

# The 'Horizontal' Dimension: decentralisation, partnership and governance of welfare

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Subsidiarity: a principle for governance

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# Subsidiarity

- Subsidiarity is the idea that matters should be handled by the lowest (vertical subsidiarity) or closest (horizontal subsidiarity) possible level to where they will have their effect.
- Thus, an authority (such as regional government) should perform only those tasks which cannot be carried out effectively at a more immediate or local level, and undertake only those initiatives which exceed the capacity of lower communities, individuals or private groups acting independently
- (Brugnoli et al 2007: 64)

# Definitions

- Few studies examine both vertical and horizontal dimensions
- Partial Focus
- Problems of defining terms
- Few academic articles use term:  
'horizontal' + 'subsidiarity' finds 3 'hits'  
(Web of Science, 2000-2007)

# The vertical dimension

- Decentralisation
- Devolution
- Deconcentration
- Delegation
- Privatisation?
- (New) Localism
- Subsidiarity

# The Horizontal Dimension

- Networks
- Partnerships
- Privatisation
- Purchaser/provider split
- Quasi-market
- Enabling state
- New Public Management
- Mixed Economy of Welfare

# Decentralisation

- ‘the transfer of formal responsibility and power to make decisions...usually from a smaller to a larger number of geographically or organizationally separate actors’ (Saltman et al 2007: 45-46)
- To political units (devolution)
- To independent public institutions (delegation)
- To private actors (privatisation)

# The Lombard System: horizontal

- Subsidiarity: 2001 constitutional reform and Catholic social teaching
- Small and intermediate units- family, church, and voluntary associations
- Subsidiarity as ‘bottom-up decentralization’
- Contractual relationships with third sector actors [*Contract versus Compact Culture*]
- [*‘Spot’ versus ‘relational’ contracting- market exchange versus network/ partnership relationships? What does each partner bring to partnership*]

# The Lombard System: horizontal

- Pluralist Welfare
- Opening system to private sector and freedom of choice
- From government to governance [*'self-organising networks' or indirect central control?*]
- '*Enabling state*': 8.8% of social welfare facilities are municipal, regional or state-run
- Subsidies for families sending children to non-state schools

# The Lombard System: horizontal

- [*Compare UK- Assisted Places Scheme- Conservatives- abolished by New Labour. But New Labour has introduced 'Choose and book' in Health Care, including private hospitals*]
- Subsidiarity does not simply mean reducing public intervention
- [*MEW- ownership, finance and regulation*]

# The Lombard System: vertical

- From the centralist paradigm to devolved governance
- From 1997 money and staff transferred to regions
- Local taxes/ duties, but national tax equalization
- Autonomy has increased, but political federalism has not come about

# The Lombard System: vertical

- *[Rhetoric of ‘decentralization’ in the UK, but some argue evidence of re-centralization- tight performance management and central targets]*
- *[Talk of ‘new localism’ in local government, but most income from central transfers]*
- *[Devolution to nations- Northern Ireland, Scotland and Wales- some evidence of policy divergence- for example student finance and long-term care]*

# The Lombardy model in comparative context

- Vertical and Horizontal Subsidiarity
- Theory- Drawing on New Public Management, MEW and Third Way, but differences?
- Different variants/ blends of model? (for example, different types of partnership)
- Similar road to UK, but further?
- UK- rhetoric versus action- 'say' versus 'do'

# Evaluating the Model

- Vertical and Horizontal Dimensions
- Different literatures- 'decentralization' and 'MEW'
- Different and conflicting aims?
- Link to theory- 'theory-driven evaluation' (Boyne et al 2003; Chen 1990)
- Problem of attribution

# Problems

- Blurred accountability: which levels and institutions responsible?
- Fiscal: will subsidiarity lead to greater regional differences/ inequalities?  
(compare 'post-code lottery' in UK)
- Will wealthy regions wish to subsidise poorer ones? (Lomardy receives back from centre less than  $\frac{1}{4}$  of taxes)  
(compare devolution in UK)

# Conclusions

- Bold and potentially far reaching model
- Agree
- (1) evaluation of goals necessary
- (2) comparison and lesson- learning useful

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