■ Governance and social complexity

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ABSTRACT

Governance and social complexity. This article gives a brief overview over the development of government research. The initial governance research was mainly state-centric, later to be followed by research departing from societal complexity. These two approaches are now beginning to gel, producing a research agenda focussed on the changing role of the state and the role of networks in the process of governing.

Governance as a social science concept has, in a surprisingly short time, been elevated almost to the same status as institutions. If "institutions" could be found in the title of almost every other international conference paper during the 1990s, the same pattern is now true for "governance". And, as was the case with institutions, governance is surrounded by much ambiguity, critique, and conceptual fuzziness, and arguably the same conceptual stretching that has enabled it to be used so widely also has robbed the term of some of its utility.

This article will first quickly review the development of new forms of governance, why they evolved, and the analytical models which have been employed to understand those changes and contemporary governance. We will then move on to present what we see as the core meaning of governance. We understand that in presenting our "take" on the concept we might be stepping on the intellectual toes of some of our colleagues. There is, however, no criticism intended; given the very wide usage of the governance concept these days, this is to some extent inevitable. Following that discussion, we will briefly review the development of governance research and then position our own current research in that field.

Governance research: A brief overview

The first "wave" of governance thinking and writing was mainly concerned with the capacity of the state. This development took place against the backdrop of several significant changes in government and public administration such as increasing problems of coordination, loss of policy capacity, agentification, budgetary cutbacks and a growing interest in many countries in solving problems of public service delivery in cooperation with societal actors. These developments, accompanied by globalization and a more noticeable national embeddedness in international organizations such as

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the EU and other regional organizations, the WTO and more ad hoc transnational agreements like Agenda 21 and the Kyoto protocol, contributed to a gradual redefinition of the relationship between state, society and the global arena. It became clear that the powers of government were not as absolute and unequivocal as had previously been the case (or believed to have been the case). The state now bargained with transnational organizations, as well as with actors within its own society, if it wanted to be effective.[2] It was less eager to increase taxes on private capital because the general belief was that such policies would encourage private businesses to relocate to more favorable countries. The relationship with regional and local government, too, became more negotiated and contextually defined since central government could no longer claim monopoly on financial resources, professional staff and organizational capabilities.

These developments occurred alongside a very clear overarching policy shift among the advanced western democracies. Starting in the United States and Britain, under Reagan and Mrs. Thatcher, respectively, and spreading throughout the 1980s, a neo-liberal "turn" emerged. With some variation, both political leaders emphasized that the time had now come to redefine radically the role of the state in society. The basic point of departure, in their analysis, was the free society and the free market, and political and regulatory impositions on that freedom should be minimized. "Government", said once Ronald Reagan, "can't solve problems because government is the problem". Public bureaucrats, insisted Mrs. Thatcher, are privileged in terms of work hours and salary and should be "de-privileged" (Hood 1995). True, much of this was rhetoric, but it nevertheless succeeded in changing the popular mood in terms of their favoring collective or individual solutions to societal problems (Savoie 1994).

Taken together, all these significant developments in the preconditions for governing, public policy, public administration and inter-governmental relationships posed a major challenge to the state. They also insisted on a shift in focus among the observers of the state and policy making. The key to understanding these institutions and processes, it seemed, was not to be found in looking only at those phenomena but rather at how they interacted and interlocked with society. Governance – the process of governing – was obviously not a new phenomenon but as a result of the political, economic and institutional developments during the 1980s it had gradually taken on a somewhat different form; government was still at the helm and in control but its role, its functions, in governance had changed. As a result, political scientists were now challenged to come up with a framework to understand and conceptualize these changes and what they meant (see e.g. Kjaer 2000; Kooiman 1993; Peters and Savoie 1995, 1998, 2000; Pierre 2000; Pierre and Peters 2000)).

A second "wave" of governance research has been more society-centered. Although society was believed to become more and more fragmented and heterogeneous, societal actors had proven of capable of forming networks and other more or less informal organizations to promote their interests or solve common problems or

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2 This may appear to be anthropomorphizing the state, but the reference is to the collective actions of participants in the state.

to form a united front against government institutions (Marsh & Rhodes 1992; Rhodes 1997). Networks were not only seen as logical responses to the growing complexities both within the state and in society; it was also often believed that networks, as governance structures, were in many ways superior to the more traditional, government-centric governance (Sörensen & Torfing, 2007). They were instruments of interest representation but also decision makers in the context of a de facto self-governing policy sector or a neighborhood. They were situated outside the traditional process of democratic input and accountability and although that caused problems with their democratic "anchorage" (Sörensen & Torfing, 2005), the advocates of network governance argued that network offered new, and by no means worse, democratic channels compared to traditional political institutions.

In the current – and rapidly expanding – field of governance research these different approaches are beginning to gel. The overarching question in current research is focused both on societal complexities, on the institutional complexity of the state as well as on the interface between the political sphere of society and its external environments (Pierre & Peters 2005). Thus, from what might have appeared to be a less than perfect focus first on the state and then on society, current governance research is becoming more and more focused on what would seem to be the most obvious focus of interest, namely the interface between the two. The notion of a "dual complexity" – an analytical model where a complex state is to govern a complex society – has become a frequently used point of departure for this research.

At the heart of this debate lie both an empirical and a normative issue. The empirical discussion has sought to clarify the significance of the recent changes in governance and their consequences. It appears as if much of the purported novelty of the "new governance" is overstated. In Japan and most other Asian countries there is a long experience with territorially defined mobilization of politics, administration and private businesses towards joint goals. The Scandinavian political milieu has for long featured corporatist, tri-partite arrangements of interest representation and mediation and organized interest commitment to public policy. In many countries in Latin America, complex webs between the state and political parties have effectively blurred the distinction between state, civil society and society and created both politically charged societies and clientilist government. And in the developing world, state-centric governance has frequently been challenged as a result of low political legitimacy, "soft" institutions, widespread corruption and an unbelievable scarcity of almost all kinds of resources. As a result, governance in that part of the world has often seen ad hoc interactions between subnational and national institutions and, occasionally, transnational organizations (Hyden & Bratton 1992). Thus, even a quick glance around the world is sufficient to question the novelty of less state-centric models of governance. Indeed, the only part of the world where the "new" governance really is new is in the Anglo-American democracies.[3]

The normative debate, on the other hand, addresses the issue of whether these changes are desirable, what positive and negative changes they entail, and what form

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3   Even in these cases, as scholars such as Ted Lowi pointed out, there was close connection between the State and social actors, but this interaction was conceptualized as subverting the liberal model of democracy.

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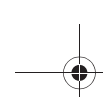
of governance is more appropriate for governing states, regions and cities in the 21st century. Here, a telling example could be drawn from the Scandinavian countries. A few years ago, "power studies" were conducted to investigate what significant changes in governance that are taking place. In both countries, the empirical evidence showed a systematic decline in popular support for traditional democratic institutions as well as the political parties (Togeby 2003; Österud et al. 2003). Interestingly, however, these findings were received quite differently in the two countries. In Norway the general conclusion was that democracy as we know it is in deep crisis and that powerful measures should be employed to address the situation. In Denmark, on the other hand, the results were seen as proof of an ongoing change which on the whole is welcome.

This normative debate about governance has also seen some observers advocating an associational form of democracy (Hirst 2000) or a growing interest in communitarianism (Bell 1993) as well as reform within the existing institutional model of democratic governance. These models would reduce the centrality of representative democracy in favour of more direct linkages to citizens. Thus, there is no shortage of ideas of how to organise governance as we enter a globalized world and an increasingly complex and fragmented society.

Understanding governance

Essentially, governance is about the pursuit of collective interests. More precisely, governance theory helps us understand the exchanges between state and society in the definition and implementation of such collective objectives and goals. The significance of these state-society interactions offers an explanation to why governance gives a more comprehensive view of the process of governing than would theories of government. What makes governance an object worthy of study (Stoker 1997) is quite simply that these arrangements are becoming more and important in the process of governing.

We mentioned earlier that governance is not a new phenomenon, but during the past couple of it has taken on new manifestations that problematize the role of government in governance. Governance theory departs from increasing complexity, both in society and within government. Globalization and an increasing international embeddedness of the state, coupled with increasing autonomy (real and asserted) by local and regional political institutions, have redrawn the political map of most states. Private enterprise, too – at least the larger corporate structures – are today believed to be less tied to any particular country than was previously the case. All of this means that the targets of policy are constantly moving, so much so that private businesses may well choose to relocate if the nature of those policies is considered to significantly impair the competitiveness of the firm. Furthermore, policy problems are less tied to nation-state jurisdictions than before. Environmental protection and international terrorism are examples of a changing political context where hierarchical governing over a jurisdiction defined by national border no longer seems appropriate or efficient.

The state is also less capable of steering in the way it did a couple of decades ago. The once attractive strategy of steering with financial incentives or tax cuts is less common today as governments try to curb their expenditures. Facing increasing contingencies in its relationship with society, the state finds it neither very efficient nor possible to exercise political power in a command and control fashion. Central government today finds itself in a situation where parts of its sovereignty, de jure or de facto, have been moved upwards to transnational institutional systems downwards to regions and local authorities, and outwards to autonomous agencies (Bache & Flinders 2004; Pierre & Peters 2000). As a result, there is a pooling and sharing of both resources and authority in the pursuit of collective goals. Thus, command and control is more and more replaced by negotiations, bargaining and pooling of resources. The contemporary state has to master these contextually defined relationships with external actors on which it finds itself increasingly dependent, and, while doing that, provide political leadership and define political goals.

Needless to say, these developments inside and outside the contemporary state raise a series of research questions. What are the key roles of political institutions in democratic governance, and what alternatives exist to traditional political representation and accountability? How can the modern state uphold some degree of integrity and insulation vis-à-vis the targets of its policies? To what extent can the public administration engage in networks and partnerships with societal actors without jeopardizing its integrity and indigenous norms of equity and equality, impartiality, legality and legal security? Can democratic governance be sustained at the subnational and transnational institutional levels? Is, in the final analysis, political authority something negotiable, or is it unequivocally tied to institutions and democratic accountability? These and many other issues at the same overarching level of the state and political democracy suggest that it is essential not to get lost in details but to constantly assess observed changes against the benchmark of systemic values. Therefore, the normative dimension of governance research always lurks in the background of empirical analysis.

The complexity of contemporary governance points to the need to include social and organizational learning into models of governance. Rather than thinking about policy-making in a hierarchical manner, and as being performed once for all, governance is conceptualized as a continuous process of learning and adjustment. Conventional hierarchical models of governance may rely too heavily on control from the center and may not be open adequately to the feedback coming from society and from the actors affected by the actions of the public sector but governance models does include such an adaptive capacity.

Governance and Comparative Analysis

The research questions above also point to the possible utility of governance as a perspective for comparative political analysis. By asking basic questions about the way in which societies choose to govern themselves, including questions about the involvement of social actors in governance processes, comparative politics becomes better positioned to describe and to understand the policy choices made on behalf of the

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public, and the relationships among major groups of actors. This approach does not yet offer strong explanations for the choices, but its generality provides a lens to explore governing and the role of government.

One of the most important contributions that governance can make to comparative analysis is its generality and its recognition of the need of all societies to supply some form of collective direction. This approach is essentially functionalist, positing the need for providing the basic activity of governance then examining the ways through which that function is organized and provided. Societies may be more or less successful in providing that collective steering, and there may in fact be different levels of demand for governance, depending upon levels of political development and the nature of the political culture.[4]

The distinctive element of the governance approach is that, although it does assume a common need to provide governance, it is totally agnostic about how that function is performed. Most importantly, governance does not privilege formal government institutions and actors in the activity of governing, but the governance approach recognizes that there are multiple ways in which this function can actually be fulfilled.[5] Conversely, some of the early network theorists assumed that the more informal network structures would dominate and that formal government would gradually erode because of its rigidity and its excessive bureaucratization (see Rhodes 1997; 't Veld et al. 1992).

The lack of any premature closure on the manner in which governance is actually carried out reflects the contemporary reality of policy-making and policy implementation. Certainly government can be expected to continue to have some importance, especially in legitimating public action, and some of the capacity of networks to become engaged in providing governance reflects delegation of powers from those formal structures. That having been said, however, social actors – whether networks, private firms, not-for-profit organizations, or whatever – involved in governance have been able to carve out areas of power and influence on their own, and many aspects of contemporary governance would be much weaker without the involvement of non-governmental actors.

The instruments used to govern through the "New Governance" also involve greater involvement of non-state actors and the use if negotiations than did the more conventional command and control instruments associated with conventional implementation (Salamon 2001). The public sector has been increasing its use of "softer" policy instruments (Morth 2004) that do not set absolute requirements but rather involve benchmarks, voluntary agreements and a variety of other means of linking state and society at the same time that they implement policies.

In theoretical terms, governance has the additional value that it is actor-centered. Institutions are certainly significant for understanding how decisions are made an implemented, but the fundamental question that emerges from thinking about governance is which actors are involved and what do they do? This question then leads di-

4   For example, the United States appears to accept lower levels of control over society and some of the dysfunctions that this pattern of governing may produce.
5   To that extent the governance approach is similar to the structural-functionalist approaches that once dominated comparative analysis. See Almond & Powell (1966).

rectly to the comparison of governance systems (e.g. France, Singapore) that are more state centered as opposed to those (e.g. Germany, Sweden) that give a strong position to social actors. Then one can also compare the differences between the involvement of social actors through networks or through market-type mechanisms.

Finally, the comparison of the forms of governing naturally leads to the comparison of the success or failure of governance (Bovens, 't Hart & Peters 2001). One strand of governance research has focused on "good governance", meaning primarily the extent to which governments have been able to create transparency and reduce corruption. While this measure of good governance is important, it is only a small aspect of the more extensive nature of governance (see above). Further, effectiveness of governance may be enhanced in some cases by reduced transparency (Pierre 2008). As yet relatively little comprehensive analysis of the effectiveness of alternative governance arrangements has been conducted, but an emphasis on performance can provide a useful direction for that research.

The governance approach also allows understanding and linking various levels of governing, and again does not assume that the nation-state is necessarily the central feature for governing. Governance is not just about the governance at any one level of government (especially the nation state) but provides a set of general questions that can be used to understand global governance and local governance. Although these academic literatures are often kept apart, in reality there is the means of discussing the issues and problems that cur across the conventional categories.

As well as cutting across a number of conventional categories in the academic literature, the idea of governance does allow a better conceptualization of governing the context of increasing complexity. By involving actors from the market and society in the governance process internalizes the complexity that already exists in the environment of the governance system. Many other conceptions of governing do not recognize adequately this complexity and hence are not able to include it into their models of governing directly.

Concluding comments

Governance research is driven by the increasing complexity – some might say the messiness – of contemporary processes of governing. Given the growing reliance and contingencies of government on societal actors, the multi-layering of political authority and recent administrative reform which actively invites market actors into the process of public service delivery, sticking to traditional textbook models of government and public administration would have been to miss the point in contemporary governance. While we are uneasy with accounts of these changes and developments as the preamble to the decline of the state, it is equally clear that in order to understand the preconditions of governing in contemporary society we need to look beyond formal institutional arrangements and government decision-making processes. Governance today is more contextually defined. The cast of actors is more difficult to predict. Institutional arrangements are not constitutional "givens" but are negotiated and depend to significant extent on the interests and resources of actors at different institutional levels.

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Where does this complexity in governing leave political science? How do we theorize contextuality? We argued recently that teaching political science and public administration is becoming increasingly frustrating because while a few decades ago we could answer students' questions fairly clearly and unambiguously, today we often find ourselves responding "well, that depends" (Peters & Pierre, 2007). Needless to say, such uncertainty creates problems when developing a more general theory of governance. As we have argued above, we believe that functionalist models of politics and policy-making – for decades dismissed as being excessively static – provide some help in developing governance theory since they focus on tasks while making no prejudgments about the locus of political authority. Further along that avenue of thought, it also seems clear to us that a theory of governance needs to depart from a traditional model of democratic government as an intellectual benchmark. True, government's capacity to govern is weaker today than a few decades ago but for the most part government remains the "hub" of governance. In order to understand the changing role of government in governance we need to depart from a government-centric model of governance. That is where we came from, and, to paraphrase Alice in Wonderland, that is the only piece of reliable information we have. Where we are going – which future directions democratic governance will take – is much less known.
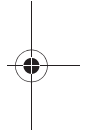
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