

Democratic Government and the Challenge of Governance

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The political landscape of the advanced western democracies has changed dramatically during the past several decades. Economic liberalization and globalization have confronted nation states with new types of challenges. Subnational actors like regions and cities have become more assertive vis-à-vis central government and are to a growing extent positioning themselves in international arenas. Increasing amounts of regulatory capability have been transferred to transnational institutions like the European Union. And the aftermath of the tragic events of September 11, 2001 have reshuffled political priorities in many countries and propelled massive spending on national security.

Alongside—and sometimes as a result of—these developments, political objectives have changed as well. An interventionist and redistributive policy style aiming at increasing the sphere of politics in society has been replaced by a market-conforming, regulatory style geared to open up for a free market economy. Welfare states have been forced to embark on across-the-board cutbacks as tax revenues have declined and demographic developments have surged expenditures.

Some of these developments are acute and transient whereas others seem to be here to stay. Some have—directly or indirectly—been set in train by governments

themselves while others tend to highlight the increasing complexities of the contingencies of the state. The list of significant challenges to governments could be longer but the general argument should be clear. The contemporary state is facing a growing number of contingencies to which it must relate. At the same time, states are still expected to deliver extensive public services and welfare programs and to safeguard a representative and responsive system of democratic government.

The challenge of governance has been exacerbated by a growing disenchantment among the citizens of these democracies. The recently completed “power studies” in Denmark and Norway substantiate the declining support for traditional structures for political representation and accountability (Togeby, 2003; Österud et al., 2003; also, see Norris, 1999). The overall image coming out of these reports is that the state is now increasingly challenged as the center of democratic governance. Instead, citizens look favourably at more participatory forms of political input such as single-issue involvement and local and direct involvement. The comprehensive governance provided by representative institutions is thus less attractive than localized and sectoral forms of governance.

To help resolve this tension, a common strategy among the western democracies has been to adopt an inclusive and partnership-oriented policy strategy, often referred to as the “new governance”. In this emerging model of governance, the state defines the overarching, long-term political objectives but pursues these goals in concert with key actors in its external environment. According to more extreme versions of the “new governance” theory, governance is exercised by cohesive and autonomous self-organizing interorgani-

zational networks at the level of the policy sector with few or no possibilities for the state to influence the execution of policy. Coupled with market-based administrative reform, this strategy has emphasized governments' performance more than their democratic responsiveness (Pollitt and Bouckaert, 2004). To be sure, "new" models of governance and New Public Management-style reforms have been based on the assumption that performance in relationship to clients and societal partners has become the new mode of government responsiveness.

However, despite the increasingly dynamic if not unpredictable environment of the state and a growing critique among the citizens, an almost idealized form of representative government remains the practiced model of defining the public interest. For all its innovative brilliance, the "new governance" or the New Public Management schools of administrative reform have not been able to present any alternative representative structures or processes to replace the traditional mechanisms of political and democratic representation. The key argument advanced by the advocates of governance and management reform has been that market-based service delivery offers clients instant accountability through customer choice. In a similar vein, some governance theorists have suggested that governance can be made responsive if not to the electorate so to the stakeholders of governance. Neither of these arrangements offers a satisfactory alternative to traditional models of political representation and accountability.

Political representation thus—by and large—remains representation through political institutions, yet these institutions are frequently seen as obsolete structures and as barriers to increasing efficiency and

a customer-attuned public sector. Thus, here is the key dilemma facing contemporary governments; *how to enhance productivity and efficiency and how to engage the community in "new" models of governance while at the same time giving political institutions sufficient control to steer society and to be accountable to the electorate?*

The cutting edge in governance research

This growing tension between the ideal-type model of representative government as defined by liberal democratic theory on the one hand and the current challenges to the state in terms of providing governance on the other, is clearly noticeable in mainstream political science analysis. The past two decades have seen two significant, and seemingly conflictual, developments in political science. One is the strong, if not predominant, focus on institutions and their significance in shaping political and social behavior. Starting with Peter Evans et al's *Bringing the State Back In* (Evans et al., 1985) and continuing with seminal works such as Peter Hall's *Governing the Economy* (Hall, 1986) and James March and Johan P. Olsen's *Rediscovering Institutions* (March and Olsen, 1989), the study of political institutions has demonstrated the significance of structure in forming political behavior.

Today, the argument that institutions matter is a rather banal statement. Instead, we have seen an array of approaches aiming at understanding the processes through which institutions "shape and constrain" (March and Olsen, 1989) political behavior (see, for instance, Weaver and Rockman, 1993).

The other sector of dramatically increasing interest has been in the emergence of different governance arrangements (for an overview, see Kjaer, 2004).

The most recent debate on emerging modes of governance was to a large part triggered by Rod Rhodes who in an article in *Political Studies* in 1996 analysed different meanings of the concept of governance. The “new governance” was presented as “governing without government” and governance was defined as “self-organizing inter-organizational networks characterized by interdependence, resource exchange, rules of the game and significant autonomy of the state” (Rhodes, 1997:15). Rhodes believed that the growing complexities characterizing society combined with the “hollowing out of the state” had placed political actors in a plight in which their capacity to control policy sectors had been severely reduced.

A slightly different conceptualisation of governance has been advanced by a group of Dutch scholars, primarily Walter Kickert and Jan Kooiman. Their analysis is society-centered and departs from the complexity of society. This complexity makes collaborative strategies of coordination necessary. The main role of political institutions is to serve as a “hub” in this coordination; indeed, “steering at a distance” is a good illustration of this aspect of governance (Kickert 1997; also, see Kickert et al., 1999; Kooiman, 1993, 2003).

A third approach to governance is the more state-centric view. In this perspective, political institutions remain powerful actors although not as powerful as a few decades ago (Pierre, 2000; Pierre and Peters, 2000, 2005). The changes in the external environments of the state have caused a transformation of the state and its institutions, which is rather different from a decline of the state (cf. Mann, 1997). The common theme in these different models of governance and their assessments of recent development is that they accord political institutions different

degrees of significance. To put this slightly differently, the core questions in this research are: what is the role of government in governance? What causes this role to change? What are the main challenges facing these institutions and how capable are they of transforming themselves to meet new demands? Thus, for political scientists, the key research question in governance research relates to the different roles of government in governance. This analytical problem thus ties together institutional analysis with the study of governance. These two theories raise different questions about the determinants of political behavior and about the locus of political power and control.

All of this having been said, the basic tension between performance and representation has not been resolved. The shift towards governance has urged political structures to develop new collaborative, frequently informal, strategies vis-à-vis key actors and interests in their environment in order to achieve goals related to policy implementation and service delivery. At the same time, these institutions remain the critical channels between electors and elected. Emerging models of governance and New Public Management-type of public service production assume that elected officials surrender much of their control to “managers” and policies are separated from “operations”. How does that arrangement fit with the traditional model of democratic, representative government? What are the consequences of this discrepancy?

The critique against New Public Management on these has been quite pointed. In a recent study, Ezra Suleiman (2003:2) asks: “Democratic societies are based on legitimacy, which itself is largely based on effectiveness. How can governments preserve their legitimacy if they deny them-

selves the means of being effective?" To Suleiman, recent administrative reform has not just changed the nature of the public administration—it has been tinkering with one of other cornerstones of democratic government. The public bureaucracy is a creature of the state hence changing the structure or modus operandi of the bureaucracy is a political project. Recent research on public administration shows that the pace of change in the public sector has perhaps never been higher than it is now (Peters and Pierre, 2003). In order to understand how change in governance affects the representative democracy, attention must therefore be directed also at the public administration.

Research design

This research program raises the question of how contemporary states have sought to resolve the tension between these two roles or sets of norms; what could be called the performance and representation roles of government. The program will conduct a comparative study on how policy makers and senior civil servants have viewed this goal conflict, how it is reflected in administrative reform, and what measures have been implemented to resolve it. The focus will be on the western democracies. Primary and secondary sources will be used in the research.

The research program is focused on the previously mentioned dilemma between institutional strength and electoral responsiveness on the one hand and governance reform aimed at enhancing the capacity of the public sector on the other. More specifically, the research program will compare four countries that have embarked on different strategies of state modernization and governance strategy. Sweden is an example of an historically

speaking strong state that has implemented NPM reform rather moderately. New Zealand is often portrayed as the country with most extensive market-based administrative reform record, so much so that current reform aims at reaffirming the more historical role of the state in service provision and political coordination. Denmark has been extraordinarily keen to allow for new governance arrangements and has also implemented extensive NPM reform. Britain, finally, has gone far down the NPM road as well as governance reform but has had a longer way to go in the reform area compared to the Scandinavian countries.

Thus, the four countries represent two Whitehall systems with rather limited historical experience of public-private institutionalized exchange and two parliamentary systems with a corporatist tradition. The sample thus allows me to discuss the independent influence of political, institutional and societal variables when explaining reform trajectories.

Specific research questions include:

- How have policy makers and civil servants perceived the problems in the traditional state model? What governance problems have driven state reform?
- To what extent are reform concepts and models indigenous to the individual country or imported from overseas?
- What future role of the state in society do policy makers and civil servants envisage in the different countries? What alternative models of political representation have been debated?
- How can similarities and differences among the four countries be explained? What is the significance of state traditions and administrative traditions in state reform? What models of

accommodating institutional strength and governance reform do the four countries present and what explains for cross-national variations in the design of these models?

This analysis of state modernization and governance reform represents truly cutting-edge research in the field of comparative governance research. This is the research design which is required to uncover the lingering influence of institutions and normative structures on such reform. These are issues that because of their complexity and richness in detail require a bigger time frame for research than the usual three-year project time period. It is a research program that would enable me to critically review state modernization and governance reform in different political and institutional environments, to synthesize previous research in the field, and to produce new knowledge which will be of value in future reform design.

Dissemination strategy

The research agenda presented above speaks directly to administrative reform issues in Sweden and many other countries. In Sweden, a couple of Royal Commissions are currently investigating different reform strategies and there are similar processes underway in the three other countries included in the program as well. Against that backdrop, I plan to engage in the public debate on administrative reform as soon as I have research results available. There is a huge demand for learning about experiences of administrative reform strategies from other jurisdictions and I believe that this research will be able to at least to some extent ameliorate that problem. Furthermore, it is crucial that the public is given information

about alternative strategies to develop the representative system of government and to tailor representative channels to the society of the early 2000s. I will seek to contribute to that debate by publishing not only in academic contexts but also in contexts that are more readily available to the broader public.

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