

2 Theoretical framework

2.1 Governance

2.1.1 A broad definition of a popular concept

How can public-sector activities be coordinated internally and externally if hierarchy, with its dependence on clear boundaries, has weakened? How can public managers be prevented from becoming confused about their roles and intervention capacity? These questions are dealt with under the banner of 'governance'. Governance has become a buzzword, not only among public-administration scholars, but also among practitioners. The term even risks becoming so general that it becomes meaningless and, as Peters warns, "a tautology: something happened, and therefore governance occurred".²⁶ Governance "has become a rather fuzzy term that can be applied to almost everything and therefore describes and explains nothing".²⁷

This critique is understandable: the term governance is defined in dozens of different, and in some respects contrasting ways. Only some of the most influential examples will be mentioned here. Kettl defines *government* as the structure and function of public institutions, and *governance* as the way government gets its job done.²⁸ In his book 'Understanding Governance', Rhodes distinguishes six uses of the term governance:²⁹

- Governance as the minimal state: the use of markets and quasi-markets to deliver 'public' services';
- Governance as corporate governance: this is mainly about transparency, integrity and accountability, by means of control;
- Governance as the new public management: the introduction of private sector management methods and incentive structures such as market competition to the public sector;

²⁶ Peters (2000: 35): Globalisation, institutions and governance.

²⁷ Jessop (2002: 4): Governance, governance failure and metagovernance.

²⁸ Kettl (2002: xi): The transformation of governance.

²⁹ Rhodes (1997: 47-53): Understanding governance.

- Governance as ‘good governance’: a ‘marriage of the new public management with liberal democracy’;
- Governance as a socio-cybernetic system: interdependence among social-political-administrative actors; governance is the result of interactive social-political forms of governing;
- Governance as self-organising networks: networks develop their own policies and shape their environments.

Stoker identifies similar definitions that are in his view complementary.³⁰ Farazmand stresses the international dimension of governance, as well as the fact that concepts like ‘good governance’ are highly normative and value-laden.³¹ From a socio-cybernetic viewpoint, Kooiman defines governance as “the emerging pattern arising from governing.”³² Lowndes and Skelcher add an actor’s perspective: Modes of governance are “the outcome of social processes but also provide the medium through which actors interpret and act to shape their reality”.³³ Frederickson prefers to define governance as “the attempt to comprehend the lateral and institutional relations in administration in the context of the disarticulated state”³⁴

What unites most of the definitions presented above is that governance is more than ‘what governments do to get their jobs done’: the term governance refers to the relations between public-sector actors and societal actors when addressing public issues. This relational aspect of governance has stimulated many scholars to use the term governance as a synonym for what others call ‘network governance’.³⁵ Rhodes’ list of six approaches to governance however also includes other types of relations than only network relations, namely hierarchical relations and market-style relations. Such a broad perspective is required for this research, because the research topic is the manageability of combinations of hierarchies, networks and markets. A strong argument for a broad use of the term governance is

³⁰ Stoker (1998): Governance as theory: five propositions.

³¹ Farazmand (2004: 6): Sound governance in the age of globalization: a conceptual framework.

³² Kooiman (ed.) (1993): Modern governance.

³³ Lowndes and Skelcher (1998: 318): The dynamics of Multi-Organizational Partnerships: an Analysis of Changing Styles of Governance.

³⁴ Frederickson and Smith (2003: 226): The public administration theory primer.

³⁵ Also called ‘New Governance’: Social coordination based on the logic of co-steering and network. See also Lee (2003: 2, Conceptualizing the New Governance: A new institution of social coordination), and Voss (2007: 36) where governance is ‘societal self-regulation’, in contrast to hierarchy (ibid., p.18).

given by Schuppert: with a narrow governance definition it is impossible to include the historically most successful form of governance, namely hierarchical-bureaucratic governing.³⁶ Only with a broad governance concept it is possible to analyse the challenge of governance which the Danish public manager Wolf has phrased as follows:

“What is important is to look beyond the fine-tuning of government machinery and use the wide angle to capture the way in which we organize our societies and the interaction between government, market, civil society and individual citizens.”³⁷

The definition of governance should not only emphasise the relational aspect but also the institutional aspect; public managers, who are the principal governance actors in this research, work in and with institutions. Mayntz’s definition includes this wide angle:

“Governance is the totality of all co-existing forms of collective coordination of societal issues, from the institutionalised societal self-regulation via several forms of cooperation between governmental and private actors, to the official duties of state actors”³⁸

Therefore, in this research the following broad definition of governance is used:

Governance is the totality of interactions, in which government, other public bodies, private sector and civil society participate, aiming at solving societal problems or creating societal opportunities.

In this definition, the institutional dimension is included: the relations between these actors are influenced by their institutions (in a broad sense: their organisations, values and norms, and procedures). Kooiman distinguishes three orders of governance: first order governance (problem solving and opportunity creation), second order governance (care for institutions) and third order governance or metagovernance.³⁹ Most research on governance focuses on the nature of the relations between public-sector organisations and their societal environment. This belongs to Kooiman’s first order governance (the macro-level mentioned in Section 1.1). How governance modes emerge and are organised *inside* public-sector organisa-

³⁶ Schuppert (2007: 8): Was ist und wozu governance?

³⁷ Wolf (2007: 691): Trends in public administration.

³⁸ Mayntz (2004: 66): Governance im modernen Staat. (translated from German by the author).

³⁹ Kooiman (2003: 182): Governing as governance.

tions (the institutional aspect: second order governance, or the meso and micro level) in relation to first order governance, is still relatively less ill-researched. A case study about the failed introduction of interactive policymaking in the Dutch Ministry of the Environment highlights a possible internal failure factor: tensions between governance approaches inside the organisation, on various dimensions (strategy, structure, competencies, processes and procedures, to name a few).⁴⁰ The study suggests that public-sector organisations apply different governance approaches for internal matters, such as human resources management, and for external matters, such as tackling societal problems. This not only adds to an unsatisfactory performance, but also leads to credibility problems.

The next question is how to make this governance concept practicable. Is it possible to distinguish or rather construct a small number of governance approaches that are distinct and together have a large explanatory potential?

2.1.2 Three ideal-types of governance and hybrid forms

Governance *styles* can be defined as “the processes of decision-making and implementation, including the manner in which the organisations involved relate to each other”.⁴¹ Although many governance styles have been distinguished, they are usually grouped into three ‘ideal-types’ of governance, that are considered to have played a role in Western administrations since the 1950s: hierarchical, market and network governance.⁴²

Before the ‘discovery’ of policy networks and the mechanisms of different types of network governance, social coordination was considered to

⁴⁰ Meuleman (2003): The Pegasus Principle: reinventing a credible public sector.

⁴¹ Van Kersbergen and van Waarden (2004: 143): ‘Governance’ as a bridge between disciplines.

⁴² Kaufman et al. (1986: Guidance, control and evaluation in the public sector); Thorelli (1986: Networks: Between markets and hierarchies); Peters (1998: Managing Horizontal Government); Lowndes and Skelcher (1998: The dynamics of Multi-Organisational Partnerships); Thompson et al. (1991: Markets, hierarchies and networks); Thompson (2003: Between hierarchies and markets); Powell (1991: Neither market nor hierarchy: network forms of organisation); Kooiman (2003: Governing as governance), Considine and Lewis (2003: Bureaucracy, Network or Enterprise?); Kickert (2003: Beneath consensual corporatism); Schout and Jordan (2005: Coordinated European governance).

take place in two distinct forms: hierarchies and markets.⁴³ Market coordination was the second ideal type that was described after Weber's bureaucratic ideal type had become the prototype for a classical hierarchy. Networks were, for a long time, considered a hybrid form of these ideal-types. We find the fiercest defenders of the idea of a hierarchy-market dichotomy among economists. In a publication of 2007, Ruys et al. argue that market contracting (market governance) is the 'original state of affairs', and call the opposite vertical integration (hierarchical governance), while all governance styles between these extremes are called hybrid relationships.⁴⁴ However, economists were also among the first to argue that networks form a separate type of social coordination.⁴⁵

Already in 1986, Thorelli stated that the network form is a distinct form of societal coordination, and not 'just' a hybrid form that combines hierarchy and markets.⁴⁶ Meanwhile, there is a huge public administration literature based on the idea that network governance, after hierarchical and market governance, has become the third ideal-type. Network governance as an alternative to hierarchical or market governance is not only accepted in public management, but is also widely applied in knowledge-intensive businesses⁴⁷ and in private enterprises in general.⁴⁸ The network concept has become so popular, that sometimes a new dichotomy emerges, namely hierarchy versus networks, while market governance is neglected.⁴⁹ Others

⁴³ Thompson (2003: 37) makes a useful distinction between 'coordination' (alignment of the elements in a system) and 'governance' (the regulation of their alignment). He places them on a continuum: coordination simply brings together elements in an ordered pattern, and governance does this by direction and design. Hierarchies, networks and markets can be used as coordination mechanisms and as governance structures as well.

⁴⁴ Ruys et al. (2007): Modes of governance in the Dutch social housing sector.

⁴⁵ E.g. Powell (1991: Neither market nor hierarchy: Network forms of organization), Thompson (2003: Between hierarchies and markets: The Logic and Limits of Network Forms of Organization).

⁴⁶ Thorelli (1986): Networks: Between markets and hierarchies.

⁴⁷ Roobeek (2007): The networking landscape. Navigation for the route to networking organisations.

⁴⁸ E.g. Assens and Baroncelli (2004, Marché, Réseau, Hiérarchie : à la recherche de l'organisation idéale) and Larson (1992, Network dyads in entrepreneurial setting).

⁴⁹ E.g. Koffijberg (2005: Getijden van beleid: omslagpunten in de volkshuisvesting), Kalders et al. (2004: Overheid in spagaat. Over spanningen tussen verticale en horizontale sturing).

reserve the term governance for what they call the ‘new modes of governance’ (i.e. market and network⁵⁰) – which is a *contradictio in terminis*: hierarchy must then also be a governance style, namely the ‘old’ mode of governance. Peters bridges this contradiction by bringing network and market governance approaches under the umbrella of ‘informal governance’, besides the ‘formal governance’ of hierarchies.⁵¹ Notwithstanding the overwhelming empirical evidence that the trichotomy hierarchy-network-market has more analytical power than the hierarchy-market dichotomy or the hierarchy-network dichotomy, there is still a dispute among scholars about whether this trichotomy makes sense. This dispute is emotional and value-laden; not surprisingly, because different world views or belief systems collide in this debate. In Section 2.4 we will discuss this cultural dimension more in-depth.

Before concluding that the three ideal types hierarchical, market and network governance cover the whole field, we have to answer two questions. The first is: should we distinguish successful hybrid forms of governance as separate governance styles? The second question is: how plausible is it that these three styles together, and in combination, cover all governance approaches?

Hybrid forms of governance

Governance hybrids do not necessarily relate to so-called ‘hybrid organisations’ exclusively. The term hybrid organisations was coined in 1995 by In ‘t Veld.⁵² Usually they are somewhere on a gradient between pure government agencies and pure commercial firms; they operate in a ‘twilight zone’ between public and private⁵³. They can be defined as organisations governed by two or more ‘pure’ modes of governance.⁵⁴ Hybrid organisations,

⁵⁰ E.g. European Commission (2002: 7): Report from the Commission on European Governance. Rhodes is ambivalent too: he defines hierarchy as one of the governance structures besides market and network (Rhodes, 1997: 47, Understanding Governance) and elsewhere in the same book defines governance in a network connotation, as an alternative to markets and hierarchies (Rhodes, 1997: 53).

⁵¹ Peters (2005: 1): Forms of informal governance: Searching for efficiency and democracy.

⁵² In ‘t Veld (2005): Spelen met vuur. Over hybride organisaties.

⁵³ Jörgensen (1999: 570): The public sector in an in-between time: Searching for new public values.

⁵⁴ Ruys et al. (2007): Modes of governance in the Dutch social housing sector.

as intercultural entities, are able to bridge fragmented and decoupled relations in the public sphere.⁵⁵ Hybrid organisations are not new: they have been in existence for quite some time. The British and Dutch East India Companies of the 17th century are often mentioned as early examples.⁵⁶ Kickert even estimates that currently most organisations in the public sphere in Western Europe are hybrid organisations.⁵⁷

As stated above, network governance was originally regarded as a hybrid of hierarchical and market governance, until it was distinguished as a separate form. Meanwhile, many other candidates for promotion to the 'Ideal Type League' have appeared. Six hybrid forms of governance that are often mentioned are:

- Oligopolies (a market form of coordination with important network characteristics, that is not restricted to the private sector);
- Public private partnerships (also a combination of market and network governance);
- Chain management (a form of network governance concentrating on functional instead of social relations between actors, which borrows its structure from hierarchical thinking);
- The Open Method of Coordination of the European Commission;
- The related concepts of self-regulation and self-organisation;
- An emerging type with mainly network and market features: 'bazaar governance'.

Oligopolies

An oligopoly is a market characterised by a small number of organisations who realize that they are interdependent in their pricing and output policies. The number of organisations is small enough to give each of them some market power.⁵⁸ The behaviour in an oligopoly is based upon self-interest (autonomy, which refers to market governance), but the fact that actors realize their interdependency, makes them behave with more empathy and moderation than in more open markets. This leads them to consider each other like actors do in a network approach. Relations in oligopolies are usually bilateral. They become multilateral when they have a

⁵⁵ In 't Veld (1997: 148): Noorderlicht. Over scheiding en samenballing.

⁵⁶ Wettenhall (2003: 237): Exploring types of public sector organizations.

⁵⁷ Kickert (2001: 135): Public management of hybrid organizations.

⁵⁸ Definition OECD (<http://stats.oecd.org/glossary/detail.asp?ID=3152>, retrieved on 27 September 2007).

formal agreement: this is known as a *cartel*. A situation where there is a single seller in a market is called a *monopoly*.

Public private partnerships

A public private partnership (PPP) is a non-hierarchical system of governance in which public and private actors form a common venture that serves certain policy goals, such as public services or infrastructure development. Börzel and Risse distinguish two basic steering modes of PPP: bargaining (related to market governance) and persuasion or arguing (related to network governance). They formulate four distinct types of PPP: cooptation, delegation, co-regulation and self-regulation in the shadow of hierarchy.⁵⁹ Klijn and Teisman criticise the PPP practice in the Netherlands during the 1990s and early 2000s. Although PPP became popular among politicians, in praxis even in PPP arrangements, policymaking “continues to be based on self-referential organisational decisions, rather than on joint inter-organisational policymaking.”⁶⁰

Chain management

Chain management is a form of governance similar to network governance. The actors in the chain are interdependent, because of the functional interdependence of the processes that are linked. The governance of chains differs from network governance: a network is defined by social relations, a chain only by functional relations.⁶¹ The chain concept can be useful because it brings a certain order in the relations between actors in processes. The restriction to functional relations however is a risk: a chain perspective gives only part of the whole picture.⁶²

⁵⁹ Börzel and Risse (2002): Public-Private Partnerships: Effective and legitimate tools of international governance?

⁶⁰ Teisman and Klijn (2002: 197): Partnership arrangements: Governmental rhetoric or governance scheme?

⁶¹ Kort, van Twist and in ‘t Veld (2000: 30): Over ontwerp en management van processen in ketens.

⁶² Kort, van Twist and in ‘t Veld (2000: 38): Over ontwerp en management van processen in ketens.

Open method of Coordination

Another governance style hybrid is the so-called Open Method of Coordination (OMC) of the European Union, which was identified at the Lisbon European Council in 2000.⁶³ The OMC implies:⁶⁴

- Fixing guidelines for the Union and specific timetables for achieving set goals in the Member States;
- Establishing indicators and benchmarks as a means of comparing best practice;
- Translating the European guidelines into national policy reform actions which are integrated into national action plans (NAPs); and
- Periodic monitoring, evaluation and peer review, organised as mutual learning processes.

This approach is characterised as a ‘soft’ approach compared to hierarchical governance,⁶⁵ and codifies practices taken from market governance thinking such as benchmarking, target-setting and peer reviewing.⁶⁶ The OMC can also be seen as a form of network governance: it aims at linking both public and private actors in joint determination of policy.⁶⁷ However, this participatory dimension has met much scepticism. It is often claimed that the OMC is a highly technocratic process involving selected actors in a closed policy network.⁶⁸

Self-regulation and self-organisation

Two concepts that are often mentioned in governance literature are *self-regulation* and *self-organisation*. Self-regulation takes the perspective of the politico-administrative system, self-organisation the perspective of so-

⁶³ Laffan and Shaw (2005): New modes of governance. Classifying and mapping OMC in different policy arenas.

⁶⁴ European Council (2000): Presidency Conclusions of the European Council in Lisbon, 23 and 24 March 2000.

⁶⁵ Héritier (2002): New modes of governance in Europe: policymaking without legislation?

⁶⁶ Hodson and Maher (2001: 719): The Open Method as a new mode of governance.

⁶⁷ Peters (2005: 8): Forms of informal governance: Searching for efficiency and democracy.

⁶⁸ E.g. Smismans (2006: 18): New modes of governance and the participatory myth.

cietal organisations.⁶⁹ Klijn and Koppenjan define self-regulation as an interventionist form of steering by stimulating and sometimes compelling actors to take care of the quality of output themselves, through reward rules and product rules.⁷⁰ Fuchs argues that self-organisation of society relies largely on exclusion, competition and heteronomy.⁷¹ The ‘self’ in both forms refers to individual autonomy. This links these concepts to market governance, with a touch of hierarchy (self-regulation is always regulated self-regulation⁷²) and a strong network flavour (self-organisation builds on voluntary cooperation and trust).

The term self-organisation is also used in Luhmann’s theory of social systems. Self-organising systems are autopoietic: they produce and reproduce the elements they consist of, with the help of those elements themselves. Autopoiesis is a biological model of living systems. The autopoietic approach to public administration stresses the limits of both the hierarchical ‘command and control’ approach and the market governance approach of public management as a neutral and transferable technology.⁷³ Kickert has warned that applying such a natural scientific model to a social science is hazardous, but can also inspire new ideas.^{74 75}

Bazaar governance

A new form of self-organisation that seems to emerge is what Demil and Lecocq have coined *bazaar governance*.⁷⁶ It was first recognised in the ‘market’ of open source software. How the internet encyclopaedia Wikipedia is ‘governed’ is another example of bazaar governance. It is characterised by low levels of control (hierarchy), weak incentives intensity (market) and a network that does not build on trust: community mem-

⁶⁹ Puppis et al. (2004: 9): Selbstregulierung und organisation. Schlussbericht.

⁷⁰ Klijn and Koppenjan (2004: 219): Managing uncertainties in networks.

⁷¹ Fuchs (2002: 63): Concepts of social self-organization.

⁷² Mayntz (2003:4): From government to governance: Political steering in modern societies.

⁷³ Brans and Rossbach (1997: 425, 435): The autopoiesis of administrative systems.

⁷⁴ Kickert (1991): Autopoiesis and the Science of Administration: Essence, Sense and Nonsense.

⁷⁵ See also: In ‘t Veld et al. (eds.) (1991): Autopoiesis and configuration theory: new approaches to societal steering.

⁷⁶ Demil and Lecocq (2006): Neither market nor hierarchy nor network: The emergence of bazaar governance.

bers seldom know each other and may enter or leave the network unnoticed. This form of governance scores low on key features of all three ideal-typical governance styles (authority, trust and price) but seems, in essence, a special mixture of network governance (co-creation) and market governance (individual autonomy).

2.1.3 Are hierarchies, networks and markets ‘all-inclusive’?

The hybrid forms we have mentioned above are indeed mixtures of hierarchical, network and market governance. Benz differentiates ‘negotiation’ as a fourth governance style, besides hierarchy, network and ‘competition’ (market).⁷⁷ However, in the broad definition of governance we use in this research, each of the three ideal types has its own form of negotiation. Hierarchical negotiation is based on hierarchical positions and instruments; network negotiation is characterized by deliberation and attempts to reach mutual gains, and market negotiation is bargaining based on price and competition. Therefore, distinguishing ‘negotiation’ as a fourth style of governance seems not necessary and may even blur the clarity we achieve by using ideal types that encompass many dimensions of governance, including the style of negotiation.

Considine defines ‘corporate governance’ as a fourth style of governance, between ‘procedural governance (hierarchy) and market governance’.⁷⁸ However, the focus on management and targets suggests that corporate governance should be placed in the category of market governance.

The six definitions of governance given by Rhodes⁷⁹ are all congruent with combinations of hierarchical, network and market forms of governing. Another example in which the three styles are used to present a simplified but complete picture of governance approaches is the ‘Global Scenarios 2025’ report of Shell: The three ‘utopias’ of the corner stones of their model are a ‘state centric world’, a ‘civil society centric world’, and a ‘market centric world’.⁸⁰ Security, coercion and regulation are key features of the first; social cohesion, justice and the force of community determine the second, and efficiency and market incentives characterise the third so-

⁷⁷ Benz (2006: 35): *Eigendynamik von Governance in der Verwaltung*.

⁷⁸ Considine (2006: 7): *The power of networks: Institutional transformations in the global era?*

⁷⁹ Rhodes (1997: 47-53): *Understanding governance*.

⁸⁰ Shell (2005: 42): *The Shell Global Scenarios to 2025*.

cietal force. Trade-offs between two of the three forces are considered the most plausible scenarios for (global) societal development:

- The combination of hierarchy and network leads to the 'Flags' scenario. In this scenario, hierarchy protects communities against a dangerous outside world. 'Gated communities' are a typical expression.
- A trade-off between hierarchy and market results in the 'Low Trust Globalisation' scenario. Checks and control, which are top down measures, protect the economy. It is a legalistic scenario.
- The combination of market and network leads to the third scenario: 'Open Doors'. This is a pragmatic free market scenario, characterised by incentives and building bridges, open standards, and open borders, for example.

The 'Open Doors' scenario bears a strong resemblance to the current societal governance culture in the Western World. Figure 2 shows that the six types of hybrid governance that we described above, should all be pictured in this scenario. This does not mean that the other scenarios do not reflect existing patterns. Gated communities ('Flags') can be found on the level of nations (economic protectionism), but also on the level of organisations. The Dutch Ministry of Agriculture during the 1980s and early 1990s was a gated community: Employees of the Environment Ministry labelled the Agriculture Ministry the 'Kremlin'. There was little or no room in that ministry for differing opinions.⁸¹ 'Low Trust Globalisation' is related to New Public Management (see 2.2.2): it works with 'carrots and sticks', and combines flexibility with top down control.

An important argument supporting the trichotomy concept comes from cultural theory. This is dealt with in Section 2.4.1. Finally, empirical research by Considine and Lewis has shown that public officers indeed experience that there are three separate styles. For them, hierarchy is weakly related to both the other styles, and the market and network styles have a strong negative correlation.⁸²

It may now be concluded that hybrid forms of governance may have analytical value and should therefore be used in the analysis of governance cases. It is also possible to conclude that the use of the three ideal-types hierarchy, network and market, provided that they not are presented as monolithic constructs but as sets of related characteristics with a distinct internal logic, can provide a basic analytical tool for understanding gov-

⁸¹ Kickert (1997: 744): Public governance in the Netherlands.

⁸² Considine and Lewis (2003): Bureaucracy, network or enterprise? Comparing models of governance in Australia, Britain, the Netherlands and New Zealand.

ernance. The concepts of hierarchical, network and market governance together offer a complete enough analytical framework for explaining the conflicts and synergies within and between governance approaches.

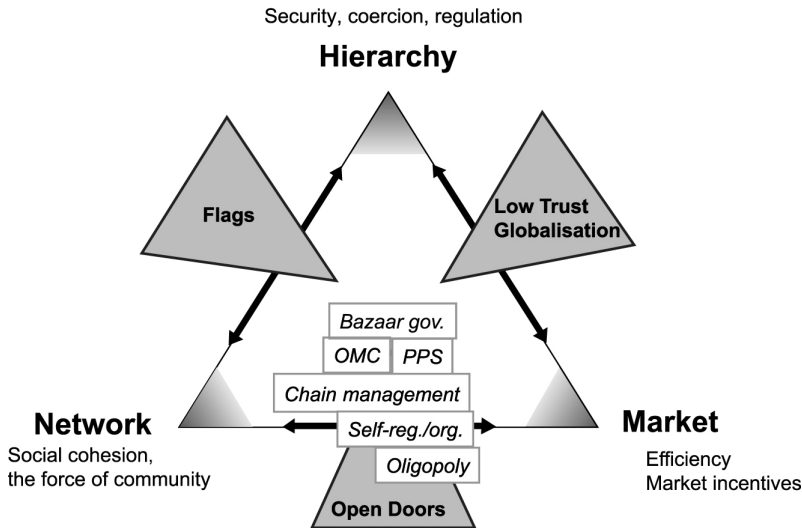


Fig. 2. Hybrid forms of governance and the three 2025 Shell scenarios

2.2 Hierarchical, market and network governance

Since we have now ‘cleared the ground’, we can take a closer look at each of the three ideal-types.

2.2.1 Hierarchical governance

During the second half of the 20th century in all OECD countries, fundamental changes took place in the organisation of the state and its institutions and in the relations between the state and society. The ideal type of bureaucracy developed by the German sociologist Max Weber⁸³ became the role model for public administration in the 1950s and 1960s. Weberian

⁸³ Weber (1952): The essentials of bureaucratic organization: An ideal-type construction.

bureaucracy changed its shape in the 1970s, a decade characterised by a central top-down planning euphoria – but it did not change its fundamentals. Van Gunsteren described the 1970s public sector as a group of organisations that relied on “regulations, obedient organisations and people, and if necessary on force”⁸⁴. In these organisations, functionaries worked within a system of clear hierarchical relations, under uniform rules.⁸⁵ The five main points of Weber’s model are:⁸⁶

- A carefully defined division of tasks;
- Authority is impersonal, vested in rules that govern official business;
- Employees are recruited based upon proven or at least potential competence;
- Secure jobs and salaries, and promotion according to seniority or merit;
- A disciplined hierarchy in which officials are subject to the authority of their superiors.

Weber’s vision of bureaucracy as a rational and objective machine was based on ideas of efficiency drawn from the Prussian army and the mechanisation of the industrial revolution.⁸⁷ He believed that efficiency and rationality would lead to the development of essentially similar bureaucratic structures the world over. He thus ignored differences that arose from the political, social and cultural environments of these organisations.⁸⁸

The Weberian bureaucracy has laid out the basic pattern for the current public administration in Western democracies. This pattern is *hierarchical governance*. The hierarchical mode of governance has developed in Europe to “replace arbitrary authoritarianism and nepotism”. It “provided a way for standardising government tasks”.⁸⁹ It was believed, consistent with a mechanistic scientific model, that organisations can be built and made to function as a machine.⁹⁰ Mintzberg⁹¹ refers to it as the machine bureaucracy. The primarily hierarchical public-sector organisation typically has

⁸⁴ Van Gunsteren (1976: preface): The quest for control.

⁸⁵ Parris (1969: 22): Constitutional bureaucracy. The development of British central administration since the eighteenth century.

⁸⁶ Heywood (1997: 220): Politics.

⁸⁷ Morgan (1986: 21-22): Images of organization.

⁸⁸ Heywood (1997:347): Politics.

⁸⁹ Herbst (1976: 16): Alternatives to hierarchies.

⁹⁰ Herbst (1976: 16): Alternatives to hierarchies.

⁹¹ Mintzberg (1993): Structures in Fives: Designing Effective Organizations.

employees with a law background: they are used to reduce complexity by splitting complex problems into smaller sub-problems⁹².

The dominance of the Weberian ideal-type in the governance mix was already criticized in the early 1970s. The American scholar Cleveland expected that:

“...the organisations that get things done will no longer be hierarchical pyramids with most of the control at the top. They will be systems – interlaced webs of tensions in which control is loose, power diffused, and centres of decision plural. “Decision-making” will become an increasingly intricate process of multilateral brokerage both inside and outside the organisation which thinks it has the responsibility for making, or at least announcing, the decision. Because organisations will be horizontal, the way they are governed is likely to be more collegial, consensual, and consultative. The bigger the problems to be tackled, the more real power is diffused and the larger the number of persons who can exercise it – if they work at it”.⁹³

Thus, a new view of public administration emerged, that was not internally, but externally oriented. Following this view, public administration was, two decades, later defined as “the whole of mediation institutions that mobilize human resources in the service of the state in a given territory”.⁹⁴

The hierarchical structure of Weberian bureaucracy implies a monocentric system: one power centre that governs a civil service system. It is an instrumentalist approach: public administration with its hierarchical structure and a hierarchy of value systems is the instrument of governing. However, empirical research in the 1970s led to the conclusion that societal problem solving is a continuous process that is multi- and inter-organisational, and that this necessitates a polycentric system.⁹⁵ Hierarchy looses most of its meaning when policymaking is seen as co-production of interdependent policy centres within and outside of the civil service.

The reactions of the public sector to this critique were mixed. It addressed a stereotypical Weberian bureaucracy, which in reality did not exist. However dominant the rational hierarchical paradigm was, public managers had to do their job in a political, social and cultural context that was

⁹² Schutter (2007: 40): Was ist und wozu Governance?

⁹³ Cleveland (1972: 13): The Future Executive: A Guide For Tomorrow’s Managers. Cited in Frederickson (2004: 2).

⁹⁴ Morgan and Perry (1988): Re-orienting the comparative study of civil service systems. Cited in Bekke et al. (1996: 2).

⁹⁵ Hanf and Scharpf (1978): Interorganizational policy-making; limits to central coordination and control. Cited by Toonen (1993: 253): Bestuur en beleid.

pluralist and corporatist (like in Germany), and consensus-oriented (like in the Netherlands). Success of the civil service partially relied on co-operation with societal partners. Herbst described four assumptions of hierarchical organisations that do not match with complex, dynamic environments:⁹⁶

- A task can nearly always be decomposed into smaller and smaller independent parts;
- An organisation has a simple inflexible structure which can be visualised in an organigram with lines of responsibility;
- Organisations are of a uniform type;
- Organisational units have a single, exclusive boundary.

In Germany, the classical Weberian bureaucratic model with its strong emphasis on legality and proper fulfilment of regulatory functions has remained very popular.⁹⁷ Therefore, especially at the federal level, there has been little support for changes. Federal administration was (and is) mainly limited to law making and not concerned with service delivery. This reduced the need for administrative reform. However, there were some reforms in the 1960s, which aimed at decentralisation as well as recentralisation. From the 1970s, the reform objective became to simplify the administration. This objective was citizen-oriented: better delivery of public services.⁹⁸

Hierarchical governance lost some of its attraction in the 1980s when the market governance movement New Public Management (NPM) became the focus of both public administration scholars and practitioners (see also 2.2.2, Market governance). During the 1990s, there was a revival of the hierarchical approach. Most OECD countries introduced the reform concept 'New Public Governance' (NPG), partly to replace New Public Management, and partly as an addition to the management movement.

The banner 'public governance' contains an interesting dichotomy. In the majority of (European) public administration literature, the term 'public governance' is used synonymously with the term 'network governance'.⁹⁹ However, business administration literature¹⁰⁰, finance specialists in

⁹⁶ Herbst (1976: 23-28): Alternatives to hierarchy.

⁹⁷ Kickert and Stillman (2005: 657): The future of European Public Administration Sciences. Part III: Germany.

⁹⁸ Naschold et al. (1994): *Neue Städte braucht das Land*. (cited by Pollit and Bouckaert (2003: 238)).

⁹⁹ E.g. Bovaird (2005): Public governance: balancing stakeholder power in a network society. Kickert (1997): Public Governance in the Netherlands: An

ministries and organisations like the World Bank use the term ‘public governance’ as an umbrella for what they also call ‘government governance’¹⁰¹, or, rather normatively, ‘good governance’¹⁰². This, in contrast to network governance, is essentially a hierarchical approach. Government is considered the key player. Societal actors are influencers of policy implementation and they form a basis for criteria to assess the results of these policies¹⁰³: they are not equal partners of the public sector. Government governance promotes accountability as a solution for the problem that the new service arrangements of government with external parties leads to higher risks for politicians.¹⁰⁴ The emergence of this approach was a reaction to societal issues such as the deficient accountability, transparency and control of the public sector. Its focus on accountability, transparency and integrity was caused by various financial scandals regarding mismanagement and abuse of public money.¹⁰⁵ The core idea is that stakeholders, within and outside the public sector, benefit from good (internal) control and good accountability¹⁰⁶.

Government governance has (like New Public Management) an Anglo-Saxon origin.¹⁰⁷ It is more tailor-made for typical public sector issues than NPM was. According to Hajer, government governance more or less combines NPM-thinking with democratic principles such as participation, justice and equality.¹⁰⁸ Therefore, its primary concern was to improve the compliance with relevant laws and regulations, and financial management

Alternative to Anglo-American 'Managerialism'.

¹⁰⁰ E.g. Bossert (2003: 14): Public Governance. Leidraad voor goed bestuur en management.

¹⁰¹ Ministry of Finance of the Netherlands (2000: 8): Government Governance. Corporate governance in the public sector, why and how?

¹⁰² www.worldbank.org.

¹⁰³ Van den Berg et al. (2001: 11): Professional Judgement. Handen en Voeten. Vormgeving van public governance in de praktijk van de gemeentelijke overheid.

¹⁰⁴ Sol (2003: 2): Government governance and beyond. Reconciling flexibility and accountability in labour market policy in the Netherlands.

¹⁰⁵ Van den Berg et al. (2001: 13): Professional Judgement.

¹⁰⁶ Bossert (2003: 16): Public Governance. Leidraad voor goed bestuur en management.

¹⁰⁷ Ministry of Finance of the Netherlands (2000: 6): Government Governance.

¹⁰⁸ Hajer et al (2004: 14): Nieuwe vormen van Governance. Een essay over nieuwe vormen van bestuur.

inside the public sector. Thus, government governance typically addresses *internal* organisational issues.

As we will see in Section 2.2.5, hierarchical governance in its different forms still plays a dominant role in Western public-administration organisations, and for good reasons. To quote Peters: “Although analysts have denigrated hierarchy and praised alternatives such as networks and markets, one must remember that there are still virtues in hierarchies”.¹⁰⁹ UK urban regeneration practice provides another example: in the ‘mix’ of market, hierarchy and network, hierarchy is more persuasive than network.¹¹⁰

To conclude: Hierarchical governance, applied inside and outside 21st century Western public administration, accounts for top-down decision-making, strict internal and external accountability procedures, a hierarchical organisation structure, an emphasis on project management rather than on process management, strategy styles of a planning and design type, and a strong preference for legal measures.

2.2.2 Market governance

From the 1980s, the ‘managerial’¹¹¹ and market-oriented reform movement ‘New Public Management’ (NPM) that was born in a time of economic recession¹¹², stimulated the development of what has become known *as market governance*. The term ‘market’ is a metaphor, which refers to market mechanisms and market thinking, not to be confused with the economic market. ‘Market governance’ is a (public) governance style, whereas ‘governance of the market’ would mean governance of players active in the private market. Market governance is a way of thinking and acting that is used in both the public and private sector, and in hybrid organisations. The emergence of NPM must be seen against the background of substantial fi-

¹⁰⁹ Peters (1998: 301): Managing horizontal government: The politics of co-ordination.

¹¹⁰ Davies (2002: 301): The governance of urban regeneration: a critique of the ‘governing without government’ thesis.

¹¹¹ The fact that New Public Management encouraged management thinking in the public sector does not mean that management was not an issue until then. However when NPM became influential, management techniques began to dominate other competencies which top civil servants had developed.

¹¹² Bovaird and Löffler (2001: 5): Emerging trends in public management and governance.

nancial problems that governments had to deal with in the 1980s. Other incentives were the political scandals arising from the complicated intertwinement of government and several business sectors, such as the shipping business in the Netherlands. These scandals weakened ties between government and private sector. NPM therefore had a dual focus: on service (market thinking) and on accountability (hierarchical thinking).¹¹³

The core belief of NPM is that incorporating efficiency principles, procedures and measures from the private sector, and market mechanisms leads to better performance of public administration.¹¹⁴ Customer orientation is another important characteristic of NPM.¹¹⁵ Public choice theory is central to the NPM model: It implies that

“voters are guided by economic self-interest, interest groups are rent seeking, politicians are entrepreneurs interested in power and perks, and bureaucrats believe in budget maximization and bureau expansion”¹¹⁶.

Starting in New Zealand and spreading through other Anglo-Saxon countries¹¹⁷ to other countries and international organisations like the World Bank¹¹⁸, it did not take long before a NPM-set of administrative doctrines figured prominently in the reform agenda of most OECD countries.¹¹⁹ Osborne and Gaebler’s *Reinventing Government*¹²⁰ became the worldwide icon of the movement. According to Kettl¹²¹, the impact of the book was surprising: the authors were a journalist and a former city manager respectively, not academics. The academic Hood, who described NPM as an “uneasy combination of individualism and hierarchism”, distinguished seven main characteristics of NPM:¹²²

¹¹³ Hernes (2005: 5): Four ideal-type organizational responses to New Public Management reforms and some consequences.

¹¹⁴ Levy (2003): Critical success factors in public management reform: the case of the European Commission.

¹¹⁵ Kickert (2001: 136): Public management of hybrid organizations.

¹¹⁶ Haque (2007: 180): Revisiting the New public Management.

¹¹⁷ It is plausible that NPM started in Anglo-Saxon countries because their ‘public service’ model of administration is inherently more open to market thinking than the European continental ‘Rechtsstaat’ model.

¹¹⁸ Kettl (2002: 21): The transformation of governance.

¹¹⁹ Hood (2003: 269): From public bureaucracy state to re-regulated public service: The paradox of British public sector reform.

¹²⁰ Osborne and Gaebler (1992): Reinventing government.

¹²¹ Kettl (2002: 21): The transformation of governance.

¹²² Hood (1996: 269): Exploring variations in public management reform of the 1980s.

- Hands-on professional management of public organisation;
- Explicit standards and measures of performance;
- Greater emphasis on output controls;
- Shift to segregation of units in the public sector;
- Shift to greater competition in the public sector;
- Stress on private-sector styles of management practices;
- Stress on greater discipline and parsimony in public-sector resource use.

In the Netherlands, as well as in the USA and Great Britain, rightwing politicians pressed for a NPM type of reform¹²³. Germany was one of the last Western-European countries to enter the NPM-movement on the federal level. One explanation is that the German administration has a number of institutional features (like multi-level government, decentralisation, multi-functional local government system and subsidiarity) that were already 'NPM-proof' before NPM started as a reform movement. This, plus its good international reputation of performing in terms of legally correct and reliable conduct, served as a cognitive and normative barrier against an easy adaptation of NPM.¹²⁴ Only after local, regional and state ('*Länder*') reforms were carried out, and a change of government took place in 1998, was a comprehensive federal reform program launched.¹²⁵ This was also triggered by skyrocketing public debts caused by the German unification.¹²⁶ The reform program of 1999 builds on the Clinton/Gore rhetoric of NPM, with a vision of 'an administration which performs better and costs less.'¹²⁷

Although New Public Management was adapted globally¹²⁸, there have been many differences¹²⁹. Countries such as Denmark and the Netherlands

¹²³ Ingraham (1996: 247): The reform agenda for national civil service systems: external stress and internal strains.

¹²⁴ Wollman (2003): Public-sector reform in Germany: between continuity and change; Oppen (2002): From 'New public management' to 'New public governance'. Restructuring the public administration of tasks in Germany.

¹²⁵ Bundesregierung (1999): 'Moderner Staat – moderne Verwaltung'.

¹²⁶ Wollmann (2003): Public-sector reform in Germany, between continuity and change – in international perspective.

¹²⁷ Ibidem.

¹²⁸ Osborne and Gaebler (1992: 328): Reinventing government.

¹²⁹ Hood (1996: 270): Exploring variations in public management reform in the 1980s.

had already developed variable pay (an instrument to enhance competition of civil servants within administration¹³⁰), in the 1980s, whereas the German public sector escaped from such reform.¹³¹ Kickert argues that, from a comparative perspective, the German national administration has an 'exceptional' ability to escape reforms.¹³² Only in 2005 did Germany issue a draft Law that aimed at making light forms of variable pay possible.¹³³ Factors other than macro-economic performance and political preference also affected the degree of emphasis to NPM, such as the size of the administration. The Netherlands, a country with a 'medium' NPM emphasis, had a medium sized government at that time. Downsizing the government was a more prominent issue there than in Germany: a 'low' NPM emphasis country, already with a small government.¹³⁴

Gradually the NPM movement began to receive criticism. Techniques that flourished in the private sector sometimes showed to be inappropriate for the public sector. Many NPM reform activities attempted to create a degree of flexibility and discretion that conflicted sharply with the rigidities created by complicated civil service laws and regulations.¹³⁵ NPM was responsible for at least three structural problems (discovered in an international survey on NPM in local governments):¹³⁶

- Quality management often degenerates to a simple instrument of legitimising the administration;
- Ideologically driven privatisation programs end up in short-term, non-durable solutions;
- Outcome-orientation often falls back to the traditional hierarchical steering concept.

¹³⁰ Variable pay is an instrument taken from the private sector. It implies a shift from intrinsic motivation (as in Weberian hierarchy) of civil servants towards extrinsic motivation (stimulus-response thinking, which is a common approach in the private sector). In 't Veld (personal communication).

¹³¹ Hood (1996: 274, 272): Exploring variations in public management reform in the 1980s.

¹³² Kickert (2005): Distinctiveness in the Study of Public Management in Europe.

¹³³ Bundesregierung (2005): Entwurf Strukturreformgesetz.

¹³⁴ Hood (1996: 280): Exploring variations in public management reform in the 1980s.

¹³⁵ Ingraham (1996: 262-263): The reform agenda for national civil service systems: external stress and internal strains.

¹³⁶ Naschold et al. (1997): International trend of local government modernisation. An assessment for the mid-1990s.

A fourth problem is that NPM suggests that the private sector is, by definition, superior to the public sector. This contributed to a low morale in public administration.¹³⁷ Furthermore, market thinking may threaten democratic processes; just as network governance does (see hereafter).¹³⁸

Finally, who considers citizens as customers, restricts the task of governments to providing services and products, whereas citizens are also subjects, voters and nationals, in which roles they expect more than only service provision.¹³⁹

Despite the current critique on NPM, market governance has remained a very influential ideal-type governance style inside Western public administration. In its ideal-typical form it accounts for decentralisation, the creation of agencies, and furthering the autonomy¹⁴⁰ of existing agencies and other decentralised units. It stimulates the formation of hybrid organisations (mixtures of public-sector and private-sector organisations), and emphasises the management competencies of staff, instead of policymaking competences. It promotes competition instead of co-operation, stimulates benchmarking, stimulates contract management (although contracts are also used in hierarchical and network governance, but not so predominantly), and advocates output instead of outcome.

2.2.3 Network governance

Since the 2nd World War, due to the perceived success of the Weberian model, governments and their administration came to be increasingly guided by principles of hierarchy and standardisation. In contrast, at the same time Western society in general developed into an open democratic system in which networks play an important role.¹⁴¹ This divergence was problematic because the notion of a network in which actors with different interests bargain, is fundamentally different from the mono-rational mode

¹³⁷ Savoie (2000: 8-9): Governance in the twenty-first century: introducing the topic.

¹³⁸ Perry (2007): Democracy and the new public service.

¹³⁹ Ringeling (2001: 34): Rare klanten hoor, die klanten van de overhead.

¹⁴⁰ Verhoest et al. (2004: 116, The study of organisational autonomy: A conceptual review) distinguish six dimensions of autonomy in market governance: managerial autonomy, policy autonomy, structural autonomy, financial autonomy, legal autonomy and interventional autonomy.

¹⁴¹ Raadschelders and Rutgers (1996: 92): The evolution of civil service systems.

of governance by a single controller.¹⁴² Long before the concept of an emerging ‘network society’¹⁴³ became popular in the 1990s, politicians and societal stakeholders promoted the involvement of more parties in policy-preparation and decision-making since the 1970s. Scholars and practitioners claimed that the classic hierarchical paradigm had to be replaced – at least for multi-actor, multilevel policymaking - with a network or arena paradigm.¹⁴⁴ Less ‘command and control’ and more ‘open processes’ were expected to improve the effectiveness of the governmental organisations.¹⁴⁵ The ‘IT-revolution’ of the last decades has also increased the importance of networks in social life.

Against this background, from the 1980s (in the Netherlands) and 1990s (in most other western European public administrations), the ideal-type *network governance* developed as an alternative to hierarchical top-down steering by government, and to market governance as promoted under the banner of New Public Management. It provides a third alternative between top-down planning and the anarchy of the market. Whereas market governance offered the alternative of deregulation and privatisation to the inefficiency of hierarchical governance in our complex societies, network governance offered the alternative of horizontal coordination.¹⁴⁶ Network governance is considered to offer advantages for learning and innovation in an ever-changing environment.¹⁴⁷ Powell describes network governance as “more a marriage than a one-night stand, but there is no marriage license, no common household, no pooling of assets”.¹⁴⁸

Network governance can be defined as the ‘management’ of complex networks, consisting of many different actors from the national, regional and local government, from political groups and from societal groups (pressure, action and interest groups, societal institutions, private and busi-

¹⁴² Hanf and Scharpf (1978): Interorganizational policy-making; limits to central coordination and control. Kickert (1980): Organization of decision-making (cited in Kickert (1991)).

¹⁴³ Castells (1996): The rise of the network society.

¹⁴⁴ Dirven et al. (1998: 14-15): Stuur of overstuur: Over bestuurlijke wisselwerkingen tussen overheid en samenleving.

¹⁴⁵ E.g. Ringeling (1997: 16-17): Sturing van het milieubeleid.

¹⁴⁶ Börzel (1998: 264): Organizing Babylon – on the different conceptions of policy networks.

¹⁴⁷ Jessop (2002: 8): Governance, governance failure and metagovernance.

¹⁴⁸ Powell (1991: 269): Neither market nor hierarchy: network forms of organization.

ness organisations).¹⁴⁹ ¹⁵⁰ Public sector reform programmes of the early 2000s concentrate on this objective to a substantial extent. Network governance has also become popular in public management consulting.¹⁵¹ However, this does not imply that network governance has been widely implemented. The introduction of network governance in the public sector is sometimes a symbolic rather than a serious attempt (in Germany, the term ‘Ankündigungs-politiken’¹⁵² has been coined to describe this phenomenon)¹⁵³. The reason for this may be that politicians tend to (ab)use participatory approaches as a way of increasing support.¹⁵⁴ An example is the introduction of co-regulation with societal partners by the European Commission. This has been analysed as an attempt to develop more hierarchical power, against the will of the member states.¹⁵⁵ In the Netherlands, it was found that policy processes that begin with a network approach end with a classical top-down approach that destroys the trustful relations. This creates an often-seen network governance paradox: when government only half-heartedly invites citizens and societal partners to participate in policymaking, the result may be a decrease of citizens’ trust in government.¹⁵⁶

Meyer identified four key elements of network regulation: Trust, durability, strategic dependency, and institutionalisation.¹⁵⁷ Trust is a more effective means of dealing with knowledge-intensive organisations than price and authority.¹⁵⁸ Empathy should be added as key element: the will

¹⁴⁹ Kickert (1997: 735): Public governance in the Netherlands.

¹⁵⁰ High et al. (2005, Understanding informal institutions) argue that ‘network management’ is contains a contradiction: networks are characterised by personal and informal relationships, which makes them in to a certain extent resistant to ‘management’.

¹⁵¹ Eggers and Goldsmith (2004): Government by network. The new public management imperative.

¹⁵² ‘Policy by proclamation’.

¹⁵³ Hesse (2003: 199): Stability Turned Rigidity. Paradoxes in German Public Sector Development.

¹⁵⁴ Mayer et al. (2005: 197): Interactive policy development: Undermining or sustaining democracy?

¹⁵⁵ E.g. Héritier (2002): New modes of governance in Europe: Policy making without legislating?

¹⁵⁶ Meuleman (2003: 19): The Pegasus Principle.

¹⁵⁷ Meyer (2003), cited in W. Meyer and Baltes (2004: 37): Network failures – How realistic is durable cooperation in global governance?

¹⁵⁸ Adler (2001: 215): Market, hierarchy, and trust: The knowledge economy and the future of capitalism.

and ability to understand the interests of other network partners and to act accordingly. Thorelli adds power, a “cousin” of trust, as a central concept in networks: the ability to influence the decisions of others.¹⁵⁹

Klijn and Koppenjan distinguish five other characteristics of network governance:¹⁶⁰

- Mutual dependence of actors which leads to sustainable relations between them;
- In the course of interactions, rules are formed which regulate actor behaviour;
- Policy processes are complex and not entirely predictable because of the variety of actors, perceptions and strategies;
- Policy is the result of complex interactions between actors who participate in concrete games in a network;
- Network co-operation is not devoid of problems and needs process and conflict management, and risk reduction.

According to Considine there are three domains in which network governance is making an important contribution to public governance: interorganisational networks (linking public and private organisations), interactor networks (linking leaders and advocates), and inter-agency networks (linking various agents in the provision of services).¹⁶¹

The ideal-type network governance currently accounts for interactive policymaking, informal networks such as expertise networks in public administration, and covenants.

Network governance and knowledge based network organisations

The term network governance implies a focus on a certain type (namely interdependent) type of relations, for example between a ministry and societal stakeholders. A network organisation will use, or be a partner in network governance, but differs from other organisations participating in network governance in the sense that its internal organisation is based on networking as the main (or even only) coordination and organisation principle. This type of organisations has been successful in knowledge-intensive businesses, which are sometimes called ‘knowledge-based net-

¹⁵⁹ Thorelli (1986: 38): Networks: between markets and hierarchies.

¹⁶⁰ Based on Klijn and Koppenjan (2000: 142): Public management and policy networks. Foundations of a network approach to governance.

¹⁶¹ Considine (2002: 7): Joined at the lip? What does network research tell us about governance?

work organisations'¹⁶². Networks work well in knowledge-rich environments because they have superior information-processing capabilities; they are also more adaptable and flexible than hierarchies because of their loose coupling and openness to information.¹⁶³ Such organisations have in common that they focus on content instead of power, and are designed in a way that their highly professional employees have maximum freedom of operation. The Dutch consultancy organisation 'The Vision Web' that emerged in the late 1990s was an extreme example. There was no internal hierarchy (to the extent that employees decided on their own salaries), no managers; everything was based on trust, people and identity.¹⁶⁴

Like all styles of governance, network governance also has its typical weak points.¹⁶⁵ Networks are instable constructions that tend to either disintegrate, or convert into a formal organisation. They are not very efficient compared to markets and hierarchies. Furthermore, the advantage (compared to hierarchies) that networks are open, can also be a threat to another key element, namely trust, because trust relates to team building in a network (and therefore, closure is important). Sørensen argues that network governance marginalises politicians and thereby weakens democracy.¹⁶⁶ It 'stretches' democracy and raises issues regarding equity, accountability and democratic legitimacy.¹⁶⁷ Depending on how democracy is defined, this may be problematic. Klijn and Koppenjan differentiate between an instrumental vision (democracy is an efficient way of decision making) and a substantive view (democracy is a societal ideal, a value in itself). Proponents of participatory or direct democracy usually take latter view.¹⁶⁸

A final weakness of network governance worth mentioning here is inherent to networks. People with a higher than average number of 'links' with others, play an important role in networks. These 'hubs' guarantee high speed communication. However, if such hubs are removed, networks

¹⁶² Term coined by Roobeek.

¹⁶³ Achrol and Kotler (1999: 146-147): Marketing in the network economy.

¹⁶⁴ Derix (2000): The Vision Web. Op reis naar 's werelds spannendste ondernemingsvorm.

¹⁶⁵ Meyer and Baltes (2004: 42): Network failures – How realistic is durable co-operation in global governance?

¹⁶⁶ Sørensen (2006): Meta-governance: The changing roles of politicians in processes of democratic governance.

¹⁶⁷ Bogason and Musso (2006: 3): The democratic prospects of network governance.

¹⁶⁸ Klijn and Koppenjan (2000: 376-377): Politicians and interactive decision making: Spoilsports or playmakers.

may break down into isolated pieces.¹⁶⁹ Moreover, hubs establish a kind of hierarchy in a network, and actors who find themselves in such a key position, have an advantage over other players.¹⁷⁰ This makes the selection of participants in network governance processes problematic. In addition, there are no commonly accepted procedures for selection, and the risk is that privileged actors join in technocratic decision making which may result in a decrease of citizens' participation compared to the classical representative forms of democratic decision-making.¹⁷¹

2.2.4 Forms of network governance

It is no surprise that a whole range of sub-forms of network governance have developed: large numbers of Western-European public administration and political science scholars have concentrated on the governance implications of Castells' emerging 'network society'. Each of the sub-forms highlights one or more characteristics of network governance. They share the normative idea that networks are the best way of societal coordination.

Participatory governance (or interactive policymaking) is a normative concept¹⁷² that promotes individual and collective participation of state and non-state actors in policy-making and implementation.¹⁷³ Because of the focus on participation this concept is usually compared with hierarchical governance (which is in principle not participatory), and not with market governance.¹⁷⁴ During the 1990s, interactive policymaking became en vogue in the Netherlands.¹⁷⁵ Around the Millennium, a revival of hierarchical thinking in the (national) political arena resulted in the end of several

¹⁶⁹ Barabási (2003): *Linked*. How everything is connected to everything else and what it means for business, science and everyday life.

¹⁷⁰ Thompson (2004: 413): Is all the world a complex network?

¹⁷¹ Von Blumenthal (2005: 1165): Governance – eine kritische Zwischenbilanz.

¹⁷² Evans (2007): Methodological problems in evaluating democratic participation in local politics.

¹⁷³ E.g. Lohan et al. (eds.)(2004): *Participatory governance: Planning, conflict mediation and public decision-making in civil society*. Lohan et al. (2001, *Public Entrepreneurship Networks*) argue that policy development "increasingly occurs in an intermediate arena that is neither governmental nor private".

¹⁷⁴ See for example Pröpper and Steenbreek (1998): *Interactieve beleidsvoering*. Typering, ervaringen en dilemma's.

¹⁷⁵ Van der Arend (2007): *Pleitbezorgers, procesmanagers en participanten*.

experiments with this form of network governance.¹⁷⁶ *Nodal governance*¹⁷⁷ is a structured form of participatory governance in which state and non-state actors co-operate to provide public services. It operates through networks and partnerships of governance ‘nodes’ that include state agencies, businesses and NGOs.¹⁷⁸

Bang’s concept of *culture governance*¹⁷⁹ developed in the consensus oriented society of Denmark and is a difficult mixture: it “represents a new form of top-down steering; it is neither hierarchical nor bureaucratic but empowering and self-disciplining”. Not only does this seem to neglect some of the inherent incompatibilities between hierarchies and networks, the normative character also includes that this approach is considered to be a generally applicable style combination.

Community governance is a form of governance in which governments appeal to citizens to form communities that look after their own affairs, such as safety. This form is related to community policing (see Chapter 5).¹⁸⁰

Whereas participatory and nodal governance position government as a key actor in processes of solving societal problems, *deliberative governance*¹⁸¹ is ‘deliberately’ anti-statist and focuses on societal processes of deliberation as the crucial ‘modern’ problem-solving mechanism. It is based on the idealistic view of democracy, distinguished by Klijn and Koppenjans.

Other approaches consider dealing with complexity as the main challenge for (network) governance. They do not concentrate on the interactions between actors. *Reflexive governance* is a form of network governance that builds on Beck’s notion of reflexive modernisation:¹⁸² complexity and uncertainty require that governance approaches are reflexive, i.e. the governance approach and the ‘governors’ itself are influenced, or should

¹⁷⁶ Meuleman (2003): The Pegasus Principle.

¹⁷⁷ Shearing (2001): A nodal conception of governance.

¹⁷⁸ Froestad and Shearing (2004): Contested authorities, mobilizing local knowledge and capacity for nodal governance participation.

¹⁷⁹ Bang (2004): Culture governance: Governing self-reflexive modernity.

¹⁸⁰ Schedler (2006: 121): Networked policing: Towards a public marketing approach to urban safety.

¹⁸¹ Hajer et al. (2003): Deliberative policy analysis: understanding governance in the network society.

¹⁸² Beck (1994): The reinvention of politics: towards a theory of reflexive modernisation.

be open for influences by the governance environment.¹⁸³ In reflexive governance, learning is a central issue. *Adaptive governance* is a way of designing policies that can adapt to a range of anticipated and unanticipated conditions. A key characteristic of adaptive governance is collaborative, flexible and learning-based issue management across different scales¹⁸⁴. *Adaptive management* is a form of reflexive governance: it is a structured learning process designed to dealing with uncertainty.¹⁸⁵

2.2.5 Post-bureaucratic administration, a myth?

The internal logic of the three ideal-types makes them so attractive that each of them has been considered a panacea for all administration problems: hierarchy in the post-War decades, market governance during the 1980s and 1990s, and network governance since the mid-1990s. Bouckaert distinguishes three phases in the evolution of public administration in Western states since the 1950s.¹⁸⁶ Between 1950 and 1980 hierarchical governance was central: the public sector should be above all professional and rational. From 1980-1995 market governance was introduced (private sector instruments and procedures: New Public Management (NPM)). In the period of 1995-2000s, New Public Governance emerged: a combination of network governance and hierarchical governance (the latter under the banner of ‘good governance’).

Was this evolution also a succession of the relative dominance of governance styles over time, from hierarchy to network via market governance? Sol argues that the idea of succession is a simplification and feeds the myth of progress.¹⁸⁷ It is a simplification, because there have been significant differences in the governance history of individual countries, different public-sector organisations inside the same country and even differ-

¹⁸³ E.g. Voss et al. (eds) (2006): Reflexive governance for sustainable development.

¹⁸⁴ Description retrieved on 9 September 2007 from http://www.ias.unu.edu/sub_page.aspx?catID=155&ddlID=299 (The adaptive governance project, UNU-IAS). See also Nooteboom (2006): Adaptive governance for sustainable development.

¹⁸⁵ Sendzimir et al.(2006): Adaptive management to restore ecological and economic resilience in the Tisza river basin.

¹⁸⁶ Bouckaert (2004: 27): Die Dynamik von Verwaltungsreformen.

¹⁸⁷ Sol (2000): Government governance and beyond. Reconciling flexibility and accountability in labour market policy in the Netherlands.

ent organisational units within one public-sector organisation. The myth of progress is criticized by Hesse in the case of Germany.¹⁸⁸ He notices that public administration reform is characterised by symbolic politics rather than by real reforms. This may be illustrated by the view of the European Commission on the participation of networks (i.e. in this case: non-governmental actors). In its White Paper on Governance, the Commission states: "By making them more open and structuring better their relation with the Institutions, networks could make a more effective contribution to EU policies"¹⁸⁹, which can be considered "rather paternalistic advice".¹⁹⁰ In the White Paper, stakeholder involvement is interpreted as a way of providing the Commission with information and not as a process of dialogue.

If there has not been a succession from hierarchy to network via market governance, then all three modes of governance should exist together. This seems to contradict the popular idea that a 'post-bureaucratic administration' is emerging¹⁹¹. The term 'bureaucracy' is used for the politico-administrative system of performance in modern times, which is manifested in a fixed pattern of responsibilities and jurisdictions, and a hierarchical pyramid-shaped structure.¹⁹² The notion of post-bureaucratic administration implies the opposite: abandon the classical bureaucracy, replace fixed responsibilities with fluid ones and hierarchical structure with a flat organisation.¹⁹³ The question is: has there been a metamorphosis of the politico-administrative system towards a post-bureaucratic type, or is this wishful thinking?

Many public administration scholars hold that a change has indeed occurred. Their argument has some plausibility. Western societies are said to have transformed into 'network societies'.¹⁹⁴ In addition, it was widely signalled that public-sector organisations needed to change as early as the 1970s and 1980s: "Bureaucracies tend to concentrate on organisational survival rather than on attending problems of governance", and "Bureau-

¹⁸⁸ Hesse (2003: 199): *Stability Turned Rigidity. Paradoxes in German Public Sector Development.*

¹⁸⁹ European Commission (2001: 18): *European Governance. A white Paper.*

¹⁹⁰ In 't Veld (2003: 52): *Governance: A new concept leading to policy innovation?*

¹⁹¹ Emery, Wyser and Sanchez (2006): *Working in a post bureaucratic context: civil servants' perceptions of the main challenges involved and their coping strategies.*

¹⁹² König (2003: 450): *On the typology of public administration.*

¹⁹³ Heckscher (1994): *Defining the post-bureaucratic type.*

¹⁹⁴ Castells (1996): *The rise of the network society.*

cratic government is a threat to those who see the central position of bureaucracy in modern policy-making as a threat to traditional values. It is also a threat to those who desire an effective government".¹⁹⁵ The Dutch scholar Frissen argues that hierarchical governance is decreasing, because of the IT revolution.¹⁹⁶ Bogason and Toonen conclude that hierarchical control of government over society is not impossible, but is restricted to politically and technologically simple fields that require simple human tasks of intervention.¹⁹⁷ Moreover, they argue, "Not many areas of human activity meet these demands". Others believe, that "the nature of tasks of governments in contemporary complex societies are confronted with will not allow for command and control reactions".¹⁹⁸ None of these authors, however, have produced empirical evidence for the supposedly drastic decrease of hierarchical governance.

There are many more scholars who hold that hierarchy has gone, or at least, is weakened. Kettl identifies a fundamental shift in American public administration.¹⁹⁹ He concludes that the four traditions that together formed the US public administration all depend upon the opportunity to draw clear lines defining the roles and responsibilities of each of the players.²⁰⁰ However, with entering the 21st century, these boundaries have all become fuzzy. Traditional boundaries can no longer contain big problems.²⁰¹ The fluidity of administrative boundaries in Western administrations has led to a move from the familiar institutions "to the edges of organisational activity, negotiations between sovereign bodies, and inter-organisational networks (...)".²⁰² After governments had discovered the limits of the first alternative to hierarchy, namely a retreat from the public domain by introducing market governance elements such as privatisation and deregulation, the development of network governance was perceived as a new opportunity.²⁰³ According to Kickert²⁰⁴, it was already in the Netherlands in

¹⁹⁵ Peters (1981: 82): The problem of bureaucratic government.

¹⁹⁶ Frissen (1999): *De lege staat*.

¹⁹⁷ Bogason and Toonen (1998: 224): Introduction: Networks in Public Administration.

¹⁹⁸ Klijn and Koppenjan (2000a: 154): Public management and policy networks.

¹⁹⁹ Kettl (2002: 26-49): The transformation of governance.

²⁰⁰ The Hamiltonian, Jeffersonian, Madisonian and Wilsonian traditions.

²⁰¹ Kettl (2002: 74): The transformation of governance.

²⁰² Hajer and Wagenaar (2003): *Deliberative policy analysis: understanding governance in the network society*.

²⁰³ Kickert et al. (1997: 2): *Public Management and Administrative Reform in*

the early 1970s (long before the New Public Management movement) recognised that central top-down steering in a hierarchical organisation does not work in a network of independent actors with different goals, interests and positions. Elsewhere he argues that the early attention in the Netherlands to a network approach is caused by the historically underlying continuity of a corporatist-consensual model of deliberation and pragmatic compromise.²⁰⁵

Therefore, if classical bureaucracy is labelled as out-dated, and if there was strong societal and political pressure to change the administration, why would a new 'post-bureaucratic' administration *not* have developed? Kettl's 'fuzzy boundaries' of course do influence the possibility of designing and applying certain governance style mixtures. However, this does not mean that any of the three ideal-types has been put 'out of business'. On the contrary, it seems that public-sector organisations have escaped much of a transition thus far. According to Bouckaert, during the last decades of the 20th century they have developed from a hierarchical Weberian style towards a Neo-Weberian style that is still hierarchical.²⁰⁶ The Neo-Weberian style has moved further away from the classical hierarchical style in Anglo-Saxon states than in continental European states. Bouckaert distinguishes two types: a Nordic type that emphasises the participation of the citizen-client in a 'citizens' state' with a balance of rights and obligations, and a continental version that insists on the professional dimension of the state, with a citizen who is considered as a client.²⁰⁷

Furthermore, recent research shows that hierarchy is still the primary governance style in Western public-sector organisations.²⁰⁸ A case study in Queensland, Australia, showed that its bureaucracies have not changed into post-bureaucratic organisations, but that public sector organisations have evolved "from one form of bureaucracy based on political controls and values, to a form of bureaucracy associated with market controls and

Western Europe.

²⁰⁴ Kickert (1997: 737): Public Governance in the Netherlands: An Alternative to Anglo-American 'Managerialism'.

²⁰⁵ Kickert (2003: 127): Beneath consensual corporatism: Traditions of governance in the Netherlands.

²⁰⁶ Bouckaert (2004: 22): Die Dynamik von Verwaltungsreformen.

²⁰⁷ Bouckaert (2003): La réforme de la gestion publique change-t-elle les systèmes administratifs ?

²⁰⁸ Hill and Lynn (2005): Is Hierarchical governance in decline? Evidence from empirical research.

values”.²⁰⁹ An investigation in the UK showed empirically that “King Bureaucracy is actually alive and well and, above all, absolutely necessary if policy is to be implemented on a national basis”²¹⁰. Hierarchy is “in good shape”, and like the whisky brand “Johnny Walker” advertises “Born in 1820, still going strong”²¹¹. Schofield argues that it is useful for politicians to have an “obedient cadre of professional managers who are the interface between themselves and the citizen”; in addition, managers stay obedient because this is rewarding for them. Hill and Lynn state that hierarchy is still “the primary means by which governments govern. The seemingly ‘paradigmatic’ shift away from hierarchical government toward horizontal governing [...] is less fundamental than it is tactical.” They conclude that what has taken place is the addition of new tools or administrative technologies that facilitate public (network) governance within hierarchical systems.²¹²

Similar observations have been made in Germany, where in the case of control over prisons and over local authority in building administration, hierarchical forms of control moved from the foreground to a ‘shadow’ from which they still are influential.²¹³ In the Netherlands, politicians are trying to re-hierarchise the public sector.²¹⁴ There may have been a temporary decrease, but the return of hierarchy with new vigour is confirmed for the UK by Taylor and Kelly. They found that there has been an increase in rules and accountability procedures, which has “reduced the rule discretion of the street-level bureaucrat, which crucially, in terms of Lipsky’s theory²¹⁵, has reduced the policy-making element of discretion”²¹⁶.

Another indication that bureaucratic (i.e. hierarchical) governance is still important is that Western governments invest a lot of energy in a battle against ‘over-regulation’. ‘Better regulation’ is the normative slogan,

²⁰⁹ Parker and Bradley (2004: 197): Bureaucracy or post-bureaucracy? Public sector organizations in a changing context.

²¹⁰ Schofield (2001: 91): The old ways are the best?

²¹¹ Schuppert (2007: 8): Was ist und wozu Governance?

²¹² Hill and Lynn (2005): Is Hierarchical governance in decline? Evidence from empirical research. The authors synthesized 70 journals and 800 articles on governance and public management over a 12 year period.

²¹³ Lodge and Wegrich (2005: 221): Control over government: Institutional isomorphism and governance dynamics in German public administration.

²¹⁴ Ringeling (2007: 22): Tussen distantie en betrokkenheid.

²¹⁵ Lipsky (1980): Street-level bureaucracy.

²¹⁶ Taylor and Kelly (2006: 639): Professionals, discretion and public sector reform in the UK: re-visiting Lipsky.

which the European Commission uses to bring and keep down the ‘administrative burden’ of legislation for businesses and citizens. Many European countries developed ambitious deregulation programmes in the early 2000s. These programmes usually have two objectives: creating more freedom for the private sector and a better acceptance of government policies by citizens. Belgium labelled the national anti-bureaucracy programme the ‘Kafka’ project; also in the Netherlands, ‘Kafka brigades’ have been established. ‘Better regulation’ targets are sometimes formulated in terms of a 25 to 40% decrease of legal texts without differentiation.²¹⁷ However, (legal) instruments are not neutral devices: they express a certain idea about social control and ways of exercising it.²¹⁸

Finally, König states matter-of-factly that no interpretable material is yet available from which the type of a post-bureaucratic administration might emerge.²¹⁹ He adds that even private enterprises (still) have bureaucratic features, because of its low transaction costs. How is it then possible that so many scholars deny that hierarchy is still very influential? One reason may be that they are mainly interested in the non-hierarchical dimensions of governance: all the world is chaos and complexity, and this leads to a new paradigm for public administrators.²²⁰ This focus on complexity alone can be criticised. In the words of Frederickson:

“Investments in our prevailing institutions, our cities, states and nationals and their established governments are devaluated, as are the accomplishments of those institutions. Order, stability, and predictability are likewise undervalued.”²²¹

We can conclude that there is no evidence of an emerging post-bureaucratic public sector. There are merely complex mixtures of old and newer forms of governance (Figure 3), and none of them can be considered a panacea.²²² However, the ingredients of the mixtures have always been

²¹⁷ Hey (2007): *Deregulierung und Entbürokratisierung*.

²¹⁸ Lascoumes and Le Gales (2007: 1): Introduction: Understanding public policy through its instruments.

²¹⁹ König (2003: 459): On the typology of public administration.

²²⁰ Kiel (2005): Embedding chaotic logic into public administration thought: Requisites for the new paradigm.

²²¹ Frederickson (2004:12): Whatever happened to public administration? Governance, governance everywhere.

²²² E.g. Nelissen (2002, The administrative capacity of new types of governance) questions the claim that the new modes of governance are a panacea.

there. Even in primarily hierarchical times, consent was often strived for.²²³ Hierarchy, or ‘bureaucratic management’ in a Weberian sense continues to exist in a complicated mixture with market and network thinking, and sometimes disguised as network or market governance. The ‘dinosaur scenario’, which emphasises that hierarchy is undesirable and not viable, and that a shift toward market or network governance is inevitable, is an insufficient explanation for contemporary public-sector governance: “Bureaucratic organization and the success criteria in which it is embedded are still with us.”²²⁴

Even in the supposedly emerging ‘network society’ of Castells²²⁵, it seems logical for some public-sector tasks to stick to hierarchy. The financial and salary department of a ministry should be reliable and not networking or entrepreneurial. Besides, bureaucratic procedures can be considered as a safeguard for effectively dealing with crises, disasters, or security issues. On the other hand, hierarchy has proven to not being able to solve multi-actor, multi-sector, multi-level problems: they are too ‘fuzzy’.

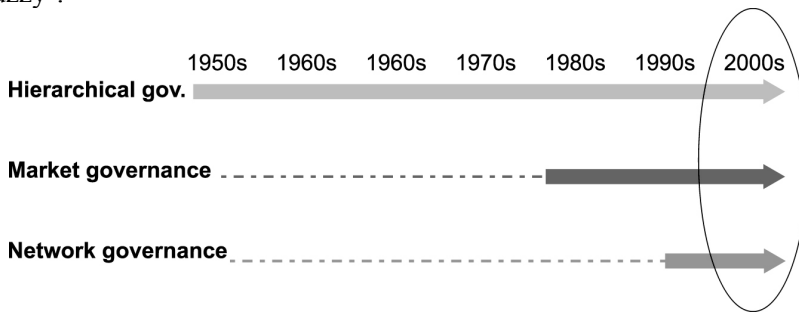


Fig. 3. Development of three governance styles in Western European nations

Nevertheless, the arguments and the empirical findings mentioned above that hierarchy is still an important governance style, may not convince believers in the ‘network governance is everything’ doctrine. Their vision “assumes that a single, context-free set of principles for organizing

²²³ Blatter performed empirical research in four transboundary zones in Europe and North America. He considers these zones as laboratories for institutional change. Blatter (2003: 505): Beyond hierarchies and networks: institutional logics and change in transboundary spaces).

²²⁴ Olsen (2006: 17-18): Maybe it is time to rediscover bureaucracy.

²²⁵ Castells (1996): The rise of the network society.

public administration is functionally and normatively superior.”²²⁶ Finally, they may argue that empirical research cannot prove that they are wrong, because the (quantitative and qualitative) evidence produced by such research is based on an analytical concept that fails to recognise that the current society is up to its capillary vessels a network society. Frissen formulates the network doctrine as follows:

“I am no Darwinist. I think that the world is accidental, that it could have gone differently, that things do not have a purpose. This is a crucial point. When one looks at societal developments from a policy perspective, it makes a big difference if one believes that the world is the result of contingency, or that the world has a logic which is understandable, in which one can intervene with predictable outcomes. That leads to a very different steering behaviour.”²²⁷

To conclude, the arguments in this section suggest that taking one of the three ideal types as a panacea leads to overlooking important characteristics and mechanisms of the functioning of contemporary public-sector organisations. Only by considering all three forms simultaneously, the strengths and weaknesses of each of the forms can be assessed.²²⁸ Therefore, a multi-perspective approach (hierarchies, networks and markets exist together) has more analytical power. Beetham came to the same conclusion when he, in 1991, compared several alternatives to the Weberian model of hierarchy:

“Each of these conceptions has in its time been presented as the final truth. It would be more plausible, however, to see them, not as mutually exclusive alternatives, either to the Weberian model or to another, but as each emphasizing an essential aspect of organizational reality, all of which need taking into account and which together necessitate a modification in the strictly bureaucratic conception of organizational efficiency, rather than its outright replacement.”²²⁹

²²⁶ Olsen (2006: 13): Maybe it is time to rediscover bureaucracy.

²²⁷ Frissen in an interview in the Dutch *Staatscourant* of 17 May 2006 (translated from Dutch by the author).

²²⁸ Podolny and Page (1998: 74): Network forms of organization.

²²⁹ Beetham (1991: 135): Models of bureaucracy.

2.3 Relations between governance styles

2.3.1 Differences between hierarchical, network and market governance

The three ideal-typical styles of governance are internally consistent: they each have a clear and distinct internal logic. Hierarchy produces legal instruments because they can be controlled hierarchically. A typical network governance outcome like a consensus builds on mutual trust, not on hierarchical power play, and therefore does not fit into the logic of hierarchical thinking, nor in the competitive logic of market governance. As we have argued in 2.2.5, the ‘logic of governance’²³⁰ of the ideal-types makes them so attractive, that scholars and practitioners have seen each of them as a panacea for all administration problems. Table 1 (see also Annex 1) presents an overview of 36 differences between the three governance styles that have been collected to support the analytical framework of this research. They are clustered into five groups (see Section 3.2.2): vision (and strategy), orientation, structure (including systems), people and results.

Table 1. Differences between the three ideal types of governance

Governance style	HIERARCHICAL STYLE	NETWORK STYLE	MARKET STYLE
Organis. dimension			
VISION/STRATEGY			
1. Culture/ 'Way of life' ²³¹	Hierarchism	Egalitarianism	Individualism
2. Theoretical background ²³²	Rational, positivist	Socio- constructivist, social config. theory	Rational choice, public choice, principal-agent theory
3. Mode of calcul. ²³³	Homo hierarchicus	Homo politicus	Homo economicus

²³⁰ Thompson (2004: 413): Is all the world a complex network?

²³¹ Thompson et al. (1990: xiii): Cultural Theory.

²³² Dixon and Dogan (2002: 184-185): Hierarchies, networks and markets: responses to societal governance failure. Bevir and Rhodes (2001: 1): A decentred theory of governance: Rational choice, institutionalism, and interpretation. Haque (2007: 180): Revisiting the New Public Management.

²³³ Jessop (2003): Governance and metagovernance: On reflexivity, requisite variety, and requisite irony.

Table 1. (continued)

Governance style	HIERARCHICAL STYLE	NETWORK STYLE	MARKET STYLE
Organis. dimension			
4. Key concept ²³⁴	Public goods	Public value	Public choice
5. Primary virtues ²³⁵	Reliable	Great discretion, flexible	Cost-driven
6. Common motive ²³⁶	Minimising risk	Satisfying identity	Maximising advantage
7. Motive of subordinate actors ²³⁷	Fear of punishment	Belonging to group	Material benefit
8. Roles of government	Government rules society	Government is partner in a network society	Government delivers services to society
9. Metaphors ²³⁸	Machine; stick; iron fist	Brain; sermon; word	Flux; carrot; invisible hand
10. Style of strategy ²³⁹	Planning and design style; compliance to rules and control procedures	Learning style; Chaos style: coping with unpredictability; deliberation	Power style; getting competitive advantage
11. Governors' responses to resistance ²⁴⁰	Use of legitimate power to coerce rebels to behavioural conformity	Persuasion of rebels to engage, or expel them	Negotiate deals with rebels, using incentives and inducements
ORIENTATION			
12. Orientation of organisations ²⁴¹	Top-down, formal, internal	Reciprocity, informal, open- minded, empathy, external	Bottom-up, suspicious, external
13. Actors are seen as	Subjects	Partners	Customers, clients
14. Choice of actors ²⁴²	Controlled by written rules	Free, ruled by trust and reciprocity	Free, ruled by price and negotiation

²³⁴ Hartley (2004): Paradigms, prizes and paradoxes in governance and public management.

Table 1. (continued)

Governance style	HIERARCHICAL STYLE	NETWORK STYLE	MARKET STYLE
Organis. dimension			
15. Aim of stock-taking of actors	Anticipating protest/obstruction	Involving stakeholders for better results and acceptance	Finding reliable contract partners
STRUCTURE			
16. Structure of organisations	Line organisation, centralised control systems, project teams, stable/fixed	Soft structure, with a minimum level of rules and regulations	Decentralised, semi-autonomous units/agencies/teams; contracts
17. Unit of decision making ²⁴³	Public authority	Group	Individual

²³⁵ Considine and Lewis (1999: 468): Governance at ground level: the frontline bureaucrat in the age of markets and networks.

²³⁶ Streeck and Schmitter (1985: 122): Community, market, state – and associations?

²³⁷ Streeck and Schmitter (1985: 122): Community, market, state – and associations?

²³⁸ Morgan (1986/1997): Images of organisation. Jessop (2003): Governance and metagovernance: On reflexivity, requisite variety, and requisite irony.

²³⁹ Mintzberg et al. (1998): Strategy safari. A guided tour through the wilderness of strategic management. Knill and Lenschow (2005: 583): Compliance, competition and communication: Different approaches of European governance and their impact on national institutions.

²⁴⁰ Dixon and Dogan (2002: 184-186): Hierarchies, networks and markets: responses to societal governance failure.

²⁴¹ e.g. Jessop (2003): Governance and metagovernance: On reflexivity, requisite variety, and requisite irony. Streeck and Schmitter (1985: 122): Community, market, state – and associations?

²⁴² Assens and Baroncelli (2004: 7): Marché, Réseau, Hiérarchie : à la recherche de l'organisation idéale.

²⁴³ Arentsen 2001: 501): Negotiated environmental governance in the Netherlands: Logic and illustration.

Table 1. (continued)

Governance style	HIERARCHICAL STYLE	NETWORK STYLE	MARKET STYLE
Organis. dimension			
18. Control ²⁴⁴	Authority	Trust	Price
19. Coordination ²⁴⁵	Imperatives; ex ante coordination	Diplomacy; self-organised coordination	Competition; ex post coordination
20. Transactions ²⁴⁶	Unilateral	Multilateral	Bi- and multilateral
21. Flexibility ²⁴⁷	Low	Medium	High
22. Commitment among parties ²⁴⁸	Medium to high	Medium to high	Low
23. Roles of com- munication ²⁴⁹	Communication about policy: giving information	Communication for policy: organising dialogues	Communication as policy: incentives, PR campaigns
24. Roles of knowledge ²⁵⁰	Expertise for effectiveness of ruling	Knowledge as a shared good	Knowledge for competitive advantage
25. Access to information ²⁵¹	Partial: Segregated information	Partial: Fragmented information	Total, determined by price

²⁴⁴ Davis and Rhodes (2000:18): From hierarchy to contracts and back again: Reforming the Australian public service.

²⁴⁵ Thompson (2003: 48): Between hierarchies and markets.

²⁴⁶ Susskind (1999: 6-18): An alternative to Robert's Rules of order for groups, organisations and ad hoc assemblies that want to operate by consensus.

²⁴⁷ Powell (1991: 269): Neither market nor hierarchy: network forms of organisation.

²⁴⁸ Powell (1991: 269): Neither market nor hierarchy: network forms of organisation.

²⁴⁹ Rijnja and Meuleman (2004: 35): Maken we beleid begrijpelijk of maken we begrijpelijk beleid?

²⁵⁰ In 't Veld (2000): Willingly and knowingly. The roles of knowledge about nature and the environment in policy processes. Adler (2001: 215): Market, hierarchy, and trust: the knowledge economy and the future of capitalism.

²⁵¹ Assens and Baroncelli (2004 : 7): Marché, Réseau, Hiérarchie : à la recherche de l'organisation idéale.

Table 1. (continued)

Governance style	HIERARCHICAL STYLE	NETWORK STYLE	MARKET STYLE
Organis. dimension			
26. Context ²⁵²	Stable	Continuous change	Competitive
PEOPLE			
27. Leadership ²⁵³	Command and control	Coaching and supporting	Delegating, enabling
28. Empowerment Inside organisation ²⁵⁴	Low	Empowered lower officials	Empowered senior managers
29. Relations ²⁵⁵	Dependent	Interdependent	Independent
30. Roles of public managers ²⁵⁶	‘Clerks and martyrs’	‘Explorers’ producing public value	Efficiency and market maximisers
31. Competences of civil servants	Legal, financial, project management, information management	Network moderation, process management, communication	Economy, marketing, PR
32. Values of civil servants ²⁵⁷	Law of the jungle	Community	Self-determination
33. Objectives of management development ²⁵⁸	Training is alternative form of control over subordinates	Training helps ‘muddling through’	Training stimulates efficient decisions

²⁵² Hartley (2004): Paradigms, prizes and paradoxes in governance and public management.

²⁵³ Hersey and Blanchard (1982): Management of organizational behaviors: Utilizing human resources.

²⁵⁴ Peters (2004: 2): The search for coordination and coherence in public policy.

²⁵⁵ Kickert (2003: 127): Beneath consensual corporatism: Traditions of governance in the Netherlands.

²⁵⁶ Hartley (2004): Paradigms, prizes and paradoxes in governance and public management.

²⁵⁷ Laske (2006: 32): Measuring hidden dimensions. The art and science of fully engaging adults.

²⁵⁸ Simon (1997: 13): Administrative behaviour. Termeer (1999: 92): Van sturing naar configuratiemanagement.

Table 1. (continued)

RESULTS			
34. Affinity with problem types ²⁵⁹	Crises, disasters, problems that can be solved by executing force	Complex, unstructured, multi-actor issues	Routine issues, non-sensitive issues
35. Typical failures ²⁶⁰	Ineffectiveness; red tape	Never-ending talks, no decisions	Inefficiency; market failures
36. Typical types of output and outcome ²⁶¹	Laws, regulations, control, procedures, reports, decisions, compliance, output	Consensus, agreements, covenants	Services, products, contracts, out-sourcing, vol. agreements

2.3.2 Governance styles, complexity and ambiguity

Administrative organisations are, maybe even more than business organisations, characterised by complexity and ambiguity. The ‘garbage can’ model presented by Cohen et al. in 1972 defines an organisation as “a collection of choices looking for problems, issues and feelings looking for decisions and situations in which they might be aired, solutions looking for issues to which they might be the answer, and decision makers looking for work”²⁶².

The question is how the use of ideal-typical governance styles can help to analyse organisational behaviour. The garbage can model with its four ‘streams’ that are trying to find each other, predicts that ‘pure’ hierarchical, network or market governance is not feasible: a fixation on one of the styles would block some of the streams of problems, solutions, choice opportunities and actors. However, if we consider the three governance styles as forces influencing these streams a preoccupation with one of the styles would predict a certain affinity within these streams (Table 2).

²⁵⁹ EEAC (2003): European governance for the environment.
²⁶⁰ Jessop (2003): Governance and metagovernance: On reflexivity, requisite variety, and requisite irony.
²⁶¹ De Bruijn and Ten Heuvelhof (1995: Netwerkmanagement); Hood (2003: Exploring variations in public management reform of the 1980s).
²⁶² Cohen et al. (1972: 2): A garbage can model of organizational choice.

Table 2. Governance styles ‘inside the garbage can’.

Style	Hierarchy	Network	Market
Garbage can			
Problems	Crises	Unstructured problems	Routine problems
Solutions	Rules, control procedures	Consent, content, agreements	Contracts, services
Choice opportunities	Focused on rule-making	Focused on result via dialogue	Focused on bargaining
Actors	Subordinates	Partners	Buyers and sellers

As we have seen in the above sections, public administration organisations, as part of the politico-administrative system, apply complex mixtures of three governance styles – hierarchy, network and market – within a dominant hierarchical frame. Such mixtures are not always productive. They may undermine each other, as will be illustrated in the next section.

2.3.3 How hierarchical, network and market governance undermine each other

A mixture of hierarchy, market and network may produce a variety of conflicts. Rhodes considers networks, markets and (hierarchical) bureaucracy as rivalling ways of allocating resources and co-ordinating policy and its implementation.²⁶³ Baltes and Meyer argue that the main source of ‘network failures’ is the “dualistic pressures from both market and hierarchy” on the network coordination principle.²⁶⁴ A major reason why the conflict potential is high is, as mentioned before, that the three styles express different types of relations with other parties: dependency (hierarchy), interdependency (network) or independency/autonomy (market).²⁶⁵ A hierarchical command and control style of leadership will seldom lead to a consensus (network style) – even if this was the only feasible outcome of a policy process, that government is not able to ‘steer’ with legal instruments. Decentralisation or outsourcing (a typical market governance strategy) makes actors more autonomous. They will be frustrated when detailed

²⁶³ Rhodes (2000: 345): The Governance Narrative: Key Findings and Lessons from the ESRC'S Whitehall Programme.

²⁶⁴ Meyer and Baltes (2004: 46): Network failures.

²⁶⁵ Kickert (2003: 127): Beneath consensual corporatism: Traditions of governance in the Netherlands.

control mechanisms are (re)introduced (hierarchical governance). The co-existence of 'new modes of governance' with compulsory regulation, or hierarchy, is problematic.²⁶⁶

Other examples of possible conflicts between three pairs of governance styles are given below. Most examples are taken from 'external' governance-mixture conflicts: they emerge in the relation between administration and societal actors.²⁶⁷ However, they are usually 'mirrored' inside the administration.

Conflicts between hierarchical and network governance

From the perspective of the classical hierarchical governance style, network governance is problematic because "governments, like the church, will find networks messy and carp at the mess".²⁶⁸ Internal competition with the traditional hierarchical governance style is one of the reasons that the introduction of network governance sometimes fails. This competition has led to obstruction from other public-sector organisations or other parts of the same organisation, and to unreliable behaviour (not keeping promises, sudden withdrawal of negotiation mandate).²⁶⁹ Network governance has also met some resistance caused by distrust and irritation, when network governance is a disguise for (re)gaining control and (hierarchical) steering information.²⁷⁰ Klijn and Koppenjan concluded that experiments with network governance in the Netherlands often remain marginal and half-hearted, because government hesitates when abandoning existing routines and to giving up unilateral power.²⁷¹

When hierarchical ('vertical') and network ('horizontal') steering are applied at the same time by one public administration organisation, paradoxical situations appear, in which this organisation ends up in a 'split'. Kalders et al. investigated nine cases in the Dutch public sector and found five typical tensions between hierarchical and network governance:²⁷²

²⁶⁶ Eberlein and Kerwer (2004: 121): New Governance in the European Union: A theoretical perspective. Héritier (2002): New Modes of Governance in Europe.

²⁶⁷ Most governance literature focuses on the external component of governance.

²⁶⁸ Bevir et al. (2003: 206): Comparative Governance: Prospects and Lessons.

²⁶⁹ Meuleman (2003: 39-41; 203): The Pegasus principle.

²⁷⁰ Bauer (2002: 778-779): The EU 'Partnership Principle': Still a Sustainable Governance Device Across Multiple Administrative Arenas?

²⁷¹ Klijn and Koppenjan (2000: 155): Public management and policy network.

²⁷² Kalders et al. (2004: 339-343): Overheid in spagaat. Over spanningen tussen

- The ‘double hat’ problem: the administration combines hierarchical and network governance in a way that is counter-productive. Voluntary agreements²⁷³ are frustrated by strict accountability procedures for the same policy issue;
- The ‘steering split’: an actor wants to comply to norms and expectations that come from hierarchical and network relations simultaneously;
- The ‘accountability curve’: a decentralised government is held accountable for the performance of its partner organisations with whom it does not have hierarchical relations;
- ‘Horizontal disguise’: a network instrument such as a covenant is used in a hierarchical way, when the central government unilaterally decides on the rules of the game;
- The ‘vertical reflex’: (a) bottom-up, if decentralised governments ask central government for more direction, or (b) top-down, if central government forces decentralised governments to start network cooperation with its partners, within a very strict framework.

Network-style ‘interactive decision-making’ can lead to major tensions and conflicts with hierarchy when elected politicians, who have the formal authority to take final decisions, reverse a consensual outcome of an ‘interactive’ process.²⁷⁴ Edelenbos and Teisman developed governance mechanisms that link hierarchical and network principles in a productive way.²⁷⁵ However, like Kalders et al. they did not include an analysis of the third power, the market governance paradigm with drivers like price (cost-effectiveness) and autonomy. To take an example: one of their mechanisms is improving the management of expectations about the degree of influence stakeholders will have on formal decision-making. The problem here may be that hierarchy (rules, formal decision power) may be predictable and reliable, but market thinking is not: a government agency with an autonomous position will be considered still part of government by the public, but does not have to follow hierarchical instructions anymore. In other words, management of expectations is feasible in the relation be-

verticale en horizontale sturing.

²⁷³ Kalders et al. consider voluntary agreements a network governance instrument, but it seems to be more related to market governance: such agreements are forms of performance contracts.

²⁷⁴ Kickert, 2003: 126): Beneath consensual corporatism: Traditions of governance in the Netherlands.

²⁷⁵ Edelenbos and Teisman (2004): *Interactief beleid en besluitvorming*.

tween hierarchy and networks, but not when market thinking is also involved.

Conflicts between hierarchical and market governance

A basic contrast between hierarchical governance and market governance is the respective affinity to centralisation, and to decentralisation.²⁷⁶ The wish of politicians to exercise hierarchical control over what happens in policy networks is, according to Sørensen and Torfing, often constrained by the market governance discourse that aims to establish a rigid boundary between the ‘steering’ of politicians and the (autonomous) ‘rowing’ of public administrators.²⁷⁷ From a market governance perspective, hierarchy is too inflexible. Classical bureaucracies are considered to try to organise and dominate markets.²⁷⁸ The market-oriented move to decentralisation and to create more agencies in the Netherlands during the 1980s and 1990s has had negative implications for ministerial responsibility, the political primacy, and democratic control.²⁷⁹ Considine concludes that accountability procedures (hierarchy), demands of contracting-out and output-based performance (market) in three Anglo-Saxon countries and the Netherlands were contradictory.²⁸⁰

Conflicts between market and network governance

Market governance has the potential to conflict with network governance on the way decisions are made. Competition in a market setting asks for quick decisions of independent actors, who strive to optimise their own interests. Decision-making may take a lot of time in a network setting. Moreover, the type of decision, a consensus, may not be the optimal outcome for actors’ competitiveness. The interdependency of actors in a network governance setting may conflict with the autonomy a market approach demands. Network governance relies on trust; hierarchical and

²⁷⁶ Levy (2003: 553): Critical success factors in public management reform: the case of the European Commission.

²⁷⁷ Sørensen and Torfing (2005): Democratic anchorage of governance networks.

²⁷⁸ Machado and Burns (1998): Complex Social Organization: Multiple Organizing Modes, Structural Incongruence, and Mechanisms of Integration.

²⁷⁹ Kickert (2005: 23): *Lessen uit het verleden. Onderzoek naar veranderoperaties bij de overheid.*

²⁸⁰ Considine (2002): *The end of the line? Accountable governance in the age of networks, partnerships and joined-up services.*

market attitudes can damage the trust between network partners.

To conclude this section: Governance style conflicts outside and inside public-sector organisations exist and may produce serious performance problems. How, and to what extent, can these conflicts be prevented and mitigated and how can synergy be stimulated inside these organisations?

2.3.4 Combining hierarchical, network and market governance

There is evidence that productive mixtures of elements of hierarchical, network and market governance are possible. In their analysis of the Australian public sector Davis and Rhodes argued that “to mix the three systems effectively when they conflict with and undermine one another” is an important challenge.²⁸¹ Steurer argues that policy integration needs a hybrid administrative approach, combining hierarchical, market and network models.²⁸² The possible synergy of governance styles can be illustrated with an analogy to similar control mechanisms in the business sector: price (market governance), authority (hierarchical governance) and trust (network governance). These control mechanisms in economic transactions between actors “can be combined in a variety of ways”; (...) “In a so-called plural form, organisations simultaneously operate distinct control mechanisms for the same function”.²⁸³

Such mixtures are situational, and the factor of time plays an important role. Lowndes and Skelcher gave an empirical example of how governance style combinations differ in different phases of a process.²⁸⁴ They distinguish four phases in the life cycle of public partnerships in the field of urban regeneration: pre-partnership collaboration; partnership creation and consolidation; partnership termination and succession. In the phase of pre-partnership collaboration, networking between individuals and organisations is emphasised. In the phase of partnership creation and consolidation, hierarchy is used to incorporate some organisations, and to formalize authority in a partnership board and associated staff. In the phase of partner-

²⁸¹ Davis and Rhodes (2000: 25): From hierarchy to contracts and back again: Reforming the Australian public service.

²⁸² Steurer (2004: 1): Strategic public management as holistic approach to policy integration.

²⁸³ Bradach and Eccles (1989: 97): Price, authority, and trust: From ideal types to plural forms.

²⁸⁴ Lowndes and Skelcher (1998: 320): The dynamics of Multi-Organizational Partnerships: an Analysis of Changing Modes of Governance.

ship programme delivery, market mechanisms of tendering and contractual agreements are applied. Hierarchy takes care of regulation and supervision of contractors, and networking assists in production of bids and management of expenditure programmes. In the last phase, partnership termination and succession, networking between individuals and organisations is used as a means of maintaining agency commitment, community involvement and staff employment.

The temporal dimension of successful governance mixtures is also influenced by other situational factors, such as the type of problems that are addressed. In 2003, the network of European environment and sustainable development advisory councils (EEAC) advised the European Commission and the EU member states to use a heuristic decision scheme for choosing the best governance styles combination.²⁸⁵ EEAC proposed hierarchical governance as, in general, best suited for urgent issues; network governance for complex multi-stakeholder and multi-level issues; and market governance for emerging issues which, as far as is known, have relatively little impact on other stakeholders.

Complementarity of hierarchy and network

A case study on policy changes in the Dutch Housing Ministry concludes that hierarchical and network types of strategies are often situationally combined.²⁸⁶ The initiative for a network approach often begins with a hierarchical decision. Another example comes from an analysis of partnerships between police departments and community development corporations. It was noticed that networking strategies were used to establish the hierarchical structures within which action takes place thereafter.²⁸⁷

Complementarity of hierarchy and market

An example of synergy between hierarchical and market governance, seen in the United States, is that the promotion of autonomy within the public sector (market governance) was produced by a top-down method that included detailed descriptions of the organisations that would be formed (hierarchical governance).²⁸⁸

²⁸⁵ EEAC (2003: 26): European governance for the environment.

²⁸⁶ Koffijberg (2005: 363): *Getijden van beleid: omslagpunten in de volkshuisvesting*.

²⁸⁷ Thacher (2004: 123): *Interorganisational partnerships as inchoate hierarchies*.

²⁸⁸ Hesse et al. (2003: 14): *Paradoxes in Public Sector Reform. An International Comparison*.

Complementarity of network and market

Synergies have also been found between market and network governance. The introduction of market techniques has resulted in a fragmented institutional infrastructure of the public sector; networks put it back together again.²⁸⁹ Poppo and Zenger showed empirically, that managers in inter-organisational relationships may use contracts (market) and 'relational governance' (network) as compliments: this results in more customised contracts.²⁹⁰

When the ideal-types hierarchical, network and market governance appear in combinations, how do the movements that foster one ideal-type influence these mixtures? The introduction of both market governance and network governance provoked a hierarchical counter-reaction. For example, the introduction of market techniques in the Dutch public administration contributed to the return of traditional Weberian issues in the mid-1990s: integrity, accountability, supervision, control, trust in government and reliability of bureaucracy.²⁹¹ And as a reaction to the emergence of network governance, hierarchical concepts like 'ministerial responsibility', 'democratic control' and 'primacy of politics' have been reintroduced in the Netherlands.²⁹² Some of these Weberian issues (for example control) frustrate horizontal co-operation and others (like integrity, stability, reliability) may be a necessary complement to network techniques.²⁹³

2.4 Governance: A cultural perspective

2.4.1 Governance styles as 'ways of life'

Why are the ideal types sometimes so fiercely defended? Why are discussions between advocates of market governance and of network governance

²⁸⁹ Davis and Rhodes (2000: 21): From hierarchy to contracts and back again: Reforming the Australian public service.

²⁹⁰ Poppo and Zenger (2002): Do formal contracts and relational governance function as substitutes or complements?

²⁹¹ Toonen (2003: 234): Substance came with little hype. Public sector reform in the Netherlands.

²⁹² Kickert (2003: 127): Beneath consensual corporatism: Traditions of governance in the Netherlands.

²⁹³ Meuleman (2003: 202-203): The Pegasus Principle.

like religious fights? Why do some consider each of the styles as a panacea for all problems? The answer lies in the fact that governance styles are, apart from politico-administrative structures, also belief systems. Governance is a form of social coordination and governance *styles* reflect specific sets of shared values and beliefs and certain patterns of interpersonal relations. This makes them cultures, or at least images of cultures.

Culture is an important aspect of political and public administration science that was neglected for a long time.²⁹⁴ One of the reasons was that it did not fit in the dominant paradigm of the post-war period: rational choice theory. Aaron Wildavsky was one of the main scholars who focused on re-introducing the importance of culture to political sciences. Together with Thompson and Ellis²⁹⁵, he distinguished five ‘ways of life’. Three have active interpersonal relations, and two do not, but for different reasons. It seems that the three socially *active* ways of life align with the three ideal typical governance styles we have distinguished above: *hierarchism* (hierarchy), *individualism* (market), and *egalitarianism* (network²⁹⁶). Furthermore, Thompson et al. notice that, like the three governance styles, these three ways of life compete with each other, often in a hostile way, but on the other hand require one another, and they therefore continue to co-exist.²⁹⁷ This co-existence often takes the shape of mixtures: “That what we today define as free societies – those with the rule of law, alternation in office, and the right to criticise – are a product of the interpenetration of hierarchism, individualism, and egalitarianism”.

How do the two other ‘ways of life’ relate to the concept of governance styles? *Fatalism*, a ‘no trust’ style that is found in Southern Italy for example, and is a risky culture for public administration: “Where fatalism is endemic, democracy cannot survive”. Fatalism relates to hierarchism: “Fatalism generates (and is generated by) authoritarian political systems”²⁹⁸. However, is fatalism a separate governance style? It looks more like societal behaviour resulting from an extreme hierarchical governance approach. When governance styles are modes of co-ordination, then fatalism cannot

²⁹⁴ Geva-May (2002: 388): From theory to practice. Policy analysis, cultural bias and organizational arrangements.

²⁹⁵ Thompson et al. (1990: 1, 5): Cultural Theory.

²⁹⁶ Networks, communities, clans or egalitarianism are terms used for the ‘third’ form of coordination, besides hierarchies and markets (Entwistle et al., 2007: 65. The dysfunction of markets, hierarchies and networks in the meta-governance of partnerships).

²⁹⁷ Thompson et al. (1990: 50, 257): Cultural Theory.

²⁹⁸ Thompson et al. (1990: 256): Cultural Theory.

be a mode of governance, because it, according to Wildavsky²⁹⁹, denies the possibility of co-ordination.³⁰⁰ A possibly related ‘loose’ (unstructured) and temporary human behaviour is the phenomenon of *collective empathy*, which emerged for example in the form of the collective mourning of millions of people after Britain’s Princess Diana died in 1997.³⁰¹ This was, among other things, a reaction to the perceived rational and hierarchical, unsympathetic attitude of the British Queen.

Autonomism, the fifth way of life Thompson et al. distinguish, seems an extreme form of the individualism of market governance. In this way of life “the individual withdraws from coercive or manipulative social involvement altogether”³⁰². As autonomists or ‘hermits’ accept no social responsibility it is difficult to see how this way of life can be considered a governance style: governance requires dealing with public issues.

Clientelism and *nepotism* are other forms of relational behaviour that can be found in governance arrangements, especially in developing countries in which the ruling party represents a clan or a family. Clientelism and nepotism require a hierarchical governance basis and a strong collectivist (networking) culture. They are not ‘complete’ governance styles like hierarchy, network or market governance, but rather mixtures or hybrids of hierarchical and network governance.

In an earlier publication, Wildavsky argues that the often used left-right dichotomy in political life is full of contradictions and does not hold against cultural theory.³⁰³ Personal preferences – of politicians, civil servants and citizens - are traceable to elements of the trichotomy of hierarchy, egalitarianism and individualism. Therefore, if we consider governance styles to be grounded in cultures, and even represent the logic of (mixtures of) cultures (Figure 4), this enforces the argument that it is useful to distinguish three ‘ideal-typical’ governance styles.

Also Bevir and Rhodes emphasise the cultural dimension of hierarchies, markets and networks, where they propose to treat them alike, “as meaningful practices created and then constantly recreated through contin-

²⁹⁹ Wildavsky (1987): Choosing preferences by constructing institutions: a cultural theory of preference formation.

³⁰⁰ Tenbenschel (2005: 278): Multiple modes of governance.

³⁰¹ Walter (ed.) (1999): The mourning for Diana.

³⁰² Thompson et al. (1990: 7): Cultural Theory.

³⁰³ Wildavsky (1987): Choosing preferences by constructing institutions: a cultural theory of preference formation.

gent actions informed by particular webs of belief”³⁰⁴. Ways of life or ‘world views’ “serve as cognitive instruments of actors in order to select and to interpret events, facts, symbols, etc. [] Different world views lead to different problem definitions and to different interests of actors.”³⁰⁵

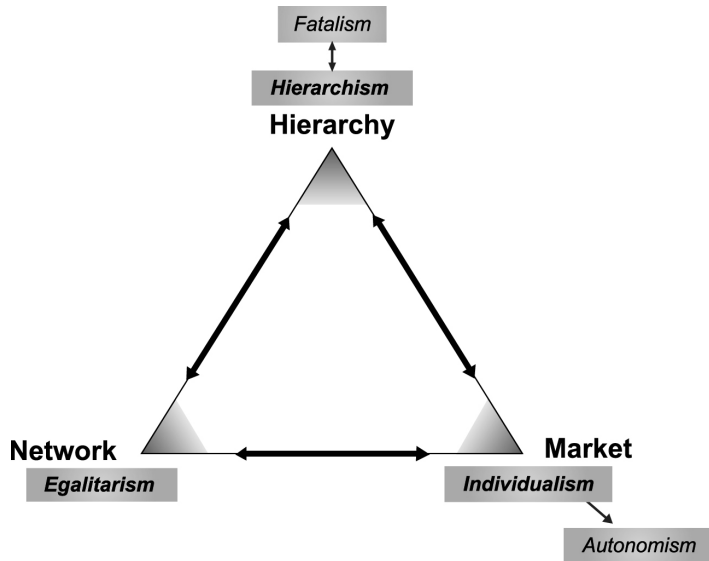


Fig. 4. Relations between the five 'ways of life' (cultural theory) and the three ideal types of governance.

Dixon and Dogan emphasise the incompatibility of these views: Hierarchical, network and market styles of governance

“... derive their governance certainties from propositions drawn from specific methodological families, which reflect particular configurations of epistemological and ontological perspectives”. They “have incompatible contentions about what is knowable in the social world and what does or can exist – the nature of being – in the social world. Thus, they have incompatible contentions about the forms of reasoning that should be the basis for thought and action”.³⁰⁶

³⁰⁴ Bevir and Rhodes (2001: 25): A decentered theory of governance: Rational choice, institutionalism, and interpretation.

³⁰⁵ Jachtenfuchs (1994): Theoretical reflections on the efficiency and democracy of European governance structures.

³⁰⁶ Dixon and Dogan (2002: 191): Hierarchies, networks and markets: Responses to societal governance failure.

It is now possible to conclude that there is a strong relationship between the general types of cultures in society ('ways of life') and governance styles and their mixtures. Cultures can be understood on at least four different levels. The first, the level of human society, has already been discussed. Two other levels will be addressed in the following section: Cultures on the level of nations, and cultures on the level of organisations. The fourth dimension, cultures on the level of individuals, will be addressed in Section 7.2.6.

2.4.2 Governance styles and national cultures

In political science and public administration it is not unusual to link national socio-politico-administrative cultures to certain governance styles.³⁰⁷ For example, in Europe the United Kingdom has a 'public interest' model of administration with a modest role of the state within society. When market governance arrived on the scene in the 1980s it was only logical that the UK was the first European state to embrace this approach. Germany has a typical *Rechtsstaat* administrative culture in which the state is central in society and the 'natural' governance style is hierarchy. The Netherlands belongs to a third category and has moved away from its historical link with the *Rechtsstaat* philosophy (introduced by the French during the Napoleonic occupation in the 18th century) towards a (or maybe: back to the older, 17th century) consensual approach. The Netherlands therefore have a strong affinity with network governance.

Similar forms of governance approaches have developed in countries with a similar socio-politico-administrative culture. A good example is the fast and successful transfer of government reform ideas under the new Public Management banner in all Anglo-Saxon countries. Also Hesse et al., who compared public sector reform in twelve countries and the European Commission (2003), illustrate the impact of national cultures on governance approaches. As Cepiku (2005: 32), in her comparison of the governance of territorial (spatial) issues in seven countries, concludes:

"Territorial governance (...) depends on the political and legal framework of a country, its geographical conditions and the specific policy field to be addressed."

³⁰⁷ E.g. Pollit and Bouckaert (2000: 52-54): Public management reform. A comparative analysis.

Developing countries show very different cultures. Morgan identified three types:³⁰⁸

- The integral or hegemonic state, which has a monopoly on resource allocation;
- The patrimonial state, with a monopoly on power and resources through a system of patronage: clientelism based on clan, ethnic or religious criteria;
- The custodial state, in which the political environment is turbulent and the administration takes on a custodian character.

Also sociologists have distinguished national cultures. According to Hofstede national cultures distinguish similar people, institutions and organisations in different countries.³⁰⁹ Although Hofstede's work is based on extensive empirical research, the concept of 'national cultures' is contested by Thompson et al.: "Differences within each country are at least as striking as the variation among countries".³¹⁰ McSweeney considers Hofstede's theory 'profoundly problematic', because of its not underpinned central claim of causality: that national cultures influence how we think.³¹¹ However, Hofstede's five dimensions of national cultures (power distance, the degree of individualism, gender roles, uncertainty avoidance, and long term orientation) do seem to help understand general differences in national cultures that public administration scholars have spotted. As stated earlier, in public administration it is quite common to describe politico-administrative cultures of nations or groups of nations. The Dutch (low power distance: consensus-oriented) are different from the Germans (relatively high power distance: hierarchical), and this is reflected in the higher affinity of the Dutch with network governance. A culturally mixed country like Trinidad and Tobago has a mixed culture on the individualism-collectivism dimension, but at the same time a low power distance and low uncertainty avoidance national culture.³¹² Mcsweeney's problem with the

³⁰⁸ Morgan (1996: 230-232): *Analysing fields of change: Civil service systems in developing countries*.

³⁰⁹ Hofstede (2001): *Culture's consequences: Comparing values, Behaviours, Institutions and Organisations across Nations*.

³¹⁰ Thompson et al. (1990: 248): *Cultural Theory*.

³¹¹ McSweeney (2002): *Hofstede's model of national cultural differences and their consequences: A triumph of faith – a failure of analysis*.

³¹² Tidwell (2001): *Trinidad and Tobago: Customs and Issues Affecting International Business*.

lack of causality between national cultures and how nationals think is void, because in this research not causality is claimed, but a theoretically plausible and if possible empirically underpinned construct of correlations.

“Reality is socially constructed, but not all constructions have equal claim to our credibility and certainly some constructions prove more durable than others. One important test is correspondence with such empirical evidence as may be available”.³¹³

Relating Hofstede’s five dimensions of national cultures with the three governance styles hierarchy, network and market, might produce an analytical framework for understanding general national differences in preference of governance styles (Table 3).

Table 3. Expected relations between governance styles and five dimensions of intercultural differences (own composition, based on Hofstede and Hofstede (2005)).³¹⁴

	Hierarchical governance	Network governance	Market governance
Accepted power distance	HIGH (Power is good, privileges, dependence)	LOW (Equal rights, pluralism, interdependence)	
Individualist/collectivist		COLLECTIVIST (Equality, relationship-oriented, interdependence)	INDIVIDUALIST (Freedom, autonomy, task-oriented, independent)
Uncertainty avoidance	HIGH (Many laws, low citizen participation)	LOW (Trust, high citizen participation)	
‘Masculine/Feminine’		‘FEMININE’ (Consensus, equality, relationships)	‘MASCULINE’ (Performance, competition, equity, recognition)
Long time/short time orientation		LONG (Learning, life-long personal networks)	SHORT (Achievement, meritocracy, freedom)

³¹³ Pollit and Bouckaert (2000: 23): Public management reform. A comparative analysis.

³¹⁴ Hofstede and Hofstede (2005): Cultures and organizations. Software of the mind.

What Table 3 shows is no surprise. Nations with a relatively low power distance, low insecurity reduction and a 'feminine' culture, like the Netherlands and the Scandinavian countries, also have a tradition of network governance. Traditionally hierarchical nations like Germany and France have, compared to these Nordic countries, a higher power distance and a higher uncertainty avoidance Index. The US, Australia and Great Britain are ranking 1-3 on Hofstede's list of most individualistic countries and they also score highly on 'masculinity'. This correlates with the fact that market governance originated in Anglo-Saxon nations.

To conclude: it seems plausible that governance mixtures in different politico-administrative national systems differ along the lines of 'average' national cultures. If we accept the premise that hierarchical, network and market styles of governing are each suitable for solving different types of problems, then the problem-solving capacity of nations may also vary. It may be a bit speculative, but the capability of governments to solve crises such as a flood disaster may, in hierarchical cultures with a 'well-oiled government machine', be better than in nations with a dominant market governance approach, implying a small and fragmented administration. 'Feminine', consensus-oriented nations with a network style preference have shown to be incapable at successfully dealing with the influx of culturally very different immigrants. An example is the immigration in the Netherlands of people from Arabic countries with a hierarchical culture. They are used to a relatively high power distance, a high level of 'masculinity' and a high level of uncertainty avoidance. They are not at all consensus-oriented. Attempts to make government more efficient by the use of market mechanisms like outsourcing and the creation of independent agencies has met strong (and successful) resistance in nations with a hierarchical culture like Germany.³¹⁵

The 'proof of the pudding' is the role of nationality in a multi-national administration such as the European Commission. Hedetoft sees the broader polity of the European Union as "both an international organisation and a kind of European proto-state"; it likes to model itself on and be judged by nation-state criteria of governance"³¹⁶. A study of Hooghe shows empirically that top Commission officials believe that Europe's diversity should be explicitly recognised in the Commission. She concludes that national diversity "is and will be a fundamental feature of the European pol-

³¹⁵ E.g. Jann et al. (2004: 15): Status-Report Verwaltungsreform. Eine Zwischenbilanz nach zehn Jahren.

³¹⁶ Hedetoft (2003: 43): Cultures of states and informal governance in the EU: an exploratory study of elites, power and identity.

ity for a long time to come”.³¹⁷ Although this might lead to the expectation that the Commission applies a variety of governance styles, others have emphasised that the European Commission is a primarily hierarchical organisation, “half way between a French ministry and the German Economics Ministry”.³¹⁸

From the above it can be concluded that there seems to be something like a ‘national governance footprint’: the more or less stereotypical ‘average’ composition of the mixture of hierarchy, network and market governance. Therefore, it is questionable if governance style(s) mixtures are transferable from one nation to another (see Section 6.3).

2.4.3 Governance styles and organisational cultures

This research focuses on the exploration of governance style mixtures and metagovernance as a function of public administration organisations, not of society as a whole, or a nation. Therefore, organisational cultures and individual cultures seem to be the most important here. How do cultural theories help to reveal the capabilities of organisations and individuals to apply forms of governance? One way of looking at governance styles is that they are theoretical constructs that are expressions of politico-administrative organisational cultures. From this perspective,

- Hierarchical governance and market governance are related to a rational, positivist attitude. The rational public administrator uses a causal logic and focuses on selecting the (objectively) best means to achieve agreed-upon results.³¹⁹ Central in Simon’s classic *Administrative Behaviour* (1947) is the concept of purposiveness. This “involves a notion of a *hierarchy of decisions* – each step downward in the hierarchy consisting in an implementation of the goals set forth in the step immediately above”.³²⁰
- Market governance builds on rational choice theory, which views actions of citizens, politicians, and public servants as analogous to the actions of self-interested producers and consumers.³²¹

³¹⁷ Hooghe (1999: 417): Consociationalists or Weberians? Top Commission officials on nationality.

³¹⁸ Dimitriakopoulos and Page (2003: 317): Paradoxes in EU Administration.

³¹⁹ Frederickson and Smith (2003: 162): The administration theory primer.

³²⁰ Simon (1997: 4): *Administrative Behaviour* (Fourth Edition).

³²¹ Frederickson and Smith (2003: 185): The administration theory primer.

- Network governance emphasises the boundedness of rationality in public administration, highlights ambiguity rather than rationality, and is related to a more socio-constructivist approach and social configuration theory.

Organisational cultures differ not on the level of values, but on the level of practices³²². Fairtlough³²³ uses the three active ways of life of Thompson et al. as metaphors for ‘three ways to get things done’ in organisations: hierarchy (same as Thompson), heterarchy (Thompson’s egalitarian) and responsible autonomy (Thompson’s individualism). Hierarchy, market and network governance are forms of societal co-ordination that together, in mixed forms, define organisational cultures. This has been confirmed for businesses organisations, public-sector organisations and non-governmental organisations.³²⁴

A governance style is rooted in, and part of a culture, because it is based upon a certain comprehensive set of values. For example, hierarchy is based upon the belief that there should be a ‘subordinate’, market governance considers others as ‘customers’ or ‘clients’ and network governance believes others to be ‘partners’ and ‘co-creators’. Governance styles also include behaviour rules (such as regulations and control instruments in hierarchy), and a preference for certain types of coordination mechanisms, like trust in networks and competition in markets.

2.5 Metagovernance as the ‘governance of governance’

2.5.1 Different views on metagovernance

Each governance style has its own distinctive forms of failure.³²⁵ Combinations of the three ideal-typical governance styles may lead to conflicts, competition and to unsatisfactory outcomes. The question is, if it is possible to design strategies that harness the benefits of these different approaches, whilst minimising the negative consequences. How feasible is

³²² Hofstede (2001): *Culture’s consequences: Comparing values, Behaviours, Institutions and Organisations across Nations*.

³²³ Fairtlough (2005): *Triarchy Theory* (www.triarchypress.com).

³²⁴ E.g. Thompson et al. (2001): *Markets, hierarchies and networks: The coordination of social life*. Davis and Rhodes (2005): *From hierarchy to contracts and back again: Reforming the Australian public service*.

³²⁵ Jessop (2004: 228): *The political economy of scale and European governance*.

Rhodes' challenge that "The future will not lie with markets, or hierarchies or networks but with all three and the trick will not be to manage contracts or steer networks but to mix the three systems effectively when they conflict with and undermine one another."³²⁶ If designing and managing governance style mixtures was possible to a certain extent, then this would be of great importance. It would make the 'toolbox' of public managers much richer compared to when they are 'stuck' with only one of the governance styles:

"If you only have a hammer, you tend to see every problem as a nail."³²⁷

Metagovernance as governance of hierarchies, networks and markets

As early as 1991, Bradach and Eccles distinguished 'plural forms' of coordination, in which distinct control mechanisms (price, authority and trust) may operate simultaneously for the same function (or project) in the same organisation.³²⁸ They point at the new possibilities managers have if they do not have to rely on one style alone, but can use other styles too. In 2002, Eberlein and Kerwer³²⁹ concluded that the major question in the field of European governance is "how new modes of governance can be reconciled with the need for binding rules". This brings us to the term *metagovernance*, which we will define as the 'governance of governance', in line with the common use of the prefix *meta*.³³⁰ Because governance is the result of dynamic combinations of the three ideal types, metagovernance is

³²⁶ Davis and Rhodes (2005: 25, From hierarchy to contracts and back again: Reforming the Australian public service). The same formulation appears in Fleming and Rhodes (2005: 203): Bureaucracy, contracts and networks: The unholy trinity and the police.

³²⁷ Quote attributed to Abraham Maslov (1907-1970). Citation retrieved from <http://www.brainyquote.com> on 28 August 2007.

³²⁸ Bradach and Eccles (1991: 288): Price, authority and trust.

³⁰² Eberlein and Kerwer (2004: 136): New Governance in the European Union: A theoretical perspective.

³³⁰ Meta (Greek: μετά = "after", "beyond"), is a common English prefix, used to indicate a concept which is an abstraction from another concept, used to analyse the latter. "Metaphysics" refers to things beyond physics, and "meta language" refers to a type of language or system which describes language. In epistemology, the prefix meta- is used to mean about (its own category). Metadata are data about data (who has produced it, when, what format the data are in and so on). (Source: www.wikipedia.org).

the governing of mixtures of hierarchical, network and market forms of social coordination.

Metagovernance is a concept positioned ‘above’ the three main governance styles. It takes a multi-perspective, ‘helicopter view’ approach. It can be considered as a negotiation process between competitive governance, authoritative governance and cooperative governance.³³¹ Jessop coined the term metagovernance in 1997 as “coordinating different forms of governance and ensuring a minimal coherence among them”.³³² Later, he described metagovernance as “the organisation of the conditions for governance”, which involves “the judicious mixing of market, hierarchy, and networks to achieve the best possible outcomes from the viewpoint of those engaged in metagovernance.”³³³ Metagovernance is about rebalancing market, hierarchy and networks.³³⁴ Like Jessop, Rhodes also argues that governments can choose between the three ‘governing structures’: hierarchies, markets and networks.³³⁵ In this research the following more precise definition will be used:³³⁶

Metagovernance is a means by which to produce some degree of coordinated governance, by designing and managing sound combinations of hierarchical, market and network governance, to achieve the best possible outcomes from the viewpoint of those responsible for the performance of public-sector organisations: public managers as ‘metagovernors’.

This definition is on the one hand broad: all possible governance style combinations are included. On the other hand, it is deliberately narrow: In this research one type of metagovernors is central: line and project managers of public-sector organisations. Managers of private companies or NGOs may, as much scholarly literature suggests, experience a rather

³³¹ Arentsen (2001: 512, Negotiated environmental governance in the Netherlands: Logic and illustration) therefore calls it ‘negotiated governance’.

³³² Jessop (1997: 7): Capitalism and its future: remarks on regulation, government and governance.

³³³ Jessop (2003): Governance and metagovernance: On reflexivity, requisite variety, and requisite irony.

³³⁴ Jessop (2004: 228): The political economy of scale and European governance.

³³⁵ Rhodes (1997: 47): Understanding governance.

³³⁶ This definition combines definitions by Kooiman (2003: Governing as governance), Jessop (2003: Governance and metagovernance) and Sørensen (2004: Democratic governance and the role of public administrators).

similar challenge, although there are limitations. Wolf argues that there are several functions of metagovernance that cannot be fulfilled by the private sector, and have to be provided by the public sector:³³⁷

- Providing and guaranteeing the constitutional legal framework for private self-regulation;
- Providing a 'shadow of hierarchy' to keep self-regulation geared towards the general good;
- Authorising participatory claims of private actors;
- taking part in providing normative environment and therefore legitimacy to goals of private actors;
- Supporting the monitoring of self-regulation;
- Avoiding negative externalities by linking the different sectoral self-regulation efforts with each other.

To what extent is this definition of metagovernance normative? As an analytical concept it is just as non-normative as the three ideal types of governance are. However, as a practical concept (hierarchy, network or market governance as public management), the ideal types become normative: each of the styles is used as a 'best' way of societal coordination. A hierarchical manager may judge that expensive cars are always better than cheap cars, because they are more reliable. A market manager will make a cost-benefit analysis before he decides which car is better. A network manager may judge that any car is good, as long as its use is not limited to superiors or those who are rich. In contrast, metagovernance deliberately takes a situational view: what is 'best' is determined by a range of environmental factors. It does have a 'light' normative dimension, related to the underlying concept of governance, which inherently has several normative assumptions, such as that (1) the intention is to solve collective problems, (2) not for individual profit but for the common good, and (3) that it supposes more or less well defined social groups with rights and duties³³⁸.

The emerging literature on metagovernance since 2000³³⁹ presents two other schools of thought about metagovernance.

³³⁷ Wolf (2003: 1): Some normative considerations on the potential and limits of voluntary self-regulation.

³³⁸ Risse (2007: 6-8): Regieren in Räumen begrenzter Staatlichkeit. Zur "Reisefähigkeit" des Governance-Konzeptes.

³³⁹ See Torfing et al. (2003: Nine competing definitions of governance, governance and networks and meta-governance) for a short overview.

Metagovernance framed as network management

The first and most prominent school of thought considers metagovernance to be a way of “enhancing coordinated governance”³⁴⁰. They restrict the use of the term ‘governance’ to network governance. Jessop³⁴¹ followed this line of thought when he called the Open Method of Coordination of the European Union a form of metagovernance. Metagovernance is a form of ‘network management’.³⁴² Metagovernance is an “indirect form of top-down governance that is exercised by influencing processes of self-governance through various modes of coordination such as framing, facilitation and negotiation.” In this approach, metagovernance aims at enhancing self-governance (with which mainly network governance is meant) by using methods such as framing, facilitation and negotiation.³⁴³ Hierarchical, and to a lesser extent market governance are not considered to be distinct and useful approaches to societal coordination: hierarchy is only used to increase the success of network governance as the superior style. ‘Self-governing networks’ are the focus: they are implicitly considered as the best way to solve (all) societal problems. From that perspective, it is logical that there can be “too much or too little” metagovernance: Too little and networks risk becoming undemocratic, too much and “the self-regulatory capacity can be undermined and the network actors loose interest in and responsibility for the network activities”.³⁴⁴ ‘Democratic metagovernance’ therefore is about governments taking responsibility for demanding participation from a broader set of actors and guaranteeing that all major interests are reflected in networks, for example.³⁴⁵

This vision is also shared by scholars of the deliberative governance school, of whom some have a state declinist attitude. Metagovernance or

³⁴⁰ Sørensen (2006: 100): Metagovernance: The changing roles of politicians in processes of democratic governance. Sørensen and Torfing (2007: 169): Theoretical approaches to metagovernance.

³⁴¹ Jessop (2004: 49): Multi-level governance and multi-level metagovernance.

³⁴² Kickert et al.(eds.)(1997): Managing complex networks: strategies for the public sector; Klijn and Edelenbos (2007: 199): Meta-governance as network management.

³⁴³ Hovik and Vabo (2005: 262): Norwegian local councils as democratic metagovernors?

³⁴⁴ Westh Nielsen (2007): Metagovernance in the Global Compact – Regulation of a global governance network.

³⁴⁵ Hovik (2005: 15): Local network governance for sustainable development in Norway.

“smart steering” is then a means of combining instruments of network and market governance.³⁴⁶ It is a way “to sort of try to get to an understanding (...) of the ability of people to find open spaces (...) in which new forms of action are possible”. This means: “Forget about government; start with society, and ask yourself how as society do we steer things?”³⁴⁷ Laws and van der Heijden noticed that businesses and environmental groups, without the direct involvement of governmental actors, tackle societal problems such as environmental problems for example. Section 2.2.5 argued that there is no empirical evidence that the state does not play a (major) role anymore, and that hierarchy remains the preferred style of coordination of public-sector organisations. Even when hierarchical governance is only a vague ‘shadow’, this may be a trigger for businesses and NGOs to cooperate without direct government involvement. Therefore, it is important “to bring government back in when analysing governance”³⁴⁸, as Bell and Park argue.

Similar to the idea that metagovernance is ‘enhancing coordinated governance’ is the approach of metagovernance as a mechanism that transfers power from politicians to public managers.³⁴⁹ This approach is however not anti-statist, but anti-political. Jayasuriya has explored this for transnational organisations like the World Bank.³⁵⁰ He concludes that the World Bank – a non-political body – uses ‘metagovernance’ to ‘colonise’ civil society and “depoliticises social and economic life by distancing the allocation of social goods from the centres of political decision making”.

Metagovernance framed as supervising network and market governance

This brings us to another school of thought, where metagovernance is a form of regaining state control (hierarchy) over new forms of governance.

³⁴⁶ Van der Heijden (ed.) (2005: 51): *Recombinatie van overheid en samenleving. Denken over innovatieve beleidsvorming.*

³⁴⁷ Citations of respectively David Laws (MIT, USA) and Jurgen van der Heijden (University of Amsterdam), retrieved on 2-10-2006 from <http://www.lafollette.wisc.edu/research/environmentalpolicy/mswgmetagovernance.html>.

³⁴⁸ Bell and Park (2006: 63): *The problematic metagovernance of networks: Water reform in New South Wales.*

³⁴⁹ Sørensen (2006): *Metagovernance: The changing roles of politicians in processes of democratic governance.*

³⁵⁰ Jayasuriya (2003: 6): *Workfare for the global poor’: Anti politics and the New Governance.*

It is a new form of hierarchical governance that coordinates network and market styles of governance. It secures governmental influence, command and control within network and market style governance regimes.³⁵¹ According to Bell and Park, “metagovernance maintains a continuing role for hierarchical government within any governance regime”.³⁵² They argue that metagovernance should be a response to the “hollowing out of the state thesis” of governance literature that adopts an anti-statist model as mentioned above.³⁵³ Kelly noticed that the UK central government uses metagovernance to “retain its authority and exercise central steering mechanisms in an era of apparent diminishing state power”.³⁵⁴ Damgaard investigated similar cases in Denmark.³⁵⁵

Let us return to the form of metagovernance that will be investigated in this research: the organisation and coordination of hierarchies, networks and markets. Problematic relations between metagovernance and democratic institutions may also arise here, as Skelcher et al.³⁵⁶ argue. They distinguish four types of problematic relations, depending on the national socio-political-administrative context. Mixtures of governance styles can be (1) incompatible, (2) complementary, (3) part of a transitional process of governance, and/or (4) used instrumentally. The impact of different national contexts will be discussed in section 6.3, as well as another crucial issue: the question if public managers have the requisite metagovernance *skills*, *capacities*³⁵⁷ and *capabilities*³⁵⁸, which is at this moment an empirically open question (See section 6.4).

³⁵¹ Whitehead (2003: 8): ‘In the shadow of hierarchy’: metagovernance, policy reform and urban generation in the West Midlands.

³⁵² Bell and Park (2006: 66): The problematic metagovernance of networks: Water reform in New South Wales.

³⁵³ Bell and Park (2006: 64).

³⁵⁴ Kelly (2006: 619): Central regulation of English local authorities: An example of metagovernance?

³⁵⁵ Damgaard (2006): Lessons on meta-governance from a longitudinal policy network study.

³⁵⁶ Skelcher et al. (2006): Governance networks, democratic anchorage, and the impact of national political context.

³⁵⁷ Bell and Park (2006: 67): The problematic metagovernance of networks: Water reform in New South Wales.

³⁵⁸ Capabilities are central: capacities and competences derive from capabilities. (Laske, 2006): Measuring hidden dimensions.

Metagovernance and ‘sound governance’

In ‘Sound Governance’³⁵⁹, Farazmand designs a ‘best of’ hierarchical, network and market governance. The fact that he defines ‘sound governance’ in an abstract way makes it possible to apply the concept in different situations, in different ways. Farazmand’s concept aims at overcoming the typical failures of market governance and network forms of governance. In addition, he advocates the re-introduction of key, ‘sound’ elements of hierarchical governance, such as the importance of a constitution and of robust institutions. He describes the characteristics of a ‘sound’ combination of governance styles. Metagovernance as it is used in my research is *how* public managers may achieve such useful, smart governance mixtures.

As shown in Figure 5, all forms of governance and metagovernance that are mentioned in this chapter are related to each other. It is a ‘family tree’ of contemporary thinking about governance. This overview illustrates the ‘conceptual crowd’ on the middle and right side of the figure.

2.5.2 Internal and external metagovernance

Where should metagovernance be located? If it means dealing well with potential conflicts and synergies between hierarchy, network and market governance, then metagovernance is something that happens in the relation *between* government and societal actors, as well as *inside* government. In literature on metagovernance the term is usually applied to the governing of governance relations between public administration and society, but Sørensen differentiates between the governance challenge inside the political system and between public and private actors.³⁶⁰ She argues that metagovernance should primarily be a task for politicians, and observes that politicians are hesitant to take up this new task, leaving it to public administrators – “at severe costs for democracy”.³⁶¹ The question is which form of democracy is meant here. Surely, market governance with its autonomous agencies has produced questions of democratic control.

³⁵⁹ Farazmand (ed.) (2004): Sound governance. Policy and administrative innovations.

³⁶⁰ Sørensen (2004: 107-108): Democratic governance and the role of public administrators.

³⁶¹ Sørensen (2006: 112): Metagovernance: The changing roles of politicians in processes of democratic governance.

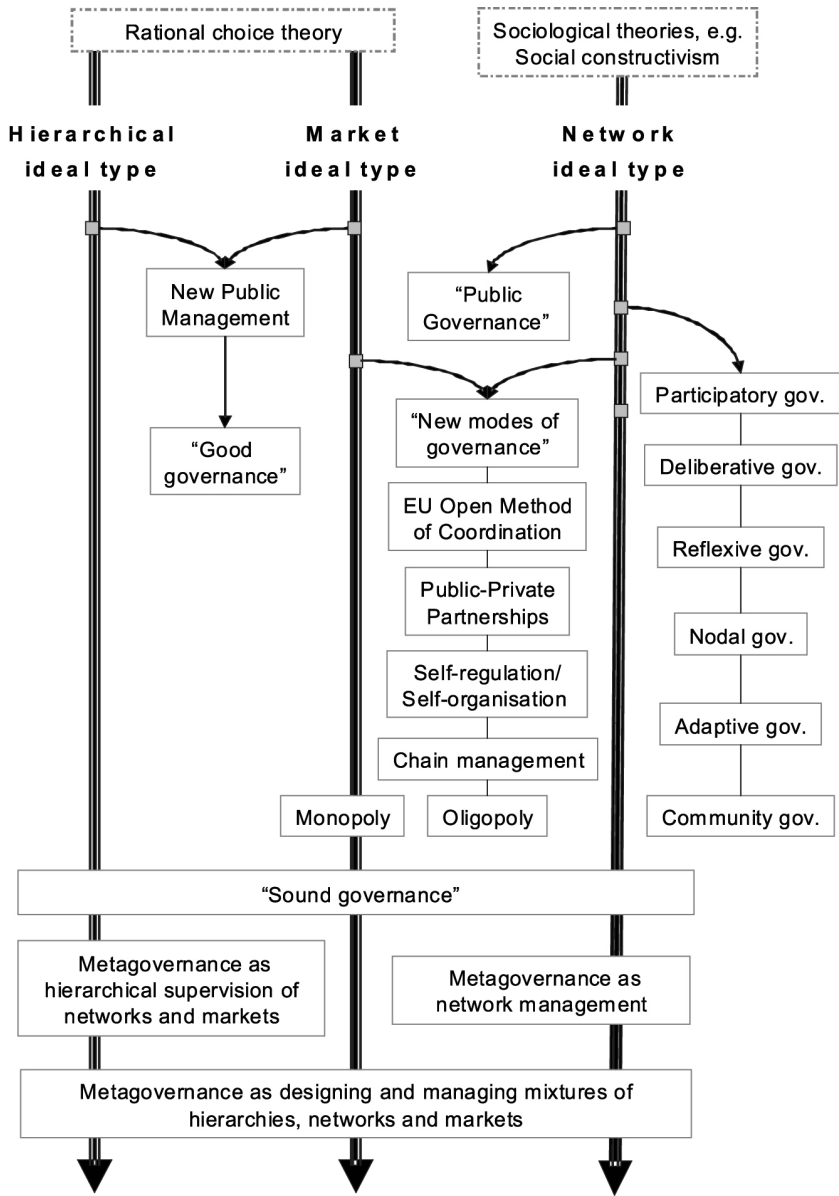


Fig. 5. Governance and metagovernance: a ‘conceptual crowd’ addressing the ‘new modes of governance’ (own composition)

When public administrators are supervised by elected politicians, they can do anything that is considered professional, as long as it is accountable in the eyes of the politicians. Most policy preparation takes place *inside* administration, and politicians are usually involved in the beginning and the end.

Management and organisation inside administration cannot be isolated from the societal and political context.³⁶² Therefore, good '*internal*' metagovernance might be a prerequisite for '*external*' metagovernance. Inside administration, governance style conflicts arising between different policy units, between different ministries, between different administrative levels, and between internally oriented units (like financial and legal departments) and externally oriented policy units, should be dealt with.³⁶³

Internal metagovernance, when it succeeds in producing more tailor-made, situational governance processes, may enhance the quality of public administration performance and of democratic institutions and processes. When metagovernance is defined as state reconfiguration, then it may have the opposite outcome.

The boundaries between 'internal' and 'external metagovernance are vague. This research focuses on how public managers deal with governance conflicts and synergies, which consequently touches both internal and external metagovernance.

2.5.3 Introducing the public manager as metagovernor

Metagovernance requires a management perspective. 'Public management' is broader than management in the private sector. The latter can be defined as "the search for the best use of resources in pursuit of objectives subject to change".³⁶⁴ Private sector management "is about getting things done as quickly, cheaply and effectively as possible – and usually about getting things done through other people ('staff', 'the work force', 'personnel', 'human resources')".³⁶⁵ Management in public administration organisations is not a neutral, technical process, but "intimately and indissolubly en-

³⁶² Kickert (1997: 738): Public Governance in the Netherlands: An Alternative to Anglo-American 'Managerialism'.

³⁶³ E.g. Meuleman (2003): The Pegasus Principle.

³⁶⁴ Keeling (1972): Management in government. Cited by Pollit and Bouckaert (2000: 19).

³⁶⁵ Pollit and Bouckaert (2000: 9): Public Management Reform. A Comparative Analysis.

meshed with politics, law and the wider civil society. It is suffused with value-laden choices and influenced by broader ideologies”.³⁶⁶ In this research we will use Noordegraaf’s broad definition of public management as “the influencing of common activities in the public domain or by public-sector organisations and public managers”³⁶⁷.

Noordegraaf distinguishes four approaches to public management:³⁶⁸

- *Business management*: result-oriented, coordinated and efficient managing public-sector organisations as if they are normal enterprises;
- *Organisation management*: leading professional public-sector organisations who operate in complex environments;
- *Policy management*: organising and influencing policy making processes in order to address societal problems;
- *Political management*: influencing political agenda-setting and decision making.

The first approach will ‘flourish’ best in a market governance environment. The second and third types have more affinity with network governance, and the third can be applied following the logic of each of the three governance styles. From a metagovernance perspective, all four approaches to public management are useful.

Scholars like Bevir and Rhodes have doubted the ‘manageability’ of metagovernance.³⁶⁹ The issue is too complex and the possible number of combinations of conflicting or synergetic elements of hierarchy, network and market thinking is overwhelming. Moreover “the ability of the state to manage the mix of hierarchies, markets and networks that have flourished since the 1980s” risks to undermine the bottom-up orientation of societal networks.³⁷⁰ Some have argued that applying metagovernance can only be done by being aware of the complexity, not by applying crucial success factors.³⁷¹ Apart from this practical argument, there is also a theoretical one. Several authors point out that a governance style ‘emerges’ from a

³⁶⁶ Pollit and Bouckaert (2000: 16): Public Management Reform. A Comparative Analysis.

³⁶⁷ Noordegraaf (2004: 94): Management in het publieke domein. (Translated from Dutch by the author).

³⁶⁸ Noordegraaf (2004: 95-96): Management in het publieke domein.

³⁶⁹ Bevir and Rhodes (2001: 32-34): A decentred theory of governance.

³⁷⁰ Rhodes (2007: 1257): Understanding Governance – Ten years on.

³⁷¹ Koffijberg (2005: 365): Getijden van beleid: omslagpunten in de volkshuisvesting.

certain organisational and environmental context. Styles of governance "are the outcome of social processes but also provide the medium through which actors interpret and act to shape their reality".³⁷² Bevir and Rhodes argue that "patterns of governance arise as the contingent products of diverse actions and political struggles".³⁷³ This view suggests that governance styles and their combinations are not designed or chosen, but are a mere result of some 'invisible governance hand'. This is a risky assumption, because such an 'invisible hand' does not work in the free market. Why then is it claimed to work in government? In their article on shifts in governance styles during the last decades Van Kersbergen and Van Waarden point at external factors as causes of these shifts. They suggest that an important cause may be the fact that governments have to deal with different problems than they had to one or two decades ago.³⁷⁴ Internal factors such as the attempts of metagovernance are not mentioned. A comparable view with regard to the feasibility of metagovernance is found with Bevir and Rhodes. First they observe three approaches to how the state can manage governance: an instrumental, an interactive and an institutional approach. The instrumental approach is top-down: the state is central and can impose imperatives to reach its objectives. The interactive approach focuses on managing by means of negotiation and diplomacy. The institutional approach concentrates on the use of laws, rules and norms. They then reject these approaches as too positivist: there is not a set of techniques or strategies for managing governance. The only way to 'manage' governance is "to learn by telling and listening to stories".^{375 376}

Earlier, Rhodes suggested that governance style (conflict) management is feasible as well as desirable. In 1997, he took the view that the choice between hierarchy, network and market as 'governing structures', is a matter "of practicality, that is: under what conditions does each governing structure work effectively".³⁷⁷ Thus, he argued, managing the three styles is about coordinating difficulties. Because markets, hierarchies and networks are not found in their pure form, it is the mixture of governing structures

³⁷² Lowndes and Skelcher (1998: 318): *The dynamics of Multi-Organizational Partnerships: an Analysis of Changing Modes of Governance*.

³⁷³ Bevir and Rhodes (2003: 59): *Searching for civil society: Changing patterns of governance in Britain*.

³⁷⁴ Van Kersbergen and van Waarden (2004: 166): 'Governance' as a bridge between disciplines.

³⁷⁵ Bevir and Rhodes (2001: 32-34): *A decentered theory of governance*.

³⁷⁶ Rhodes (2007: 1257): *Understanding Governance – Ten years on*.

³⁷⁷ Rhodes (1997: 47): *Understanding governance*.

that distinguishes services one from the other. These governing structures may “mix like oil and water.”³⁷⁸

A similar position was taken in an advisory report to the Dutch Environment Ministry: The choice between hierarchical, network and market governance is not the selection of the one right style, but about choosing the situationally best role for the government, taking into account the characteristics of all three governance styles.³⁷⁹ Lowndes and Skelcher, although they define governance as an ‘emerging outcome’, consider managing the interaction of different modes of governance a challenge for governance of partnerships between governmental and other parties.³⁸⁰ Lowndes and Skelcher as well as Rhodes have proposed making *choices* between governance styles, not making *combinations* of elements of hierarchy, network and market governance. However, the latter seems more realistic: in their pure form the three ideal-types are seldom reported to exist. Furthermore, others argue that using the characteristics of all three styles in combination, may lead to the best results, not only for solving policy problems, but also for creating a successful organisation design. Such an organisation would be able to use complementary modes of coordination: authority, competition and mutual adjustment.³⁸¹ Mixing hierarchies, networks and markets is analogous to a chemical reaction: “elements may react in different ways under different circumstances”³⁸². Outcomes of such governance reactions “will be specific to particular areas and contingent upon prevailing policies”.³⁸³ Linker designed a model of situational steering by public-sector organisations that builds on typical characteristics of the three governance styles: control (hierarchy), trust (network) and ‘pressure’ (for which he advocates market instruments like performance contracts and benchmarking).³⁸⁴

³⁷⁸ Rhodes (1997): From marketisation to diplomacy: it’s the mix that matters.

³⁷⁹ VROM-Raad (1998: 52): De sturing van een duurzame samenleving.

³⁸⁰ Lowndes and Skelcher (1998: 313): The dynamics of Multi-Organizational Partnerships: an Analysis of Changing Modes of Governance.

³⁸¹ Assens and Baroncelli (2004): Marché – Réseau – Hiérarchie. Une réflexion sur les idéaux types organisationnels.

³⁸² Exworthy et al. (1999: 20): The NHS: quasi-market, quasi-hierarchy and quasi-network?

³⁸³ Exworthy et al. (1999: 20): The NHS: Quasi-market, quasi-hierarchy and quasi-network?

³⁸⁴ Linker (2006): Sturing in de rijksdienst: nieuwe en bestaande inzichten verenigd in hét besturingsmodel.

In 't Veld raises doubt about the feasibility of creating a desired governance mix.³⁸⁵ He illustrates this with the example of the Dutch university system. In the 1970s, the Dutch universities switched from a hierarchical towards a participatory style of governance, after students had successfully lobbied for such a change. However, this change did not result in improved services to students. The service improved in the 1980s, without a change of governance arrangement. In the 1990s, the old hierarchical arrangement was restored without a noticeable impact on the level of service. In an earlier publication, a review of the Dutch Environment Ministry, In 't Veld observed different governance styles inside the same ministry, in different directorates and also between the top and the lower echelons.³⁸⁶ According to him, this is inevitable in a professional public administration organisation. However, he argues, the variety has to be managed, the organisation has to learn from the variety, and there should be a 'general' governance style on the meta-level in the organisation.

A recent research evaluating the EU chemicals directive (REACH) shows that a specific governance style mixture was deliberately developed, consisting of regulated self-regulation and regulated standardisation.³⁸⁷ Peters argues that "metagovernance is not a given process that will occur simply through political will, and must be considered as a management problem". It is a form of 'meta-management', which focuses more on "establishing parameters for action rather than necessarily determining that action".³⁸⁸

The above literature overview does not present a clear answer to what extent and how metagovernance is feasible. Scholars seem to be torn between a positive and a negative answer. Rhodes, for example, in 1997 (see above) argued that it is just a matter of practicality, and in 2001 rejected the notion "that there is a set of techniques or strategies for managing governance"; instead, "no matter what rigour or expertise we bring to bear, all we can do is tell a story and judge what the future might bring".³⁸⁹ In order for this question to be answered, empirical research will be needed. However, the limited literature does lead to the assumption that, to a certain ex-

³⁸⁵ In 't Veld (Personal communication, February 2006).

³⁸⁶ In 't Veld (1996: 42): Rapportage onderzoek Besturingsconcepten VROM.

³⁸⁷ Hey et al. (2007): REACH als Beispiel für hybride Formen von Steuerung und Governance.

³⁸⁸ Peters (2006: 14): The meta-governance of policy networks: Steering at a distance, but still steering.

³⁸⁹ Bevir and Rhodes (2001): A decentered theory of governance: Rational choice, institutionalism, and interpretation.

tent, it should be possible to define conditions that make the design and management of a desired combination of governance styles within a public administration organisation possible: the should be something like a ‘metagovernor’s rationale’. Jessop argues that a kind of self-reflexive irony is necessary, “not only for individual governance mechanisms but also for the commitment to metagovernance itself”: Metagovernors must realize that their attempts will probably (partly) fail, but should proceed as if success were possible.³⁹⁰ Likewise, Svensson and Trommel warn that Rhodes’ argument that it is “the mix that matters”, should not be confused with arguing that “anything goes”.³⁹¹

There is not yet much research on the limitations of applying metagovernance. Considine and Lewis showed that there is a limit to the degree of variation in governance styles that can be used inside one organisation:³⁹² some style elements are inherently incompatible, as we have already seen in Section 2.3.3.

2.5.4 Metagovernance as managing the governance trilemma

Metagovernance is a ‘multiple-choice’ issue because choices have to be made on a range of governance aspects: strategy type, type of communication, type of policy instruments, etc., while securing that the resulting mixture is working. It also involves solving three interconnected dilemma’s: between hierarchy and network, hierarchy and market, and network and market. This makes it a triple dilemma or trilemma: a trade-off between three forces (Figure 6). ‘Curing’ the trilemma not only requires solving the dilemma between two of the forces, as the third force must also be dealt with, or it will endanger the trade-off between the first two forces. A good example is the often observed trade-off between ‘new modes of governance’ (network and market) in environmental policy, which is a threat to the idea that the environment should also be protected by legislation.³⁹³

³⁹⁰ Jessop (1998: 44): The rise of governance and the risk of failure.

³⁹¹ Svensson and Trommel (2004: 10): Avoiding a messy mix. Hybrid governance in labour reintegration.

³⁹² Considine and Lewis (1999: 475): Governance at ground level: The frontline bureaucrat in the age of markets and networks.

³⁹³ Hey (2003: 140): Environmental governance and the Commission White paper: the wider background of the debate.

The term trilemma is used in economic policy³⁹⁴ and increasingly in governance literature. Jessop uses the term in governance issues pointing at situations when “agents are faced with choices such that they undermine key conditions of their existence and/or their capacities to realise some overall interest.”³⁹⁵ On the level of global governance Slaughter formulates a central trilemma between accountability, participation and profit.³⁹⁶ Folke et al. use similar apexes of the trilemma triangle - legitimacy, participation and effectiveness – in their analysis of social-ecological systems.³⁹⁷ Lundqvist uses the same terms in his analysis of the multilevel governance of Swedish water resources in relation to the EU Water Framework Directive.³⁹⁸ The terms they use are aspects of hierarchy (accountability, legitimacy), network (participation), and market governance (profit, effectiveness), respectively.

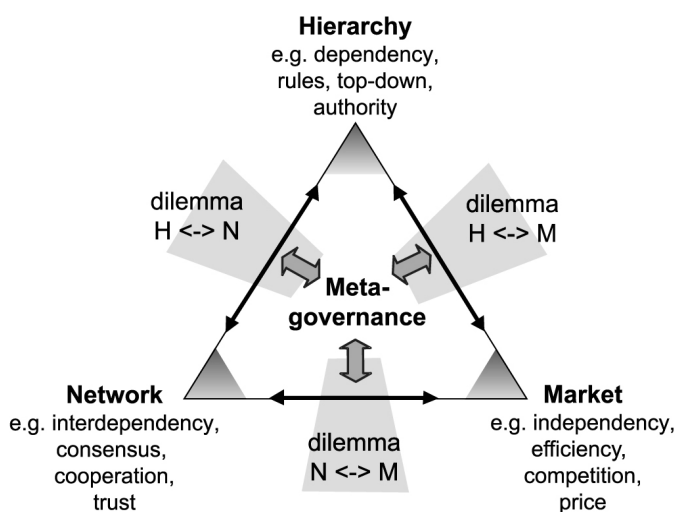


Fig. 6. Metagovernance and the governance trilemma (own composition)

³⁹⁴ Obstfeld et al. (2004): The trilemma in history: Trade-offs among exchange rates, monetary policies, and capital mobility.

³⁹⁵ Jessop (2005): The governance of complexity and the complexity of governance, revisited.

³⁹⁶ Slaughter (2004): A new world order.

³⁹⁷ Folke et al. (2005): Adaptive governance of social-ecological systems.

³⁹⁸ Lundqvist (2004): Integrating Swedish water resource management: a multi-level governance trilemma.

How can the trilemma model be used to understand the mechanisms of metagovernance? A good example is how Shell uses a trilemma in its ‘Global Scenarios to 2025’.³⁹⁹ (See also 2.1.3). The Shell trilemma describes trade-offs between three competing forces, that offer three alternatives (scenarios) of the future that are laid out as ‘two-wins, one loss’ options. The three forces that make out the apexes of the triangle are similar to the three governance styles this research uses: coercion and regulation (more or less congruent with a hierarchical style), social cohesion and the force of community (congruent with a network style) and market incentives and efficiency (congruent with a market style). Shell distinguishes three analytical layers: actors, objectives and forces. Their scenario study focuses on forces that shape behaviours and expectations, because actors react to different forces and objectives can be reached by using mixtures of all three forces.⁴⁰⁰

Besides the ‘two win, one loss’ mechanism, the Shell model proposes to use points in the trilemma triangle to show complex policy trade-offs and social choices, “as competing forces pull towards the three triangle apexes.”⁴⁰¹

2.5.5 Metagovernance, line, project and process management

Managing the three ideal types of governance requires adaptation of managers to the logic of the styles. In a hierarchical setting, the organisation form of change processes seldom has the form of an adhocracy⁴⁰²: change is achieved by using the standard line organisation. Management is primarily *line management*. More flexible is the project organisation: a temporary team consisting of representatives of units of the line organisation. *Project management* is on the one hand a threat to the line organisation for example because it may lead to jealousy of line managers.⁴⁰³ On the other hand, besides the different structure, project management builds strongly on the logic of hierarchy. It aims to control resources and typically works in phases towards a result that has been defined in the beginning.⁴⁰⁴

³⁹⁹ Shell (2005): The Shell Global Scenarios to 2025.

⁴⁰⁰ Shell (2005: 41): The Shell Global Scenarios to 2025.

⁴⁰¹ Shell (2005: 44): The Shell Global Scenarios to 2025.

⁴⁰² Term coined by Mintzberg (1985): Strategy formation in an adhocracy.

⁴⁰³ In ‘t Veld (personal communication).

⁴⁰⁴ Table 11 in Section 7.2.2 summarises the differences between project and process management.

The logic of the ideal type market governance does not prescribe a form of organisation, although often a project organisation will be chosen because its flexibility. The logic of network governance requires a network form of organisation with an emphasis on *process management*. This is a flexible form of management, which builds on the idea that a solution for a certain problem can only be achieved when relevant actors are involved in the process between definition of the problem to the choice of a solution.⁴⁰⁵

None of these types of management (line, project or process management) is better than the other: it depends on the circumstances, such as the type of problem⁴⁰⁶, the relative influence of internal and external actors, and the organisational culture⁴⁰⁷. Metagovernance implies mixing the three forms of management in a situationally optimal way. It seems that a successful metagovernance can be a line manager (who has the advantage of clear defined resources), a project manager (who has the advantage of flexibility 'in the shadow of a robust line organisation) or a process manager (who has the advantage of being allowed to bring together all actors that have vested interests in an issue).

2.5.6 Governance, metagovernance and performance

How are tensions and lack of synergy in governance style mixtures related to performance of public administration? Although the concept of public performance measurement has been around for at least a century, it was New Public Management that actively emphasized the significance of it.⁴⁰⁸ Performance measures and indicators were meant to improve the efficiency and effectiveness of producing output⁴⁰⁹ - a market governance

⁴⁰⁵ De Bruijn et al. (2002, Process management. Why project management fails in complex decision making processes) present 15 design principles for good process management.

⁴⁰⁶ The type of problem is not 'given': problems are framed in a certain way and can be reframed.

⁴⁰⁷ In a hierarchical organisation, project management will lead to more jealousy than in a market-type organisation, and process management seems unfeasible; in a network organisation project management may lead to irritation because of its relative rigidity (fixed problem definition, fixed project phases, compared to the process rounds typical for network management).

⁴⁰⁸ Bouckaert and van Dooren (2003): Progress and regress in performance measurement systems.

⁴⁰⁹ Jackson (1988: 11): The management of performance in the public sector. Boyle (1996: 3): Measuring civil service performance.

term, whereas network governance uses the term outcome. Defining objectives, goals and targets was believed to motivate civil servants and help to restore public confidence in government.⁴¹⁰ Recent research shows that administrative performance may indeed be treated as a precondition to trust in governance.⁴¹¹

It has been shown that improving and measuring performance of public administration is very difficult. Bouckaert described thirteen 'management diseases' that point at possible defects in performance measurement systems.⁴¹² Others raised the question of how the impact of an individual public administration organisation on a complex societal problem can be assessed, when other organisations – public, private and non-governmental – also influence the results. Another problem is that striving for maximum performance of a single organisation may lead to a sub-optimal contribution to solving the societal problem completely.⁴¹³ The causal logic of rational performance tools that fits well in a combination of hierarchy and market is too 'messy' for a reality in which organisations also work together in networks. Uusikylä and Valovirta suggest a solution that consists of three spheres of performance governance: the organisation's internal perspective (focusing enabling factors for successful operation), single-organisational performance targets, and multi-organisational targets.⁴¹⁴ Jackson draws a similar conclusion. He concludes that for improving public administration performance, neither hierarchy nor market mechanisms provide sufficient solutions. Instead of control and competition, co-operation and participation in networks will help administration to deliver added value.⁴¹⁵ There is a growing literature on performance and network governance.⁴¹⁶ The assumption that a change in the legal status of an organisation (for example from ministerial department to executive agency, a

⁴¹⁰ Jackson (1988: 11). The management of performance in the public sector.

⁴¹¹ Vigoda and Yuval (2003): Managerial quality, administrative performance, and trust in governance revisited. A follow-up study of causality.

⁴¹² Bouckaert (1995): Improving performance measurement.

⁴¹³ Uusikylä and Valovirta (2004: 1): Three spheres of performance governance. Spanning the boundaries from single-organization focus towards a partnership network.

⁴¹⁴ Uusikylä and Valovirta (2004: 18): Three spheres of performance governance.

⁴¹⁵ Jackson (2001: 5): Public sector added value: Can bureaucracy deliver?

⁴¹⁶ E.g. Farquhar (2003): Network governance and performance measurement in Healthcare; Imperial (2004): Collaboration and performance management in network settings: lessons from three watershed Governance Efforts.

market governance approach), per definition improves its performance, has been empirically proven to be not correct.⁴¹⁷

According to Skelcher and Mathur, governance arrangements, designed from elements of what they call the ‘hierarchy-network-market tryptich’, are contingent on organisational performance. A governance arrangement is

“a technical fix to a problem of policy delivery, a temporary structure within which inter-organisational commitments can be generated and delivery managed. When efficiency suffers, the structure is changed. [...] Governance arrangements, then, are subsidiary to the imperatives of organisational performance.”⁴¹⁸

Thus, it seems plausible that metagovernance, as designing and managing mixtures of hierarchy, market and network governance, is a prerequisite for improvement of public administration performance. It should also be postulated that performance indicators have to vary with governance mixtures that are applied. Discussing public-sector performance raises the question of how (meta)governance can be measured. This will be briefly discussed in Section 7.3.3.

2.5.7 Metagovernance and individual cultures

Metagovernance requires the ability of metagovernors to look beyond their own perspective, in order to at least ‘see’ hierarchy, market and network elements as the building stones of their organisation. They also need to have the ability to understand tensions and conflicts between elements of these styles and be able to design and manage mixtures that work well in a certain context. Finally, politicians and public administrators when acting as metagovernors must be able to connect their work with the metagovernance tasks of politicians. Hey et al.⁴¹⁹ highlight this as an important lesson in the case of the hybrid (hierarchy-market-network) design of the EU chemicals policy. Therefore, metagovernance is the outcome of cooperation among many actors.⁴²⁰ Jessop formulates three key dimensions of me-

⁴¹⁷ Dunshire et al. (1991): Organizational status and performance: Summary of the findings.

⁴¹⁸ Skelcher and Mathur (2004: 23-24): Governance arrangements and public sector performance: Reviewing and reformulating the research agenda.

⁴¹⁹ Hey et al. (2006: 27): Better regulation by new governance hybrids? Governance styles and the reform of European chemicals policy.

⁴²⁰ Sørensen (2006: 104): Metagovernance. The changing role of politicians in

tagovernors' abilities.⁴²¹ Firstly, requisite variety: deliberate cultivation of a flexible repertoire of responses. Secondly, a reflexive orientation: regular re-assessment of to what extent current actions are producing desired outcomes. Thirdly, self-reflexive 'irony': recognition of the likelihood of failure while proceeding as if success were possible.

With this, Jessop acknowledges that metagovernors must be able to handle complexity very well. This requires that metagovernors are, among other things, 'mindful' managers. They must be able to deal well with unexpected events, which includes the counterintuitive act of seeing the significance of weak signals and being able to react strongly to such signals.⁴²² Chapter 7.2.6 will discuss the implications of the individual personal dimension of governance and metagovernance for management development programmes.

2.6 Conclusions

In this chapter, we have analysed a large body of governance literature. The conclusions are:

- Hierarchical governance is, empirically, still a major way of governing, notwithstanding the abundant literature that claims that 'everything is network' or that 'market concepts are the main solution for public-sector problems'.
- The evidence that hierarchical, network and market governance appear in mixtures in contemporary public-sector organisations, is convincing.
- This implies that public managers have to cope with three competing 'forces'.
- These forces are embedded in cultures, and maybe even more: they very much resemble the main 'ways of life' of cultural theory.
- The question of whether conscious design and management of governance style mixtures is feasible, and if so, to what extent, is disputed. Some claim that governance mixtures are merely contingent; others argue that they are just a matter of practicality.

processes of democratic governance.

⁴²¹ Jessop (2002): The network society, new forms of governance, and democratic renewal.

⁴²² Weick and Sutcliffe (2001: 4): Managing the unexpected.

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