

Introduction

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Over the last three decades, a large body of literature has analysed the crisis of traditional concepts of 'government' and gradually outlined the main features of an alternative system of 'governance'. That debate, while far from exhausted in purely scholarly terms, has by now reached a broad consensus: against a background of structural shifts which have increasingly challenged both the praxis and our models of the nation state, few voices now dispute the need for a move from 'government' (hierarchical, top-down politics) to 'governance' (cooperative, bottom-up politics), the latter characterized by greater involvement and participation of civil society. Over the same period – and in many ways, running ahead of analytical developments – policy makers have adopted a bottom-up approach to governance, acknowledging in their praxis that society needs to be much more involved in a wide spectrum of activities which, for much of the twentieth century, had progressively become dominated by state action. As one of the contributors to this volume notes, the history of political governance has forged ahead, leaving scholarship trailing in its wake.

In common with much of the relevant literature, the present volume deals with the institutional changes and welfare reforms brought about by the trends just described. Its originality lies in the exploration of an original philosophical interpretation of governance, centred upon the principle of (horizontal) subsidiarity. Stemming from a long tradition and recently revived by the catholic social doctrine and in the debate on European integration, subsidiarity affirms that social action should be organized at the closest, most involving possible level to the people affected by that action. Specifically, subsidiarity is considered here not primarily as a guiding principle of decentralization of powers from the European Union (EU) to member states, and to their regions and local authorities. Rather, the volume focuses on the horizontal dimension of subsidiarity, asserting that the public sphere should be restrained from organizing social action when individuals, families and associations can accomplish shared objectives better; conversely, horizontal subsidiarity (the Latin root of the term, *subsidium afferre*, being especially relevant here) government has a duty to afford assistance to those social entities in pursuing their own aims, when that assistance is needed.

Subsidiarity then, provides an original perspective on the relationship between politics and society; from this perspective, the volume's contributors review the experiments and experiences of governance in two European countries characterized by very different traditions of public administration, very different constitutional settlements for the allocation of policy competence across different welfare areas and very different political positions on the future of the welfare state. In each case, horizontal subsidiarity is still an evolving process, in which institutional and policy experiments at times run ahead of the underlying philosophy, and at other times lag behind it. Italy – above all its key northern region of Lombardy – is characterized by a strong historical heritage of subsidiarity in the relationship between its political and administrative structures, and society; at the same time, the scope for applying the principle of subsidiarity in practice has been heavily constrained, until recent constitutional reforms, by a fundamentally dysfunctional national political system. In Great Britain, in contrast, successive governments have displayed an increasing eagerness to reform the welfare state in the direction of greater social involvement – from the early experiments in John Major's administration, to the second-term reform frenzy of 'Blair unbound', to the exhortations of a 'Big Society' by the current coalition government. And while that country's political pragmatism may have reduced the scope for an explicit analysis of the political philosophy of such reforms, its remarkably centralized political system has enabled each government in turn to innovate and to experiment at remarkable pace, and in considerable depth (to the point that 'reform fatigue' has become a significant consideration in the British debate on governance).

The contributions collected in Part I of this volume flesh out a philosophical analysis of (subsidiarity-inspired) principled governance, and set this agenda in its current historical context, characterized by the economic and cultural imperatives of globalization. After reviewing the structures of governance at different levels (Martinelli), the reader is introduced explicitly to the anthropological roots of the concept of horizontal subsidiarity (Vittadini). Ornaghi's contribution clarifies the strong linkage between the two concepts, and focuses especially on the key consequence of taking subsidiarity seriously: in this perspective, it is not enough that society should be 'involved' in governance, rather its primacy over government must be acknowledged.

The recession which hit the advanced countries in 2008/09, and still casts a long shadow several years later, has also refocused the attention of both policy makers and the protagonists of public debate on the theme of competitiveness. Together, the four contributions collected in Part II challenge any notion that 'governance' may be a luxury of the 'Great Moderation', no longer affordable in a harsher economic climate, and that a retrenchment into government – a 'back to economic basics', as it were – may constitute a valid strategy for public policy. To the contrary, there is a strong natural connection between

subsidiarity, and governance experiences at the sub-national level: even in the current historical context of more numerous and intense interconnection between previously distant geographical and social spaces, most bonds of trust and of social interaction still primarily emerge in a context of relative physical proximity ('glocalism'). Significantly, the importance of subsidiarity emerges strongly even in the context of the post-Lisbon competitiveness debate, often characterized by a relatively narrow and functionalist focus on the most appropriate policy-making level for different issues of economic governance. The three contributions in Part II of this volume argue the relevance of the subsidiarity framework to regional governance. A comparative historical analysis of the drivers and limits of the new regionalism is provided by Michael Keating's chapter. Britain's and Lombardy's recent experiences of economic governance through difficult times of rapid structural change and volatile cyclical conditions are selectively analysed by Kitson, and Beber and Brugnoli respectively. In each case, the pursuit of sustainable competitiveness, far from constituting a hard market constraint on principled governance, emerges as a major demand driver for a greater and more empowered involvement of social groups in economic management.

Having thus established the anthropological foundation and analytical definition of subsidiarity-inspired governance, and its compatibility – indeed, congruence – with the demands of economic globalization, the book focuses in Part III on the experiences of social service provision. The overarching perspective of the contributions presented here is the assessment of the effective empowerment – as opposed to mere involvement – of individual and social groups in different experiences of welfare reform and social service partnership. Colombo and O'Sullivan survey Lombardy's governance strategy, characterized by a remarkably explicit appeal to the ideal of subsidiarity, and track the impact of that strategy in the design and implementation of selected institutional innovations and policy experiments since the early 1990s. Over the same period, Britain's health service has been characterized by successive attempts to create an activity space – and crucially, not necessarily a policy space – for social enterprises: Helen Haugh provides a summary of those experiments, and highlights its key challenges. A fundamental ambiguity in the realization of subsidiarity may be found in the delicate relationship between the soft power of social entrepreneurship and the hard power of the public purse. This issue is discussed at the analytical level by Martin Powell, who assesses the potential of 'compacts' and of 'relational contracting' as frameworks for reconciling leadership and partnership. Pursuing this analytical discourse even further, Stefano Zamagni sees true, empowered subsidiarity as a principle of social organization, an alternative to both authority and contractualism, and a necessary catalyst of reciprocity in relationships among society's members. Fulfilling this potential, however, requires nothing less but the creation of a

new social state in which the relationship between the three poles of market, state and civil society is fundamentally transformed, lest the early positive experiences of subsidiarity become fossilized into mere governance technique and legislative rhetoric.

Empowerment is a multidimensional concept, and while the preceding contributions focused on different aspects of key relationships between society and state in the economic and welfare sphere, the concluding Part IV of the volume applies the subsidiarity framework to the crucial area of human capital investment. This theme has emerged as decisive in a number of key debates – from economic development to social cohesion and inequality. Luigi Campiglio's chapter identifies vital characteristics of human capital investment in very young people, above all its irreversibility, and the necessity of empowering families and family support networks to prevent underinvestment in this area. Julian Le Grand sets early-year investment in human capital within the broader context of asset-based welfare, in which society's primacy is asserted not by directly modelling the relationship between individuals and state entities, but rather by financially empowering individuals and groups, and thus allowing greater scope for innovation in the ensuing welfare-producing relationships; and Violini and Capone conduct a case study of Lombardy's 'education bond' or dowry.

This book is the fruit of an in-depth and wide-ranging examination – initiated in 2007 – of Lombardy's and the U.K.'s models of governance.

We are very grateful to the authors for devoting so much of their time, skills and patience to it.

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