

## Building Trust and Responsibility - Exploring a New Paradigm An Exploratory Dialogue between Policy makers and Civil Society

This paper summarises issues explored at a one day seminar at the OECD Headquarters in Paris on the 31st March 2014. The seminar was jointly organised by the Carnegie UK Trust and the OECD Public Governance and Territorial Development Directorate. It brought together members of the OECD's Public Governance Committee with invitees from philanthropic organisations from across the OECD.

Presentations were made by Rolf Alter, Director, OECD Public Governance and Territorial Development Directorate, Sir John Elvidge, Carnegie Fellow and Former Permanent Secretary to the Scottish Government and Martyn Evans, Chief Executive, Carnegie UK Trust. Discussions were conducted under Chatham House Rules.

*These notes are intended as an aide memoire to capture points raised at the seminar. They should not be read as reflecting the views of the group as a whole or any consensus among the attendees.*

### Background

In December 2012 the Carnegie UK Trust published [The Enabling State: A Discussion Paper](#) written by Sir John Elvidge, Carnegie Fellow and former permanent secretary to the Scottish Government. It marked the first stage of the Trust's research into the changing relationship between the state and citizens and communities in the UK and Ireland.

This initial paper set out three basic propositions:

1. Our welfare state has largely served us well
2. ...but, it has failed the same, disadvantaged minority over and over again
3. This is not a problem of reduced resources (it predates the 2008 crisis)

And four further propositions were advanced:

1. The state is excellent at providing standardised services but, its ability to improve wellbeing in all circumstances is limited
2. Certain areas of our wellbeing can be best improved through our interactions with friends and family and through community activity
3. If we are to continue to improve wellbeing a fundamental rethinking of the state's relationship to citizens and communities is required
4. The state should continue providing the public services that it excels at. It must also take on a new role that of the Enabling State empowering and supporting communities, individuals and families to play a more active role in improving their own wellbeing.

The Trust is not alone in putting forward this analysis. Since 2012 we have charted a common shift in thinking in the 5 jurisdictions of the UK and Ireland that we are calling the move toward an [Enabling State](#).

[The Rise of the Enabling State](#) identifies the 7 policy innovations that encapsulate this shift and that are evident in the 5 jurisdictions of the UK and Ireland:

- From new public management to outcomes
- From centralised management to localism
- From representative to participative democracy
- From silos and towards integration
- From acute intervention to prevention
- From recipients to co-producers
- From state delivery to the third sector
- From transactions to value

The sister report [From Rhetoric to Reality](#) highlights practical examples of public service approaches that give citizens and communities more opportunity to shape the services that they receive and to contribute to their own wellbeing.

International research in [Weathering the Storm?](#) and discussions with the OECD suggest that this shift is not confined to the 5 jurisdictions of the UK and is also occurring in other OECD countries.

This shift crosses conventional party political boundaries and we have seen recognisable versions of these ideas in all political parties, although they use different language to express it.



## Presentation from Sir John Elvidge: A shift in Perspective



The seminar was held at the OECD headquarters in Paris

Sir John Elvidge described how the rise of the Enabling State requires a fundamental rethinking of the relationship that the state has with citizens and communities.

Typically, Sir John explained, governments view their relationship with citizens as a triangle. At the top of the triangle sits the state- the provider of services downstream to citizens - at the bottom. But in an Enabling State a different perspective is taken. Governments must 'invert the triangle' and looking at the world through the eyes of citizens. From this perspective, the state competes in a framework of choice and is ultimately the bearer of goods and services that cannot be provided by individuals themselves or by friends or family.

In areas where outcomes can be fairly certain the state excels at delivering services in a standardised and consistent manner but, where outcomes are uncertain, the state often struggles to deliver equal outcomes.

In complex areas of policy what is required is not standardisation but flexibility and responsiveness. And it is flexibility and responsiveness that our friends and family are much better at delivering.

To achieve greater equity the state must focus on what it does best and facilitate citizens to



Sir John Elvidge at the OECD

do what they do best – that is to deliver the kind of support that requires flexibility and responsiveness.

Sir John Elvidge proposed two frameworks of government: the traditional top down model that has served us very well in some areas and a new more enabling model that gives citizens and communities a stronger role. He suggested that both models would be required in the future.

### Presentation from Rolf Alter: The current crisis

Rolf Alter described the gathering storm and the OECD's interest in this agenda. European societies are facing challenges that are complex and diverse. Growth is slow, youth unemployment is high and inequalities are widening.

In our increasingly marketised society citizens and civil society are becoming more sure of their preferences and are demanding more active participation. At the same time trust in government is declining<sup>1</sup> and voter turnout is falling<sup>2</sup>.

<sup>1</sup> The Gallup World Poll from 2007 -2012 found that the share of respondents expressing confidence in national government in OECD countries has declined by 5 percentage points from 45% to 40%. The most significant drops in confidence are in countries facing political, fiscal or economic crisis. For more information. From OECD, [Government at a Glance 2013](#), Paris: OECD 2013

<sup>2</sup> Data in OECD, [Society at a Glance 2011](#), Paris: OECD 2011 shows that voting rates were generally falling.

The global financial crisis has focused minds on how government can be effective, responsive and deliver improvements.

It is clear however that while fiscal measures may bring about some sort of stability in the short to medium term, the scale of our economic and social challenges, growing environmental challenges and demographic changes means that it is unlikely that governments will be able to return to 'business as usual' in the long term.

Governments are realising Rolf explained, that they need to be more responsive, open, inclusive and fair to continue to deliver services effectively, to achieve improvements and to rebuild trust. A rethinking about how we can best deliver improved wellbeing to address existing shortcomings and emerging challenges is required.

### Roundtable Discussion: Opportunities and challenges

In the roundtable discussion that followed participants recognised that a more Enabling State that creates the conditions for more active citizenship presented a number of opportunities:

- *Making the most of individual and community capacity:* Marginalised citizens are often not as disenfranchised as might be imagined. Gang members were used as an example: some members see themselves as business



people not criminals. There is currently an alternative society being created where some of the skills that could be usefully applied in a new relationship between state and citizens are being developed and used but not necessarily in the way that we would want. A more Enabling State might provide the opportunity for these citizens to use their capacity and skills in a more positive way.

- *Re-energising the democratic process:* OECD data suggests that citizens feel increasingly disenfranchised from the representative democratic process<sup>3</sup>. An increased emphasis on participatory forms of democracy, such as community budgeting, may help re-engage citizens. Particularly those who are less likely to vote in elections.
- *Growing citizen and community led solutions:* in straightened economic times citizen and community action may provide a solution to some of the big challenges of our times including: security, an ageing population and climate change and the environment.
- *Focusing on wellbeing:* a number of governments have begun measuring wellbeing (including the Scottish Government and the Cabinet Office in the UK and governments in France, Canada and the US<sup>4</sup>) but the extent to which wellbeing measurements influence policymaking is limited. An enabling approach means a move away from target and process driven policy making and an opportunity for citizens and communities to engage in a discussion about what matters to them.

<sup>3</sup> The OECD's Society at a Glance 2011 report found that voting rates were generally falling. You can see more information [here](#).

<sup>4</sup> For more information see Wallace J & Schmucker K, [Shifting the Dial: From wellbeing measures to policy practice](#), Dunfermline: Carnegie UK Trust 2012

### Counter arguments to an *Enabling State*

- *Universalism and postcode lotteries:* there is an inherent risk of 'postcode lotteries' in the delivery of public services if the model embraces localism, third sector delivery and co-production more fully
- *Unequal capacity to engage:* localism, the social economy and coproduction rely on existing capacity within communities but there are inequalities in social capital within in and between communities.
- *A fig-leaf for retrenchment:* in England the dominant critique of the Big Society is that it is merely a fig-leaf for retrenching the role of the state.
- *Accountability in a fragmented system:* bringing in other providers, be they in the third or private sector may create competition and inspire innovation but the risk is a fragmented system where 'no one is in charge'
- *A confused view of markets and the business sector:* the role of the private sector in an Enabling State is unclear.
- *Implementation deficit disorder:* politicians and public sector managers are aware of the change they would like to make, but somehow are unable in practice to implement the change.

Seminar participants also recognised however, that the move toward an Enabling State was unlikely to be an easy or straightforward one. Indeed some were sceptical as to whether any government would be willing to take a risk to 'see it through'. Some questioned whether governments were really ready for citizens to take the responsibility back and participate in a proactive way? Others suggested that while the



financial and economic crisis provided a window of opportunity some stabilisation, led by the state, is required first.

England, was put forward by one participant as ‘a worked example’ of a jurisdiction that aspired to create more active communities with more local control but, which had had limited success to date. It was argued that the success and failures of the Big Society<sup>5</sup> provide a warning to other states about the risks and challenges associated with a move toward more Enabling State.

One of the key reasons, it was suggested, that Big Society, had only been partially successful was that it was not a genuine bottom up agenda developed in true dialogue with citizens. There was no shared vision. It has also failed to bridge the rhetoric- reality gap. The example given was the diversification of public services. One participant argued that this was a change which promised greater transparency, more voluntary sector input and improved local control but in reality had resulted in more contracts going to large multinational companies with no increased transparency or accountability.

Participants also identified a number of other risks and challenges:

- *‘Those with fat wallets and sharp elbows will do best leading to increased inequalities:* Citizens are not a homogeneous group. One participant cited data from England which suggests that the Big Society is healthiest in the more affluent communities <sup>6</sup>. We know that the most marginalised citizens do not engage. The digital divide creates a further challenge and means that face to face engagement will be necessary in order to reach the most vulnerable citizens for at least a decade.

- *Not everyone has the competency to make decisions:* The example given by one participant was the OECD [Programme for the International Assessment of Adult Competencies](#) (PIAAC) report which highlights that there are significant proportions of the adult population who do not have adequate competencies to make decisions. This raises concerns about just how able and ready people are to engage in participative democracy – many will need support from intermediaries.
- *Loosing touch with citizens:* when third parties take on the running of public services there is a risk that valuable local interfaces with citizens are lost. How can government ensure that it remains in touch with citizens and what does this mean for responsive policy making?
- *More local less national?:* a growing focus on localised issues risks exacerbating inequalities at the national level as elected representatives focus their energies on winning support on local priorities.
- *Growing distrust:* as third parties become more involved in the development and delivery of public services questions arise about the trustworthiness and reliability of these new providers.

The Rise of the Enabling State identifies the barriers to greater use of the third sector in delivering public services include:

- A lack of trust in the community and voluntary sector
- The prevailing culture in the public sector which seeks to manage risk and can over-burden the voluntary and community sector with regulations.
- Insufficient numbers of volunteers to meet demand
- Concerns that volunteers are more likely to come from prosperous areas, creating a bias in favour of middle-class areas and issues

<sup>5</sup> For more information about the Big Society agenda see [here](#).

<sup>6</sup> See Civil Exchange, [Big Society Audit 2013](#), London: Civil Exchange 2013 for more information.

## Roundtable Discussion: What is the role of independent foundations in a more Enabling State?

Independent foundations have:

- *Treasure*: money with no producer or consumer interest attached.
- *Thought*: capacity for thinking not bound by economic or political cycles.
- *Time*: free of pressures to do things immediately or to demonstrate quick results.

The rise of the Enabling State presents new challenges and opportunities. It also opens up a number of important questions about the roles and responsibilities of independent funders in a landscape of more active citizenship, local control and service diversification.

Seminar participants highlighted a number of important roles that foundations can potentially play:

- *Leading by example*: By taking steps to empower individuals and communities through their programmes and policies. Being open and transparent in their approach.
- *Acting strategically*: Using resources in a strategic manner, drawing on existing evidence and evaluating the results.
- *Partnering on shared agendas*: Participants offered a number of examples of foundations working across borders, with public, private and civil society organisations to achieve shared aims and sharing evidence about what works. These included the European Foundation Centre's [Sustainable Cities](#) Forum and the Calouste Gulbenkian [Making Every Adult Matter](#) programme.
- *Taking risks*: Foundations can invest in preventative, long term programmes that may not immediately be able to demonstrate change.

- *Shining a light on difficult issues*: The long campaign to tackle female genital mutilation which has recently gained traction in the UK was given as an example. Foundations often play an important role in helping marginalised communities find a voice. They can also play a powerful convening role bringing key players together to tackle a particular issue.
- *Developing a shared language*: A shared language is required to describe this shift. Foundations can be proactive in developing this language. The fact that they are not seen as having a strong political agenda is seen as a strength.

### Further questions to be explored

Based on these discussions there are a number of questions to be explored in more detail:

- *What kind of relationship should foundations have with government?*: Many foundations have traditionally avoided funding activities that are funded by the state but foundations often find themselves tackling similar issues to government. Yet there are clear opportunities to share learning and to work together to achieve a common purpose. What role should foundations play in influencing policy and practice?
- *What kind of relationship should foundations have with communities and the third sector?*: foundations are an important funder of capacity in third sector. As the role of communities and the third sector grows what does this mean for foundations?
- *How effective are our existing approaches at improving the lives of the most vulnerable groups in society – is a similar ‘enabling’ shift required in the foundation world?*: What can foundations learn from the shift toward more enabling forms of government? How aware is the sector of its own limitations and weaknesses and alive to vested interests?

- *What are the barriers to foundations seizing the new opportunities presented by an Enabling State and how can these be overcome?* Foundations' abilities to seize these opportunities were often limited by their own capacities, their Trust deeds and the willingness of Trustees.

### Next Steps

The European Foundation Centre has indicated that they would like to continue this conversation with a broader group of foundations. The aim will be to gauge interest in a more formal meeting to explore some of the issues raised in the seminar in more detail.

The Stavros Niarchos Foundation indicated that they would be interested in hosting the next formal meeting (subject to board approval).

### Participants

- Ms. Katju HOLKERI, Financial Counsellor, Personnel and Governance Policy Department, Ministry of Finance, Finland
- Mr. Ehud PRAWER Deputy Director-General, Department of Governance and Social Affairs, Prime Minister's Office, Israel
- Ms. Liz MCKEOWN Chief Economist and Deputy Director for Analysis & Insight, Cabinet Office, United Kingdom
- Mr. Rolf ALTER, Director, OECD Public Governance and Territorial Development Directorate
- Mr. Joe WILD, Chair Public Governance Committee, Canadian Cabinet Office
- Mr. Andrew DAVIES, Senior Counsellor, OECD Public Governance and Territorial Development Directorate
- M. Martin FORST, Head of Division, OECD Public Governance and Territorial Development Directorate
- M. Stéphane JACOBZONE, Deputy Head of Division, OECD Public Governance and Territorial Development Directorate
- Mr. Edwin LAU, Head of Division, OECD Public Governance and Territorial Development Directorate
- Mr. Adam OSTRY, Project Lead, Public Governance Review – Poland OECD Public Governance and Territorial Development Directorate
- Mr. David EMERSON Chief Executive, Association Charitable Foundations, United Kingdom
- Mr. Albert TUCKER, Carnegie Associate
- Ms. Jenny BROTHIE Policy Officer, Carnegie UK Trust
- Sir John ELVIDGE Carnegie Fellow and Former Permanent Secretary, Scottish Government
- Mr. Martyn EVANS Chief Executive, Carnegie UK Trust
- Ms. Caroline SLOCOCK Director, Civil Exchange
- Ms. Sevdalina RUKANOVA, European Foundation Centre
- Ms. Elinor DE PRET Public Affairs Manager, European Venture Philanthropy Association
- Ms. Anne DAVIDIAN Head of Paris Office Evens Foundation
- Ms. Linde ZUIDEMA Programme Leader, FutureLab Europe
- Ms. Charis DESINIOTI, Program Officer Stavros Niarchos Foundation
- Mr. Vassilis KASKARELIS, Senior Advisor to the Board of Director, Stavros Niarchos Foundation
- Mr. Ivan COOPER Director of Advocacy, The Wheel



The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913 and we are delighted to be celebrating our centenary in 2013. Please see our website for further information on our centenary plans.

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