Understanding Horizontal Governance

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Connecting the Dots: Improving Accountability in the Adult Literacy Field in Canada is a two-year pan-Canadian project funded by the Office of Literacy and Essential Skills (HRSDC) Canada. The goals are to examine the impact of accountability policies and practices on the adult literacy field in every province and territory; to help create a common language for practitioners and funders to talk about accountability; and to explore innovative approaches to accountability through action-research projects. This brief connects to the third goal.

Author Daniel Ferguson was a member of the Newfoundland and Labrador action research team that designed a demonstration project to put horizontal governance processes into action and evaluate the effectiveness. Participants from Literacy Newfoundland and Labrador and the provincial Department of Education collaborated with researchers to create a process for stakeholder consultations to inform the provincial strategic plan for adult literacy and improve communication between funder and provider.

This brief is not a comprehensive review of all research on horizontal governance but a summary of the Canadian literature as it relates to the project conducted by this team. To learn more about the findings and tools from this and four other action research projects funded through Connecting the Dots, visit www.literacyandaccountability.ca.

• WHAT IS HORIZONTAL GOVERNANCE?

Horizontal governance is an umbrella term that covers a range of approaches to policy development, service delivery issues, and management practices. A horizontal initiative may take place across levels of government, across boundaries between units of a single department or agency or among multiple departments or agencies, or across public, private and voluntary sectors. It replaces hierarchical leadership with collaboration, coordination, shared responsibility for decisions and outcomes, and a willingness to work through consensus. Over the years, horizontal governance has appeared under different names and guises including "interdepartmental actions, alliances, joint ventures, co-actions [and] especially partnerships" (Bourgault, J. & Lapierre, R. 2000).

Horizontal governance has evolved from the trend of contracting out public service delivery to private and not-for-profit partners, a characteristic of New Public Management since the 1980s. Horizontal governance goes further in the sense that it also places some measure of influence over policy in the hands of partners who deliver service. Actors across and outside of government may contribute to policy-making on issues for which they have shared responsibility (Phillips, S. 2006). However, it can be difficult for actors in the voluntary sector to participate in the policy process and maintain their service delivery role.

• HOW IS HORIZONTAL GOVERNANCE PRACTICED?

While some commentators suggest that "there are no hard and fast rules for leading a horizontal initiative, [or ...] a simple formula to successful horizontal management" (Hopkins et al, 2001), the literature does define some common characteristics. These include:

- ***Non-hierarchical structures:*** Horizontal governance contrasts with the "vertical" or "ministerial" (Fitzpatrick, 2000) structure of authority where decisions over policy development and service implementation are made in a centralized hierarchical manner. In a horizontal approach issues are dealt with by actors who collaborate and share power and responsibility. However, within government, horizontal initiatives cannot replace or operate without final review and approval by the department or agency.

- ***Partnership over competition:*** Bourgault, J. & Lapierre, R. (2000) suggest that in "authentic" horizontal initiatives, a person or organization considers who else has an interest in a particular case, and attempts to include those actors in developing a response. Horizontal initiatives take a markedly different approach from a traditional "silo" view of governance by prioritizing partnership and common interest over competition and individual recognition.

- ***Coordination:*** Peters (1998) roots horizontal practice in the concept of "coordinated government", emphasizing the need for departments to "work together" and "not produce either redundancy or gaps in services."

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A horizontal approach to an issue can happen along a continuum of complexity and scope. For instance, Hopkins et al (2001) identify three "degrees" of horizontal efforts, distinguishing coordination from collaboration:

- Individual attitudes - at a micro level, a horizontal initiative is grounded by individuals making "a conscious effort to work horizontally" and building "informal ties that facilitate sharing".

- Coordination - at an organizational level, coordination reduces duplication and divides tasks and responsibilities.

- Collaboration - at the macro level, resources, decision-making and services are integrated across organizations.

Phillips (2004) summarizes horizontal governance as working through networks in place of hierarchies; through interdependence rather than power relationships; negotiation rather than control; and enablement rather than management.

• HOW IS HORIZONTAL GOVERNANCE PRACTICED?

Collaboration and partnerships between federal departments and agencies internal to government are not altogether new. In Canada, the term was used in the context of public policy in a 1995 article (Peters, B.G., & Savoie, D.J., 1995). The move to horizontal governance was given impetus by a 1996 Assistant Deputy Minister's Task Force. A Strong Foundation, the Task Force report, frames the issue of horizontality around a "whole of government" approach that starts with the public interest:

> "One of the principal challenges is to overcome the vertical stovepipes that divide government somewhat artificially into separate domains either of service delivery or of policy, and to knit them up again in a holistic fashion that reflects the real life of real people."

The 1996 Deputy Minister's Task Force established a focus on horizontal governance in service delivery and policy development. It recommended a strong role for the Privy Council Office to champion the management of horizontal issues. This coordinating role included:

- to identify horizontal issues;

- to set priorities for work around those issues;

- to establish mechanisms to support interdepartmental work;

- to provide stimulation for policy work; and

- to develop processes to support system-wide consensus.

By 2000, horizontal policy-making was included in annual reports by the Clerk of the Privy Council.

Following the 1996 report, a number of horizontal initiatives emerged in the federal government resulting in several "how-to" promotional guides. Lessons from some initiatives in that period are captured in "Moving from the Heroic to the Everyday: Lessons Learned from Leading Horizontal Projects", the report of the Canadian Centre for Management Development (CCMD) Roundtable on the Management of Horizontal Initiatives (Hopkins et al, 2001). Another example is "Using Horizontal Tools to Work across Boundaries: Lessons Learned and Signposts for Success" (Rounce & Beaudry, 2002).

One example of a large-scale horizontal project was the Voluntary Sector Initiative (VSI) that brought the government of Canada as a whole together with the voluntary sector, requiring consultation with a vast array of not-for-profit organizations (Voluntary Sector Initiative, 2009). This five-year project was launched in 2000 with the intent to "strengthen the voluntary sector's capacity to engage in policy dialogue and to enhance the relationship between the sector and the federal government." (HRSDC, 2004). In pursuit of this goal, the VSI accomplished several tasks, including:

- developing an accord and codes of good practice on funding and policy between the federal government and the voluntary sector;

- improving sector access to technology;

- raising the profile of the sector; and

- increasing sector participation in developing policy.

The horizontal nature of the VSI marked an important shift in policy development. The government practice of contracting out services to voluntary sector organizations raised the stake

of those organizations in influencing policy direction. As a model of horizontal governance, the VSI created an opportunity for service-providing organizations to have input into policies governing those services. Phillips (2004) suggests that "establishing stronger connections with citizens and their organizations, was seen to be a means of restoring some of the visibility and legitimacy that the federal government had lost" during the 1980s and 1990s.

• BENEFITS, LIMITATIONS AND THE FUTURE OF HORIZONTAL GOVERNANCE

The term "horizontal governance" has been used less frequently in Canadian public administration since the mid-point of the 2000s, because it has been replaced by the term "governance". However, studies on the concept remain abundant in the public administration literature. Horizontal governance has much to commend its continued practice, provided that it is effective in producing and delivering "public goods that are better adapted to the needs of citizens, of a superior quality and at a lower cost" (Bourgault and Lapierre, 2000). As Hopkins, et al (2001) contend:

> Horizontal management is often the only or the best way to get results. It may not be the most efficient method, especially in the short run, but over time it can be the most effective. It responds to public service challenges that are increasingly complex and being analyzed afresh from horizontal perspectives.

Nevertheless, a major challenge to horizontal governance is the multiplicity of accountabilities. At a minimum, partners in a horizontal initiative have dual accountabilities – those holding between partners, and the vertical accountabilities each partner has to their governing authorities (Fitzpatrick, 2000). The trade-off for highly effective outputs from a horizontal initiative may be a decrease in efficiency. A number of authors have identified additional problems, namely turf protection (Bardach,1996); power distribution (Bryson and Einsweiler, 1991); and competition for resources (Peters, 1998).

Phillips (2004) raises this issue in her discussion of the limitations and challenges that emerged in the VSI – challenges that may apply to other horizontal projects:

- The accountability structure of a contracting system may undermine attempts at collaborative relationships. This is because a system of results-based management "with its emphasis on system-wide controls and efficiency has not been adapted to joint processes that unfold and evolve at the direction of the partners."

- A related challenge is that "outcomes and deliverables may not be able to be specified with precision in advance" of a horizontal project, and so measures of accountability may be unclear.

- High turnover in the public service also creates challenges because horizontal collaborations depend on relationship-building.

- A perhaps more serious challenge unique to the voluntary sector is the issue of advocacy. Bureaucrats are obliged to meet the vertical accountabilities associated with ministerial priorities, and these accountabilities can strongly influence what can and cannot happen within a collaborative project. By working within these constraints, voluntary sector actors may risk weakening their own advocacy agendas if they do not coincide with government priorities.

• LITERACY AS A HORIZONTAL ISSUE

Literacy appears to be a good fit for a horizontal approach. It does not fall neatly under the priorities of a single government department. It is a "government-wide" issue in that it has broad social and economic implications bearing on policy development across many departments. A comprehensive approach to developing literacy policy requires many partners to collaborate across traditional departmental boundaries and private and not-for-profit organizations. However, the literacy field faces many of the challenges apparent in initiatives such as the VSI.   For instance, accountability for literacy is complicated by the fact that partners must negotiate between multiple accountabilities across departments, sectors and the community. Government bureaucrats may be limited in their commitments to a horizontal project because of the vertical accountabilities within their departments. Non-governmental partners may be limited in committing to government priorities, even through a horizontal collaboration, if those commitments do not reflect their own mandates. Finally, a horizontal project that depends for success on the personal working relationships of partners is jeopardized if one or more of those partners leaves the project. A challenge for any horizontal project is to find a working structure that remains intact and survives changes in personnel. Recent research, such as that carried out through Connecting the Dots in the NL project, is exploring the possibilities of creating effective horizontal governance structures for adult literacy.

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