14 The policy process in the age of governance

SYNOPSIS

Whilst throughout the book attention has been given to arguments that the policy process in the modern world needs to be seen as having a complexity to which the label 'governance' rather than 'government' should be attached, this has not been examined in any detail. This chapter starts by exploring that argument a little more and then proceeds to look at the two main manifestations of the alleged change: inter-organisational complexity within the nation state and changing relationships between states which impact upon internal policy processes. The former phenomenon involves both complex vertical and hori-zontal relationships between institutions and the formation of networks (none of these by any means new phenomena, but probably now more important). The latter ranges across various issues: the impact of global institutions, the development of groupings of nations like the European Union and the sharing of common problems.

Much of the literature on governance goes on from the examination of these developments to the exploration of the changing relationship between state and society and the issues that this poses for representative democracy. A final section in the chapter identifies some of these points and indicates their importance for the discussion of accountability in the next chapter.

Introduction

When a new term is brought into use to replace a long familiar one it is always desirable to be sceptical about whether it is really necessary. This is certainly the case in respect of the development of the use of the term 'governance' to encompass the policy-making process instead of government. It is not helpful that those who write about governance either supply multiple alternative usages (see for example Kooiman, 1999, who identifies 10 different meanings
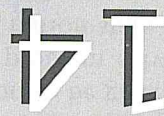
of the term) or suggest, when engaged in such a labelling exercise, 'it has too many meanings to be useful' (Rhodes, 1997).

Central to the analyses of those who argue for attention to be given to governance is evidence of complexity, making political problem solving through forms of representative government in a unitary nation state difficult if not impossible. It is hoped that it is not necessary to emphasise that complexity at this stage in a book in which there has been a stress on understanding the importance of power in society, the simplistic use of the stages model of the policy process has been challenged and a variety of ideas have been advanced to help to unpack agenda setting, policy formulation and implementation.

This chapter will not engage in any precise way with the rather diffuse debate about what governance actually means but rather focus on the characteristics of the policy process in the modern world which are seen as requiring governance, and making older ways of exploring government inapplicable. Dryzek and Dunleavy put the issue like this:

> Does governance involve dissolution of the state itself? Certainly it entails the further blurring of the boundaries between state, economy and civil society (though those boundaries have never been completely clear cut). (Dryzek and Dunleavy, 2009, p. 149)

A central issue here is thus about whether there is a need to recognise problems about those explanations of the policy process which work with simple, government oriented, hierarchical models of the policy process. Most discussions of governance indicate that the change away from this should not be exaggerated. Pierre and Peters, for example, argue:

> We believe that the role of the state is not decreasing . . . but rather that its role is transforming, from a role based in constitutional powers towards a role based in coordination and fusion of public and private resources . . .
> Furthermore, the ongoing globalisation challenges the traditional model of the state but is not necessarily a threat to the state as such. (Pierre and Peters, 2000, p. 25)

Hence three questions may be identified. The first is whether there are transformations occurring in the overall relationship between state and society. The second is about the extent to which the policy process within the modern state involves complex interactions between many organisations – state and non-state – making the policy-making process very much an inter-organisational process. The third is about processes occurring in the relationship between the nation state and other states or indeed the rest of the world (where the shorthand term 'globalisation' is often used), which add to and perhaps make more complex the internal government process. The discussion in this chapter will be primarily about the issues raised in the second and third points here. It will come back to the very general first point at the end.

One of the main contributions from Pressman and Wildavsky's influential analysis of implementation was shown to be the argument that the number of links in an implementation chain can be shown, logically, to have an impact on the effectiveness of a policy transmission process (see Chapter 11). The starting point for this argument is a version of the old children's game in which a message is whispered from one end of a line to the other. Inaccuracies arise in transmission and new constructions are fabricated to try to retain the sense of the message. But of course, in the implementation process (as was noted in Chapter 11) this is not just a matter of communication. The chain or transmission line is very often too great a simplification of the inter-organisational arrangements. Some of the links in the chain may be more complex. Imagine a complication to the children's game in which at various points in the chain two or more children had to listen to the message and then decide what its content was before passing it on. But then again, recognise that we are talking about more than mere communication when we explore inter-organisational communication in the real world; hence making sense will be influenced by roles and interests. This implies (sticking with the children's game analogy) negotiation about what they would like the message to be! There are differences of roles and interests along the 'line', and negotiations between parties. At the same time there are institutional links which may contribute to minimising dissent, or indeed in some circumstances to increasing it. In short, a pervasive feature of modern governance is that implementation, and indeed all aspects of the policy process, very often involves interaction within inter-organisational systems where there are multiple actors and multiple interests.

Some efforts to solve inter-organisational collaboration problems involve integration, so that the coordination issues are contained within single organisations. Since this often involves the creation of organisations that are large and complex, it may be argued that internalising the issues makes little difference: inter-organisational problems are merely turned into intra-organisational ones. Furthermore, since collaboration issues are ubiquitous, any specific integrated arrangements may leave some coordination problems unresolved.

Many writers have sought to offer advice to governments on the best ways to achieve service delivery integration. Alongside the questions about where the organisational boundaries should be drawn, there are many prescriptions for inter-organisational collaboration. O'Toole summed up the problems about making policy recommendations on these issues in an article published in 1986, but the situation has not changed since then. He noted:

> The field is complex, without much cumulation or convergence. Few well-developed recommendations have been put forward by researchers, and a number of proposals are contradictory. Almost no evidence or analysis of utilization in this field has been produced. (O'Toole, 1986, p. 181)

O'Toole goes on to attribute the lack of progress to (a) 'normative disagreement' and (b) 'the state of the field's empirical theory'.

It is appropriate to talk about inter-organisational links that are both horizontal and vertical. This is the obvious way to talk about this subject, as shown in Figure 14.1. This figure assumes a national organisation passing policy recommendations through two regional ones to local ones. The chart shows hierarchical links. However, the development of policy may require horizontal links. For example, even if the organisations at each level are all-embracing, multi-purpose ones, there may be activities for which collaboration is essential. A simple example of this would be the management of a river which passes through both regions and all four local areas.

In the real world of public policy the range of possible permutations on this simple design is considerable. There may be any one of the following, singly or in combination:

- many more organisations;
- organisations with overlapping jurisdictions;
- differences of function between organisations (health/social care/education, etc.);
- organisations with cross-cutting authority relationships (local organisations required to cooperate at the local level but accountable to different national organisations).

In an earlier edition of this book these complexities were illustrated by a diagram of the English education and training system (from Ainley, 2001, p. 220). The trouble was that the picture provided was out of date before it was published, such has been the continuing evolution of efforts to shape institutional arrangements in that policy area. Furthermore it needs to be borne in mind that no diagram can do justice to the fact that the links in such a chart vary in strength and importance. Indeed it is probable that a chart of that kind published by an official body will be influenced by a view of what should or should not be emphasised.

A chart like Figure 14.1, derived as it is from a computer package designed to help people draw organisational charts, embodies assumptions about

Figure 14.1   A simple organisation chart
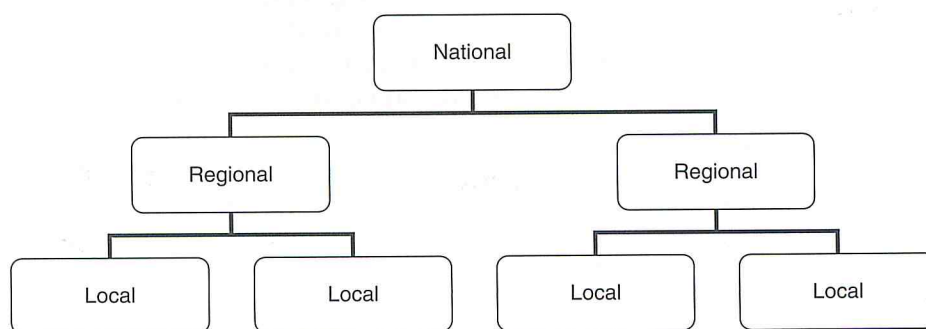
hierarchy. Power equalities are normally implied along the horizontal dimension but not along the vertical one. The vertical dimension is normally used to convey the notion of hierarchy. In the complex world of modern governance there is a danger of falling too easily into assumptions about the existence of hierarchy. There may be various respects in which the bodies at either regional or local level in that diagram claim autonomy from central control. Conversely, whilst the bodies at the same level may be notional 'equals' there may be power inequalities. Hence even in the simple example given above of control over a river, one local authority may be a large and rich one that is reluctant to modify its policies to satisfy the demands of smaller and poorer ones.

The vertical dimension

Clearly, analysis of the vertical dimension owes a great deal to the contribution of Pressman and Wildavsky, noted above, with their subtitle highlighting the 'distance' between Washington and Oakland and emphasising the links in the implementation chain. This is a theme that has been taken up in several important American contributions to the study of implementation. In their joint book *Implementation Theory and Practice: Toward a Third Generation* (1990), Goggin, Bowman, Lester and O'Toole set out what they call a '*communications model*' for the analysis of implementation which has a very strong emphasis upon what affects the acceptance or rejection of messages between layers of government. They set out a large number of hypotheses in which 'inducements and constraints' between federal and state level and between the latter and the local level figure prominently.

Stoker (1991) identifies as a crucial flaw in the American top-down literature, the extent to which it is concerned with failures to exert federal authority in a system of government that was designed to limit that authority (see also Ferman, 1990, on this theme). Stoker therefore contrasts two alternative approaches to the solution of implementation problems, and, taking his lead from Lindblom (1977), he labels these approaches 'authority' and 'exchange'. The authority approach involves suggesting ways to simplify or circumvent the barriers to compliance. The exchange approach requires the achievement of cooperation. There are problems with the exchange approach, however, since this takes us back into questions about how to distinguish policy formulation and implementation in situations in which both (or all) of the partners in the exchange relationship have the right or power to create policy. This leads him to formulate a third alternative in which there is a 'governance' role to manipulate the conditions of the implementation process to encourage co-operative responses to conflicts of interest' (Stoker, 1991, p. 50). This is an activity in which 'reluctant partners' are induced to collaborate. In this sense Stoker takes up an argument from Stone (1989) that it is important to give attention to 'power to', accomplish collective goals as opposed to 'power over'

recalcitrant others. This leads him on to an exploration of the extent to which different 'implementation regimes' can arise, or be created. Here Stoker uses game theory, drawing particularly upon scholars who have developed this to explore relationships between nations (Axelrod, 1984; Axelrod and Keohane, 1985; Oye, 1985). What is important for Stoker is the extent to which games are repeated, and occur in contexts in which there is a 'history of interaction between participants' and 'the expectation of future interaction' (Stoker, 1991, p. 74).

Cline (2000) contrasts the theoretical contribution from Goggin and his associates with that from Stoker. Exaggerating their emphases a little, he characterises the former as seeing action as involving solving communication problems between agencies, while the latter is seen as about collaboration problems. In the first case the issue is about how to get the 'messages' right, in the second it is about the management of a bargaining process. It is clearly both.

The literature from the United States varies in the extent to which the federal nature of that state is emphasised. Later this chapter will return to issues like these which arise in respect of supra-national systems (exploring amongst other things the arguments about the extent to which the European Union may be seen to be an embryonic federal system). Lane and Ersson (2000), when trying to identify a classification of states in terms of whether they are federal or not, note that while power sharing between layers of government is seen to be a key identifying characteristic of a federation, it also occurs outside federations. Hence 'one cannot simply equate federalism with a decentralized state structure, because unitary states could also harbour considerable decentralization' (p. 87). Geographical decentralisation may be seen as a continuum running from strong federalism through weak federalism, to countries where local governments have clearly entrenched autonomy, to those where it is very much weaker. In applying this to the UK today it is pertinent to suggest that devolution of power to Scotland, Wales and Northern Ireland involves a partial federalism (or, taking a predictive stance inasmuch as the first steps soon led to further ones, it may be more appropriate to speak of embryonic federalism?).

It is also relevant to raise questions about the extent to which, even in apparently unitary systems, local governments are to some degree autonomous originators of policy. Some efforts have been made to distinguish local government systems in different countries, exploring issues about levels of autonomy (see, for example, John, 2001; Page and Goldsmith, 1987). But the issues here are very complex, and are becoming more so as new forms of governance are developed which blur hierarchical lines and bring new actors from 'civil society' into the policy process.

Many observers of British central/local government relations have observed reductions in local autonomy, charting the increasing distrust of local government by the centre across the period of Conservative rule between 1979 and 1997 (see, for example, Lansley *et al.*, 1989). The election of a Labour government might have been expected to make a difference, yet in many respects controls over local government since 1997 have tended to

increase. Newman explores this theme, drawing attention to the conflicts in policy between strong central commitments and a belief in the case for decentralisation. But this is made more complicated by a desire to bring new participants and new forms of participation into the policy process. Hence she notes that 'many of the policy changes being introduced speak "over the heads" of local governments direct to neighbourhoods and communities' (Newman, 2001, p. 78). Box 14.1 provides an illustration of this point.

The example of the school system given in Box 14.2 highlights a further complication. When looking at potential autonomies in the policy process there are other organisational layers that need to be taken into account below local governments. There may be delegation of autonomies to schools and hospitals, for example. And 'below' that we are perforce into some of the questions about discretionary powers amongst street-level staff.

As an approach to this problem which does not altogether solve it, but which may help with its analysis, Peter Hupe and the present author have drawn a distinction between 'layers' in the administrative system and 'levels' within policy-making activities. We refer to layers as 'separate co-governments exercising authority, with a certain territorial competence and a relative autonomy' (Hill and Hupe, 2003, p. 479). But then there are levels in the policy-making systems. These were discussed on p. 160 with reference to the work of Kiser and Ostrom as 'constitutional', 'collective choice' and 'operational' levels. The notion here is that policy processes involve nesting decisions which set quasi-institutional contexts for each other. The confusion that we want to avoid by highlighting the *layers/levels* distinction is that these should not be expected to be the same. Hence whilst in some situations it will be true that responsibility for policy structuration is delegated through a sequence of layers – nation state governments setting the main

---

Developments in the governance of education in England

Bache (2003) shows how since 1997 UK central government has enhanced its control over education, suggesting that the shift from government to governance in this case involves strengthening schools and bringing new actors (including private companies) into education policy in such a way that local authorities have been weakened. Of importance here are three things:

■ first, central government have modified the complex formulae governing the funding of education in ways which force increasing proportions of the money going to local government to be passed on in predetermined ways to schools;

■ second, new types of publicly funded schools have been developed with higher levels of autonomy;

■ third, there is scrutiny of the performance of local authorities as managers of the school system, which includes powers – which have been used – to take functions away from them.

Box 14.2	A taxonomy of types of relationship

Category of relationship	Type of relationship between entities	Definition
Coordination	Taking into account	Strategy development considers the impact of/on others
	Dialogue Joint	Exchange of information
	planning	Temporary joint planning or joint working
Integration	Joint working	Temporary collaboration
	Joint venture	Long-term joint planning and joint working on major project core to the mission of at least one participating entity
	Satellite	Separate entity, jointly owned, created to serve as integrative mechanism
Increasing closeness and mutual involvement (but not necessarily greater efficacy or collective action)	Strategic alliance	Long-term joint planning and working on issues core to the mission of at least one participating entity
	Union	Formal administrative unification, maintaining some distinct identities
	Merger	Fusion to create a new structure with a single new identity

Source: 6, P. (2004), p. 108. By permission of Oxford University Press.

policy parameters, regional governments designing organisational arrangements and local governments dealing with policy delivery – it is fallacious to expect this neat equation to apply as a matter of course. Rather, the dynamic of relations between layers in many systems involves a succession of struggles for control over action running up and down Kiser and Ostrom's levels.

Some of the most interesting research on the issues about relationships between layers in the policy process has been done by Peter May on environment policy, in which the nature of the 'mandates' between layers of government are explored. May carried out a range of work comparing local government responses in the United States (1993), but then he extended his work to Australia and New Zealand (1995). May and Burby (1996) compared inter-governmental policy mandates designed to prevent environmental hazards in Florida (USA) and New South Wales (Australia). The Florida mandate involved detailed prescriptions for local planning and regulation and imposed severe sanctions on governments that disregarded the law. The New South Wales mandate used what May and Burby describe as a cooperative approach, requiring local governments to engage in a planning process and offering inducements, including promises of future funding, to encourage them to do so.

May and Burby found that the approach adopted in Florida had several advantages, it:

proved to be much more successful in securing the compliance of local governments with procedural requirements . . . [and] it seems to have an edge – at least in the short run – in building commitment of elected officials to state policy objectives.

But they go on to argue that:

The scorecard . . . is not uniformly in favor of coercive intergovernmental mandates. The cooperative policy as implemented in New South Wales had the advantage of securing strong substantive compliance once different risk levels and other factors were taken into account. Stated differently, amongst the more committed and higher risk jurisdictions, the cooperative policy is at least as effective in motivating local actions in support of state policy goals. Moreover, among those complying with the prescribed processes, the quality of substantive compliance appears to be higher under cooperative policies. (May and Burby, 1996, pp. 193–4)

This sort of approach starts to tease out some of the complexities in the processes under which authorities relate to each other in a loose superordinate system. There are some intriguing unanswered questions with this research, about the extent to which there is in play here also unmeasured institutional or cultural differences between the countries. In another article produced at around the same time May reflected on the translatability of Australian and New Zealand systems of intergovernmental cooperation to the United States:

These settings share many commonalities with the United States in terms of government roles, assignment of property rights, and other factors governing land use and environmental management. However, the American system is exceptional for its procedural and legal complexity with respect to intergovernmental regulatory programs. Breaking through these complexities and associated adversarial climate would seem to be additional challenges for success. (May, 1995, p. 113)

This exploration of the cooperation/coercion dimension is interesting since questions about the nature of central/local government relationships have been widely explored in these terms.

The policy communities literature (see Chapter 3) is also relevant here, in analysing if not in explaining some of these relationships. Clearly, when disparate actors are linked together on some relatively continuous basis this may affect the likelihood of cooperation. As far as central local relationships are concerned, where there are organisations to represent local governments in their negotiations with central government they may contribute to policy coordination (Blom-Hansen, 1999; Rhodes, 1981). This point is clearly also pertinent to the issues about horizontal collaboration discussed in the next section.

Adding the horizontal dimension

Recognising the importance of collaboration between organisations, governments have been prone to argue the case for greater cooperation and tried to set up devices to facilitate joint planning. Theorists have sought to assist this task, in the process generating some very complex attempts to model the factors that affect inter-organisational collaboration. This discussion will identify some of the key themes in this literature.

It is important to recognise that collaborative relationships run along a continuum from very detached interactions to arrangements that come close to integration. As noted above, collaboration issues occur within organisations as well as between them. Choices about organisational arrangements for policy processes need to consider what 'boundaries' there are, and what effects they have.

There is, then, a second set of issues about what collaboration may entail. Drawing upon the work of Thompson (1967), Perri 6 (2004) has suggested the taxonomy of relationships set out in Box 14.2. But he goes on to supplement these with another approach to classification that distinguishes collaboration over policy formulation, programme coordination, integration of service relationships and integration of services to individual clients (ibid., Table 3, p. 109). These distinctions remind us of two key points: (1) the danger of letting stagist thinking get in the way of understanding the complexities of intra-organisational relationships, and (2) the extent to which this subject is complicated (as analysed in relation to vertical collaboration in the last section) by issues about autonomies.

Organisation theories which focus upon the internal concerns of organisations naturally suggest that these will inhibit collaboration with others. The focus is then upon situations in which 'exchanges' are likely to be in the interest of organisations (Levine and White, 1961; for a wider discussion see Hudson, 1987). It is possible to postulate a variety of situations in which exchanges will be seen to be of mutual benefit to separate organisations. Conversely, situations can be identified in which suggested exchanges will be rejected as offering no mutual benefit or as benefiting one party and not the other. Policy systems may be set up to try to increase incentives to engage in exchange relationships.

Very many organisational activities intrinsically involve relationships with others, including other organisations. Often even key public organisations are weak and need to engage with others to perform tasks. While the UK has remarkably large local authorities, in countries such as the Netherlands and France there are many small authorities (particularly outside the main towns) that need to work with other local governments or with private organisations to secure quite basic services. Without exchanges many such organisations will fail. In this sense narrow internal concerns are likely to be self-defeating.

Theory on this topic tends to have been developed in relation to manufacturing firms, which need exchange relationships to provide inputs of

raw materials, etc. and to secure the successful sale of outputs, or produced goods. Economic 'market' theory deals with these relationships, with price systems governing the relevant exchanges. Organisational theorists have inevitably explored the extent to which organisational exchanges in non-market situations can be seen to involve activities in which, even if money transactions are not concerned, there can be seen to be a kind of 'trading' (of power, prestige, etc.).

In the exploration of market exchanges it has been recognised that one of the problems faced by emergent capitalist enterprises was control over the input and output relationships discussed above. In, for example, the emergent oil industry in the United States in the late nineteenth century, any company engaged in refining faced problems from the instabilities associated with erratic crude oil extraction on the one side and from difficulties in organising distribution on the other. The result was efforts to integrate and extend control in both directions. The classic success story in this respect was Rockefeller's Standard Oil Company. Indeed, it was such a success that the US government was pressured into breaking it up, in the interests of the enhancement of competition (Yergin, 1991). This is an example of a market organisation trying to control its environment. Notwithstanding liberal economic theory's hostility to monopoly or oligopoly, this is 'rational' behaviour from an organisational point of view. Furthermore, even from a wider perspective the stability that monopoly imposes upon a production system may be in the public interest, reducing uncertainties and costs (see Chandler, 1977, for an economic historian's perspective on these issues).

These costs have been described as 'transaction costs' (Coase, 1937; Williamson, 1975, 1985). When separate organisations trade with each other the process of finding the best bargain is not cost free. Furthermore, when that trading needs to be on a regular basis there is likely to be a need for a 'contract' that sets out obligations on either side, lasts for a period of time and is ultimately renegotiable. Making, monitoring and revising contracts entails costs. Both sides are likely to seek long-run stability. One way of doing this is through amalgamation. That may be by agreement or, as in the case of the build-up of the Standard Oil empire, one organisation may have the market power to be able to acquire others.

Williamson has gone on to analyse these issues in terms of a contrast between 'markets' and 'hierarchies' (1975). His supposition is that whilst in general market relationships are superior because of their flexibility and because of the role competition can play in keeping down costs, this may not apply if transaction costs' are high. When these are high the incorporation of suppliers, distributors, etc. into hierarchies may become a desirable strategy.

Williamson's dichotomy relates to another dichotomy, that between Fordism and post-Fordism (Aglietta, 1987; Elam, 1990; Jessop, 1992; Piore and Sabel, 1984). The heyday of the Ford motor company involved routinised production on an assembly line. It also involved the incorporation of many elements of the production and distribution processes into a single hierarchical organisation. Post-Fordism entails either or both of (a) fragmentation of activities within an organisation and (b) the hiving-off of parts of the process

into separate organisations. In the business world today choices are not simple ones between 'market' and 'hierarchy', rather they are about a range of alternative ways of controlling exchange relationships – internal markets, franchising, subcontracting, etc. Williamson's work has been generalised into forms of contingency theory (Donaldson, 1985) and has been challenged by writers who see issues of power and of control over environmental uncertainties as of greater explanatory value than Williamson's original approach (see, for example, Minzberg, 1983).

The literature on 'markets and hierarchies' suggests answers to questions about the design of systems of interacting *public* policy organisations. The reasons for exploring it here are thus developments that have been seen as examples of the shift from government to governance:

1. that there are significant attempts by governments to take note of the public choice criticism of bureaucracy and to try to transform some hierarchies into markets; contracts between public organisations or between public and private organisations are becoming an increasing feature of the public policy process;

2. that even without contracts the issues about transaction costs are relevant to the exchange relations between public organisations, and there are issues about the consequences of choices between forms of organisation which incorporate many functions under one department and forms which leave them in separate bodies (see Flynn, 1993; Walsh, 1995).

However, Thelen and Steinmo, amongst others, argue that seeing 'institutions as efficient solutions to collective action problems, reducing transaction costs . . . in order to enhance efficiency' begs 'the important questions about how political power figures into the creation and maintenance of these institutions' . . . (Thelen and Steinmo, 1992, p. 10).

A general problem with the use of the concept of 'exchange' is that it tends to direct attention to comparatively equal transactions. The Standard Oil story outlined above is one of the growing capacity of one organisation to control its transactions with other organisations. There is therefore a need to explore the inequalities and 'power dependencies' in organisational interactions (Kochan, 1975; Aldrich, 1976).

Analysis of this subject needs to be sited within an overall analysis of social power. One writer who has done this, Benson (1983), has criticised writers who concentrate on the problems of securing the coordination of public services and neglect the broader influences that affect coordination. Benson maintains that inter-organisational analysis is at one level concerned with examining the dependency of organisations on each other for resources such as money and authority, but that at another level it must focus on the interests built into the structure of a particular policy sector. Benson defines a policy sector as 'a cluster or complex of organisations connected to each other by resource dependencies and distinguished from other clusters or complexes by breaks in the structure of resource dependencies' (ibid., p. 3). Defined in this way, the concept of policy sectors has similarities to the policy communities discussed in Chapter 3. As well as examining the interests built

into a policy sector, Benson suggests that it is necessary to examine the system of rules that governs relationships between these interests. In essence, then, there is a need to explicate the interaction between the surface level and the 'deep structure which limits within the range of variation of the surface levels' (ibid., p. 5).

Thus, according to Benson, a complete analysis of inter-organisational relationships needs to explore three levels in the structure of policy sectors (1983, p. 6). First, there is the administrative structure – that is, the surface level of linkages and networks between agencies held together by resource dependencies. On this Benson argues elsewhere:

> interactions at the level of service delivery are ultimately dependent upon resource acquisition. . . . It is assumed that organizational decision-makers are typically oriented to the acquisition and defence of an adequate supply of resources. Two basic types of resources are central to the political economy of inter-organisational networks. These are money and authority.
> (Benson, 1975, p. 231)

Second, there is the interest structure – that is, the set of groups whose interests are built into the sector either positively or negatively. These groups comprise demand groups, support groups, administrative groups, provider groups and coordinating groups. The interest structure is important because it provides the context for the administrative structure, which cannot be adequately understood except in terms of the underlying power relations manifested within the interest structure.

In turn, the interest structure has to be located within the third level – that is, 'the rules of structure formation'. In advanced societies, Benson argues, these rules are principally those that relate to the maintenance of capital accumulation. In this context we may interpret that in a slightly less Marxist way, to mean having regard to the competitiveness of business and the requirement to keep public sector costs under tight control.

Summing up these aspects of Benson's work, Ranade and Hudson say:

> The implications of his analysis are that organisational life is marked by a constant struggle for survival and domain control, and collaboration will only be entered into where there is some mutual benefit to be derived from doing so. (Ranade and Hudson, 2003, p. 39)

Benson's theory clearly takes us back to some of the ideas about structural determinism explored in Chapter 2, particularly those ideas that derive from Marxist theory. A somewhat similar position is reached, in a way which is less determinist and draws less upon the concept of 'interests', by the institutionalist theorists (discussed in Chapter 4). Thus March and Olsen argue:

> Institutional theories supplement exchange theories of political action in two primary ways: first, they emphasise the role of institutions in defining

the terms of rational exchange . . . Second, without denying the reality of calculations and anticipations of consequences, institutional conceptions see such . . . as occurring within a broader framework of rules, roles and identities. (March and Olsen, 1996, p. 250)

Institutional theory is relevant for the exploration of the barriers to change that are erected when efforts are made to get separate organisations to work together in new ways. If traditional bureaucratic organisations have well-established, complex institutional arrangements that include standard operating procedures, organisational cultures and value systems, then there will be resistance to ways of working with others that threaten these. There have been many efforts since 1997 to get British government departments to work together better on cross-cutting issues and problems (Flynn, 1993; Kavanagh and Richards, 2001). It has become commonplace to emphasise the 'silo' approach to government which makes inter-departmental collaboration difficult. In relation to efforts to form partnerships, 'delivering on the core business will obviously take precedence' (Ranade and Hudson, 2003, p. 41, see also Exworthy and Powell, 2004). Questions then arise, from the efforts of the institutional theorists to explain change (discussed in Chapter 4), about how 'access points' or 'critical junctions' may occur, to be seized upon by those who want to create more 'joined-up government'. Inasmuch as these changes to the arrangements for 'governance' occur against a background of externally generated change or the evolution of international organisations, for example, these critical change opportunities may be occurring. Equally, success in generating change, may create a platform for further change.

DiMaggio and Powell (1983) explore – in a way which rejects 'functionalist or Marxist' explanations of organisational change (p. 156) – what they call 'isomorphic processes' which tend to make organisations similar to one another. They offer a series of hypotheses on this topic – including factors like internal organisational uncertainties and external resource dependencies to explain this convergence.

Another way into this issue without using structuralist theory is to recognise that individual members of organisations also have other affiliations. They belong to families, voluntary organisations, political parties, churches, etc. This may mean that they have commitments to other organisations which interact with the organisation that employs them. That may seem a rather trivial point, but there are circumstances in which it is definitely not. The most significant of these for public policy is where individuals are members of professional groups that extend across a number of organisations. The impact of this is then further enhanced by intra-organisational divisions, with different professional groups in separate sections or hierarchical systems. To describe this phenomenon Ouchi (1980) has added 'clans' as a third element to be looked at within organisational relationships alongside markets and bureaucracies. Degeling, analysing hospitals as organisations, writes of them as often

locales in which members of distinct authority structures are loosely linked in the provisions of services. The separateness of medicine, nursing, allied health and hotel services, recognised in the formal structure of most hospitals, attests to the past capacity of these occupational groups to stake out and preserve their control over particular aspects of treatment provision.
(Degeling, 1993, p. 33)

Laffin (1986) identifies how these professional communities may have an influence upon relations between organisations, and DiMaggio and Powell (1983) argue that professional communities are important in generating convergence in organisational structures. A related issue is the need to recognise that individual participants in organisations have careers which may spread across more than one organisation. Significant personnel changes occur in some of the organisations particularly affected by the establishment of a quasi-market system in Britain, which may involve fairly rapid moves between purchasers and providers or between local government and the health service. Where individuals come from and where they hope to go to must surely influence their willingness to engage with others.

Those who have explored ways to enhance inter-organisational cooperation have explicitly suggested a need for the fostering of roles which help individuals to look outwards from their own organisation (Hudson, 1987; Huxham and Macdonald, 1992). Such individuals have been described as 'reticulists' (Friend et al., 1974) or 'boundary spanners' (Ranade, 1998). Questions then arise about the extent to which, given the dominant impact of intra-organisational concerns for individual careers, such roles may be created or encouraged. A variety of devices may be adopted to this end: the setting up of special joint units, the designation of collaboration as a key ingredient of a work task, joint training, the temporary secondment of staff and so on. The success of these ventures depends upon some of the considerations already discussed – the feasibility of meaningful exchanges, the overall power context, the extent to which there are shared values. But inasmuch as they must be seen in terms of individual motivation as well as organisational motivation there are key considerations to take into account about the extent to which they yield rewards – explicit or implicit, financial or psychic – for the persons involved or for the organisations from which they originate. A concern of a number of writers on this subject has been the conflict between hierarchical intra-organisational pressures and the search for inter-organisational linkages. Pollitt thus argues:

It would not be difficult to slide into the worst of both worlds – a combination of traditional 'vertical' organizations, still carrying the principal legal responsibilities and means of delivery, and an overlay of fashionable new units or teams, which cream off the most talented staff but lack either clear lines of accountability or the implementation capacity to get things done.
(Pollitt, 2003, p. 72; see also Powell et al., 2001)

Networks revisited

It has already been acknowledged that in many cases both vertical and horizontal interactions between organisations are involved. In this context it is perhaps more appropriate to speak of networks, the 'net' notion here implying both directions. The contemporary importance of network theory was explored in Chapter 3. Rhodes describes governance as 'governing with and through networks, or, to employ shorthand, it refers to steering networks' (Rhodes, in Hayward and Menon, 2003, p. 67). There is an interesting bringing together of potentially conflicting ideas here. Earlier, we saw network theory used to characterise the whole policy process. But to talk of 'steering' networks suggests a coordinating role for someone or something that steers. In relation to policy implementation, clearly the notion is that there is an element of hierarchical steering *from the government.*

Hence we have alternatives here. One is to talk of networks as informally coordinated systems, in which case the general organisational theory issues discussed in the last section are sufficient for our analysis. Alternatively, there are questions to be considered about the relationship between any efforts to pull the network from 'above': about the management of networks.

These issues are explored in research by Exworthy *et al.* (2002) (see Box 14.3). They show how action depends upon horizontal linkages at national level (between government departments) and vertical linkages between those departments and local agencies and then also horizontal linkages at the local level. Adapting Kingdon's analysis of policy agenda setting (discussed in Chapter 9), they suggest that in examining policy implementation in multi-organisational contexts there is a need to recognise the relationship between 'big windows' at national level and 'little windows' at local level. Decisions rest upon the successful integration of three streams (another concept from Kingdon):

■ a policy stream concerned with goals and objectives;

■ a process stream dealing with 'causal, technical and political feasibility' (Exworthy *et al.*, 2002, p. 266);

■ a resource stream, using that concept to embrace, of course, finance but also other resources.

While we do not want here to go back into a repetition of the discussion of network theory in Chapter 3, it is important to recognise how this theory is pertinent whenever action is likely to involve multi-organisational collaboration. The question is: to what extent is this is a universal characteristic of public policy. Fritz Scharpf takes an extreme view:

. . . it is unlikely, if not impossible, that public policy of any significance could result from the choice process of any single unified actor. Policy formulation and policy implementation are inevitably the result of

> **Box 14.3** Exworthy, Berney and Powell (2002) on network linkages in British health inequalities policy

Health inequalities policy is the kind of policy that can easily become merely symbolic if it is not firmly endorsed by key actors at all levels. It can easily be seen as an optional extra when there are mainstream policy delivery goals. The fact that action to eliminate health inequalities competes with other policy goals is significant here both in inhibiting horizontal collaboration and in blunting policy transmission between levels. It is argued that:

many local practitioners have been disappointed that, although the government had emphasised health inequalities, they had not put in place the range of initiatives that (they thought) would be necessary to effect demonstrable change ... [t]hey claimed that joined-up government centrally (and partnerships locally) had not been translated into better policy-making processes. The rhetoric of tackling health inequalities had not yet matched the reality for these individuals. It is not just national expectations that have foundered locally but also local expectations that have foundered centrally. (Exworthy et al., 2002, p. 92)

interactions among a plurality of separate actors with separate interests, goals and strategies (Scharpf, 1978, p. 347).

More cautiously Koppenjan and Klijn speak of 'complex problems' as 'increasingly resolved in a setting of mutual dependencies' (2004, p. 5). The expression 'wicked problem' is used in this context with Koppenjan and Klijn arguing:

Complex and highly undetermined types of interactions characterize wicked problems. This strategic uncertainty is not easy to reduce and can never be completely eliminated. In a complex society characterized by network formations and horizontalization, actors have discretion to make their own choices. Unexpected strategic turns are an intrinsic characteristic of interaction processes surrounding wicked problems. (ibid., p. 7, see also Ferlie et al., 2011, for an alternative analysis of this issue)

So is complexity an inherent feature of modern societies? Or is this particularly the case in respect of 'wicked problems', implying that there may be simpler problems where this is not the case? Many of the examples in Koppenjan and Klijn's book concern issues where a very elaborate policy process is likely to be necessary (for example major environmental problems – flood control, pollution reduction etc.).

But is the emphasis then on the inevitability of networks, or on the need for a network approach for the management of some (argued to be frequently evident) kinds of policies? There is an ambiguity in writing about 'wicked

problems' as to whether this 'wickedness' is intrinsic in the nature of the problems or whether it derives from the fact that effective solutions require multi-actor collaboration, probably through networks. In other words there may be integrated hierarchical solutions possible, which have been are ruled out for some reason. Which came first – wicked problem – or complex organisational arrangements that make those problems 'wicked'? But that is to dichotomise too simply; rather, as in Matland's analysis of the relationship between policy complexity and power conflict, a problem may be rendered wicked by difficulties in getting agreement. Then also it is quite possible that complex organisational arrangements contribute to that.

In these cases the analysis of policy problem solving is largely about stages 'upstream' from implementation – such as widening the circle of those who are involved in problem solving (in other words a combination of policy formulation and decision making; or even agenda setting). Then these complex inter-organisational structures needed for problem solution imply another departure from the staged model of the policy process. One cannot speak simply of implementation if organisations (with different control structures) need to work together to solve problems like flood control. Very high levels of discretion are needed if inter-organisational negotiation is to work properly. This leads Koppenjan and Klijn on to a concern with the management of networks. While their work is largely prescriptive in this respect, what they have done is to highlight another issue about the complexity of modern governance.

Beyond the nation state

There are observations (in Chapters 7 and 8) about how scholars have tended to handle issues about international relations in a literature that is often unrelated to the policy process literature. Even if this is justifiable the recognition that internal policy decision processes may be influenced by relationships with other nations now requires attention to links beyond the individual nation state. Propositions about such links range from developments from globalisation theory through a burgeoning European literature on the impact of the European Union to observations about issues that emerge from problems shared by nations (particularly adjacent nations). On top of this there are issues about the extent to which non-governmental participants in the policy process and beyond nation states may themselves be international in nature. This discussion will explore these issues in that order.

Constraints upon national policy choices arising from global international organisations are most evident in respect of the regulation of economies and the terms of trade between nations. In respect of the former two organisations stand out – the International Monetary Fund and the World Bank – both established after the Second World War to try to diminish the problems arising when nations regulate their economies in efforts to secure competitive

advantages over others. Crucial here too has been the extent to which trading relationships require currency stability, and arguably the existence of an international reserve currency. Alongside these has been the World Trade Organization embodying the commitment to maximising free trade. In practice the issues about constraints on nation states are likely to be most evident for countries that are relatively weak because of their small size or poor economic base. In that sense the power of the United States needs to be recognised, and to some extent the international organisations identified above have been seen as indirect instruments of American domination. What is also important is the way in which the international organisations come into play when a nation's economy is in difficulties. This has been particularly salient for many of the world's poorest countries insamuch as help with economic difficulties comes with prescriptions about how to deal with them, which explicitly or implicitly limit policy options.

However, given that the policy prescriptions are contestable it is important to recognise that there is competition between international organisations. However one does the arithmetic – counting states or counting people – a countervailing force exists within globalisation from the fact that the weak nations outnumber the strong. Deacon (1997, 2007) has done an extensive amount of work on this theme. He argues:

The ideas about desirable national social policy carried and argued for by the international organisations . . . reveals something approaching a 'war of position' between those agencies arguing for a more selective, residual role for the state together with a larger role for private actors in health, social protection and education provision and those who take the opposite view. (Deacon, 2007, p. 171)

That proposition is about social policy – where views about economic development have particularly involved constraints of government action – but Deacon's position applies across the board.

A comparatively recent arrival on the global agenda is global warming. Mitigation of its impact (particularly reducing the burning of fossil fuels) depends upon international action. Even adaptation to its impact should be seen as having knock-on effects for other nations (for example, if the Dutch strengthen their sea walls this will affect adjacent nations). So we have here an issue where international collective action is essential. Since the end of the 1980s there have been increasing efforts to reach international agreements on policies to deal with climate change (see Box 14.4). Not much has been achieved yet on this issue; conflict between the rich historic high polluters (particularly the United States) and the emerging new economic powers (particularly China) threatens progress. But the point is that when any nation state now looks at its environmental policy this issue is on the agenda and other nations are concerned about what it does or does not do.

In respect of global warming, policy making is evident at two or more levels. The international process does no more than establish an overall objective and targets for nation states. There then needs to be a process

| Box 14.4 | International efforts to deal with the issue of global warming |

Early achievements to bring nations together to deal with the issue of global warming did no more than put it on the agenda. This was important for the development of a worldwide scientific activity. Extensive international collaborative action pulled together the facts about the situation and facilitated the development of estimates about effects. The crucial step forward was the Kyoto Protocol of 1997, imposing specific emission targets for each industrial country over a future 5-year commitment period. A later Copenhagen Accord of 2009 tried to build on this; it had some success but there was also some weakening of the overall aspiration.

Other international agreements between nations do in some respects make the securing of agreements easier. A key example here is the European Union where shared concerns, and a complex economic settlement, has facilitated joint action in the prescription of targets and policies to apply across the member states. Beyond Europe the presence of international trading agreements has also played a role in bringing nations together around shared goals.

in which those are translated into national policies taking into account situations and resources. A satisfactory process requires interaction between these levels, inasmuch as the overall goals need to be realistic. Then within nation states the collaboration of multiple actors – energy producers, manufacturers, consumers – needs to be secured.

One other issue worth a brief mention before leaving the global agenda is that there is a large scale international activity collecting information on policy performance by nation states. Some of the United Nations agencies are important in this respect, particularly the World Health Organization. For the richer nations the Organization for Economic Co-operation and Development is a key body; it has invested a great deal of effort into the production of comparative data. Alongside macro-statistics about the functioning of the economy and the role of the state, and a sequence of reports on the performance of individual members, are survey activities. An interesting example here is the Program for International Student Assessment (PISA) exercise which compares educational achievements, and then gets used in national debates about the needs for more attention to, for example, numeracy and literacy levels. We have here an example of a 'discourse' with, notwithstanding the contestable nature of some of the statistics used, an influence on national policies (Desrosières, 2002).

Coming now down from the global level, bodies that coordinate the activities of groups of nations are important for national policy process. Within Europe it is of course the European Union that is the most significant body. This discussion will focus on that. It is a union of 26 countries described on its own web site as 'progressively building a single Europe-wide market in

which people, goods, services, and capital move among Member States as freely as within one country'. Self-evidently that implies collective policy-making processes but of course also 'EU decisions pervade the policy making activities of individual European countries, both the member states and their neighbours' (Wallace et al., 2010, p. 4).

It is important to bear in mind that while the 'free movement' goal set out above, in respect of the EU, embraces the notion of a single markets it is also implies a range of less expected ways in which national policies may be seen to need to be coordinated. Some of the more contested EU decisions have concerned these, and in some respect EU politics involves a sequence of disputes between those who take a broad view of what the EU might do and those who take a narrower view. For some the broad view extends to an aspiration to create a federal state. At the time of writing one aspect of that broad view is particularly in focus: the coordination of economic activities through monetary union (the Euro as a single currency). Some member states use the Euro, others do not. The economic difficulties of some Euro members require attention from that sub-group as a whole, yet the EU lacks the powers to directly manage (through taxation and expenditure control) the Euro member states in the way a fully-fledged federal state (like the United States) does. Hence federalism is just an aspiration, probably one very hard to realise.

Within the ranks of European Union scholars there have been arguments then about the extent the policy process may be viewed as akin to that of a federation, with consequences for the component states that can be analysed in rather the same way that Pressman and Wildavsky wrote about implementation in the United States or whether analysis requires an inter-governmental perspective derived from international relations theory (Jordan, 1997, 2001; for an overview of these arguments see chapter 2 in Wallace et al., 2010).

Some authors describe the issues about the adoption of European Union policies in individual nation states as about 'implementation'; others do not. Surely it is rather early to abandon the earlier 'international relations' approach, and it is problematic to be speaking of implementation defi-cits when the crucial issue is the explicit undermining of the policy thrust of an EU directive by a national government with a substantial measure of autonomy which enables it to do so.

The stance taken here on this debate is more simply to note that the pres-ence of long-term treaty obligations reinforced over time in a context in which withdrawal would be a very complicated process creates institutional constraints that are very important for national policy-making processes. It is clearly important that in this context institutionalisation involves an elaborate set of organisational arrangements with EU-wide bodies set up with their own staff. Again here the EU scholars differ on the extent to which this has led to a machine that generates relatively autonomous policy decisions.

Knill's work (see Box 14.5), notwithstanding the criticism in Chapter 11 of his use of the term 'implementation', offers an interesting perspective on the factors that influence the adoption of European Union directives by nation states. Drawing upon institutional theory he suggests that reception of new

Box 14.5	Knill's (1998) analysis of the reasons for the effective adoption of EU directives by nation states

Knill explores the extent to which three states – Britain, Germany and France – have fully complied with four EU environment policy directives. He particularly contrasts Britain and Germany (France fell between the two extremes). Given the strong German commitment to environment policy he is surprised to note poor compliance. By contrast, Britain, allegedly with a poor record of environment policy, was largely compliant. He explains this as follows:

> The distinctive characteristics of different national administrative traditions have an important impact on a country's general ability to comply with EU requirements within the national 'logic of appropriateness'. Thus, the low adaptation capability found in Germany is the result of a thick institutional core combined with low structural capacity for administrative reform. This constellation increases the potential that European legislation contradicts core administrative arrangements, which cannot effectively comply within the scope of 'appropriateness'. By contrast, adaptation capability is much higher in Britain where the general capacity for national reforms creates a potential for changing the 'logic of appropriateness' hence allowing for effective adaptation to initial core challenges. (Knill, 1998, p. 25)

In essence, the reforms challenged deeply embedded German practices whilst in the UK they benefited from the lack of formal restrictions upon government action and also from the fact that the ongoing privatisation of the water industry was stimulating regulatory reform.

initiatives will be affected by the extent to which they are compatible with 'embedded' national administrative traditions. This can be seen as a useful contribution both to the problem of explaining change in institutional contexts and to the understanding of vertical intra-organisational relationships of all kinds. Knill's work here may be related to his work with Holzinger (discussed in Chapter 10; see particularly Box 10.4) where they compare different kinds of policy convergence.

Going beyond the often contested issues about the capacity of the EU to impose policies it is important to recognise that there are issues – particularly evident in the crowded European space – where even in the absence of institutions designed to try to secure policy coordination there would be likely to be influences upon policy making within nation states. Below the macro level of global warming there are pollution issues which cross boundaries because of air and water flows. It is not surprising to find that in the EU the combination of concerns about these with the 'common market' considerations has led to particularly strong efforts to influence national policies. Fisheries policy provides another example – indeed one where the issues spread beyond the EU

borders – where the concern is about the sharing and conservation of a shared resource. (See the discussion of the 'tragedy of the commons' in Chapter 5.) Another rather more fraught issue – on which there are divisions within the EU – concerns control over migration from outside. Parallel examples to all these can be found around the world.

We encounter thus much looser influences on national policies, inasmuch as there are problems that are best solved in collaboration with neighbouring states or even just pressures to be 'good neighbours'. At this stage issues about international collaboration and issues about policy transfer (as discussed on pp. 185–9) rather converge.

Finally this section needs to go back to one of the wider issues within the governance literature about the shift away from the emphasis on the state as policy maker, since this has a supra-national dimension too. In its simplest form this implies just a proposition that given the significance of the efforts of interest groups to influence government we will find situations in which those groups are supra-national and organise to influence policy makers at whatever level they operate (here Callanan (2011), looking at how local governments may both lobby their own central governments and lobby in Brussels, writes of 'venue', shopping affected by the issues and by the institutional arrangements within nation states). Hence national governments will be subject to pressure from such groups. Moreover, as is very clear from studies of the EU, if policies are being made for groups of nations it is not at all surprising that national interest groups will seek to work together with those from other nations. This is particularly evident in respect of the major organisations of employers and employees and of the large business organisations, and gets explicit recognition within the EU policy making system:

> The founding treaties established the Economic and Social Committee . . . as a point of access to the policy process for socio-economic groups. Its creation borrowed from the corporatist traditions in some of the member countries. It has not, however, become an influential body in the policy process. Instead socio-economic groups have found their own more direct points of access since the 1960s . . . (Wallace et al., 2010, p. 86).

But this is also a theme within the literature on globalism. Strong statements of this perspective emphasise the extent to which economic activities are organised globally; there are global companies that exceed many nation states in wealth and some activities (notably finance) are quite explicitly organised on a global scale. So we find statements from globalism theorists like: 'traditional nation-states have become unnatural, even impossible business units' (Ohmae, 1996, p. 5) and 'the magnitude of capital flows is exceeding the capacities of even the most powerful government to manage the pressures they generate' (Peterson, 1996, p. 268).

The main features of the debate about globalisation were set out in Chapter 2; it is not appropriate to go further into that here. The point is to acknowledge that this phenomenon will have an impact upon the policy

process, varying according to country and issue. In respect of the former it is important to bear in mind the obvious variations between states in power and wealth, which will affect their capacity to act autonomously. In respect of both, writing this in 2011 the author cannot but be aware about the extent to which the world economic crisis that emerged in 2008 demonstrated the extent to which banking regulation issues were shared across states and then the extent to which a 'sovereign debt crisis' has affected nations, as they developed policies after that crisis. A dramatic and controversial manifestation of these connections has come in the role played by entirely private organisations in ruling on the credit worthiness of nations (the credit rating agencies).

Transformations in the overall relationship between state and society

In the discussion above concentration has been upon the specific phenomena that affect the policy process, shifting it away from the simple hierarchical model alleged to be at the heart of traditional analyses of 'government'. But it was noted at the beginning of the chapter that the governance literature postulates a rather more fundamental shift in the relationship between state and society. There are questions here about how much this shift comes about because of changes in society: lower acceptance of traditional authorities, rising materialism and hedonism, more mobility, the development of electronic means of communication, distrust of politics, to name a few of the developments. Alternatively this is interpreted more in terms of changes to the state:

> Liberal democratic theory emphasises a sharp distinction between state and society. With the emergent collaborative strategies in policy implementation and public service delivery that distinction becomes difficult to uphold, something that, in turn, has triggered a series of issues related to accountability and the exercise of political power. (Pierre, 2009, p. 592)

There is no need to get hung up on exact explanations, there are interacting influences here. Where, however, is this taking the policy process? An extreme view of what is happening is provided by Hajer in an article whose title summarises his position precisely 'Policy without polity? Policy analysis and the institutional void' (2003). He argues:

> The weakening of the state goes hand in hand with the international growth of civil society, the emergence of citizen-actors and new forms of mobilization . . . *there are no clear rules and norms according to which politics is to be conducted and policy measures are to be agreed upon* . . . (ibid., p. 175, his italics).

Hajer goes on to itemise five elements in this:

- A 'dispersed' decision making order, a point referring specifically to limitations on the capacity of a single (probably nation state) actor to deal with a specific problem.
- A 'new speciality of policy making and politics' following on that first point with emphasis on the geographical location of issues.
- A need to rethink 'participation and democratic governance'.
- The undermining of 'classical (scientific) expertise'.
- The 'expansive' context of policy making, meaning the way issues inter-connect with each other.

Hajer's argument – rather like some of the other broad arguments about governance and globalism – emphasises complexity, and highlights what is most difficult about contemporary decision making. It is his second point that has received the most attention in the literature on governance, leading to exploration of the extent to which there may be said to be a 'democratic deficit' and accordingly a need for new perspectives on how people participate in politics. At the time this book is being completed the issues about the management of the Euro zone are highlighting problems in respect of Kingdon's trilogy of problems, policies and politics: where the problems are supra-national, and so are many of the policies, but there are then problems about the extent to which the critical politics (how to impose constraints on citizens) is within individual nation states. The issues about the democratic deficit at the European level take us in a direction that is not the main concern of this book, but for which an understanding of the policy process is important. The next chapter offers a further exploration of some aspects of this topic.

CONCLUSIONS

Perri 6 comments that 'coordination is an eternal and ubiquitous problem in public administration' (2004, p. 131). However, whilst not dissenting from that generalisation, it is important to recognise the extent to which it is a characteristic of modern governance that inter-organisational collaboration issues are very salient. Writers vary in the way they stress the elements in the definition of governance, but in the context of this chapter the gloss John puts on the terms is particularly relevant:

Governance is a flexible pattern of public decision-making based on loose networks of individuals. The concept conveys the idea that public decisions rest less within hierarchically organised bureaucracies, but take

(continued)

place more in long-term relationships between key individuals located in a diverse set of organisations located at various territorial levels. (John, 2001, p. 9)

Clearly, inasmuch as that is true then – unless we are to engage in a reductionist approach of simply focussing on those 'key individuals' – the exploration of inter-organisational relationships is important for an understanding of the policy process.

A recognition of the importance of inter-organisational relationships can be seen not just as arising from the pragmatic concerns of practitioners but also from the recognition in policy process theory of the importance of networks and policy communities, and of the way in which institutional configurations influence action. It may even, as Benson argues, extend to issues about the wider structural context.

But while much of the literature on governance stresses these issues in terms of relationships within nation states it has been shown here that there may be aspects of the relationships between states and even the relationships between states and non-state 'global' actors which are also important for the understanding of the policy process.

The chapter ends by highlighting how these new complexities are changing relationships between state and society, with implications for democracy. The big questions about this go beyond the main concern of this book but there is a need to consider how issues about public policy accountability are changing in this context. The next chapter explores this further.