DEBATING
GOVERNANCE

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Governance and Public Administration

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INTRODUCTION

Over the years, the study of Public Administration has seen many fashions come and go, often fun, sometimes instructive, rarely long-lived; this chapter focuses on the currently fashionable notion of 'governance'. It is widely used, supplanting the commonplace 'government', but does it have a distinct meaning? What does it tell us about the challenges facing the study and practice of Public Administration?

The coming of the New Right with its love of markets heralded lean times for Public Administration. Long concerned with the design of public institutions, especially with creating efficient and democratically controlled bureaucracies, it found its prescriptions roundly rejected for private sector management skills and marketization. Bureaucrats were self-serving producers who sought to maximize the agency budget. The public interest was a myth. Students of Public Administration were sidelined, reduced to commenting on changes pioneered by others. Governance is part of the fight back. It is a description of the unintended consequences of corporate management and marketization. It is a response, therefore, to the perceived weaknesses of marketization. Also, marketization fragmented service delivery systems by drawing in actors and organizations from the public, private, and voluntary sectors. The networks so central to the analysis of governance are a response to this pluralization of policy making. Finally,

the governance literature grapples with the changing role of the state after the varied public sector reforms of the 1980s and 1990s. In the UK context, where there is no state tradition comparable to the Continental tradition of *rechtsstaat*, governance explores how the informal authority of networks supplements and supplants the formal authority of government. The governance literature explores the limits to the state and seeks to develop a more diverse view of state authority and its exercise.

For such a bold project, as even the most cursory inspection reveals, the term 'governance' has an unfortunately large number of meanings. It can refer refer to a *new* process of governing; or a *changed* condition of ordered rule; or the *new* method by which society is governed (cf. Finer, 1970: 3–4). So far, so simple; but the problems of definition become chronic when specifying this new process, condition, or method. There are at least seven separate uses of governance relevant to the study of Public Administration: corporate *governance*; the new public management; 'good governance'; international interdependence; socio-cybernetic systems; the new political economy; and networks.

This chapter has two aims: to review the literature on governance relevant to the study of Public Administration; and to provide a critical interpretation of the social science view of governance. So, I review the seven definitions, focusing on governance as networks. I then pose seven questions about the usefulness of the notion, contrasting social science with an anti-foundational approach (Bevir, 1999). Finally, I assess its potential and limits.

SEVEN DEFINITIONS OF GOVERNANCE

The word can be used as a blanket term to signify a change in the meaning of government (Jørgensen, 1993; March and Olsen, 1989) often focusing on the extent and form of public intervention and the use of markets and quasi-markets to deliver 'public' services. To employ Stoker's (1998a: 18) apt phrase, governance is 'the acceptable face of spending cuts'. Governance as the minimal state encapsulates the preference for less government, but says little else being an example of political rhetoric. I concentrate on more substantial definitions.

Governance as Corporate Governance

This use refers to the way in which business corporations are directed and controlled (see e.g. Cadbury Report 1992: 15) but it has been 'translated' for the public sector by the Chartered Institute of Public Finance and Accountancy (CIPFA, 1994: 6) which wants to see more efficient governance in the public sector. Their report argues for 'a more commercial style of management' to bring about 'a different culture and climate'. This 'departure from the traditional public service "ethos"' means the public service must exercise 'extra vigilance and care to ensure that sound systems of corporate governance are both set in place and work in practice'. Its report applies three principles to public organizations. They recommend openness or the disclosure of information; integrity or straightforward dealing and completeness; and accountability or holding individuals responsible for their actions by a clear allocation of responsibilities and clearly defined roles.

Governance as the New Public Management

Initially the 'new public management' (NPM) had two meanings: corporate management and marketization. Corporate management refers to introducing private sector management methods to the public sector through performance measures, managing by results, value for money, and closeness to the customer. Marketization refers to introducing incentive structures into public service provision through contracting-out, quasi-markets, and consumer choice.

NPM is relevant to this discussion of governance because steering is central to the analysis of public management and steering is a synonym for governance. For example, Osborne and Gaebler (1992: 20) distinguish between 'policy decisions (steering) and service delivery (rowing)', arguing bureaucracy is a bankrupt tool for rowing. In its place they propose entrepreneurial government which will stress competition, markets, customers, and measuring outcomes. This transformation of the public sector involves 'less government' (or less rowing) but 'more governance' (or more steering) (Osborne and Gaebler, 1992: 34). Similarly, although Peters (1996: 1) defines governance as 'institutions designed to exercise collective control and influence'—a definition so broad it covers all forms of government—he also uses steering as a synonym for governance (Peters, 1995: 3). In effect, like Osborne and Gaebler, Peters (1996) uses governance to describe

recent public sector reforms but, in sharp contrast to Osborne and Gaebler, he does not argue for any one reform. He identifies the several variants—the market, participatory, temporary, and regulatory states—and discusses their effects. Governance signals both the importance of these changes and their concern with the new public management (see also OECD, 1995).

Governance as 'Good Governance'

Government reform is a worldwide trend and 'good governance' is the latest flavour of the month for international agencies such as the World Bank (1992), shaping its lending policy towards third world countries (see also OECD, 1996). Leftwich (1993) identifies three strands to good governance: systemic, political, and administrative. The systemic use of governance is broader than government covering the 'distribution of both internal and external political and economic power'. The political use of governance refers to 'a state enjoying both legitimacy and authority, derived from a democratic mandate'. The administrative use refers to 'an efficient, open accountable and audited public service' (p. 611). And to achieve efficiency in the public services, the World Bank seeks to: encourage competition and markets; privatize public enterprise; reform the civil service by reducing over-staffing; introduce budgetary discipline; decentralize administration; and make greater use of non-governmental organizations (Williams and Young, 1994: 87). In short, 'good governance' marries the new public management to the advocacy of liberal democracy.

Governance as International Interdependence

There is a growing literature on governance in the fields of international relations and international political economy (see Chapters 8–10). But two strands of this literature are directly relevant to the study of Public Administration: hollowing-out; and multilevel governance.

The hollowing-out thesis argues that international interdependencies erode the authority of the state. Thus, Held (1991: 151–7) suggests that four processes are limiting the autonomy of nation states: the internationalization of production and financial transactions; international organizations; international law; and hegemonic powers and power blocs. As a result, the nation state's capacities for governance have weakened but 'it remains a pivotal institution' (Hirst and Thompson, 1995: 409). It is essential to 'suturing' power upwards to the international level and downwards

to sub-national agencies (p. 423). They envisage the state as a 'source of constitutional ordering', providing minimum standards in a world of interlocking networks of public powers (p. 435).

The European Union illustrates how transnational policy networks emerge when, for example, there is a high dependence in the policy sector; policy making is depoliticized and routinized; supra-national agencies are dependent on other agencies to deliver a service; and there is a need to aggregate interests. In the EU, multilevel governance posits links between the Commission, national ministries and local and regional authorities. It is a specific example of the impact of international interdependencies on the state (see: Hooghe, 1996).

Governance as a Socio-Cybernetic System

The socio-cybernetic approach highlights the limits to governing by a central actor, claiming there is no longer a single sovereign authority. In its place there is a great variety of actors specific to each policy area; interdependence among these social–political–administrative actors; shared goals; blurred boundaries between public, private and voluntary sectors; and multiplying and new forms of action, intervention, and control. Governance is the result of interactive social–political forms of governing. Thus, Kooiman (1993*b*: 258) distinguishes between governing (or goal-directed interventions) and governance which is the result (or the total effects) of social–political–administrative interventions and interactions. In contrast to the state or the market 'socio-political governance is directed at the creation of patterns of interaction in which political and traditional hierarchical governing and social self-organization are complementary, in which responsibility and accountability for interventions is spread over public and private actors' (Kooiman, 1993*b*: 252). So, government is no longer supreme. The political system is increasingly differentiated. We live in 'the centreless society' (Luhmann, 1982: xv) in the polycentric state characterized by multiple centres. The task of government is to enable socio-political interactions; to encourage many and varied arrangements for coping with problems and to distribute services among the several actors. Such new patterns of interaction abound: for example, self- and co-regulation, public–private partnerships, co-operative management, and joint entrepreneurial ventures.

Governance as the New Political Economy

The new political economy approach to governance re-examines the government of the economy and the interrelationships between civil society, state, and the market economy as these boundaries become blurred. To illustrate the variety of approaches under this broad label, I contrast a social science and a Marxist influenced approach.

For Lindberg and others (1991: 3) governance refers to 'the political and economic processes that coordinate activity among economic actors'. They explore the 'transformation of the institutions that govern economic activity' by focusing on the 'emergence and rearrangement' of several institutional forms of governance. They identify six ideal type mechanisms of governance: markets, obligational networks, hierarchy, monitoring, promotional networks, and associations (p. 29). Their discussion of these mechanisms does not focus only on which promotes economic efficiency under what conditions but also on social control; that is on governance as 'struggles over strategic control and power within economic exchange' (p. 5). The state is not simply another governance mechanism because it acts as a gatekeeper to sectoral governance, and can facilitate or inhibit production and exchange. This approach is relevant to Public Administration because it explores the ways in which the state (understood as actor and as structure) constitutes the economy and influences the selection of governance regimes (Lindberg and Campbell, 1991).

For Jessop (1995, 1997) governance is 'the complex art of steering multiple agencies, institutions and systems which are both operationally autonomous from one another and structurally coupled through various forms of reciprocal interdependence'. There has been a 'dramatic intensification of societal complexity' stemming from 'growing functional differentiation of institutional orders within an increasingly global society' which 'undermine the basis of hierarchical, top-down co-ordination' (Jessop, 1997: 95; and 1995: 317, 324; see also Le Galès, 1998: 495). The distinctive features of his approach is his concern to locate 'governance' in a systematic, broader theoretical framework. Jessop (1995: 323) recognizes the differences between governance and regulation, contrasting for example 'the distinctively Marxist genealogy of the regulation approach' and its well-defined economic problematic and concern to explain the stability of capitalism with the pre-theoretical stage of governance theory and its substantive concern with inter-organizational co-ordination. However, Jessop's analysis of governance draws on his strategic–relational approach

with its focus on the complex dialectical interrelationships between structure, agency and strategy. I have no space to explain his analysis in detail (see Jessop, 1990). The simple point is that the explanatory heart of this approach to governance lies in theories of political economy such as regulation theory (see Le Galès, 1998; Stoker, 1998b for variations on this theme). It is relevant to the study of Public Administration because it brings a critical eye to bear on the instrumental concern of governance with solving co-ordination problems, arguing that governance is not necessarily more efficient than markets and identifying several strategic dilemmas that make governance prone to fail (Jessop, 1997: 118–22).

Governance as Networks

Networks are the analytical heart of the notion of governance in the study of Public Administration. There is a massive literature on them but I focus only on those studies explicitly concerned with governance (for broader reviews see: Börzel 1998; Dowding 1995; and Rhodes 1990 and 1997a: chapters 1 and 2). This literature falls into two broad schools depending on how they seek to explain network behaviour: power-dependency or rational choice. I illustrate the two approaches with the work of the British 'Local Governance' and 'Whitehall' research programmes; the Erasmus University, Rotterdam 'governance club'; and the work originating at the Max-Planck-Institut für Gesellschaftsforschung.

Power-Dependence. The UK Economic and Social Research Council (ESRC) Research Programmes on 'Local Governance', and 'Whitehall' fuelled research in Britain. At the start of the 'Local Governance' Programme, Rhodes (1992: 2) argued the system of government beyond Westminster and Whitehall changed 'from a system of local *government* into a system of local *governance* involving complex sets of organizations drawn from the public and private sectors'. This use sees governance as a broader term than government with services provided by any permutation of government and the private and voluntary sectors. Complexity arising out of the functional differentiation of the state makes interorganizational linkages a defining characteristic of service delivery. The several agencies must exchange resources if they are to deliver services effectively. All organizations are dependent on other organizations for resources to achieve their goals and have to exchange them, employing strategies within known rules of the game (Rhodes, 1999: ch. 5; Stoker, 1998a: 22). These themes

remained prominent throughout the Programme. Thus, Stoker (1998a: 18) describes governance as a set of institutions and actors drawn from but also beyond government, where boundaries and responsibilities for tackling social and economic issues are blurred, the several institutions are power-dependent, and the resulting networks are autonomous and self-governing. So, the government cannot command; it must use new tools and techniques to steer and to guide (see Stoker, 1999b for examples).

The ESRC Whitehall Programme generalized the governance argument from local government to British government as a whole, challenging the conventional wisdom of the Westminster model (Rhodes, 1997a: ch. 1). Networks are a common form of social co-ordination, and managing interorganizational links is just as important for private sector management as for public sector. They are a mechanism for co-ordinating and allocating resources—a governing structure—in the same way as markets or bureaucracies. So, networks are an alternative to, not a hybrid of, markets and hierarchies:

If it is price competition that is the central co-ordinating mechanism of the market and administrative orders that of hierarchy, then it is trust and co-operation that centrally articulates networks.   (Frances *et al.*, 1991: 15; see also Powell, 1991)

Other key characteristics include diplomacy, reciprocity and interdependence (Rhodes, 1997b). More important, this use of governance also suggests that networks are *self-organizing*. At its simplest, self-organizing means a network is autonomous and self-governing. Networks resist government steering, develop their own policies and mould their environments. So, Rhodes (1996: 660) defines *governance as self-organizing interorganizational networks*. These networks are characterized, first, by interdependence between organizations. Governance is broader than government, covering non-state actors. Changing the boundaries of the state meant that the boundaries between public, private, and voluntary sectors became shifting and opaque. Second, there are continuing interactions between network members, caused by the need to exchange resources and negotiate shared purposes. Third, these interactions are game-like, rooted in trust and regulated by rules of the game negotiated and agreed by network participants. Finally, the networks have a significant degree of autonomy from the state. Networks are not accountable to the state; they are self-organizing. Although the state does not occupy a privileged, sovereign position, it can indirectly and imperfectly steer networks.

The key problem confronting British central government is, therefore, its reduced capacity to steer. The story of British government as a unitary state with a strong executive is replaced by the story of the hollowing-out of the British state by international interdependencies and multiplying internal networks. There is now a differentiated polity with a hollow crown.

This focus on the constraints on central capacity is also a feature of the work by Walter Kickert, Jan Kooiman, and their colleagues at the Erasmus University, Rotterdam. The 'governance club' research programme began in 1990 and on focuses on policy making and governance in and of networks (see: Kickert, 1993; Kickert, 1997a and 1997b; Klijn et al., 1995; Kooiman, 1993a). Their basic argument is that the lack of legitimacy, complexity of policy processes, and the multitude institutions concerned reduce Government to only one of many actors. Other institutions are, to a great extent, autonomous; they are self-governing. Government steers at a distance (Kickert, 1993: 275). Governance refers to 'the directed influence of social processes' and covers 'all kinds of guidance mechanisms connected with public policy processes' (Kickert and Koppenjan, 1997: 2). Policy networks make public policy. They are 'more or less' stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes' (p. 6). The core of these interorganizational links is power dependence (Klijn, 1997: 21). However, the main concern of the Erasmus Rotterdam 'governance club' is managing networks (see below pp. 72–6).

The Max-Planck-Institut and actor-centred institutionalism.[1] For Renate Mayntz, Fritz Scharpf, and their colleagues at the *Max-Planck-Institut*, policy networks represent a significant change in the structure of government. They are specific 'structural arrangement' which deals typically with 'policy problems'. They are a 'relatively stable set of mainly public and private corporate actors'. The linkages act as 'communication channels and for the exchange of information, expertise, trust and other policy resources.' They

[1] Most of the work from the Max-Planck-Institut is not available in English, so I must acknowledge the invaluable help provided by Tanja Börzel (European University Institute, Florence) who first pointed out to this literature to me. Her article (Börzel, 1998) was my main source, supplemented by Marin and Mayntz, 1991; and, at the last minute, Scharpf, 1997. Of course I am familiar with Scharpf's earlier work on *politikverflechtung* (see e.g. Hanf and Scharpf, 1978) but the work on governance and actor-centred institutionalism was not published until the 1990s. There is a bibliography of German publications in Börzel, 1998.

have their own 'integrative logic' and the dominant decision rules stress bargaining and sounding-out. So, as with the power-dependence approach, the Max Planck school stress functional differentiation, the linkages between organizations, and dependence on resources (Kenis and Schneider, 1991: 41–3).

They also stress the advantages of networks over markets and hierarchies. Thus, networks can avoid not only the negative externalities of markets but also the 'losers'—that is, those who bear the costs of political decisions—produced by hierarchies because:

in an increasingly complex and dynamic environment, where hierarchical co-ordination is rendered difficult if not impossible and the potential for deregulation is limited because the problems of market failure, governance becomes only feasible within policy networks, providing a framework for the efficient horizontal co-ordination of the interests and actions of public and private corporate actors, mutually dependent on their resources.   (Börzel, 1998: 262–3)

To explain how policy networks work, Scharpf (1997: chs. 2 and 3) combines rational choice and the new institutionalism to produce actor-centred institutionalism. The basic argument is that institutions are systems of rules that structure the opportunities for actors (individual and corporate) to realize their preferences. So, 'policy is the outcome of the interactions of resourceful and boundedly rational actors whose capabilities, preferences, and perceptions are largely, but not completely, shaped by the institutionalized norms within which they interact' (Scharpf 1997: 195).

Networks are one institutional setting in which public and private actors interact. They are informal institutions; that is, informally organized, permanent, rule-governed relationships. The agreed rules build trust, communication, reduce uncertainty and are the basis of non-hierarchic co-ordination. Scharpf uses game theory to analyse and explain these rule-governed interactions.

There is much agreement, therefore, that governance as networks is a ubiquitous and important form of governing structure in advanced industrial societies, but there are competing explanations about how networks affect government and its policies.

SEVEN QUESTIONS ABOUT GOVERNANCE

The human sciences offer only provisional knowledge and governance, like any other approach, is no exception. To explore these limits, I pose seven questions.[2] Is governance new and does it matter? How do we choose between the definitions and their associated approaches? How do we explain the growth of governance? Has the centre been hollowed out? How does the centre manage networks? What are the implications of governance for representative democracy? Is governance failure inevitable? I provide an answer to each of these questions by summarizing the social science literature. This section has three other ambitions. First, to identify the limits to the social science story about governance. Second, running through the discussion of each question, I develop a critical, anti-foundational account of governance as an alternative to the social science interpretation. Third, I ground the argument by using boxed examples of how individual actors responded to the difficulties of governance.

IS GOVERNANCE NEW AND DOES IT MATTER?

A sceptic would point out that networks are not new. The major difference is that social scientists now talk about them endlessly. Both points are correct, and misleading. The governance approach does not claim networks are new, only that they have multiplied. Precise figures are not available, but the fragmentation of public services through the increasing use of special-purpose bodies and contracted-out services is obvious and widespread. Thus, the care package for Mrs T. (see Box 1) involves eleven agencies as well as family and a friend. So, it does not matter if networks are new or that social scientists go on about them. All that matters is that there are networks and government works with and through them.

The dominant narrative of the 1980s and 1990s told the story of how corporate management and marketization triumphed over bureaucracy. It is a story which ignores the need for negotiation in and between networks. Whether there is more fragmentation is less important than the search for

[2] On the questions see also: Ferlie and Pettigrew, 1996; Kickert et al., 1997b; Klijn et al., 1995; Painter et al., 1997; Perri 6, 1997; Reid, 1998; Rhodes, 1997a and b; and Stoker, 1998a and Stoker, 1999b.

Box 1. The case of Mrs T.

A local GP refers one of his patients asking for Home Help. Mrs T. is 80 years old, and arthritic. She lives on her own in a bungalow. She uses a walking frame. She can no longer manage pans and cooking for herself. She coped well until she fell fracturing her wrist. She visited casualty for treatment. The hospital sent her home after treatment. A friend has been helping but she is elderly and finds the constant care that Mrs T. needs too much of a struggle.

The Home Care Manager visits and assesses Mrs T. She is slow and finds holding the frame difficult because of the arthritis in her hands and fractured wrist. She has difficulty with washing, dressing, toilet, bathing, preparing food, cooking, and shopping. The friend who calls in cooks and shops and helps with personal care. She would still like to visit her friend twice a week and will do small amounts of shopping and get her pension when she gets her own. Mrs T's three children all live away from their home town, have families of their own and work. The eldest will retire next year. The family have arranged to take it in turns to visit on Sundays, keep the house and garden tidy and in good repair.

The Home Care Manager asks for an urgent visit from the Occupational Therapy Services to assess Mrs T. for equipment for daily living. While waiting for this assessment a home carer will call at meal-times and help with dressing in the morning. The friend will call about 7.00 p.m. to help her undress.

Two days later an Occupational Therapy Assistant (OTA) calls to assess Mrs T's equipment needs for daily living. Mrs T. can eat with special cutlery and a plate guard. She can manage a cup of tea with a kettle tipper if laid out for her. She can manage toast or cereal for breakfast if laid out before. Tea is manageable with bread, butter, cheese or cold meats. Mrs T. can manage her gas cooker with the help of replacement dials. The kitchen is well-organized. With a perching stool she can sit at the work surface next to the cooker to eat her meals. She can wash and dress herself with equipment but needs help with doing up buttons, laces and zips and putting on stockings. With carefully selected clothing from her wardrobe Mrs T. will need minimum help to dress and undress. She needs a raised toilet seat and frame in the bathroom and a bath board on the bath with a grab rail on the wall. All the equipment except the grab rail arrived later that day. An emergency warden call system will be installed by the end of the week by the council's housing services. The Gas Board will call within 48 hours to replace the dials on the cooker.

The Home Care Manager rearranges the home carer. She provides a morning call from her own services Monday to Friday and arranges for a private agency on Saturday. The home carer will help with buttons and will collect shopping and pension and do some basic cleaning. They will do the laundry and ironing. The home carer helps Mrs T. to use her bath board to have a bath one morning a week. She lays out breakfast and tea and fills the kettle for the day. A twilight service (provided by the Community Health Trust) will call any time between 7.00–9.00 p.m., Monday to Saturday to help with undressing. The Home Care Manager arranges and buys these services.

The WRVS delivers Meals on Wheels Mondays and Fridays. Frozen meals are cooked at a local primary school and delivered by the home carer. On Saturdays Mrs T. will treat herself to a meal cooked and delivered by a local hotel.

Mrs T. does not get out to at all and with increasing disability does not feel that she can consider going out. She is isolated. Various local centres have activities for the elderly either run by the council or voluntary agency such as Age Concern. Age Concern runs a post-hospital discharge support service. Having become used to her own company, Mrs T. is nervous about mixing with others. She is grateful for all the help she gets and does not want to be a nuisance. She does not like to ask for information and more help. She is also hard-up, getting only her pension. The Home Care Manager is busy and now all the arrangements are in place will only make a quick visit to check six-monthly.

a new story (and associated language) about government which confronts its perceived weaknesses and the market alternative. Governance as networks provides a different story and language to marketization and therefore underpins the attempt to develop alternative steering strategies (see below pp. 72–6).

How do You Choose between Definitions?

Governance as self-organizing interorganizational networks is a stipulative definition and Rhodes (1996) claims the key test is the contribution it makes to understanding change in British government in the 1990s. In effect, I treat networks as given facts, use an ideal type, and compare change in British government to it knowing that no policy network and its service delivery system is likely to conform exactly to the ideal type (see Rhodes, 1997a). It is a common social science research strategy. There is an alternative approach.

The human sciences offer us narratives about the past, present, and possible futures; stories that relate beliefs, actions, and institutions to one another by bringing the appropriate conditional and volitional connections to our attention. The human sciences do not offer us causal explanations that evoke physically necessary relationships between phenomena; prediction is mainly an aspiration and probably an impossibility. I evoke narratives to make the point that understanding and explanation in the human sciences always take the form of a story. Narrative structures relate people and events to one another understandably over time, but these relations are not necessary ones (see Bevir, 1999; Bevir and Rhodes, 1998).

An awareness of our limits does not make the human sciences useless. We can define and redefine problems in novel ways. We can tell the policy makers and administrators distinctive stories about their world and how it is governed. For example, the corporate management rhetoric told a story of economy, efficiency, and effectiveness which contrasted sharply with the story of the local government officer as professional with clients and the permanent secretary as policy adviser and fire-fighter for the minister. As Stoker (1999a) argues corporate management and marketization had *beneficial* unintended consequences because it challenged existing ways and set in train a discourse and pressures for change which led not to efficient responsive services but to the broader notion of local governance. The language of governance tells a distinctive story of fragmentation, networks, and dependence which contrasts sharply with the language of corporate management and markets. In short, therefore, governance provides a language for redescribing the world and challenges the dominant narrative of the 1980s. In its story, networks rival markets and bureaucracy as a suitable means for delivering services and its language describes a complex world in all its complexity; advocating no simple solution whether based on markets or hierarchies or networks.

An anti-foundational story of governing structures—of markets, hierarchies, and networks—must not hypostatize them; that is, represent them as a concrete reality. They are frequently described as ideal types. Such constructs are ahistorical. They are static, fixed categories, into which we force beliefs, cases, and texts. Instances cannot be constructed by comparison with the features of an ideal-typical governing structure. The choice of definition is not, therefore, a matter of evidence but a function of the story; of the questions to be asked and the plot to be unfolded. So, governance is constructed by the questions asked. But we also have to know who is asking the question. The view of the minister will differ from that of the manager

from that of the service recipient. Thus, in the case of Mrs T there are clear differences of interpretation as fragmentation meets turf protection to the disadvantage of the user. The Home Care Manager has one view about improving the quality of Mrs T's life. A social worker will have other resources at her fingertips and will have another view. For example, she could be taken to the local centres run by either the council or the voluntary sector. She may like playing bingo, or whist. What about a stay in a residential home or a holiday with her friend perhaps? Is Mrs T. entitled to more money? What about Income Support, Attendance Allowance, and Council Tax Benefit? Would Mrs T. have more choice about the services she would like if she had more income? Would she have to pay more for some of the services? The user has no idea of what is available. The street-level bureaucrat does not have access to a full range of services, but wants to keep control. There is no one person able to co-ordinate a care package, and yet the social worker was never consulted. At the root of these issues lies fragmented service delivery but that fragmentation can only be understood through the eyes of the several participants; a 'thick description' is essential (Geertz, 1973: ch. 1).

How Do We Explain the Growth of Governance?

One popular social science explanation for the growth of governance posits that advanced industrial societies grow by a process of functional and institutional specialisation and the fragmentation of policies and politics (Rhodes, 1988: 371–87). For some authors, differentiation is part of a larger context. For example, regulation theory sees it as a result of the shift from Fordism to post-Fordism (see also Jessop, 1997: 308–15; Stoker, 1998b: 126–7 and Chapter 5 below). However, an anti-foundational approach stresses how the different British governmental traditions understand and respond to governance.

It is rapidly becoming a commonplace that even simple objects are not given to us in pure perceptions but are constructed in part by the theories we hold true of the world. When we turn our attention to complex political objects, the notion that they are given to us as brute facts verges on absurd. There is a sense, therefore, in which there is no 'governance' because all complex political objects are constructed in part by our prior theories of the world and the traditions of which they are part. How we understand 'governance' depends, therefore, on the theories within which we do so.

A tradition is a set of shared theories that people inherit and that form the background against which they construct the world about them. Traditions are contingent, constantly evolving; necessarily in a historical context, and consist of theories and narratives with associated practices. Narratives are the form theories take in the human sciences; narratives are to the human sciences what theories are to the natural sciences. Governance is a narrative interpreted through traditions (Bevir, 1999). In the UK, it is possible to identify several traditions; for example, Tory, Liberal, Whig, and Socialist. Each tradition will interpret governance differently. As illustrations only, I outline briefly the interpretations of governance as networks by the liberal and socialist traditions.

Henney (1984: 380–1), writing in the liberal tradition, interprets networks as examples of the corporate state; 'the institutionalised exercise of political and economic power' by the various types of local authority, government, the unions, and to a lesser extent business. They 'undertake deals when it suits them; blame each other when it suits them; and cover up for each other when it suits them'. These interactions are conducted 'behind closed doors' and each sector has a 'cultural cocoon' rationalizing their interests with the public interest. The vested interests 'institutionalise irresponsibility'. Producers interests rule OK, only for Henney it isn't, and he wants to cut local government down to a manageable size by removing some functions and transferring others to the social market. But the problem of networks as producer capture is not easily resolved. Marketization is the alleged solution but it fragments service delivery structures, creates the motive for actors (individuals and organizations) to co-operate and, therefore, multiplies the networks Henney's reforms seek to break up. Beliefs in the virtues of markets have to confront the obvious defects of quasi-markets.

The socialist tradition in the guise of New Labour sees networks as a problem of integration. For Perri 6 (1997) government confronts 'wicked problems' which do not fit in with functional government based on central departments and their associated policy networks. Such functional government is costly, centralised, short term, focuses on cure not prevention, lacks co-ordination, measures the wrong things and is accountable to the wrong people (Perri 6, 1997: 26). The solution is holistic government which will span departmental cages (for the specific reforms see below p. 73). This report from a New Labour 'think-tank' epitomizes the long-standing Fabian tradition in the Labour Party which sees salvation in administrative engineering. The problem of integration is not easily

resolved. Perri 6's reforms have a centralizing thrust. They seek to co-ordinate the departmental cages, a centralizing measure, and to impose a new style of management on other agencies, a central command operating code. But network structures are characterized by a decentralized, diplomatic, negotiating, style. Beliefs in leaders know best confront the belief that decentralized structures need indirect or hands-off management.

This focus on Anglo-Saxon pluralist traditions is too narrow. Governance has important implications for other state traditions. Loughlin and Peters (1997: 46) distinguish between the Anglo-Saxon (no state) tradition; the Germanic (organicist) tradition; the French (Napoleonic or Jacobin) tradition; and the Scandinavian tradition which mixes the Anglo-Saxon and Germanic. Thus, in the Germanic tradition state and civil society are part of one organic whole; the state is a transcendent entity. Its defining characteristic is that it is a *Rechtsstaat*; that is a legal state vested with exceptional authority but constrained by its own laws. Civil servants are not just public employees, but personifications of state authority. The Anglo-Saxon pluralist tradition draws a clearer boundary between state and civil society; there is no legal basis to the state; and civil servants have no constitutional position. The Jacobin tradition sees the French state as the one and indivisible republic, exercising strong central authority to contain the antagonistic relations between state and civil society. The Scandinavian tradition is also 'organicist', characterized by *Rechtsstaat*, but differs from the Germanic tradition in being a decentralized unitary state with a strong participation ethic. (In this paragraph I paraphrase Loughlin and Peters, 1997: 46–55; see also Dyson, 1980.)

These traditions interpret governance differently. For example, local networks with high participation are common in Denmark. Governance poses the issue of how to keep the multiplying networks under democratic control but decentralized networks are already a feature of the tradition. Similarly, in the Germanic tradition, the legal framework sets the boundaries to, and guides, official action. The direct imposition of control is unnecessary. There is a high degree of tolerance for the multilevel networks (*Politikverflechtung*) so common in, for example, federal systems such as Germany. On the other hand, the Jacobin tradition with its assumption of conflict between state and civil society sees networks as a potential threat to state authority unless subject to state control, for example through strong mayoral leadership. In other words, in seeking to interpret and understand governance, we have to ask whose interpretation in which tradition. Moreover, I have illustrated an argument. As Loughlin and Peters

(1997: 60) are the first to admit, this account of state traditions is broad brush and does not do justice to their variety and nuances.

Has the Centre been Hollowed Out?

Governance is the product of the hollowing-out of the state from above (for example, by international interdependencies), from below (for example, by special-purpose bodies), and sideways (for example, by agencies). As a result there has been a decline in central capacity. Thus, Peters (1996: 117) concludes:

Many of the reforms already implemented have helped to create a greater need for coordinative structures and action while at the same time reducing to some extent the capacity of governments to coordinate effectively. In an increasingly complex and interdependent world, government appears to be squandering its capacity to present an integrated and coherent set of policies at the time that capacity is most needed.

Rhodes (1997c: 211–12) in a review of trends in five parliamentary democracies argues there are six countervailing trends which may result in a hollow crown:

Fragmentation vs. control. There is a conflict between institutional fragmentation and core executive steering which is captured by the phrase that core executives have 'more control over less'; that is, they have reduced the scope of their interventions but have greater control over what remains.

Internal independence vs. external dependence. Core executives respond to the constraints of international interdependence by asserting their independence from domestic pressures. Global pressures produce distinctive national responses.

Centralisation vs. autonomy. The search for internal independence saw both a centralisation of power on the core executive as it sought to assert its control over priorities and greater autonomy for other state actors in managing and implementing policy.

Intended vs. unintended consequences. Assertive leadership produced unintended consequences which became ever more visible as institutional differentiation and pluralisation, coupled with indirect or 'hands-off' management, multiplied the disparities between policy aims and implementation.

Symbols vs. substance. Confounded by the sour laws of unintended consequences, core executives balance policy effectiveness against electoral survival by playing symbolic politics which value the appearance of coherence as much, if not more than, the substance. Media pressures fuel the desire to appear coherent, cohesive and effective.

Constraints vs. opportunities. The constraints on core executives are also opportunities to reassert control; for example, international agreements can provide the rationale for renewed efforts at internal control.

The hollowing-out thesis addresses the proposition that institutional differentiation and pluralization is common, creating multiple challenges to the capacity of core executives to steer. It identifies important trends, focusing attention on the unintended consequences (beneficial as well as damaging) of these processes. However, the thesis and its associated trends are a social science analysis of government. So, the changes in government and the list of trends treat networks as given facts and do not tell the story from the standpoint of the several actors. Are central elites aware of their alleged loss of capacity? If they have 'more control over less,' they could argue they chose both to increase control and to withdraw from certain policy areas. Such choices are not evidence of incapacity. An anti-foundational account would want to know whose story of government structures understood within which tradition was being examined. Hollowing-out is the story of an outsider looking in, although arguably it could be an elite or top-down view of the problems facing government and the need to resolve them by reducing the scope of government action. The same issue of 'whose story within which tradition' arises in the discussion of network management and network failure (see below pp. 72–6 and 80–3). I note the issue at the relevant point and discuss it more fully in the 'Conclusions' when I discuss a research agenda for governance.

How does the Centre Manage Networks?

I discuss the social science analysis of network management using Table 4.1 which identifies three approaches. I illustrate the approaches from the UK literature on networks. As Kickert (1997: 46) points out, we seek to manage the *structure* of network relations, the *process* of consensus building and the *outcome* of joint problem solving. I recognize networking strategies will vary with what is being managed but I do not explore these differences here.

The instrumental approach is a top-down approach to network steering. Although there are limits on the centre's ability to steer, it still attempts to do so. This approach accepts that government occupies a special position and will seek to exercise its legitimate authority but it also recognises the constraints imposed by networks. So government departments are the focal organization, developing strategies which unilaterally alter the structure of incentives to alter dependency relationships to get effective problem

TABLE 4.1. *Approaches to Network Management*

	Instrumental Approach	Interactive Approach	Institutional Approach
Focus	Improving steering conditions	Co-operation	Network arrangements and their impacts
Level of analysis	Focal organization and its set	Interactions of actors (individual and organizations)	Network structure
View of policy networks	Closed and multi-form object of steering	Horizontal interaction	Product and context of interaction and governance
Characteristics of network management	Strategic steering	Game playing to develop co-operation and prevent blockages	Diplomacy and incremental adaptation of incentive structures, rules and culture of networks
Criteria of evaluation	Effective problem solving	Satisficing policy, consensus	Institutionalised key interests and relationships

Source: Modified from Kickert, Klijn, and Koppenjan 1997a: 186.

solving. Perri 6 (1997) provides specific examples of this approach in action. He argues functional government has failed. In its place he wants to use his watchwords, holistic, preventive, culture-changing, and outcome-oriented government (p. 10). The key to real progress is integrating budgets and information. The twelve recommendations include: holistic budgets designed around outcomes, not functions; cross-functional outcome measures; integrated information systems (for example, one-stop shops); and culture, value for money and preventive audits (pp. 10–12 and chs. 4–7). A specific example of this approach in practice is the policy initiative on Health Action Zones (NHS Executive EL (97)65, 30 October 1997) which exhorts agencies from the public, private, and voluntary sectors to work together to bring better health care to the poor. The instrumental approach assumes the centre can devise and impose tools which

will foster integration in and between policy networks to attain central objectives.

The key problem is the costs of steering. A central command operating code, no matter how well disguised, runs the ever-present risk of recalcitrance from key actors and a loss of flexibility in dealing with localized problems. Control deficits are an ever-present unintended consequence of the top-down imposition of objectives.

The interaction approach focuses on the dependence of network actors, developing goals and strategies by mutual learning; collective action depends on co-operation. Rhodes (1997b) argues for management by negotiation, or diplomacy, stressing how important it is to sit where the other person is sitting to understand their objectives and to build and keep trust between actors. Stoker's (Ch. 5) review of techniques for steering urban governance includes indirect management through cultural persuasion, communication, and monitoring as well as direct management through financial subsidies and structural reform. Klijn et al. (1995: 442) distinguish between game management and network structuring. Indirect management through game management includes selectively favouring some actors in the network, mobilizing supporters and their resources, greater expertise in the rules of the game, and managing perceptions to simplify compromise. Ferlie and Pettigrew (1996: 88–9) found that the National Health Service was embedded in a web of interagency alliances which changed the style of NHS management. For example, there was a shift to matrix management styles with chief executive officers increasingly concerned to build and maintain links and institutionalize strategic alliances. Respondents identified the following key networking skills:

strong interpersonal, communication and listening skills; an ability to persuade; a readiness to trade and to engage in reciprocal rather than manipulative behaviour; an ability to construct long-term relationships. (p. 96)

Painter et al. (1997: 238) provide specific advice on game management. They conclude local authorities should: conduct an audit of other relevant agencies; draw a strategic map of key relationships; identify which of their resources will help them to influence these other agencies; and identify the constraints on that influence.

The key problem of the interactive approach is the costs of co-operation. The obvious version of this argument is the more actors in a network, the longer it takes to agree and such delays are costly. Network management is time consuming, objectives can be blurred, and outcomes can be indeter-

minate (Ferlie and Pettigrew, 1996: 95–6). Decision making is satisficing, not maximizing. Also, the interaction approach ignores the context of network relations; for example, the way in which political control can change the perceptions and strategies of local authorities in their dealings with other local agencies.

The institutional approach focuses on the institutional backcloth, the rules and structures, against which the interactions take place. Thus, Klijn et al. (1995: 442) suggest that networking strategies involve changing relationships between actors, the distribution of resources, the rules of the game, and values and perceptions. Similarly, Stoker (Ch. 5) itemizes new funding arrangements and creating new agencies as two key ways of altering the structure of network relations. For example, for urban governance alone, he lists urban development corporations, housing action trusts, the Housing Corporation and housing associates, English Partnerships, Training and Enterprise Councils, Local Enterprise companies, the Government Offices for the Regions and the proposed Regional Development Agencies as tools for giving specific issues a higher profile and for involving a wider range of actors. This approach aims for incremental changes in incentives, rules and culture to promote joint problem solving.

This approach has three key problems. First, incentives, rules, and culture are notoriously resistant to change. Second, networks are closed. They are rooted in the interests of a few, privileged actors who equate their sectional interest with the public interest. Third, appointments to the special-purpose agencies are patronage appointments and these bodies are rarely accountable to elected assemblies. As with the instrumental and the interaction approaches, the institutional approach to network management encounters important problems. None is a panacea for central steering in the differentiated polity.

This discussion of network management may seem lengthy but it reflects the preoccupations of students of Public Administration. This literature is mainstream social science research. Its rapid growth shows how the study of governance focuses on practical, technical, even narrow issues. An anti-foundational account of network management raises broader but none the less practical issues.

First, the above discussion of network management focuses on the problems confronted by managers, rather than users or politicians (see Kickert et al., 1997b; and O'Toole, 1997 where even the research agenda is focused on management issues). The literature seeks to tell managers how to do

their job more effectively. But there are several participants in managing networks: politicians, employees, users. Each may tell different stories about network management and its difficulties. Again, therefore, we need thick descriptions which will recognize there are several actors interpreting networks through various traditions. Simply contrast general injunctions about changing the rules of the game with the difficulties of the Home Care Manager putting together a package for Mrs T. Contracting-out may seem a straightforward change in the rules of service delivery but it had many implications for both street-level manager and user.

Second, although an anti-foundational approach enjoins understanding governance from the standpoint of all participants, it still holds lessons for managers. If the governance story can be interpreted through several traditions, if networks are differentially and continuously constructed, there can be no one tool kit for managing them. There is no essentialist account of networks so managing networks is about understanding the traditions and their interpretations. The social science model of networks treats them as given facts; as if they are cars and the researcher is the car mechanic who finds the right tool to effect repairs. An anti-foundational approach avows that practitioners learn by telling, listening to, and comparing stories; policy advice becomes the telling of relevant stories (Rein, 1976: 266–7).

WHAT ARE THE IMPLICATIONS OF GOVERNANCE FOR REPRESENTATIVE DEMOCRACY?

It is a commonplace observation in the social sciences that there is a democratic deficit in the multi-form maze of the new governance. Hirst (1990: 2) comments that representative democracy delivers 'low levels of governmental accountability and public influence on decision making'. He notes that 'big government is now so big' that it defeats effective co-ordination by the centre and grows 'undirected' and by 'accretion' (pp. 31–2). Recent changes in British government have led to a chorus of complaint about the loss of democratic accountability whether through the emasculation of local authorities, the erosion of ministerial accountability by agencies, or the growth of non-elected, special-purpose bodies and patronage appointments. Rhodes (1988: 402–6) notes that the networks of sub-national actors were subject to 'otiose and ineffective mechanisms of accountability' and concludes that accountability can no longer be specific to an organiza-

tion but must fit the policy and its network. But networks are an example of private government. All governments confront a vast array of interests. Aggregation of those interests is a fact of everyday life. Policy networks focus on the oligopoly of the political market-place; that is, on how they limit participation in the policy process; define the roles of actors; decide which issues will be included and excluded from the policy agenda through the rules of the game; shape the behaviour of actors; privilege certain interests not only by according them access but also by favouring their preferred policy outcomes; and substitute private government for public accountability. So, accountability disappears in the interstices of the webs of institutions

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Box 2. Eating out with Yorkshire Regional Health Authority

It is best to begin at the beginning and with a culinary story that is with the hors d'oeuvres. Based on a sample of hotels and restaurants for 1992/93 and 1993/94, the Committee of Public Accounts (1997) reports that Yorkshire Regional Health Authority paid invoices totalling £694,909. To give the full 'flavour', the Devonshire Arms is one of the better hotels in the Yorkshire region and each event cost between £4,000 and £6,000. The invoices for the Old Swan Hotel included 'Super Sleuth' events at £10,000 each.

The Committee of Public Accounts (1997) expressed 'concern' about a further eight instances of 'unacceptable' behaviour which they noted 'with surprise' and 'serious concern', including on one occasion, an 'appalled'. They also consider the remedial action 'deeply unsatisfactory'. What further transgressions moved the Committee to use such uncharacteristically strong language? I provide several examples from the report.

Relocation and Severance Payments
The Authority made 'irregular payments' of relocation expenses totalling £447,847 to senior managers and medical consultants. In two cases severance payments were made without the necessary approval.

Scotton Banks land disposal
The sale and development of the Scotton Banks hospital site in 1989 was mishandled, raising an estimated £4 million of which only £1.5 million had been received (September 1994) when it should have raised some £7.6 million.

Agreement with Yorkshire Water for clinical waste incineration
The Authority let a contract, worth £7.2 million of capital and £2 million a year in revenue, without competition. It was *for fifteen years*. The Authority did not get NHS Executive approval.

Potential conflicts of interest
The Personnel Director awarded contracts to the value of £43,000 to a company owned by her husband without declaring her interest. She would fulfil one of these contracts after her retirement from the Authority. She negotiated a new contract for herself three days before the demise of the Authority. The Committee concluded 'her actions seemed to have been intended to maximise her own reward'.

Adequacy of remedial action
One manager was given a 'severe reprimand'. Because the Authority no longer existed, the NHS Executive concluded that neither it nor the current employing Authority could take legal or disciplinary actions against any of the individuals involved. The Committee thought it 'deeply unsatisfactory that so little of the money improperly paid ... had been recovered'.

which make up governance, as the behaviour of Yorkshire Regional Health Authority makes clear (see Box 2).

The usual analysis of policy networks sees institutions exercising a major influence on individual actions. It treats functional domains and policy networks as objective social facts from which we can read-off the ideas and actions of individuals. An anti-foundational account of networks makes no such assumptions. It would focus on the social construction of policy networks through the capacity of individuals to create meaning.

Bang and Sørensen's (1998) story of the 'Everyday Maker' provides an instructive example of an anti-foundational account of governance as networks focused on the beliefs and actions of individuals. They interviewed twenty-five active citizens in the Nørrebro district of Copenhagen to see how they engaged with government. They argue there is a long tradition of networking in Denmark. They argue Denmark has recently experienced the conflicting trends of political decentralization through governmental fragmentation which has further blurred the boundaries between public, private and voluntary sectors; and political internationalization which has moved decision-making to the EU (p. 11). They described this shift from

Government to 'governance networks' as ideal typical and suggest the governance of Denmark is a paradoxical mixture of Government (hierarchy) and governance (networks).

In this context, the 'Everyday Maker' focuses on immediate and concrete policy problems at the lowest possible level and civic engagement is about:

balancing relations of autonomy and dependence between elites and lay-actors in recursive, institutional networks of governance within or without the state or civil society. (p. 3)

The 'Everyday Maker' has:

a strong self-relying and capable individuality; a perception of politics as the concrete and direct handling of differences, diversity and dispute in everyday life; a notion of commonality as relating to solving common concerns; an acceptance of certain democratic values and procedures in handling not only of high but also of low politics'. (p. 3)

Thus, Grethe (a grassroots activist) reflects that she has acquired the competence to act out various roles: contractor, board member, leader. There has been an 'explosion' of 'issue networks, policy communities, ad hoc policy projects, and user boards, including actors from "within", "without", "above", and "below" government'. So the task of the 'Everyday Maker' is 'to enter in and do work at one point of entry or another' (p. 15). Political activity has shifted from 'formal organizing to more informal networking' (p. 20). And amidst these networks 'You do in fact miss local government—a visible local government. They become visible at once when there are hullabaloos ... in ordinary everyday life, they are conspicuous by their absence' (p. 21). Politics is no longer about left and right but engaging in what is going on in institutions (p. 23).

Bang and Sørensen (1998: 24–6) then describe the ideal typical forms of civic engagement. The Everyday maker espouses the following political maxims:

• Do it yourself.
• Do it where you are.
• Do it for fun but also because you find it necessary.
• Do it ad hoc or part time.
• Think concretely rather than ideologically.
• Show responsibility for and trust in yourself.
• Show responsibility for and trust in others.
• Look at expertise as an other rather than as an enemy.

There are some instructive contrasts between Band and Sørensen and an anti-foundational approach. First, they employ an ideal–typical research method, specifying not only the characteristics of the 'Everyday Maker' but also the maxims which guide their political behaviour. Specific instances are then compared to these ideal-typical formulations. An anti-foundational account would not assume the 'Everyday Maker' had these characteristics.

Second, the 'Everyday Maker' is a normative ideal. Her behaviour epitomizes civic engagement in Denmark. A note of caution is in order. The 'Everyday Maker' may be an endangered species. Jensen (1998) shows how the democratic experiment in Danish social housing is confounded by the fatalism of tenants and the lack of suitable democratic skills. Normative ideals could lead the researcher to ignore the fatalist for whom networks will have a different meaning.

Third, Bang and Sørensen's account of networks focuses on the beliefs and actions of only one group of actors and does not provide a 'thick description' (Geertz, 1973: ch. 1). An anti-foundational account implies a micro-analysis but does not imply necessarily a bottom-up approach. The analysis is not restricted to any one category of actor. So, to the 'Everyday Maker', we need to add: the street-level bureaucrats, who can make and remake policy; services users, whose experiences can differ markedly from the expectations of the service provider; and the beliefs and actions of the political and managerial elite who seek to steer other actors in the network.

Finally, there are significant constraints on access to and communication in networks. If you increase the number of participants, you lose advantages of closure; of simplifying the interests that must be aggregated and accommodated. Elite actors may be reluctant to forgo the privileges and advantages of closure. There are important limits to the new role of citizen as user: for example governments still restrict access to information and there are clear limits to the knowledge of citizens.

However, Bang and Sørensen provide a concrete illustration, with excellent quotes from their interviewees, of how citizens can engage with policy networks and change them from closed to open government.

Is the Failure of Governance Inevitable?

It is a long-standing theme of the social science literature that markets and hierarchies have their limits. Networks are seen as the solution to such problems. There is a growing recognition that they too have marked prob-

lens. So, no governing structure works for all services in all conditions. The issue, therefore, is not the superiority of markets and hierarchy over networks but managing networks in the conditions under which they work best. Networks work where the following factors combine:[3]

- Actors need reliable, 'thicker' information.
- Quality cannot be specified or is difficult to define and measure.
- Commodities are difficult to price.
- Professional discretion and expertise are core values.
- Flexibility to meet localised, varied service demands is needed.
- Cross-sector, multi-agency co-operation and production is required.
- Such co-operation confronts disparate organizational cultures.
- Actors perceive the value of co-operative strategies.
- Long-term relationships are needed to reduce uncertainty.
- Monitoring and evaluation incur high political and administrative costs.
- Implementation involves haggling.

Equally networks, like all other resource allocation mechanisms, are not cost free. They are:

- closed to outsiders and unrepresentative;
- unaccountable for their actions;
- serve private interests, not the public interest (at both local and national levels of government);
- difficult to steer;
- inefficient because co-operation causes delay;
- immobilized by conflicts of interest;
- difficult to combine with other governing structures.

Also, network negotiation and co-ordination can be confounded by the political context in which they are embedded. Rapid rates of change, endemic social conflicts and short-term political, especially party political, interests can all undermine negotiations and the search for an agreed course of action.

One clear effect of marketization is that it undermines the effectiveness of the networks it spreads. The government promoted competition and

³ On the conditions under which networks thrive, see: Ferlie and Pettigrew 1996: 96–7; Flynn et al., 1996: 139–41; Kramer and Tyler, 1996: chs. 4 and 16; Larson, 1992: 98; Lowndes and Skelcher, 1998; Powell, 1991: 268–74; Rhodes, 1997a: ch. 3; Thompson, 1993: 54–60; and Wistow et al., 1994.

contracting-out. The result was to 'corrode . . . common values and commitments' and 'to create an atmosphere of mistrust' (Flynn *et al*, 1996: 115). Market relations had 'corrosive effects' on 'professional networks which depend on co-operation reciprocity and interdependence' (pp. 136–7; see also Lowndes and Skelcher 1998: 24). In short, contracts undermine trust, reciprocity, informality and co-operation (see Box 3). Competition and co-operation mix like oil and water! It is the mix of governing structures that matters. Governments confront not only a choice of strategies for managing networks but also a choice between governing structures. As Lowndes and Skelcher (1998: 24) argue this choice can vary during the life cycle of a policy programme; competition and co-operation co-exist. Similarly, Flynn *et al.* (1996) show that community health services

Box 3. The ethics of competition

The Yorkshire Regional Health Authority General Manager defended his actions claiming he brought a more commercial attitude and a willingness to embrace risk to health services management. He embraced 'the rhetoric of the day (in summary the ministerial encouragement to break away from the bureaucratic stranglehold).' The point is of sufficient importance to warrant a lengthy quote from the former chief executive of Yorkshire RHA, Keith McLean.

The culture of the day in the NHS should be recognised as a real factor. In the 1988–93 period, senior managers were encouraged from the highest levels to focus on the achievement of nationally desired results. The service was in the throes of radical structural change with the introduction of a market approach and . . . it felt to me and perhaps others that the regulatory framework of the pre-reform era was relaxed to give local managers the space to achieve change quickly through the exercise of managerial discretion. The advent of the Chief Executive . . . was a signal of the changing culture. Several of the regulations which are said to have been transgressed in Yorkshire have since been modified in the direction of greater flexibility . . . and the coming changes were, inevitably, 'in the air' before they actually came about. (Committee of Public Accounts 1997: 40 [emphasis added])

Mr McLean accepted that he embraced 'the culture of the day too enthusiastically and uncritically in pursuit of successful outcomes' but insisted that his decisions must be placed in the broader context. They should, and that context is the erosion of public service ethics by corporate management and marketization.

involve hierarchy (instructions from the government), markets (contracting), and networks (GP fundholders and primary health care).

Finally, this catalogue of qualifications and defects does not lead to the conclusion that networks are an unworkable alternative. It is important to remember the underlying theme of the social science literature is that *all* governing structures fail. It also identifies the advantages of networks. First, markets and hierarchies also fail. Networks work in conditions where other governing structures do not. The list of conditions above are conditions under which markets fail; for example, where it is difficult to specify the price of a good or service! Second, networks bring together policy makers and the implementing agencies, and by so doing increase the available expertise and information. Third, networks bring together many actors to negotiate about a policy, increasing the acceptability of that policy and improving the likelihood of compliance. Fourth, networks increase the resources available for policy making by drawing together the public, private and voluntary sectors. Finally, Dunsire (1993: 26) points out that 'Government could never govern if the people—in their organizations, their families, their groupings of all kinds—were not self-governing'. Networks are a point of convergence for exercising that self-governing ability.

And this last point reintroduces the anti-foundational theme running through the questions; namely, whose story of network failure within which tradition are we seeking to understand? There are three assumptions running through the above discussion. The first assumption is that the researcher's task is to identify the unintended consequences of government action. Thus, the list of conditions answers the researcher's question of when networks fail. The second assumption is that governance failure takes government intentions as its measuring rod. The aim is to improve the chances of success of government policy. Street-level bureaucrats and citizens can undermine policies with which they disagree. From their standpoint, policy failure is a success! There is no one, given yardstick for measuring the success or failure of a policy. The third assumption is that the three governing structures are ideal types. An anti-foundational perspective seeks to avoid hypostatizing social structures and to ground them in the beliefs and actions of individuals. Just as a network is socially constructed and enacted by its members, so are markets and hierarchies. Governance failure is itself a constructed category.

CONCLUSIONS

As I discussed my seven questions about governance, I contrasted the social science and anti-foundational approaches. This conclusion summarizes the advantages of focusing on governance and the outstanding issues from the social science perspective. It then outlines what an anti-foundational approach can add to our understanding.

As a narrative of British government, governance has two advantages. First, it identifies and focuses on key changes in government; for example, the failures of marketization and the unintended consequences of differentiation. Second, it poses distinctive, new questions about government; for example, about reshaping the state and the pluralization of policy making. It is a necessary corrective, therefore, to traditional narratives; an exercise in 'edification'—a way of finding 'new, better, more interesting, more fruitful ways of speaking' about British government (Rorty, 1980: 360).

The governance approach tells a distinctive story, but it also leaves some important issues unresolved. Although it argues there has been a loss of central capability, there are countervailing trends to the hollow crown, captured by the phrase 'more control over less'. Although there are equivalent trends in other advanced industrial democracies, we know little or nothing about how national governmental traditions shape responses to these trends. We can identify the different approaches to network management but all these tools of central steering encounter problems. Although there is a large democratic deficit in governance, we know little about the prospects for democratizing functional domains. We know that network governance fails, but not how to compensate for such failures. Marketization undermines trust, co-operation and reciprocity in networks. Organizational complexity obscures accountability. The search for co-operation impedes efficient service delivery. As Stoker (Ch. 5) notes, all we can tell the practitioner is to 'keep on "muddling through" . . . in an appropriately thoughtful and reflexive manner'. Perri 6 (1997: 70) accuses this analysis of fatalism:

the best that can be hoped for is a constant and shifting process of negotiations, bargaining games and mutual adjustment across networks of organizations without overarching objectives.

He is insufficiently cautious about the provisional nature of knowledge in the social sciences and his optimism for the latest managerial fashion is almost certainly misplaced. But his 'tool' view of governance, with its stress

as choosing between and managing resource allocation structures, is widespread. Its prominence is clear from the large and growing literature on how to manage networks. The research frontier for the study of governance cannot be drawn so tightly. In no way do I wish to suggest that learning how to steer networks is unimportant. But it is not the only or even the most important question. The technical or administrative engineering orientation of Public Administration has always been strong. Governance is not just about corporate management and marketization but also the changing nature of government and how to understand such changes. The anti-foundational approach suggests several ways of broadening the research agenda to encompass these topics.

The key question posed by an anti-foundational approach is 'whose story within which tradition'. Its distinctive approach is to answer this question by constructing narratives. It is an exercise in the political ethnography of networks which: studies individual behaviour in everyday contexts; gathers data from many sources; adopts an 'unstructured' approach (that is, 'data is collected in a raw form' not to a preconceived plan); focuses on one group or locale; and, in analysing the data, stresses the 'interpretation of the meanings and functions of human action' (paraphrased from Hammersley, 1991: 1–2; see also Geertz, 1973: 20–1). The reference to 'everyday contexts' implies micro-analysis but not a bottom-up approach. Thus, following Bulpitt (1983) we can explore the operational code, or rules of statecraft, of central political elites. The key aims of statecraft are to achieve governing competence and to preserve the centre's autonomy in 'High Politics' (for example, foreign, defence, and trade policy, although increasingly the term also covers macro-economic policy). The approach invites the historical analysis of the beliefs and actions of elite actors. Equally, the example of the 'Everyday Maker' shows the importance of a 'bottom-up' approach. We know street-level bureaucrats can make and remake policy. We know users' experience of services can differ markedly from the expectations of the service provider. And yet, after over a decade of public sector reforms, there is no study of the beliefs and actions of employees (or even middle level managers) in response to these (allegedly) dramatic changes. The political ethnography of networks invites us to build a multifaceted picture of how the several actors understood the changes labelled here 'governance'.

There is no expectation there will be the one 'true' account. Rather, there will be conflicting but overlapping stories built out of the several organizational, network, and political traditions actors have learnt and

constructed. Individuals as bearers of traditions enact and remake structures in their everyday lives. So, governing structures can only be understood through the beliefs and actions of individuals. Traditions are passed on from person to person. They are learnt. Much will be taken for granted as common sense. Some will be challenged; for example, when beliefs collide and have to be changed or reconciled. The several traditions will produce different stories which we will compare. We may prefer one story to another because it is more accurate and open. But that story will still be provisional.

So, when the analysis of governance is allied to a anti-foundational epistemology, it challenges conventional ways of explaining networks. A political ethnography of networks will focus on the question of 'whose interpretation of governance in which tradition'. If the social science approach identifies important changes and raises new questions, the anti-foundational approach provides distinctive answers by using narratives and focusing on individual beliefs and actions.

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5

Urban Political Science and the Challenge of Urban Governance

GERRY STOKER

The study of urban politics has been prone to some of the same cycles and trends as the wider field of political science (Stoker, 1998a). Fifty years ago—as in political science in general—the focus was on institutions. Urban politics was the study of city government: its legal competences and structure and its core actors—mayors, councillors, bureaucrats. The literature was often descriptive and generally concerned with examining semi-constitutional questions and administrative doctrines about the appropriateness of local autonomy or how best politicians could hold bureaucrats to account without undermining the distinctive contribution of each. This relatively quiet backwater was given a radical shake-up by the arrival of behavioural political science with its focus on 'how things are rather than how they should be' and its new commitment to empirical analysis. The most prominent expression of the revolution was the emergence of a community power debate and associated competing elitist and pluralist interpretations. These studies and more broadly the behavioural style of analysis became the cutting-edge of the sub-discipline of urban politics in the 1960s.

In the 1970s, however, something happened to urban political science that set it on a rather different path to much of mainstream political science. It got Marxism or rather Marxism got it. The crucial impact of Marxism is that it orientated urban political science away from institutional analysis and steered it towards a concern with external social and economic influences and the distributional impact of policy (Pickvance, 1995). The study of urban politics became situated in the context of capital accumulation and the social conflicts endemic to market societies. This shift in focus in many respects 'made sense' in the light of the considerable observable social conflicts in cities and the substantial processes of disloca-tion and change associated with the late urbanisation of some capitalist