

Taking stock of “governance”: A predominantly European perspective

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“Governance” as a word does not travel well between languages. “Governance,” especially when “good” is added, becomes a concept that is culturally defined. “Governance” in practice has fundamentally changed in the last decades. It is also clear that “governance” in theory and public administration (PA) research are struggling to encompass this evolving practice. Ideally, governance research is rigorous and relevant. In reality, it is sometimes not so rigorous, and also not so relevant. Our challenge for the future is obviously to be rigorous, and also to be relevant by being ahead of our realities. In this article we will look at how the practice of governance has changed over the last 30 years, how scholars tried to keep pace with these changes (or not), and how a governance research strategy may help to prepare for the future.

1 | HOW HAS THE PRACTICE OF GOVERNANCE CHANGED OVER THE LAST 30 YEARS?

In the United States and in Europe, the practice of governance has changed significantly, and in some cases even dramatically, over the past 30 years. Obviously, “governance” has changed in the rest of the world, but the focus of this article is on Western views in general, and on Europe in particular.

Depending on the degree of cataclysm one wants to discuss, there is a significant list of major challenges that all had an impact on the practice of governing human societies to solve problems: the end of the Cold War, post–World War II “civil” wars in Europe, the Global Economic Crisis (GEC), tangible wicked problems (ecology and global warming, migrations, terrorism, etc.). However, there have also been major changes with a high potential for progress and with immense impact on governance such as, for example, the development of a European Space, trade liberalization, or cloud governance. This is all happening in a context of retrenchment of the state, austerity for our welfare systems, decreasing legitimacy and trust in institutions, and changing power balances with other regions in the world, especially Asia.

A major ideological gap, roughly between a Thatcher/Reagan governance approach and a Scandinavian or a Mitterrand/Merkel approach, in responding to problems in general is the difference between considering the public sector as part of the problem or part of the solution. Considering the public sector as part of the solution demands a stronger public governance agenda.

In the period from about 1985 until now, at least the following events have impacted the local and global European practice of governance.

First, changing geopolitics changed governance. It is obvious that the fall of the Berlin Wall in 1989 caused a tremendous global political shift but also triggered a domino effect of regime changes

and therefore of governance in those countries. The two Germanies unified peacefully on October 3, 1990. This had a huge impact on the former German Democratic Republic (GDR) and its governance. *Transformation of governance systems became a major priority.*

Second, the European Union (EU) expanded. A range of countries switched sides and joined the EU. In 2004, 10 new countries joined the EU: Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia, and Slovenia. In 2007 Romania and Bulgaria joined the EU as well. The impact was that “good governance” was being spread around through hard and soft European law, through establishing the “*acquis communautaire*” that had to be implemented as a condition to join the EU. One very visible governance tool is the Common Assessment Frameworks (CAF), which started in 2000 under the Austrian presidency of the EU. It is still in place to help promote “good governance” in EU Member countries (and beyond). *Convergence of governance systems became the major topic on the reform agenda of these “transition countries.”*

Third, there were wars in the Balkans. After Tito’s death in 1980, the collapse of Yugoslavia resulted in a violent civil and ethnic war. The peace treaties resulted in seven new independent countries: Bosnia-Herzegovina, Croatia, FYROM (Macedonia), Kosovo, Montenegro, Serbia, and Slovenia. In 2004 Slovenia joined the EU, and Croatia became a member in 2013. A totally new governance agenda emerged. *The establishment of good governance in postconflict countries was combined with the goal of avoiding failed states.*

Fourth, the governance of the European Union itself was transformed. Some fundamental changes occurred in the European Union. The 1985 Schengen Agreement resulted in the border-free Schengen Area, which guarantees free movement to more than four hundred million EU citizens, as well as to many non-EU nationals or other persons legally present on the EU territory. In 1993 the creation of the Single Market was completed. This entailed the “four freedoms” of movement of goods, services, people, and money, which had a huge combined impact on the national governance of border control, customs, police, and security. *It required hierarchy-, market-, and network-based coordination mechanisms to govern new platforms, formalized informal networks, or other creative “open methods of coordination.”*

Fifth, governing the euro and the GEC resulted in governing austerity. It resulted in both more and less state. In 1979 the European Currency Unit (ECU) was accepted as the shared single currency of the EU’s member countries. In 1999 the ECU was replaced by the euro. Its governance is regulated by the European Monetary Union, which established the Frankfurt-based European Central Bank. In 2002 the euro was available as legal tender. A financial crisis hit the global economy in September 2008. The Treaty of Lisbon entered into force in 2009 and provided the EU with modern institutions and more efficient working methods. However, the large fiscal, financial, and structural imbalances were recognized as governance deficits of the euro zone. The 2011–2012 Greek sovereign crisis and the subsequent bank sovereign debt crisis resulted in an economic crisis with near-zero inflation, low interest rates, and low growth. In 2011 the European Banking Authority and the European Securities and Markets Authority were established. All this increased awareness of major weaknesses in *the architecture of the macro governance system in running effective fiscal, budgetary, financial, and economic policies*. Austerity also resulted in disinvestment in the public sector, shrinking welfare state policies, decentralization of service delivery (with less central money attached), and the need for partnerships to run policies and deliver services. In some countries, the crisis and the related austerity were exploited as a good political opportunity to carry out a retrenchment of the state.

Sixth, Sustainable Development Goals (SDGs) became a frame for national governance systems. To realize SDGs, good governance is needed at the global, national, and local levels. In December 2015, at the Paris Climate Conference (COP21), the first-ever universal, legally binding global climate deal was adopted by 195 countries. This implies the *capacity for governance of wicked problems and a remarkable coordination of different types of governance systems and policy instruments.*

Seventh, governance of big data and data clouds arose as an issue. Big data and clouds have become very powerful for governance of all policies and types of service delivery. In 2016 it is estimated that 36% of all data are stored in the cloud, divided among three major storage providers. This makes governance very vulnerable to capture by private stakeholders. It is sometimes called “government by Google.” *Governments are not sure how to govern clouds, especially when they are big, open, and crowd sourced.*

This combined set of seven shifts has resulted in a shifting need for governance systems and changing governance practices. Even if this list takes a macro perspective, it also affects micro governance at the level of individual organizations and local policies. Even if a European perspective is taken, factors such as regime shifts, postconflict situations, failed state experiences, global and economic or other crises, and transformations of countries, combined with SDGs and big data clouds, are affecting all regions of the world. The shifting governance practices may be affected by cultural and historical differences, but they are all comparable in their essence. It also affects “leadership” as such. As Mario Monti (former president of the EU Commission, former prime minister of Italy, and current president of Bocconi University in Milan, Italy) said at the 2016 Utrecht Conference of the European Group for Public Administration (EGPA): “Our leaders have become followers, they do not lead the populations, they follow them.” The reality of populism has immensely affected the reality of governance.

2 | AND HOW WELL HAVE SCHOLARS KEPT PACE WITH ALL THESE CHANGES?

One could look at the visibility of “governance” in the research activities in the field. Conference themes are grouped under this umbrella (ASPA 2013: Governance & Sustainability: Local Concerns, Global Challenges; IPSA/AISP 2014: Challenges of Contemporary Governance), master’s degrees are relabeled, institutes are (re)named, and journals are created around the concept of “governance.” At the Organisation for Economic Co-operation and Development, there is a directorate of Public Governance and Territorial Development. International comparative research is also increasingly organized and shared. The Horizon 2020 European Science Foundation call for research proposals has “governance” of a range of policy fields as a key word.

One could also look at how scholars tried to anticipate the future. In the United States, these occasions are the Minnowbrook conferences, occurring every 20 years. The Minnowbrook I Perspective (1968) reflected and helped to catalyze a “New” Public Administration shift. Minnowbrook II (1988) was driven by an awareness of a changed world with a PA which was not fit for that purpose. There was a new awareness of the prominence of interdependence and interconnectedness of policy issues, private-public organizations, and nation-states, combined with cultural diversity. Minnowbrook III (2008) combined the whole range of emerging questions such as “dark public administration,” PA in Asia, Global PA, the role of networks, and the impacts of markets. But the main topic that arose was the impact of globalization on the field of PA. This included more studies in comparative PA, more public policy research across international boundaries, and a more important role for international organizations in governance research. A second focus was on collaborative governance. There was a shift from “performance management to democratic performance governance.” This could also mean that government is not the only or even not the most important actor: Governance is more about networks, contracts, and information technology. Governance becomes more global, diverse, and represented by complex governing arrangements. Finally, there is a suggestion that the underlying paradigm has been overly based on Western notions of democratic governance. The third major topic was the role of information technology.

However, Minnowbrook I totally missed the emerging economics literature focusing on public choice and the new academic “competition” of public policy analysis. Minnowbrook II missed completely the emerging New Public Management (NPM) movement and its even stronger belief in best practices and generic market type solutions. Minnowbrook II probably did not see this coming, since the origins of NPM were outside the United States, such as in New Zealand and the United Kingdom. Minnowbrook III did not mention the huge impact of austerity, retrenchment, or failed states on governance at all.

In Europe there also have been attempts at mapping, focusing, and reflecting on the field. The most prominent effort was the Bielefeld Project (1985), called “Guidance, Control, and Performance Evaluation in the Public Sector.” Its purpose was to “develop conceptual frameworks which help to understand the structured complexity of relationships within the public sector as a device to redefine situations for the actors concerned.” A key message from the conclusions is that complexity needs to be taken into account, and that increasing complexity needs increasingly complex theories and solutions. After looking at trends and issues, but also the shortcomings of current approaches, some of the problems, such as the “state versus society” or “performance” and “quangos” were redefined, and there was a special focus on “coordination.” The conclusions were to specialize, to create a new division of labor, but also to coordinate efforts. Nice principles, but rather unclear for research practice.

Other initiatives to “take stock” of the field of PA in Europe were undertaken by the EGPA, on the occasion of its 40th anniversary within the IIAS family (IIAS was founded in 1930), resulting in an anthropological book on the community of “PA in Europe” and “European PA,” taking different languages and PA cultures into account. A new research practice in Europe has been European-wide research networks conducting comparative public sector research such as COBRA (on agencies and coordination), COCOPS (on public sector reform), LIPSE (on innovation), and LocRef (on local government reform). Finally, Pollitt recently (2016) published an enhanced and advanced “taking stock” of the field of PA and administration in which he looks at theories, methods and approaches, the community, and its relation to practice. He also identifies future trends such as fiscal austerity, technology, demography, climate, and complex interactions.

Based on these European research networks, and within the EGPA community, there is a concrete initiative to start a “European Minnowbrook,” called European Perspectives for Public Administration (EPPA) for which the following priorities have been defined (www.perspectivespa.eu):

1. Keeping an eye on the disciplines: What can we learn and how can we cooperate across the established disciplinary boundaries, which seem to become ever more imperative and impregnable?
2. Keeping an eye on the future: How can we learn trusting utopias and distrusting dystopias, learning to think beyond short-term problems and solutions, but trying to be as realistic as possible?
3. Keeping an eye on culture and diversity: How can we take different cultures seriously, avoiding a “one solution fits all” approach, while at the same time we keep learning from each other?
4. Keeping an eye on practice: What can we teach and how can we help, what are the practical lessons for teaching and research of all this?

3 | WHAT ARE OUR CHALLENGES AS AN ACADEMIC FIELD: IS THERE BAD ACADEMIC GOVERNANCE OF THE FIELD OF GOOD GOVERNANCE?

A conclusion from these past initiatives could be that there is a need to have an organized and explicit research strategy to tackle future problems and to be part of “the solution,” especially if we claim evidence-based reforms and improvements. When these past efforts of “taking stock” or “substantial

reflections” are analyzed (which was done as part of the EPPA initiative), there seems to be a set of common denominators, assumptions, and expectations. For PA:

1. Governance research and teaching run too much behind the facts. However, it should also be ahead of realities; it should not just push but also pull and inspire more new realities.
2. Governance is overly dominated by one discipline (in one country it could be law, in another country it could be management or political science); however, it should be taking several disciplines into account and result in a balanced approach.
3. Governance thinks too much in causal terms; however, it should also, as a social science, think in teleological terms, that is, from “omega” to “alpha.”
4. Governance often pretends to be disconnected from time and space; however, research actively and positively takes context and culture into account.
5. Governance research is still relevant for practice; however, it should be more explicitly relevant in the choice of its topics, and it should be more explicitly rigorous in its methodology.

When looking at the major models that should allow us to understand governance, it emerges that there has been a shift from a classical Weberian bureaucratic model to NPM, to a Neo-Weberian system (one that also takes citizens and performance into account), and to New Public Governance. Within the academic community there is also an increase in combining law and economics, or law and management, or psychology and policy. This convergence results in richer empirical studies. Relevance remains a crucial focal point. David Rosenbloom at Minnowbrook III summarized five proactive steps for the field of PA that apply, *mutatis mutandis*, to “governance”: aggregate knowledge in the sense of making it cumulative, maintain methodological and epistemological pluralism, maintain value diversity, continue to promote disciplinary boundary spanners, and monitor relevance.

4 | A POSSIBLE GOVERNANCE RESEARCH AGENDA

There are different types of governance for different purposes. A systematic overview of the range of governance allows us to distinguish types to focus upon in the public sector: corporate governance, holding governance, public service governance, supra-structure governance, and systemic macro governance.

Corporate governance is about the management of single public sector organizations: The question here is to what extent private sector corporate governance can be transferred, and under what conditions. While in the past many instruments went from the public to the private sector (budget, organization, PERT, etc.), recently, more corporate management instruments have moved to the public sector such as cost accounting and (internal) audit, quality models, business process reengineering, human resources, techniques, and “governance codes of conduct.” It is probably not a coincidence that “common management” philosophies develop much better in “common law” countries, and that “public management” approaches are more developed in “administrative law” countries. This leads us to the question of how to take this public and legal context into account for this corporate governance level, especially since public-private partnerships will be more prominent in the future for investments and for service delivery. In many countries this good corporate governance agenda is already a major challenge. How to measure the level of quality of corporate governance is not obvious. Within the public sector, many corporate governance score cards have been developed. Most organizations have one or more models to monitor, guide, and upgrade their governance such as ISO, Balanced Score Cards, European Foundation for Quality Management, and CAF, or the Canadian Management Accountability Framework, along with some *sui generis* models. Most of these models are converging; some of

them have real scores, and sometimes there are awards. Evidence-based corporate governance reform requires comparative and diachronic databases. Solid corporate governance is necessary but not sufficient. Holding governance is needed.

Holding governance is about managing a related cluster of organizations that belong together and need a consolidated type of governance. The “togetherness” of these public sector organizations could have different causes: They belong to one defined territory (a municipality), they all contribute to a specific policy field (education, health, security, etc.), they all contribute to solving a policy problem (fighting poverty), they are in a chain of service delivery (food safety), or they all share their data sets to contribute to service delivery or policies (security). There is a need to look at these public organizations, not only from the singleness of their corporate governance, but in their togetherness of holding governance. Their connectedness, their “degree of togetherness,” will contribute to efficiency and effectiveness. Taking responsibility and being accountable for a “clusters of organizations” is crucial for the public sector. This is immediately linked to the relation of output of an individual organization, the outputs of a coherent set of organizations, and the outcome of a holding of organizations. There is a requirement that a broad span of performance (outputs) will also require a broad span of control of the organizations delivering these outputs to result in effective outcomes. Different types of coordination will make a difference: Unified policies, horizontal and vertical coordination, transversal policies, and cross-border collaboration are several variations on the general theme of coordination. Different mechanisms are being used to coordinate a range of organizations. Hierarchy-type mechanisms, market-type mechanisms (MTM), and network-type mechanisms are very different but share an objective to coordinate, as part of holding governance. Holding governance is responsible and accountable for the performance of this holding system. Holding governance is clearer in a territorial definition. The mayor of a given city is responsible and accountable, not just for the municipal organization in the strictest sense but for all public organizations under the municipal umbrella. It is more difficult for a functional holding, such as education or health. In all cases the issue of leadership, political leadership, is especially crucial. Leadership, quality models, and evaluation and audit are all needed to have an effective holding governance. There is a temptation to call this type network governance, even in the private sector. But holdings are still a variation on hierarchy, and therefore they are more than just networks. Measuring the strength of holding governance is important, even if mapping coherence and togetherness of holdings remains a difficult exercise in practice and in theory. Solid holding governance is necessary but not sufficient, in practice and for our research agenda. Public service governance is needed.

Public service governance refers to the premise that public sector delivery is part of public service delivery. Most services delivered will only be effective when delivered with the private and not-for-profit sector. This implies that for public service delivery the functioning of the public sector is necessary but not sufficient. There is a need to manage the interfaces with the private sector and the third sector, and there is a need to make sure there is sufficient governance capacity in the private and in the third sector to ensure proper public services. The whole policy cycle, its design, decision, implementation, and evaluation, takes place in an open system of government. Implementation will be more successful if stakeholders are involved from the beginning. Because of ownership there will be a higher chance of civic behavior, trust, loyalty, and willingness to be, for example, a volunteer to contribute to a public service. Public service governance means that this two-way traffic of ideas and involvement is well organized. This interface needs to be governed in a transparent, legal, and functional way, since it also could be a source of corrupted interfaces. This means that the public sector needs to invest in solid governance models in the private sector, in the third sector, and in citizen initiatives. Borders of organizations become less clear; hybrid organizations are emerging, and they require this specific public service governance that should clearly define responsibilities and accountabilities in situations of contracting out, partnerships, and delegations. This also means that mechanisms, rules of the game for

these interfaces, should be defined: Should it be more hierarchical, or more marketized, or more networked? Weak or bad public service governance results in a high risk of corruption or capture, or a situation where the cost is for the public sector and the benefits are for the private stakeholder. Measuring the level of public service governance is necessary. The whole research agenda of public service motivation is one important component, but should not be the only one and needs to be further developed. Solid public service governance is necessary but not sufficient. There is a need for supra-structure governance.

Supra-structure governance refers to what is beyond institutional infrastructure governance. It is essential that ideas, ideologies, values, and culture are equally part of the governance agenda. This implies a two-way interaction between the hardware of organizations and institutions and their software in terms of ideas, values, and culture. Ultimately, it is also the governance of a combined logic of consequences and a logic of appropriateness. This interaction is increasingly in tension, even in conflict, and should be turned into a synergy. Combining a logic of consequence with a logic of inappropriateness (corruption, fraud, lack of transparency, a culture of irresponsibility, and an absence of accountability) affects the trust and legitimacy of systems. It also raises the whole agenda of “value of public,” Public Value, and public values. This also raises the problem of causality: Are institutions affecting ideas, or vice versa? This is an old philosophical debate between “idealism” and “materialism.” Measuring supra-structure governance is happening in a fragmented and sometimes negative way; we have corruption, transparency, and openness indexes, even if these indexes are heavily criticized. Supra-structure governance is necessary but not sufficient. Systemic macro governance is needed.

Systemic governance refers to the system design at the macro level, which includes major checks and balances, key allocation mechanisms of resources, core decision making, and distribution of power in society. It also implies a Whole of Government approach. There are three fundamental systemic governance topics that need to be addressed in the future: governance with or without democracy, governance with or without government, and governance in countries with low degrees of development (or failed states).

First, according to Fukuyama (2013), governance is “a government’s ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not” (p. 350). From this controversial point of view, “governance is about the performance of agents in carrying out the wishes of principals, and not about the goals that principals set” (p. 350). In this context Fukuyama refers to Weber’s bureaucracy as an ideal type. This implies that democracy is not a necessary and certainly not a sufficient condition for good governance. It implies that it is possible to have good governance without democracy. This will be a fundamental debate in the future of our field, theoretically and practically. Democracy is of course not just about electing representatives; it is about participation, transparency, open society, due process in decision making, responsibility and accountability, legitimacy, and trust in systems. Most of these key words are related to or define the concept of governance itself.

The second debate, on the occasion of the Belgian case where there was no federal government for 590 days (until December 6, 2011), about a year and a half, raises the question about “governance without government.” Five lessons can be drawn from this situation (Brans, Pattyn, & Bouckaert, 2016). First, caretaker conventions and routines guarantee the continuity of government operations; second, when the terms of contracts of top civil servants exceed the term of government, this contributes to stability and continuity; third, in mature democracies, a power vacuum is taken care of in a constructive, creative, and responsible way; fourth, the multilevel governance of regions, caretaker government, and EU is robust; fifth, there is no “normal” length of time to make crucial political decisions. The issue was already raised by Peters and Pierre (1998). On the one hand, it is possible to define governance without government in a positive sense as governance consisting of networks,

partnerships, and markets, including international markets. In this sense, governments are not able to govern globalized and international markets, especially if they are disconnected from the private market. There also could be a negative definition where “hollow” states are emerging. In these cases, markets and society are filling the vacuum, and perhaps also local communities and/or criminal organizations.

Third, it is not good to blindly copy and paste others’ solutions. This is particularly true for developing countries looking at developed countries, since solutions do not travel well. However, several developing countries were obliged by global banks to adjust to the trend that are typical for the developed world, such as, for example, agencies, participation, flexibility, deregulation, performance focus, decentralization, responsibility/accountability for results, and contracting. Trends outside the public sector are privatization and the generalized use of MTMs and partnerships with the private sector. A crucial element of governing a developing country’s state remains its inclusiveness. According to Huque and Zafarullah (2014), an inclusive state will have a much better prospect of success in making reforms effective. State building and systemic governance are both essential, especially for developing countries. Obviously, the key question is how governance can be organized when GDP per capita is at the level of extreme poverty. Perhaps there is an economic level below which good governance is not feasible at all. Perhaps severe budget reductions also reduce the possibility of good governance. It is crucial to keep these facts on our research radar.

Measuring progress or change in systemic governance requires long-term data sets on key issues such as participation, decentralization, marketization, transparency, and the like. This is not obvious, but these data and indicators are necessary to assess long-term transformations and transitions.

5 | A CLEAR VIEW OF GOVERNANCE

Since we want our research to be equally rigorous and relevant for the present and the future, there is a need to have a clear view of how the practice of governance has changed and how it is evolving. This requires comparative research to map what is going on, and why. This is also the reason why we need to look into the future of our field. Our research and teaching needs to anticipate future questions. This exercise needs to be organized by the community in a deliberate and conscious way, and it needs to result in an explicit research strategy. Only then can we increase the chances that our relevant and rigorous research remains part of the evidence-based “solutions” that we need to develop.

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