

### 2.2.2 Key actors

A second group of components considers the key actors. One component is the *range of actors*. These include the key agencies such as central and local government, government funded agencies, voluntary sector bodies, the local community (groups or individuals), and the private sector, but may include ‘significant’ individuals also. However, each of these groups may

contain a variety of types of actors. For instance, the role of the local community is accepted as essential in partnerships for areas such as those suffering multiple deprivation but the form of this contribution may vary and is discussed below.

The “private sector” is far from being monolithic and covers many types of organisation with differing motives and resources such as: firms located in or linked to an urban area, firms whose ‘business’ is urban regeneration, paternalistic firms, and organisations concerned with corporate social responsibility (such as Business in the Community in England), or employer representative organisations (see for example, Askew, 1991). Types of firms also vary by control (locally owned or controlled firms to branch plants), size, or types of tie to the area (such as those tied to the local community for their income or labour supply, say, small shops or estate agents) or those dependent upon wider markets. Also some firms have urban regeneration as a core business and seek partnerships, with the public sector or others, as a means of expanding their market. Others may be involved in partnership for less directly commercial reasons as they have a tie to the area. Within the private sector more informal social networks may, however, be more common than formal partnerships (McQuaid, 1996). It is therefore important to identify precisely the types of actors and the type and manner of contribute to a partnership.

Another continuum for considering key actors and their relationships in partnerships is the *formal structure* of the partnership, which may range from formal legally binding contracts, to unenforceable public agreements, or less co-operation. Formal partnerships generally include specific objectives and mechanisms. Such agreements are common in Scotland, often involving the Scottish Development Agency or its successor Scottish Enterprise and its Local Enterprise Companies. An example is the Wester Hailes Partnership Agreement which sought to “maximise the number of local residents able to secure and retain employment both within Wester Hailes and in the wider Edinburgh economy and thus increase local income ....etc.”, through mechanism which included “a new organisation that will provide and improve access to jobs, training, learning ....” (Wester Hailes, 1986). The partnership later had a number of internal tensions, such as the lack of consensus that the area itself was an appropriate area to choose (as there had been strong political pressures for its choice compared to some other areas in the city), a lack of clarity of rights and duties of the partners and the place of the community

within this, too many committees to attend (a significant resource cost for all, including the community) and uncertainty over the role of the professional support team (McGregor *et al*, 1995).

A more rigid set of formal partnerships may be based upon a legally binding contract, particularly where there is a direct commercial transaction. In many cases partnerships are moving towards a legal basis with legal contracts binding partners to specific inputs and actions. However, there are dangers with this approach as in the USA (Gutch, 1992, p.73) argues that this 'contract culture' has often led to a 'bureaucratic paperchase' and may reduce voluntary co-operation as each organisation seeks to protect itself from legal repercussions if it fails to meet the contract terms even if the situation has changed and a more appropriate activity could be carried out. This emphasis on contracts also permits funding to be reduced with the implications, and sometimes blame, for this falling upon the contractor.

Less formal agreements, which may be termed organisational networks rather than partnerships (see Bennett and McCoshan, 1993), are also very common and are more appropriate for relationship building between actors and information sharing. These take various form and often involve simply regular meetings of agencies who can then formally or informally report back to their own organisation. McQuaid (1993) found that in Scotland all Regional Council and 88% of District Council economic development units had informal mechanisms to avoid duplication of activities with other agencies, while 92% and 69% respectively had more formal mechanisms. For instance, to the north of Glasgow all six local authorities within the boundaries of the Local Enterprise Company regularly met to discuss economic development issues and policies with each other and the Local Enterprise Company, and to give their opinions to the local authority members who were on the Enterprise Company Board (Dunbartonshire Local Authority Liaison Group, 1989).

An important aspect concerning key actors is termed the process of mobilisation by Bailey (1994). This is the process of creating partnerships through a top-down (for example the initial impetus from a higher level of authority such as central government) or bottom-up catalytic process. While many initial projects start with a top-down approach, the development of

individual projects may have bottom-up characteristics. In Scotland there have been many instances of central government funding, under the Urban Programme, key community workers to aid local capacity building so that local communities can generate their own initiatives and drawn relevant bodies into partnerships, although most larger scale partnerships remain top-down initially (i.e. initiated by central government agencies or local government).

For each component, the balance of and types of contribution and power of each partner is important. This issue of balance of power of actors within partnerships is considered briefly by Bennett and McCoshan (1993). They argue that networks linking actors that affect each other and exchange information and services are not adequate to overcome the problems of Britain's economic system (including the failure by many key agents to address economic as well as specific target programmes), and there is a need to move to partnerships (p.212). The partnership require long-term structures that work towards sustained commitment to change and the achievement of quality, and there is a need to change the internal operations of each agent and help other agents to change to achieve an improved system overall. They argue that the partnerships between agents may be unequal as it may be more important for one partner than the other(s) or one partner can coerce or mandate the others (for example through finance). This however, may cause considerable tensions as one body seeks to alter another's priority (for example to alter education provision to reflect economic needs), particularly where a non-elected partner seeks to coerce a democratically elected body<sup>3</sup>.

Besides the formal relationships between organisations, there are often a series of informal networks inter-linking individuals in the organisations. This is common, especially as those involved in partnerships, say in a community representative capacity may have political or social links with key decision makers in some of the agencies (see Knoke and Wood, 1981). These *informal structures* can have a significant impact upon the operation of partnerships, particularly by-passing or influencing official or agreed decision making procedures. Although these overlap with the informal working agreements between agencies and their staff, in this context informal structures can be seen as relating to individual actors participating in different networks.

### 2.2.3 Implementation mechanisms

A third group of dimensions of partnerships concerns *implementation mechanisms*. This involves who does what, including who provides resources and who controls them. The partnership may agree to co-ordinate and alter priorities of the partners' existing services, or at another extreme they may operate through a stand alone unit. These and hybrid mechanisms are common, although the latter will usually require a formal agreement.

An example of the latter is the development and operation of a computer based training programme to assist unemployed adults with adult basic education (numeracy and literacy) and job search at Chryston, near Glasgow. This was set up as a formal company limited by guarantee with funding from the local authority, the local Enterprise Trust, Local Enterprise Company and the Government's Urban Programme, but had its own Board of Directors (Launchpad, 1992). On a larger scale the setting up of Scottish and Highlands Enterprise and their Local Enterprise Companies in Scotland and the Training and Enterprise Companies in England and Wales are partnership organisations (funded by the public sector but with a private sector majority on their Boards).

### 2.2.4 Time

A fourth set of dimensions is *time*. Over time as peoples' and organisational priorities change, so their role in a partnership may change. Since Scottish Enterprise replaced the old Scottish Development Agency, their role in urban regeneration has changed (see Hood, 1991). The stage of an initiative or policy at which there is co-operation can influence the balance of the partnership and contributions of partners. Holland (1984) separates the policy dimension in which the goals of the community are articulated and the operational dimension in which those goals are pursued. This can be termed policy formation with agreements focused on the overall aims, specific goals and implementation or how they are to be achieved, resource inputs, implementation mechanisms and organisational structure and monitoring and evaluation (see also Lyon and Hamlin, 1991).

At different stages of a partnership there will be different balances of power between actors. To illustrate, in the early stages when an initiative is being developed, all those 'around the table'

will have potentially large influence as their involvement will often be considered important for getting the initiative started. However, the environment within the key funders operate will be very influential also (for instance, in ruling certain approaches out of discussion). When the initiative is agreed, then the views of the main funders are likely to become relatively more important. Once a specific organisation has been set up to deliver the service, then that organisation's management becomes very powerful, even when there is a management board of the partners. Once the review stage of the initiative is entered, then the main potential funders regain much of their power as they have greatest influence over whether or not the initiative continues.

In summary, given the huge diversity and ever changing nature of partnerships in urban economic development, one line of enquiry in order to get greater understanding is to narrow the focus down to individual or sub-groups of partnership along the dimensions discussed, while a complementary approach is to seek some general principles that may be applied to partnerships.

There are many arguments in favour of forming and implementing urban economic development policies through partnerships, which cannot be considered due to space constraints. The potential advantages and problems in working through partnerships and which may vary by the type of partnership, and these are discussed elsewhere (McQuaid, 1994, 1998). For separate partners, advantages include increasing the *scale* and *types* of resources available, efficiency, effectiveness, legitimacy and conflict avoidance. Major problems, however, revolve around resource costs, power distribution (between bodies and over time), operational difficulties, impacts upon other services and the influence of differing philosophies of partners.

### **3 Assisting Partnerships**

A number of approaches can be useful in understanding the theory underlying partnerships, particularly Game and Network Theory, but also contract theory for certain types of partnership (McQuaid, 1994). The first aspect of promoting co-operation is Axelrod's (1984) suggestion to enlarge the shadow of the future, i.e. to increase the importance of the future relative to the

present (although see Zupan, 1990). Stable co-operation is aided by frequent interaction between individuals. Organisations and hierarchies are said to promote this by binding people in long term multi-level relationships which increase the number and importance of likely future interactions. Hence constantly changing of personnel and their responsibilities may discourage co-operation. This can be a significant problem when dealing with large bodies, such as central government in the UK where administrators switch every few years. However, where there is regional government (or central government development and delivery of urban policy, as in Scotland) then there is likely to be greater potential future interaction (due to a scale effect as well as greater congruence of goals with urban actors).

Second, co-operation can be encouraged by changing the pay-offs, and by making deflections from co-operation more expensive. Where urban agencies or groups are involved in a number of different projects, then ceasing co-operation on one may have negative impacts upon other projects, hence co-operation is encouraged. In order to attract increased private sector involvement, it is likely to be essential to change existing payoffs, perhaps through greater discussions on their needs (training, infrastructure etc.) and clarifying how their input will aid the meeting of these. As argued previously, the term private sector covers a range of actors with differing motives. For a commercial firm operating in an area, its possible payoffs may include, contracts from the initiative, good public relations, improving access to and upgrading the available local the future workforce, and an improved environment and site value. The payoff structure is an important area for consideration, for influencing the contribution of private sector to urban economic development.

Third, other writers such as Kay (1993) apply the Prisoners' Dilemma to joint-venture business relations, arguing that a long term relationship can overcome the dilemma and achieve the optimum outcome. In joint ventures the process is broken down into a sequence of small steps, with early meetings used to explore each others' attitudes, then offering whole-hearted co-operation and awaiting a response. If the other side fails to reciprocated, then not much has been lost and you can hold back in the future, but if they do reciprocate then you continue to give full co-operation, so gradually improving trust and establishing a co-operative relationship. Some

other general lessons may arise from literature on strategic alliances for companies (Drucker, 1992)<sup>4</sup>.

Fourth, if however, the relationship is likely to come to an end then there will be a temptation to hold back, or behaving more in your own interests than trying to maximise joint gains. If this seems likely at the start of the relationship, then it block it at the beginning. Hence joint ventures are more likely to succeed if they are seen as a precursor to more intimate co-operation rather than as finite activities. The current re-organisation of local government in the UK into single tier authorities will lead to a number of the local authority partners in local economic initiatives ceasing to exist. This could cloud partnerships for years to come. However, given their objectives to aid maximising welfare and the carrying over of their responsibilities to the new authorities, they should still continue to co-operate. Also many of the officials and politicians involved are likely to remain, albeit in a different organisation, so they will still have future interactions and so relationships may not, in practice, come to an end. In the cases of many individual economic development initiatives (for example those funded through the Urban Programme or the EU Poverty Programme), as they come near the end of their lives, then there may difficulties in maintaining co-operation other than at a professional and personal level.

Fifth, local characteristics are also important in assisting public-private partnerships. Even where there is a will to co-operate, there remains the question of capacity to make a meaningful contribution. Considerable work has been carried out on local capacity building for local community organisations. National 'social responsibility' private sector organisations have grow in capacity and importance and are often crucial to private inputs to economic initiatives (for example Business in the Community leading, with the support of others, the setting up of the Enterprise Trust network and more recently assisting Trusts to participate in more local economic initiatives). Local social networks may overlap with formal partnerships, and add incentives to them succeeding, although there is a danger of 'favouritism' amongst those in the network. Also numerous private companies have set up specialist divisions to develop partnerships with local authorities and others, especially in urban regeneration, as a means of getting access to development opportunities<sup>5</sup>.



Regional, as well as more local, institutions are also important in supporting partnerships. There has been a strong tradition of partnership working in economic development in Scotland as is indicated by the large number of jointly funded support agencies discussed below and the many area initiatives involving local residents and the public and private sectors which formed an important part of the Scottish Development Agency strategy. Over time, these have helped improve the skills in developing partnerships within local authorities as well as in the other agencies. The government's major initiative for peripheral estates, New Life for Urban Scotland, explicitly recognises the key role of local authorities. While many examples of partnerships exist in England, they are perhaps helped in Scotland by structural and resource considerations. In terms of structures, the regional development agencies and their Local Enterprise Companies, provide a focus for many partnerships. Also central government activities are provided through a single locus, The Scottish Office, resulting in more effective co-ordination and easier access for and dialogue with local authorities compared to the case in England. As mentioned earlier, there are also private or joint private-public sector organisations which relate specifically to Scotland and form a territorial basis for joint working.

Sixth, the role of central government is crucial in setting an environment which supports partnerships. It can act negatively by unduly restricting the ability of local government and public agencies to respond to partnerships or by causing friction between public and private bodies, for example by setting up Urban Development Corporations in England which deliberately sought to marginalise local government (Bruce, 1993). In Scotland, fortunately, the New Life for Urban Scotland initiatives sought instead to include local government (The Scottish Office, 1993). Also the local environment and local political support is essential for success.

Finally, Nutt and Backoff (1992) argue that a 'mutualist' strategy of marshalling external and internal stakeholders is effective for a public agency in responding to turbulent environments in which needs are rapidly changing and collaboration is required to respond. Such a strategy is proactive and responds to a diverse and ever changing set of needs through actions to meet these needs (which describes the needs driven approach of much urban local economic development

in the last decade). Such a strategy calls for “organisational relationships which jump across traditional lines of authority, creating complex structures” (p.96).

Overall, some key aspects of successful partnerships include: clarity of each organisation’s own objectives and that of the partnership; agreement on the operation of the partnership (structure, resources, who is responsible for day-to-day management and longer term strategy); clear lines of communication and decision-making between each partner and the partnership (and each other); clear exit routes (when has the partnership achieved its objectives and then what is to happen to it); a supportive institutional infrastructure; a suitable system of incentives within and between organisations to encourage changed behaviour; and perhaps most importantly, trust between the partners.

#### **4 Conclusions**

This paper has considered some of the issues concerning, and key components of, urban economic partnerships in general. It suggests that there is a need to form frameworks both to allow more meaningful analysis of partnerships, to distinguish differing types of partnerships and to make partnerships more effective. However, this paper also indicates that, despite the diversity of partnerships, there are general components that can begin to build towards a more general framework. Further research is necessary into providing a general framework or frameworks for analysing partnerships, which can fully reflect the diversity of the subject, and to draw together theoretical and empirical approaches.

Without effective frameworks, there is a danger that much of the research on partnerships may be comprised of useful, but somewhat limited, studies analysing particular individual circumstances. Notwithstanding this further empirical evidence is needed into the levels of real benefits that partnerships do (or do not) offer.

The idea of partnerships deserves wide (but not uncritical) support, and the paper outlines some factors likely to assist in developing effective partnerships. However, some partnerships may be

of an inappropriate type or may not be particularly effective or efficient, while others may consist more of rhetoric than substance. Success will depend upon how partnerships are led, legitimised, resourced, managed, and evaluated. These will vary according to local circumstances, the issues to be dealt with, the institutional framework, and of course, the partners themselves. Future directions for research will be in the development of more generalised models of partnership and considering if and how the benefits and costs of co-operation and competition can be reconciled.

**TABLE 1 - COMPONENTS OF PARTNERSHIPS**

COMPONENTS OF PARTNERSHIPS	EXAMPLES
<b>REMIT</b>	
Aims/Purpose	Employment creation-employment redistribution
Range of activities	Single project-long term programme
Geographical area	Small urban area-widespread client group
Scale	Strategy development - programme co-operation - 'one-off' project collaboration
<b>KEY ACTORS</b>	
Range of Actors	Public-private-voluntary-community
Formal Structure	Legal contracts-general agreements
Informal Structure	Overlapping networks
<b>STAGE OF PARTNERSHIP</b>	
Strategy development	
Appraisal and project selections	
ex-post evaluation	
<b>IMPLEMENTATION MECHANISMS</b>	
Implementation	Stand alone organisation-agreements influencing existing services
<b>TIME</b>	
Time	Stage of project-changes within partner organisations

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## Footnotes

<sup>1</sup> A dictionary definition of partnership is “contractual relationship between two or more persons carrying on a joint business relationship”, although this relates to the more specific form of a legal form of business (Collins Dictionary, 1987). The use of co-operate, i.e. “to work or act together” is more useful for the purposes of this paper.

<sup>2</sup> Bailey (1994) goes on to develop a typology of partnerships covering development, development trust, joint agreement/coalition/company, promotional, agency and strategic partnerships, based upon level of mobilisation (local/national etc.), geographical area of coverage, range of partners, and remit.

<sup>3</sup> This concept of (unequal) partnership is considered by the authors to be quite different from concepts of local coalitions, local co-operation or local governance. They stress the need for partnerships to ensure both horizontal integration between agents in different programmes and vertical co-ordination to ensure programmes are effectively operated and they stress the importance of learning for organisations within a flexible framework that reflects different local circumstances.

<sup>4</sup> This also illustrates that co-operation need not be incompatible with competition (Galbraith, 1992). Intra-organisational co-operation is, in fact, necessary in order to compete effectively with external organisations and strategic alliances expand this circle of co-operation to incorporate (perhaps only temporarily) former competitors. Co-operation and competition can also remain at the same time, for example in sports leagues where teams compete fiercely, but co-operate to fight other forms of entertainment.

<sup>5</sup> Axelrod (1984) also argues that people can be taught both to care about the welfare of others and reciprocity (e.g. at school). Although while reciprocity or altruism can be a motivation for action there is a danger of exploitation by others if given unconditionally, and so be should a basis for action generally just with those who feel similarly (Wintrobe, 1981). He argues that a community using a strategy of reciprocity can police itself effectively if it guarantees to punish those who try to be less than co-operative. Also co-operation can be enhanced by improving the ability to recognise other players from past interactions and to remember the relevant features of those interactions. The work of Meade (1989) on seeking to reconcile capitalism and socialism through a journey in search of utopia, provides another basis for analysing some of the wider issues.