

Modernising Governance

New Labour, Policy and Society

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List of abbreviations

CCT	Compulsory Competitive Tendering
DETR	Department of the Environment, Transport and the Regions
ESRC	Economic and Social Research Council
EU	European Union
GOS	Government Offices of the Regions
GP	General practitioner
HIMP	Health Improvement Programmes
ICT	Information and Communication Technology
LEAs	Local Education Authorities
NHS	National Health Service
NICE	National Institute for Clinical Excellence
NPM	New Public Management
OFSTED	Offices for Standards in Education
PCGs	Primary Care Groups
PIs	Performance indicators
Quango	Quasi-autonomous non-government organisation
RDAs	Regional Development Agencies
SEU	Social Exclusion Unit
SRB	Single Regeneration Budget
SSI	Social Services Inspectorate

Introduction: new Labour and the question of governance

This book asks the question 'How far did the 1997 Labour government represent a shift in the governance of the UK?' Much of new Labour's electoral platform had been based on a critique of the changes produced by the Thatcher and Reagan governments. Tony Blair set out a vision of the future based on a re-articulation of the language of community and citizenship, reciprocity and responsibility, justice and fairness. His government was presented as embodying a 'Third Way' between the market individualism of neo-liberalism and the collectivist, state-centred approach of Labour governments of the past. Did these political shifts mean that the UK was developing a new form of governance that transcended the neo-liberal approach of the 1980s and 1990s? In that period, the relationship between 'state' and 'society' went through profound transformations. The cumulative impact of neo-liberal policies both exacerbated a range of social problems and at the same time weakened the capacity of the state to respond to them. The public sphere became more fragmented as a result of the splitting-up of large state bureaucracies, the introduction of market mechanisms, the privatisation of state facilities and the proliferation of 'quangos'. Managementism changed employment relationships within organisations and buttressed the spread of market and market-type mechanisms. Relationships between organisations and the users of their services were recast through the metaphor of the 'customer'.

Governance and new Labour

One view of the Labour government sees it as continuing this neo-liberal agenda, for example in its focus on equipping the UK workforce for the global economy and in its attempt to 'modernise' the welfare state. However, the picture is more complex in that Labour also attempted to establish – and sustain – a new set of political alliances. It sought to forge a consensus around an agenda of 'modernising' reforms designed to remedy deep-seated social problems such as poor schooling, ill health, child poverty, rising crime and urban decay – intractable areas of public and social policy to which the Labour government addressed electoral pledges. There was a partial retreat from the ideological commitment to market

mechanisms as the driver of public sector reform and a softening of the approach to competition. The focus on 'joined-up government', public participation and partnership suggested important shifts of emphasis in the policy programme. The policies introduced in the first years of the new government also emphasised innovation, experimentation and policy evaluation designed to build the foundations for sustainable long-term change in public services. Nevertheless, in order to deliver on its electoral pledges, the government's modernisation programme also led to an intensification of many neo-liberal reforms. Targets and performance indicators continued to cascade from the centre. Audit and inspection regimes proliferated, now backed up by sanctions imposed on 'failing' organisations. Efficiency savings and 'value for money' reviews remained central to the experience of most public service organisations.

But new Labour's project involved a re-imagining of the social and cultural spheres that cannot simply be read as a functional corollary of a particular form of economic governance. The Third Way was a metaphor used in the USA and some other European states to help forge political settlements that combined a recognition of the increasing importance of the global economy with attention to the importance of social cohesion. It was not just about creating an alternative to the state and the market, but addressed issues of civil society and cultural values. It symbolised a break from the social and political ideologies of the new right, but also a recognition of the challenges faced by social democratic governments in conditions of globalisation. In the UK it can be understood as an attempt to retain the economic gains of Thatcherism, while invoking a set of moral and civic values through which Labour sought to reshape civil society. A new emphasis on issues of citizenship, democratic renewal and social inclusion appeared alongside a continued emphasis on economy and efficiency. There was an attempt to appeal to new constituencies – women, black and minority ethnic communities, disabled people, lesbians and gays, and especially the young – while seeking to shed the image of class-based politics associated with 'old' Labour.

The picture is still evolving, influenced by shifts in the broader economic, social and political context as well as by the changing fortunes of particular ministers and of the prime minister himself. The Labour government in office faced considerable difficulties in sustaining support for its political programme, and deep-seated tensions have become evident. Some of these resulted from the programme of devolution to Scotland and Wales and the difficulty of reconciling a centralised polity with the decentralisation of power. Some arose from tensions in the process of economic restructuring. Many of Labour's policies addressed the need to build a flexible, mobile and knowledge-based economy. At the same time, it confronted major problems in 'traditional' industries – shipbuilding, car production – which were politically embarrassing. The fuel crisis in the summer of 2000, during which oil refineries were blockaded and petrol shortages threatened the capacity of the state to keep basic public services running, presented one of

the most serious challenges to Labour. This crisis highlighted the vulnerability of governments to global economic shifts and their dependence on actors (in this case oil companies) over whom they could wield little authority. In the UK the government's capacity to ensure that the police force took action to get the tankers moving out of the refineries was initially in doubt. The depth and scale of the protest also came as something of a setback to new Labour's attempt to build a consensual style of governance which could embrace widely divergent interests.

Other lines of fracture and social division also became evident. The Labour government had presented itself as the natural government for a modernised society in which gender and 'racial' conflicts had been settled. Economic and welfare policies were based on an assumption that women had both social and economic equality, yet many of the government's policies harked back to images of family and parenting based on traditional gender roles as the source of moral order. The initial expectation that new Labour represented a party which would deliver women-friendly policies was dispelled relatively early in its first term of office, and many of the new women MPs elected in 1997 decided not to stand for office at the next election. Conflicts around 'race' also beset the new government. Its discourse of 'multi-culturalism' suggested an inclusive, consensual form of citizenship that could encompass all, but the government was repeatedly beset by struggles over who was to be included. This was most notable in the political storms over asylum seekers, with the Transport and General Workers' Union and the Commission for Racial Equality, among others, attacking the racist implications of government policy. The consensual basis of multi-culturalism came under severe challenge with the response of black and minority ethnic communities to the Macpherson Report of 1999 following the enquiry into the death of the young black teenager, Stephen Lawrence. The limitations of the government's response were also emphasised by the Runnymede Trust's *Report on the Future of Multi-Ethnic Britain* (2000) and its political reception, issues to which I return in Chapter 8.

Conflicts and tensions within the modernisation programme for public services also became apparent. Teachers' Unions mobilised against Ofsted and the introduction of performance-related pay in education; while Chief Constables successfully rejected a prime ministerial proposal to impose on-the-spot fines for 'hooligans'. The National Health Service continued to serve as a symbolic indicator of Labour's difficulties in securing its intended reforms and delivering results fast enough to reassure the electorate that things were going to get better. The slowness and difficulty of delivering change might be understood as a result of the 'bloody mindedness' of particular ministers and civil servants, or in terms of cultural and institutional factors (see Chapter 2). Whatever the cause, by July 1999, Blair was talking of the 'forces of conservatism', which he saw as blocking the progress of change, and of the 'scars on his back' produced by the unwillingness of the public sector to innovate.

Key questions

Against this background, the book offers frameworks for analysing Labour's approach. It seeks to address two sets of questions:

- How far does Labour's approach represent a fundamental shift to governing the UK? How far does the complex pattern of continuity and change suggest a shift towards a 'new' mode of governance, involving the reconfiguration of relationships between the state and civil society, the public and private sectors, citizens and communities?

To help answer this set of questions, the book draws on contemporary theories of governance. At its simplest, governance refers to ways of governing, whether of organisations, social systems or the state itself. It embraces not only the actions of government but also the wide range of institutions and practices involved in the process of governing. Much of the literature argues that the governance of modern states is characterised by the increasing importance of networks in both the shaping and delivery of public policy. They represent a shift from the traditional forms of governance through state hierarchies and the neo-liberal focus on markets as a form of self-regulating governance. A variety of explanations are offered for this shift, but the literature agrees that network forms of governance represent significant challenges for the state itself in its attempt to exercise control over both its external environment and internal polity. Chapter 1 reviews this literature and the theoretical challenges it raises for understanding the flows of power and influence in complex, highly differentiated societies. Such theories highlight the way in which the state adapts to changes in its capacity to direct or influence events, and suggests the need to reconceptualise the role of state institutions and the channels through which democratic control and accountability are exercised.

One of the features of governance literature is its focus on change, yet, paradoxically, questions of change in the mode or style of governance tend to be under-theorised. The second set of questions of the book, then, centres on:

- How can we best understand the dynamics of change?

Narratives of change which imply a clear distinction between past and present through a series of dualisms – as in 'from government to governance' or 'from competition to partnership' – present an over-simplified picture. What is rather more interesting is to explore what happens when different elements of new and old are packaged and repackaged as different models of governance are overlaid on each other. Governments do not rely just on one kind of policy approach but typically draw on several, not all of them readily compatible with each other. For example, Labour emphasised the importance of developing long-term solutions to complex social

problems such as social exclusion, child poverty, ill health, poor education standards and crime and disorder. This long-term approach was based on funding long-term initiatives, fostering partnerships across traditional organisational or departmental boundaries, drawing the 'community' into the process of developing and implementing solutions, devolving responsibility to local projects and fostering evaluation and learning. At the same time, however, it put considerable energy into getting quick results on key issues linked to electoral pledges – such as cutting hospital waiting lists – often through highly centralised, top-down policy measures. The interaction between centralisation and decentralisation, 'enabling' and 'controlling' strategies, produced tensions and disjunctions as different sets of norms and assumptions were overlaid on each other. Such tensions were also evident in the political dynamics of change. On the one hand, a major programme of constitutional reform involving the devolution of power to Scotland and Wales was accomplished, while, on the other, the Labour government in office was linked to a strengthening of central control by the Prime Minister's office over Cabinet, Parliament and party.

How, then, can the process of change be conceptualised? The aim of this book is to explore the dynamics of change rather than to evaluate specific policies. To do so it draws on strands of new institutional theory and discourse theory. Chapter 2 sets out a framework for analysing institutional change and mapping the interaction of different models of governance, each with its distinctive pattern of relationships, form of power and authority, and assumptions about how change is to be accomplished.

Politics, policy and culture: outlining the approach

This book is an attempt to understand the shifts in public and social policy, public management and the role of the state introduced by Labour within this broader political and social context. It does not attempt a comprehensive analysis of the Labour administration. (At the time of writing the policy agenda is still being elaborated, the implementation process is uneven, and the political programme is in the course of being reshaped for the general election of 2001.) The focus on governance means that the book will not only explore the modernisation of central and local government, the NHS and other institutions, but will also highlight the way in which key relationships – between organisations in the public, private and voluntary sectors, between professionals and managers, and between the state, users and citizens – are being reimagined and re-drawn. The book offers critical interpretations of the core themes of partnership, performance, participation and inclusion in Labour's approach to social and public policy. It also attempts to unravel some of the complexities of the process of institutional change as new discourses are enacted and policies are implemented.

I have written this book for those struggling to understand or respond to the changing context of social and public policy across different settings: as

workers in public services, as policy analysts and commentators, as students of politics, government, social and public policy. I have attempted to bridge the worlds of theory and practice by offering models and frameworks through which practitioners may reflect on their experience, while also drawing on a range of theoretical approaches to enrich the analysis and argument. The book analyses the changing institutions of the state and government, but is also concerned to develop a broader conception of the public sphere, embracing theoretical perspectives on social and cultural change. It draws on a range of theories. Governance theory is used to develop a series of propositions about shifts in relationships between the government, public services and the citizen. But the book also looks to the social policy literature to help analyse the changing conceptions of 'welfare' and 'the state' on which Labour's policies are based. It revisits work on the New Public Management programme and managerialism to tease out ways in which the modernisation programme may influence public sector organisations, their relations with users and their role in delivering public policy outcomes.

The book is about politics but is not located in the mainstream political science approaches to studying state institutions. Issues of discourse, ideology and culture are central to my analysis. As part of its attempt to forge a new politics, Labour has drawn on, and amplified, a range of discourses that had been submerged or marginalised during the Thatcher and Major administrations. The languages of democracy, citizenship, society, community, social inclusion, partnership, public participation, central to new Labour's discursive repertoire, can be understood as an attempt to reinstall 'the social' in public and social policy. My interest is in the implications of these new, and not so new, discourses for the practice of making and delivering policy. The book is also concerned with what happens on the ground as managers, professionals and staff struggle to deliver government targets and manage the dilemmas and tensions of institutional change.

To explore these themes, the book draws on forms of cultural analysis which have remained on the margins of political science, public policy and, to a lesser extent, social policy. Cultural analysis emphasises the way in which social arrangements are constructed as a result of the production of meanings and the repression, subordination or incorporation of alternative meanings. So, for example, much of Labour's politics and policies are based on an attempt to associate itself with an image of the modern. However, 'modern' is itself the site of contested meanings. In attempting to establish the supremacy of a particular image of the modern, Labour incorporated strands from earlier conceptions of the modern state, and developed some new political associations of modernity (as, for example, based on a pragmatic, 'what works' approach to public policy). At the same time, it attempted to distance itself from alternative images of modernity, such as those arising from the new left and the new social movements of the 1970s and 1980s.

Cultural analysis views public and social policy as fields which are socially constructed: that is, problems and solutions are formed within the framework of particular narratives, ideologies and assumptions. Successful narratives are those that come to be taken for granted or viewed as 'common sense'. 'Common sense' does not arise naturally but is forged out of struggles to establish certain ideas as dominant. The book attempts to integrate issues of meaning and identity as crucial links between the grand narratives of politics and policy on the one hand and the domain of social action and political struggle on the other. Notions of gender, ethnicity and nationhood were crucial points of disruption for Labour as it attempted to install a consensual, inclusive style of politics.

Cultural analysis is an all-embracing term which includes a wide range of theoretical and epistemological shifts in the social science, including post-structuralism, post-modernism, critical theory, discourse theory and theories of ideology and hegemony (e.g. Burr 1995; Carter 1998; Dean 1999; Hall 1997; Hall and du Gay 1996; Hillyard and Watson 1996; Leonard 1997; Taylor 1998). The application of such theory to traditional academic disciplines, sometimes termed the 'cultural turn' (e.g. Chaney 1994; Clarke 1999), presents challenges to core assumptions and methods which are often not easily accommodated. It is not my purpose here to enter into all the theoretical debates that might arise when cultural theory meets political science or public policy. Rather, I seek to draw on what appears to be helpful frameworks in the conceptualisation of governance as both a constructed and contested domain of ideas and practice. Cultural analysis emphasises the processes and practices through which ideas are produced, struggled over, and linked with each other in the formation of new narratives and political ideologies. But it is not 'just' about ideas – it is concerned with the link between ideas and practice. So, for example, the book addresses the way in which contesting ideas informed different strands of Labour's approach to governing, producing tensions between different political narratives, policy imperatives and forms of implementation practice. Such tensions, I argue, lie at the core of Labour's approach to modernising governance.

The material on which the book draws is derived from a number of sources. These can be summarised as sources 'from above', i.e. sources which set out what the government intends, and sources 'from below', i.e. sources which indicate what is happening on the ground in the process of implementation. Evidence 'from above' is based on textual analyses of the policy documents, consultation papers and reports of the government itself, together with the ministerial speeches or press articles used to explain and legitimate policy. These are supplemented by analyses of presentations at conferences and seminars by policy-shapers close to the modernisation programme, and by discussions or interviews with senior civil servants. While policy documents and reports are public documents, the presentations and discussions tend to be 'off the record' (conducted under what are often called 'Chatham House rules') so cannot be cited directly.

Evidence 'from below' is based on analysis of the experience of organisations and groups of practitioners engaged in the implementation of policy and/or the delivery of services. Some of this experience has been gathered during the course of funded research projects, including a study on market testing in the civil service as part of the ESRC Whitehall Programme; a study of organisational and management change in local government; a DETR (Department of the Environment, Transport and the Regions) study of innovation in local government; and an ongoing project on new democratic fora within the ESRC Democracy and Participation Programme. Additional material has been gathered from work with delegates on management education and leadership programmes run by the School of Public Policy at the University of Birmingham. These cover all sectors and tiers of government (health, criminal justice, civil service, local government, Government Offices of the Regions, the voluntary and community sectors, private sector providers, quangos). The insights gained through this work have been supplemented by findings from research on the impact of the change of government on different sites and sectors, for example through ESRC seminar programmes and academic conference papers. My thanks to all those who have helped me to get to grips with this emerging agenda and with how it is being interpreted and enacted at the problematic interface of policy and practice.

I do not pretend that the result is an exhaustive study of 'new Labour'. It presents an assessment framed by particular questions, concerns and issues. The book was completed during the period when the government was beginning to position itself for election to what it hoped would be a second term of office. But its focus is broader than the assessment of a single electoral cycle. My aim has been to illuminate the underlying processes through which governments wrestle with the problems of governing in complex and differentiated societies, societies in which notions of nation and citizenship are no longer stable, in which the local and the global interact in dynamic processes of structural change, and in which tensions around questions of culture, nationality and identity are becoming increasingly evident.

The structure of the book

Chapter 1: Understanding governance explores the relevance of theories of governance to an understanding of the changes in public policy and management introduced – or intensified – under Labour. It traces key theoretical debates about the changing role of the state and the nature of power and authority in complex societies, and goes on to set out a series of propositions derived from the governance literature. These propositions are examined in the thematic chapters (Chapters 4–8) exploring key themes in Labour's policy agenda.

Chapter 2: The dynamics of institutional change argues that change can best be conceptualised not as a process of state evolution or adaptation, nor

as a rational process of policy development and implementation, but as a dynamic process in which different forces or imperatives interact. The chapter sets out my approach to analysing change, drawing on new institutional and discourse theory. It then introduces a framework for mapping the interaction between four different models of governance. This framework is used in later chapters to assess the dynamics of change in specific aspects of Labour's approach to governing.

Chapter 3: The Third Way: modernising social democracy highlights the ways in which the discourses of the 'Third Way' and of 'Modernisation' work to establish the necessities of change and to define a particular programme of reform. It traces the interconnections between social, economic and cultural dimensions of change within Labour's political discourse. It then considers questions of continuity and change in Labour's political strategies and programme of reform.

Chapter 4: Modernising government: the politics of reform begins to examine the politics and policies of new Labour in terms of how far they signify a shift in the mode or style of governance in the UK. It focuses on the modernisation of central and local government against the backdrop of narratives highlighting failures in previous programmes of reform. It traces a number of themes in the modernisation programme: the reframing of policy problems; the move towards a more inclusive policy process; the development of a pragmatic focus on 'what works' in public policy; and the modernisation of the state itself through the establishment of the Scottish Parliament, the Welsh Assembly and the London Assembly and Mayor.

Chapter 5: Modernising services: the politics of performance focuses on the strategies and techniques used by the government in its programme for the modernisation of public services such as health, education and criminal justice. It describes the different strategies used to secure the cooperation or compliance of public service professionals and managers in improving performance. It explores the interaction between regulation and self-regulation in Labour's approach to governing public service professionals, and draws out the implications of Labour's approach to managing change. The chapter highlights tensions in the process of public service modernisation which reflect and refract deeper tensions in the political conception of the Third Way.

Chapter 6: Joined-up government: the politics of partnership traces the importance of ideas of 'holistic' or 'joined-up' government in Labour's approach to governing, and discusses how far these represent a shift towards a network-based form of governance. The chapter analyses the contradictory influences on partnership working created by the tensions between centralisation and decentralisation in government policy, and suggests ways in which Labour's approach influences the internal dynamics of partnership. The chapter concludes by highlighting the role of partnerships in the dispersal and reconfiguration of state power.

Chapter 7: Public participation: the politics of representation focuses on Labour's emphasis on the need for public participation and democratic

innovation, and asks whether this can be viewed as signifying a form of governance that is adapted to an increasingly complex and differentiated society. The chapter questions how far new developments in participatory democracy might result in the greater flexibility and responsiveness promised by advocates of co- and self-governance. It also examines ways in which contemporary theories about equality, diversity and the politics of difference have inflected debates about public participation.

Chapter 8: Remaking civil society: the politics of inclusion explores Labour's attempts to remake the relationships between state and citizen, government and civil society, in the search for a new social settlement based on the politics of the Third Way. The chapter traces the way in which Labour has drawn on ideas of 'community' and 'responsible citizenship' in the creation of an ethical and moral discourse through which the modernisation of the welfare state is legitimated. It explores the potential lines of fracture around issues of poverty, gender and 'race' in the attempt to establish a new social settlement, arguing that Labour has attempted to address structural lines of inequality in its social policies while also seeking to contain issues of equality within the discourse of social exclusion and the consensual image of a 'modern' people.

Chapter 9: Conclusion: the politics of governance begins by reviewing the arguments of the book for understanding the political project of new Labour, asking how far its approach represents a distinctive shift towards a new style of governance. It goes on to explore governance as a constructed and contested domain, highlighting the contribution of cultural analysis to the understanding of changing political reconfigurations and realignments of power. This opens up an assessment of Labour's attempt to forge a new political settlement. Finally, the conclusion returns to the idea of modernisation itself and offers alternative possible modernities through which the future might be imagined.

Note

¹ I use the term 'new' Labour when discussing the ideologies and discourses associated with the Labour Party leadership's attempt to forge a new political settlement, but refer to the 'Labour government' when describing and analysing specific policies and approaches of Labour in office.

1 Understanding governance

Governance has become the defining narrative of British government at the start of the new century, challenging the commonplace notion of Britain as a unitary state with a strong executive.

(Rhodes 2000b: 6)

Why has governance become such a defining narrative? What kinds of political or cultural shift have shaped the increasing interest in this idea? Governance is an analytical concept, giving rise to questions about what forms of power and authority, patterns of relationship and rights and obligations might typify a particular approach to governing. But what most of the literature is interested in is change. As Rhodes puts it, 'governance signifies a change in the meaning of government, referring to a new process of governing; or a *changed* condition of ordered rule; or the *new* method by which society is governed' (Rhodes 1997: 46, original emphasis). Governance has become a shorthand term used to describe a *particular* set of changes. It signifies a set of elusive but potentially deeply significant shifts in the way in which government seeks to govern (Pierre and Peters 2000). It denotes the limitations of ways of coordinating economic activity that transcend the limitations of both hierarchy and markets (Rhodes 1997; Smith 1999). It highlights the role of the state in 'steering' action within complex social systems (Kooiman 1993, 2000). It denotes the reshaping of the role of local government away from service delivery towards 'community governance' (Clarke and Stewart 1999; Stewart and Stoker 1988; Stoker 1999).

These shifts are located in broader patterns of economic and social transformation. It is argued that the capacity of governments to control events within the nation state has been influenced by the flow of power away from traditional government institutions, upwards to transnational bodies and downwards to regions and sub-regions. The old mechanisms of 'control through hierarchy', it is suggested, have been superseded by the rise of markets during the 1980s and early 1990s, and by the increasing importance of networks and partnerships from the mid-1990s onwards. Growing social complexity, the development of greater access to information and other social changes have made the task of governing more difficult. Complex social issues (such as environmental change) elude traditional approaches to governing. The state, it is argued, can no longer assume a monopoly of expertise or of the resources necessary to govern, but

must rely on a plurality of interdependent institutions and actors drawn from within and beyond government. Governments, the argument goes, must adapt by developing new strategies to influence and shape the actions of others: 'Governance recognises the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use new tools and techniques to steer and guide' (Stoker 1998a: 18).

Forms of analysis: political, economic and social governance

Governance has become a rather promiscuous concept, linked to a wide range of theoretical perspectives and policy approaches (Pierre and Peters 2000; Rhodes 1997). Below I outline three of the main bodies of theory, then highlight some of the theoretical challenges raised. The chapter goes on to explore the relevance of governance theory for analysing Labour's programme of modernisation, outlining a set of propositions against which change might be assessed.

Governing the nation: globalisation, the 'hollow state' and economic governance

One level of analysis in governance theory explores the global political and economic shifts that have limited the capacity of nation states to govern. Rhodes (1994) talks about the 'hollowing out' of the state with power shifting outwards to international financial markets, to global companies able to move capital and other resources from one site of investment to another, and to supra-national entities such as the World Bank or European Union. Power has, it is suggested, also shifted downwards to the sub-national level of regions and cities. These changes have taken place in an ideological climate hostile to 'big government', leading to a series of reforms producing both a reduction in the size of the machinery of government and its fragmentation. Gamble (2000) traces a parallel set of shifts in the state's capacity to manage national economies. He argues that in the last thirty years of the twentieth century the assumption that the state had a major role to play in economic governance was challenged by a number of different forces: concern over a series of policy failures; the growing complexity of the policy process; the increasing importance of global economic trends; and the difficulty of managing national economies as discrete entities.

This latter point is of particular significance for Labour as it attempts to exert influence in the supra-national institutions of the European Union (EU) while also defending the sovereignty of Britain as a nation state. The balancing act is made additionally difficult given the centrality of Europe to party political conflict within the UK, with questions of sovereignty, nationhood and identity interwoven in neo-conservative ideology. Europe's

capacity to influence the politics and policies of the UK is, however, ambiguous. Sbragia argues that the EU itself can be viewed as an example of the new governance; that is, as a network organisation rather than as a state in its own right. It steers and coordinates the activities of member states both by the exercise of influence and through older forms of governance based on the exercise of judicial authority through which policy norms are enforced (Sbragia 2000). Through such processes the autonomy of nation states is constrained.

Globalisation, internal devolution within states and the growth of supra-national bodies challenge the capacity of nation states to control their environment. In turn, this has led to a search for alternative strategies through which states might pursue their objectives. In adapting to change, governments have increasingly come to rely on influencing a multiplicity of institutions and actors. New strategies based on informal influence, enabling and regulation have grown in importance. However this does not necessarily mean a decline in the role of the state. Forms of control through hierarchical, institutional channels continue alongside new forms of governance. Furthermore, the changing role of the state can be understood as an adaptation to its environment rather than a diminution of its power. Pierre and Peters, for example, adopt an explicitly 'state-centric' approach which emphasises the reconfiguration of state power, viewing governance as a process in which the state continues to play a leading role (Pierre and Peters 2000).

Coordinating economic activity: markets, hierarchies and networks

The idea that markets, hierarchies and networks form alternative strategies of coordination is a central theme in the governance literature. Gamble defines governance as 'the steering capacities of a political system, the ways in which governing is carried out, without making any assumptions as to which institutions or agents are doing the steering' (Gamble 2000: 110). Different modes of governance, including those based on markets, hierarchies and networks, are likely to coexist, with different institutional combinations in specific nations, but with networks becoming increasingly significant.

In the UK the postwar welfare settlement was based on the conception of the state as a direct service provider, with large, bureaucratic state organisations forming a public sector predominantly based on governing through hierarchy. This was partly dismantled under the neo-liberal political/economic regime of the 1980s and 1990s. The introduction of market mechanisms led to a more fragmented and dispersed pattern of service delivery and regulation – what Rhodes (1997) terms a 'differentiated polity' – that required new forms of coordination. Privatisation, contracting out, quasi-markets, the removal of functions from local authorities and the proliferation of quangos, the separation between the policy and delivery functions in the civil service with the setting up of Executive Agencies all

meant that governments had to develop new forms of control. These included framework documents, contracts, targets, performance indicators, service standards, contracts and customer charters. While governments could still set the parameters of action (through funding regimes) and had the monopoly on certain forms of power (such as legislation), they increased their dependence on a range of bodies across the private, public and voluntary sectors:

Central departments eroded their nodal position in the networks. Steering was more difficult. Some of the new actors, for example business, were even less amenable to central steering than Labour-controlled local authorities. Government, or self-organizational networks, were a major unintended consequence, challenging central elites to substitute indirect management for control. (Rhodes 1997: 23)

Similar changes, it is suggested, took place at local level. Research carried out under the ESRC Local Governance Programme (1992-7) found that network-based patterns of interaction had become increasingly important, leading to the conclusion that local government had been transformed into a system of local governance involving a plurality of organisations across the public, private and voluntary sectors (Rhodes 1999). Local governance involved coordination through networks alongside, and partly displacing, the earlier regimes of coordination through hierarchy (in the postwar bureaucracies) and markets (in the neo-liberal transformation of the public sector). Coordination through inter-organisational networks and partnerships was not only a response to the diminution of local government powers, but also, it was widely argued, enhanced the capacity of local agencies to respond more flexibly to changing patterns of need, new funding arrangements, shifting political priorities and the increasing complexity of localities and communities.

Steering the social: responding to complexity, diversity and dynamic change

The contemporary focus on governance can be understood in part as a response to the challenge of governing complex and fragmented societies, and the difficulties faced by the state in attempting to solve complex and intractable social problems through direct forms of intervention. Kooiman and van Vliet link governance to the need for an interactive form of governing:

The purpose of governance in our societies can be described as coping with the problems but also the opportunities of complex, diverse and fragmented societies. Complexity, dynamics and diversity has led to a shrinking external autonomy of the nation state combined with a shrinking internal dominance *vis-à-vis* social subsystems. . . . Governing in modern society is predominantly a process of coordination and influencing social, political and administrative interactions, meaning that new forms of interactive government are necessary. Governing in an

interactive perspective is directed at the balancing of social interests and creating the possibilities and limits of social actors and systems to organise themselves. (Kooiman and van Vliet 1993: 64: my emphasis)

Kooiman and his colleagues argue that in a society that is increasingly complex, dynamic and diverse, no government is capable of determining social development. It is important to recognise the specific ways in which the concepts of complexity, diversity and dynamics are used in Kooiman's model of the social system. Diversity denotes a diffuse notion of difference between actors within a system of interaction rather than more conventional understandings of social diversity. Complexity denotes the complexity of the system within which they interact, and dynamics refers to possible points of tension within the system itself. Together these concepts constitute the capacity of systems to be self-governing and to balance continuity and change.

Kooiman argues that there has been an attempt by governments – in the UK, the USA and across much of Western Europe – to shift the focus away from the state itself to various forms of co-production with other agencies and with citizens themselves:

There seems to be a shift away from more traditional patterns in which governing was basically seen as 'one way traffic' from those governing to those governed, towards a 'two way traffic' model in which aspects, qualities, problems and opportunities of both the governing system and the system to be governed are taken into consideration. (Kooiman 1993: 4)

No single agency, public or private, has all the knowledge and information required to solve complex problems in a dynamic and diverse society, and no single actor has the power to control events in a complex and diverse field of actions and interactions. Rather than government acting alone, it is increasingly engaging in co-regulation, co-steering, co-production, cooperative management, public/private partnerships and other forms of governing that cross the boundaries between government and society and between public and private sectors (Kooiman 1993: 1). The tasks of steering, managing, controlling or guiding are no longer the preserve of government but are carried out through a wide range of agencies in the public, private and voluntary sectors, acting in conjunction or combination with each other.

Theories of governance, then, operate at different levels of analysis (the local economy, civil society, the state, supra-national governance), and offer different theoretical perspectives (drawn from political science, public administration, political economy, systems theory, development studies). They are influenced by the national context in which theory has developed. The UK literature has tended to focus on the fragmenting effects of the New Public Management and the emergence of 'new' modes of governance. The idea of a shift from markets and hierarchies towards networks and

partnership as modes of coordination is a dominant narrative. Rhodes and Stoker, for example, discuss the emergence of new forms of governance as a response to the fragmentation of the public realm and the proliferation of new, self-regulating processes of coordination. Rather different forms of theory have emerged in continental Europe, with work in the Netherlands and Scandinavia influenced by the strong tradition of dense networks of interests groups and a history of working towards consensus (Peters 2000). Kooiman and van Vliet (1993), for example, view government as only one of many actors in a field in which other institutions have a great deal of autonomy. The role of government is to address the problems of guiding and influencing, rather than making, public policy. Different forms or modes of governance – self-governance, co-governance (what Kooiman terms ‘heterarchical’ governance) and governance through hierarchy – are viewed as likely to coexist in any society. However, the features of what Kooiman terms ‘cross modern’ societies are most likely to require a pattern of state/society interaction based on ‘co’ arrangements – collaboration, cooperation, co-steering and co-governing. This form of analysis shifts the focus of attention beyond economic structures or processes towards a much broader concern with issues of citizenship, concepts of community, and social and cultural formations.

Theoretical challenges

Governance has become a hard-working and somewhat overused concept. Rhodes, for example, notes seven different meanings, Hirst five versions of the concept, while Pierre suggests its relevance to a range of different theoretical approaches to understanding the changing role of the state in the coordination of social systems (Rhodes 1997, 2000a; Hirst 2000; Pierre 2000). Governance acts as a descriptive *and normative* term, referring to the way in which organisations and institutions are (or should be) governed. For example, Rhodes suggests that the language of governance offers a new way of engaging with change in public services which goes beyond a narrow managerialism:

... we provide a language for re-describing the world and the (ESRC) Local Governance Programme has played no small part in challenging the dominant, managerial ideology of the 1980s and arguing for a view of the world in which networks vie with markets and bureaucracy as the appropriate means for delivering services. (Rhodes 1999: xxiv)

Governance is also a concept that signifies *change* – in economies and societies, politics and management. Here again it is both descriptive and normative. Empirically, studies have illustrated the increasing importance of networks and partnerships in the coordination of public services. But governance also symbolises a number of normative values, emphasising the

primacy of network-based collaboration and coordination in complex societies. Networks are viewed as desirable in that they are more flexible and responsive than hierarchies, and capable of avoiding the ‘anarchic’ disadvantages of markets. Self-government is viewed as superior to government by the state. Public involvement is viewed as a means of building social capital and thus strengthening civil society. Democratic innovation is viewed as enabling societies to respond to the problem of accountability in complex societies in which the dispersal of power means that representative bodies can no longer control decision-making (Peters 2000). The focus on civil society, institutional renewal, democracy and citizenship can be viewed as a reaction against what is perceived to be the narrow reform agenda of neo-liberalism.

The concept of governance thus links normative hopes for a move beyond the fragmenting and dislocating market reforms of the 1980s with an analysis of the complex interactions and interdependencies of government institutions, communities, citizens and civil society. It shifts attention beyond the state itself while setting out new conceptions of the tasks and roles of governing. However, the very breadth of the concept produces difficulties. This section explores problems in the narratives of change on which some theories of governance are based, and highlights the tension between descriptive and analytical usages of the term. It goes on to identify tensions within theories of governance around notions of the state and conceptions of power.

Narratives of change

The first difficulty relates to the conception of change and the view of historical processes on which assumptions about the emergence of a new, network-based governance are based. These often appear to involve a mis-remembering or over-simplification of the past and an overly tidy view of the present or future. The view that we are shifting from hierarchies to markets and then to networks ‘forgets’ a number of important changes which complicate the picture of a ‘from-to’ dualism of past and future. For example, significant changes had taken place in hierarchies under the aegis of managerialism, producing a complex interaction between professional, bureaucratic and managerial regimes (Clarke and Newman 1997: Chapter 4). The use of market mechanisms in public services did not begin with Thatcher and Reagan, and the changes that were launched in the 1980s were in any case uneven and incomplete. The ways in which markets were introduced by government, and adapted or resisted by managers, varied widely between sectors and between individual organisations. Some versions of governance theory suggest a past in which the government could impose its will through the direct exercise of power and through the dominance of hierarchical channels of control. But public policy has long been shaped by a wide range of actors, both inside and outside government, and the idea of elite networks having a major influence on policy

development is certainly not new. It is, then, unclear whether the idea of policy networks designates new systems of coordination and influence, or a new concept to designate a long-standing phenomenon.

Theory and practice

Some of the governance literature is based on empirically grounded accounts of practice, for example studies of public/private partnerships in economic development or of the role of networks in urban regeneration (e.g. Stoker 1998b, 2000). Other work develops models or theories that bring new insights into established areas of study, for example the literature on policy networks (Marsh 1998; Marsh and Rhodes 1992) or the analysis of state-society interactions as complex systems (Kooiman 1993, 2000). Is, then, governance linked to the development of new means of coordinating activity or to the emergence of new theory?

Have we discovered a new hybrid form for the collective organisation of public life, largely informal, going beyond formal organisational boundaries and governmental borders, flowing, flexible, varied and reticent? Is it a new, post-modern structural form that has come to substitute or at least complement traditional market arrangements and state bureaucracies? Or is network analysis a new, or at least different, way of looking at and analysing traditional government and public sector structures, thus discovering new patterns or at least different ones? (Bogason and Toonen 1998: 205)

There is undoubtedly a complex relationship between theory and practice. The idea of governance appears to have entered the discourse of practitioners as well as academics, reflecting aspects of their changing experience of delivering policy and managing public services. However, it also offers important analytical tools for understanding the interaction between state and civil society, governments and citizens, and the institutional complexity of the public sphere. This book is concerned with both. That is, I discuss governance as a narrative of change, tracing how far the changes introduced by the Labour government reflect a set of propositions about governance shifts. These are outlined in the next section. However, I also draw on different theories of governance, along with other theoretical approaches, to analyse issues of power and control in the 'modern' state, to discuss the discursive construction of 'modern' society and to highlight tensions and paradoxes in the process of institutional change.

The role of the state

A third set of theoretical problems in contemporary theories of governance clusters around the role of the state. It is possible to detect at least two different propositions here. The first is based on the decline of state power. It is argued that the process of globalisation has reduced the capacity of

states to manage their own economies, while challenges from within the nation – from regions, often based on sub-national ethnic or cultural patterns of identification – have challenged the political legitimacy and integrity of the nation state itself. Attention shifts to the interaction of multiple sites of action in complex networks and partnerships operating at different levels. Kooiman distinguishes between three different levels or orders of governance: 'First order governing aims to solve problems directly, at a particular level. Second order governing attempts to influence the conditions under which first order problem solving or opportunity creating takes place; second order governing applies to the structural conditions of first order governing' (Kooiman 2000: 154). This is a helpful distinction, highlighting, for example, the importance of the way in which state and non-state institutions influence and shape partnership activity. Kooiman's third order – or meta-level of analysis – comprises 'the total effort of a system to govern itself: governability is the outcome of this process' (Kooiman 2000: 160). The state is viewed as having a role in shaping coordination at this meta-level of governance, in solving problems of coordination rather than directing everything from the centre. But the instruments available are characterised by 'weak power' (Mulgan 1994), based on guiding and steering rather than on command or authority. Kooiman offers important conceptual tools to analyse interactions within dynamic systems, but the role of the state as actor is diminished and it is not clear what the driver of change might be.

A second form of analysis suggests that what we are witnessing is a reconfiguration of, rather than a decline in, state power in order that the state may face new challenges. Pierre, for example, views governance as a process of state adaptation:

These emerging forms of governance should be seen as alternative expressions of the collective interest which do not replace but supplement the pursuit of collective interests through traditional, institutional channels. Contemporary governance also sees formal authority being supplemented by an increasing reliance on informal authority. . . . The emergence of governance should therefore not, *prima facie*, be taken as proof of the decline of the state but rather of the state's ability to adapt to external challenges. (Pierre 2000: 3)

Hirst (2000) argues that the state, rather than being 'hollowed out', has become merged with non-state and non-public bodies (public agencies, quangos, companies) through which power and control are exercised, and that this decentring of state power has implications for issues of accountability and democratic control.

Others question how far state power has become decentred. For them, new forms of governance interact with, rather than displace, the regulatory and distributional activities of the state. Jessop, for example, argues that the state retains its capacity to decide how and where to use different coordinating mechanisms, and regulates the interaction between different

systems (for example, deciding when, and through what mechanisms, to replace a state-run service with one delivered through the market, or to implement its policy programme through partnership rather than through existing hierarchies). It decides how far and in what ways to provide material and symbolic support for proposals emerging from the complex pattern of policy networks, from 'self-organising' tiers of government or from public participation exercises. It not only 'steers' but also plays a much more directive role (Jessop 1998a).

Conceptions of power

Much of the work on governance tends to dissolve notions of power and agency. The index of a recent collection containing contributions from Kooiman, Gamble, Rhodes, Stoker, Pierre and other key theorists contains no entries under the heading of power (and this is not the result of poor indexing). Theories of governance that focus on the self-steering capacities of networks and partnerships tend to marginalise issues of agency and individual, institutional and state power. Rhodes (1997, 2000a) draws on notions of power dependence and games theory to explain what happens *within* networks, in relationships between those involved in collaboration and partnership. But the predominant narrative is that of the emergence of organic processes of coordination. As Peters puts it:

If the old governance approach creates a straw person of the unitary state as motivator of the action, the decentralised, fragmented approach of the new governance appears to have little to force the action. Something may emerge from the rather unguided interactions within all the networks, but it is not clear how this will happen, and there is perhaps too much faith in the self-organising and self-coordinating capacities of people. (Peters 2000: 45)

This is a generic weakness of the cybernetic and systems-based theories on which much of the writing on governance is based. While it is helpful to highlight the dispersal and fragmentation of power, this does not mean that it should disappear from the analysis.

A rather different perspective on power is offered by post-structuralist theory. Rather than debating whether the power of the state has been 'hollowed out', or dispersed through a plurality of agencies, this directs attention to the kinds of knowledge and power through which social activity is regulated and through which actors – citizens, workers, organisations – are constituted as self-disciplining subjects. Much of this theory is directed towards understanding the shifts associated with the rise of neo-liberal political ideologies in the UK, the USA and elsewhere. The break-up of large bureaucracies, the introduction of market or quasi-market mechanisms into the delivery of services and the privatisation of many functions previously viewed as the responsibility of the state itself were accompanied by the development of new patterns of control directed towards the

construction of 'self-regulating', autonomous actors. As Rose and Miller comment, 'relocating aspects of government in the private or voluntary sectors does not necessarily render them less governable' (1992: 200). Rather than the reduction of government promised by neo-liberal regimes, such changes can be understood as the dispersal of governmental power across new sites of action, augmented through new strategies and technologies: 'the complex of mundane programmes, calculations, techniques, apparatuses, documents and procedures through which authorities seek to embody and give effect to government ambitions' (Rose and Miller 1992: 175). Power is viewed as residing in plural agencies and processes:

[The state] emerges as one segment of a much broader play of power relations involving professionals, bureaucracies, schools, families, leisure organisations and so forth. In Foucault's terms, the various institutions and practices of the state operate as part of a 'capillary' of relations in which power continually circulates and re-circulates. Accordingly, post-structural interest is as much directed to the local dole office as the central policy-making bureau, and to the doctor's surgery or social worker's office as the Departments of Health and Welfare. (Barnes et al. 1999: 8)

Different governance regimes are viewed as drawing on specific forms of political rationality. For example, in the Thatcher and Reagan years the neo-liberal theories of Hayek and others offered a form of knowledge and 'claim to truth' which displaced the rationalities of Keynesian economics and which underpinned the attempt to transform the state around market mechanisms. This was accompanied by the partial displacement of professional forms of knowledge and power by managerial forms of rationality and control. Post-structuralist theory illuminates the processes through which new forms of knowledge and power become linked to individual subjectivities:

Government concerns not only practices of government but also practices of the self. To analyse government is to analyse those processes that try to shape, sculpt, mobilise and work through the choices, desires, aspirations, needs, wants and lifestyles of individuals and groups. . . . One of the points that is most interesting about this type of approach is the way it provides a language and a framework for thinking about the linkages between questions of government, authority and politics, and questions of identity, self and person. (Dean 1999: 12–13)

Claims to truth or rationality carry with them the capacity to constitute subjects: power is treated as productive. So, for example, the neo-liberal reforms of the 1980s were linked to productive forms of power which constituted subjects in new ways, with professionals recast as managers, and citizens recast as the consumers and customers of services. Such strategies were not necessarily successful and the outcomes of the reforms are still debated. But post-structuralist forms of theory are important to my

analysis because of the way they direct attention beyond the state and the operation of formal political authority. They highlight the complex apparatuses and strategies involved in the construction of new regimes of governance. Such theories transcend the normative emphasis of much governance theory in that they focus on the modes of power underpinning new technologies, including those based on the apparent 'empowerment' of subjects to regulate themselves. They help to conceptualise the forms and flows of power involved in 'governing at a distance' and to disclose the multiplication of strategies. As such, they provide a sharp contrast with the normative view of the 'self-governing subject' or the 'self-regulating network' as autonomous social agents.

New Labour, new governance?

Governance, then, seeks to explain a whole series of realignments and offers a range of explanatory tools. The structure of this book is driven by a concern to bring these approaches together to explore the process of modernisation under the Labour government elected in 1997. This necessarily involves more than a descriptive account of what Labour has done, or how successful it has been in delivering its policies and promises. The literature on governance highlights important intellectual challenges:

- how to understand the processes of governing within and beyond the government;
 - how to conceptualise the complexity of the patterns of relationship involved in both the policy process and in the delivery of services; and
 - how to analyse the flows of influence and accountability in plural and fragmented systems.
- how to conceptualise the indirect forms of power which flow through and beyond the state itself.

Jessop talks about governance in terms of 'a shift in the centre of gravity around which policy cycles move' (1998a: 32). How far does new Labour represent such a shift? The different perspectives reviewed in this chapter can be used to suggest key issues for analysis: the making and delivery of public policy; the relationships between sectors; and the government's conception of its relationship with citizens, 'communities', and civil society. Subsequent chapters examine the processes through which the new government sought to steer, direct, lead and coordinate actors both within and beyond government, and across the public, private and voluntary sectors, in the struggle to deliver its political objectives. In doing so the book draws on governance both as a multi-stranded *narrative of change* and as a set of *theoretical approaches* to unravelling state/society interactions. Governance

as a narrative of change argues that the state has adapted to external and internal challenges to its capacity to govern. It has done so by alternative or complementary strategies designed to coordinate and steer the making and delivery of public and social policy. The development of networks and partnerships as a mode of coordination reflects the emergence of new economic and social conditions and a number of problems which cannot be managed by top-down state planning or 'market mediated anarchy' (Jessop 1998a: 32). The shift to network modes of coordination is associated with more fundamental shifts in the public realm (fragmentation, complexity) and in the way in which the state seeks to govern public services (through steering rather than by exerting direct forms of control). This network prescription, as Stoker notes, in a rather utopian extract,

... argues for the development of longer-term, non-hierarchical relationships which bring together service providers and users on the basis of trust, mutual understanding and a shared ethical or moral commitment. The emphasis is on empowering both providers and users so that they can work effectively in partnership to achieve shared goals. Quality in service delivery is a key goal. An interest in longer-term relational contracting is characteristic. (Stoker 1999: 3-4)

These arguments suggest a number of propositions about the kind of changes involved in a shift towards a new form of governance, captured in formulations such as from hierarchies and markets to networks; from a view of state power based on formal authority to one of the role of the state in coordinating, steering and influencing; from an interest in the actions of the state to an interest in the interplay of plural actors in both the shaping of policy (through policy networks) and the delivery of services (through partnerships).

The book seeks to identify how far new Labour represented a shift towards this conception of governance as it adapted to change and attempted to forge and sustain new political alliances. My aim is to examine the processes through which a new government sought to steer, direct, lead and coordinate actors both within and beyond government in the struggle to deliver its political objectives. Certainly Labour appeared to be engaged in a rather different process of state restructuring and transformation from those based on neo-liberal conceptions of the minimalist state under Thatcher. While the ideology of Thatcherism – at least in the later years – can be viewed as one which espoused markets and which denigrated bureaucracies (hierarchy) as wasteful and inefficient, that of new Labour promulgated a discourse of partnerships, participation, social inclusion and a pragmatic approach to the use of the market. Notions of reciprocity, inclusivity and partnership were all key ideas in new Labour's vocabulary, and implied the goal of establishing a more consensual basis for state/societal interaction. New forms of democratic practice, based on self-government through networks, partnerships, deliberative fora and associations in civil society (Hirst 2000), have powerful resonances with new

TABLE 1.1 *Governance shifts: propositions*

- The literature suggests that we are witnessing:
- 1 A move away from hierarchy and competition as alternative models for delivering services towards networks and partnerships traversing the public, private and voluntary sectors.
 - 2 A recognition of the blurring of boundaries and responsibilities for tackling social and economic issues.
 - 3 The recognition and incorporation of policy networks into the process of governing.
 - 4 The replacement of traditional models of command and control by 'governing at a distance'.
 - 5 The development of more reflexive and responsive policy tools.
 - 6 The role of government shifting to a focus on providing leadership, building partnerships, steering and coordinating, and providing system-wide integration and regulation.
 - 7 The emergence of 'negotiated self-governance' in communities, cities and regions, based on new practices of coordinating activities through networks and partnerships.
 - 8 The opening-up of decision-making to greater participation by the public.
 - 9 Innovations in democratic practice as a response to the problem of the complexity and fragmentation of authority, and the challenges this presents to traditional democratic models.
 - 10 A broadening of focus by government beyond institutional concerns to encompass the involvement of civil society in the process of governance.

Labour's normative discourse about inclusiveness, democratic renewal and public participation.

How far does this signify a shift towards governance through steering and coordinating rather than through direct forms of authority and control? To answer this question it is necessary to set out a rather tighter set of propositions about the shift from governing to governance, propositions which can then be examined in the light of emerging policy and practice. The argument that we are witnessing a shift from direct forms of governing to a process of governance exercised through a plurality of actors, sites and processes suggests an increasing reliance by government on informal forms of power and influence rather than formal authority. This has, according to the literature, a number of implications (see Table 1.1).

These propositions are set out to support my analysis of the actions and policies of the Labour government in the UK. I am not attempting to evaluate how far there might be evidence of an increase in new forms of governance (more participation, more partnerships, more collaboration, and so on). There is an emerging body of research on such issues (see, for example, the research conducted under the ESRC Local Governance programme, or Lowndes et al.'s research on public participation: Stoker 1999, 2000; Lowndes et al. 1998). My aims are more modest: to assess the policy framework of the Labour government in terms of its 'fit' with these governance propositions, and to explore issues and tensions which have arisen in the process of delivering its programme of modernisation. The propositions, then, are intended as a starting point for discussion of Labour's approach to governing, rather than as matters for empirical verification. Rather than questioning how much change or what kinds of

change, my analysis sets out to explore the process of modernisation in a way which links political ideology, government policy and the process of implementation. The next chapter focuses on the dynamics of institutional change, and sets out a framework for mapping the interaction between different models of governance that might be found within the UK.