Executive summary

Government intervenes in a myriad of ways at the local level, and rarely are these interventions co-ordinated effectively. Most of us are familiar with the policy "silos" which exist at the local level – employment offices, economic development agencies and local training institutions working separately from each other, following different policy objectives and working to different time scales. Such divisions are often taken for granted, blamed on historical working relationships ("it has always been like that") and organisational cultures ("they don't work like we do"). However, these divisions come at a cost. The issues and challenges facing local communities are often complex and require a holistic approach to be resolved.

Localities with entrenched difficulties such as multi-generational unemployment, social exclusion and high crime rates, require significant investment in multiple areas – housing, training, local transport – to be turned around. At the same time, harnessing economic opportunities in a knowledge-based economy requires simultaneous investment in infrastructure, skills, research and innovation, to raise productivity and adapt to new markets. Following the economic downturn, investment in skills is being seen as an important way of rebuilding future prosperity through making local people more adaptable to change and less expendable to business. However raising skills levels requires a joined-up approach between employment agencies, economic development bodies and also local employers, with a focus on both the supply and demand of skills.

It is rare in OECD countries to find holistic policy interventions at the local level which tackle diverse aspects of a problem simultaneously, are well targeted and have sufficient resources to succeed. Synergies between different actions (training benefits from economic development interventions for example) go unexplored, and local resources go unexploited. At the local level actors often respond by trying to build networks and improve communication. In recent decades local partnerships have been spawned across OECD countries, frequently focusing on particular localities, and/or particular themes (see OECD, 2001). Government agencies use such platforms to meet with other agencies and local stakeholders, including local employers, private agencies, the not-for-profit sector and civic society. However, it is not always the case that participating agencies have the flexibility to influence the delivery of nationally set programmes and policies to meet targets agreed in partnership. Also increasingly prevalent in recent years are jointly developed local strategies. In Europe, in particular, the influence of the European structural funds is such that local development strategies are now very common. Such strategies often set out broad aims and objectives and appear to "say all the right things" about working together to achieve common goals, however more rarely do they contain a proper implementation framework for how they are to be achieved, containing detailed agreements on joint actions, budgets, timescales etc. Too often such strategies become wish lists with many different objectives but no consensus on the most important cross cutting issues which need to be worked on together to achieve real economic growth and inclusion.

Agreeing on such a reduced set of priorities requires negotiating trade-offs, synergies and necessary sacrifices, which is challenging at the local level, particularly when local agencies do not have the decision making power to agree to such actions. It can imply a degree of conflict

between local agencies which many local actors would find uncomfortable. Even if the will to make sacrifices and work towards a limited set of local priorities is there, a lack of flexibility in determining organisational targets means that many institutions, especially public or quasi-public, are likely to give priority to their own targets instead of those set collectively. The problem is accentuated because local strategies, and the mechanisms set out for their delivery, are not always legally binding. In many cases, partners feel free to participate in collective strategic planning but not necessarily obliged to translate the agreements into concrete action.

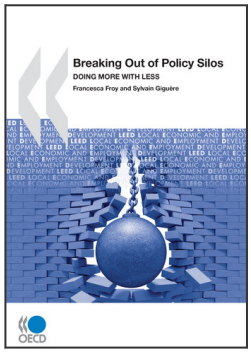
So how can governments make the changes necessary to encourage real policy integration at the local level? Why have strong joined-up approaches developed in some areas, while they seem always beyond the reach of others? "Breaking out of policy silos: doing more with less" explores the implementation of employment, economic development and skills policy in 11 countries to identify common obstacles to policy integration, and approaches which have led to policy alignment. The 11 countries include Canada and the United States; New Zealand; and the European countries of Bulgaria, Croatia, Denmark, Greece, Italy, Poland, Portugal and Romania. Each participating country and region has a different institutional framework, different economic strengths and weaknesses, and a different culture regarding collaboration and partnership working. However, the study has found that common factors are at play for all 11 and the opportunity for learning through sharing experiences is great.

The study produced both qualitative and quantitative results. Countries were each scored in terms of the degree of policy integration present on the ground, and the strengths and weaknesses of the supporting policy framework (in particular, the degree of national and local co-operation, flexibility in policy delivery and the extent of local capacities). The influence of labour market conditions was also taken into account. What has emerged has been the importance of flexibility in national policy frameworks, to give local actors enough freedom to adapt their programmes and actions to strategic priorities decided on the ground. In the 11 countries studied, policy flexibility was identified as having the highest influence of all the factors on policy integration at the local level. Whatever the degree of co-operation and partnership working between stakeholders, it has limited ability to produce change if organisations do not have the flexibility to adapt their policies and programmes to meet the agreed priorities. This book, therefore, has important policy messages for both local and national policy makers.

This book begins with a synthesis of the findings and international policy recommendations followed by a series of country synopses which set out the policy context, findings and policy recommendations for each country in more detail.

Box 0.1. **The methodology behind this study**

The study has been carried out with the help of country based experts in the 11 participating countries. The analysis was carried out on the basis of a series of interviews with national and local policy makers in the fields of employment, economic development and skills using a common methodology provided by the OECD. The findings from these interviews were discussed and validated during discussion and debate in a series of national and local roundtables which again involved senior representatives in the three policy areas of employment, skills and economic development. The study has looked at both the success factors and the barriers and obstacles to policy integration, along with the extent to which joined up working has contributed to the delivery of effective local programmes and a consistent vision for localities and regions. See Annex A for a list of the countries and the case study areas reviewed.



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