

Conceptualising Governance

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มโนทัศน์เรื่อง *governance* ได้ถูกใช้อย่างแพร่หลายทั้งในแวดวงวิชาการและการพัฒนา นับตั้งแต่ต้นทศวรรษที่ 1990 เป็นต้นมา อย่างไรก็ตาม มโนทัศน์นี้ได้ถูกตีความ ถูกให้ความหมาย และถูกนำไปขยายความประยุกต์ใช้อย่างหลากหลายและแตกต่างกัน บทความนี้มุ่งที่จะปริทัศน์มโนทัศน์ดังกล่าวว่า ได้ถูกใช้ในความหมายใดและมีขอบเขตการตีความในลักษณะใดบ้าง โดยพิจารณาจากวรรณกรรมทางวิชาการต่าง ๆ ที่เขียนเป็นภาษาอังกฤษ จากนั้นได้พยายามนำเสนอการใช้มโนทัศน์นี้เพื่อจุดประสงค์ในการศึกษาวิจัย โดยเฉพาะการใช้มโนทัศน์นี้ในลักษณะของกรอบความคิดในการวิเคราะห์ (*analytical framework*) สำหรับกรวิจัย

Abstract

Governance has become a term in vogue of the 1990s, however it is often used with quite different meanings and implications. This article aims to review the notion of governance being used in the academic literature, and conceptualise the way it can be used for the purpose of analytical framework.

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1. Introduction

Governance has become a term in vogue of the 1990s. Kjaer (2004) found that a simple search on the word *governance* in the Social Science Index between 1986-1998 results in 1,774 articles. But in the three years from 1999 to 2001, the Index comes up with 1,855 articles. A number of articles on governance have been produced over the last few years exceeding those produced in the preceding decade. A key reason for the recent popularity of this concept is probably 'its capacity – unlike that of the narrow term *government* – to cover the whole range of institutions and relations involved in the process of governing' (Pierre and Peters, 2000: 1). Although the concept has come to be used frequently, it is often used with quite different meanings and implications. In other words, the concept of governance is notoriously slippery – it is frequently used among both academics and practitioners without a definition which all agree on. The main aim of this article is to survey and conceptualise the term governance, and the way it can be used for the purpose of analysis.

2. Definitions of governance

There are many ways in which various authors have used governance. It is important to start with a survey of different ways the term governance being defined. Richards and Smith (2002) suggest that governance is a descriptive label that is used to highlight the changing nature of the policy process in recent decades. In particular, it 'sensitises us to the ever-increasing variety of terrains and actors involved in the making of public policy. Thus, it demands that we consider all the actors and locations beyond the 'core executive' involved in the policy-making process' (p. 2). Rhodes (1997) argues that governance refers to a 'new process of governing'. He then proposes that, in the British case, governance 'refers to self-organising, inter-organisational networks characterised by interdependence, resource exchange, rules of the game and significant autonomy from the state' (p. 15). Kooiman (1993, 2003) has concentrated on the relationship between government and society. He suggests that the governance of modern societies is a blend of all kinds of governing levels, modes, and orders. Kooiman argues that social-political governance implies 'arrangements in which public as well as private actors aim at solving problems or create societal opportunities, and aim at the care for the societal institutions within which these governing activities take place' (2000: 139). Rosenau (1992) focuses on what he refers to as *global governance*, and adopts a perspective that allows for governance occurring apart from what

governments do. He argue 'governance is conceived as systems of rules, as the purposive activities of any collectivity that sustain mechanisms designed to insure its safety, prosperity, coherence, stability, and continuance' (2000: 17).

For the international organisations, the focus seems different. Most of their definitions reflect their interest on strengthening domestic institutions for policy development and implementation. The World Bank explicitly defines the term as 'the manner in which power is exercised in the management of a country's social and economic resources for development' (World Bank, 1992: 3). While the Asian Development Bank (ADB) has linked governance to capacity building and defines that 'it encompasses the functioning and capability of the public sector, as well as the rules and institutions that create the framework for the conduct of both public and private business, including accountability for economic and financial performance, and regulatory frameworks relating to companies, corporations, and partnerships' (ADB, 1999: 3). Both of them seem to be different from the United Nations Development Programme (UNDP) who links governance to sustainable human development and defined it as 'the exercise of political, economic and administrative authority in the management of a nation's affairs at all levels. It comprises the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences' (UNDP, 1997). It can be observed that the use is vast and ranges from narrow problems of institutional development to broad questions relating to the manner in which power is exercised within society.

From this review of various definitions used, we could observe that the central themes of governance involve not only the improvement of public sector capacity, but also a transformation in the role, compass, power, and the activities of state in economy and society. It identifies government's optimal role in public life and allows society to be involved more in public sphere. At the same time, governance promotes the role of non-state actors in the society and the public activities. It widens the roles, responsibilities and burdens of social actors outside the state terrain. It means that the state's responsibility and function for the provision of those services needs to be redefined. The state's responsibility is not necessarily to render those services on its own, but to foster conditions and mechanisms that are conducive to enabling to the institutions of society to meet the specific needs of their communities.

3. Varieties of governance

Practitioners and academics in a number of fields and political-administrative contexts have embraced the idea of governance as a new way of thinking about state capabilities and state-society relationships. Many authors have identified different versions of the term governance (Hirst, 2000; Kooiman, 1999; Pierre and Peters, 2000; Rhodes, 1997, 2000) and I summarised them into the following themes.

3.1 New Public Management

In the realm of public administration, the concept of governance has been explained in the notion of *New Public Management* (NPM) (Hood, 1991; Lane, 2000) which has two meanings: corporate management and marketisation (Rhodes, 1997, 2000). Corporate management refers to introducing private sector management methods to the public sector such as managing by results, values of money, etc. while marketisation refers to introducing incentive structure (like internal markets and competition) into public provision such as contracting out and quasi-market. NPM is relevant to governance because steering is central to the analysis of public management (Osborne and Gaebler, 1993) and steering is a synonym for governance (Peters, 1995). This 'marketisation of the state' also introduces radical change from the traditional view of the relationship between 'citizens' and the state, to the new notion of relationship between 'customers' and service providers (Pierre, 1995).

3.2 Corporate Governance

The second theme, governance as *corporate governance* (Charkham, 1994; Tricker, 1994; Williamson, 1996) explains that the notion is concerned less with the formal institutions and structure, but more with overall systems by which organisations (public or private) are directed and controlled. It is commonly including 'principles of openness or the disclosure of information; integrity or straightforward dealing and completeness; and accountability or holding individuals responsible for their actions by a clear allocation of responsibilities and clearly defined role' (Rhodes, 2000: 56). This reminds us that private sector management practice has an influence on the public sector exercise.

3.3 Good Governance

Good governance has been seen by international development agencies as a necessary condition for economic development particularly in the third world.

International Monetary Fund (IMF), World Bank, ADB, and UNDP have initiated a large-scale campaign promoting 'good governance' as the new reform objective in the Third World development (ADB, 1999; IMF, 1997; Leftwich, 1994; Peters, 1998; UNDP, 1997; World Bank, 1992). These agencies came to recognise that institutions matter: development is not just a matter of creating free markets, promoting investment, and adopting the right macro-economic policies, but the institutional reform. The administrative strand of good governance refers to an efficient, open, accountable and audited public service, to help design and implement appropriate policies and manage public sector (Leftwich, 1993). To achieve efficiency in public services, the World Bank, in particular, strongly encourages various kind of competition policies and market mechanisms to achieve good governance such as capacity building, privatising public enterprises, decentralising central administration, and encouraging greater participation of non-governmental organisations (Leftwich, 2000). However, even the meanings set out by various multilateral and international organisations, who are the major advocates, also appear to differ significantly (*cf.* ADB, 1999; UNDP, 1997; World Bank, 1992).

In the case of Thailand, the term good governance was used in a rhetorical way during the 1997 crisis. Different interpretations were used to serve different purposes, rather than focusing a substantive way on the reconfiguration of state-society relationships. Orlandini (2003) analysed that the idea of good governance was interpreted in order to contextualise the term into Thai conditions. The term *good* governance was equated with many meanings. For instance, the conservative thought adhered it to the idea of 'good leadership' as the means to gain a well-administered, peaceful and harmonious society. The liberal and communitarian positions replaced the slogan of 'political reform' with 'good governance'. A liberal royalist standpoint, while emphasising the role of Buddhism and 'royal good governance' in today's Thai politics, advocated a change in the bureaucratic culture and underlines the need to adapt the administration of the country to the changing economic structure. Pasuk and Baker (2000b) also observe that 'the attempt to domesticate and propagate the ideas of good governance, promoted by World Bank, was transformed by Thai NGOs into a restatement of the idea of locality, community, and self-reliance' (p. 195).

3.4 Interactive Governance

Another theme, governance as a *socio-political governance*, or *interactive governance*, refers to the overall pattern of interaction process between different societal and political actors (such as central or local governments, businesses, and voluntary organisations) in each specific issues, and the growing

Such patterns of interactions abound, for example, self- and co-regulation, public-private partnerships, or hierarchical governance.

3.5 Network Governance

In the field of policy studies, much of the previously dominant literature on policy networks has been reformulated and reinterpreted into a governance framework. Governance as *self-organising networks* refers to the new structures of widespread social coordination and interaction between both public and private institutions and organisations in the delivery of services (Atkinson and Coleman, 1992; Marsh, 1998; Rhodes, 1997). Rhodes (2000) points out that these networks are characterised, first, by interdependence between organisations. Governance is boarder than government, it involves a reduction in the role of the formal institutions and agencies of the state and a greater role for private, non-state or quasi-state institution. This causes the boundaries between public, private, and voluntary sectors to become more opaque. Second there are continuing interactions between network members, caused by the need to exchange resources and negotiate shared purposes. Lastly, the networks have a significant degree of autonomy from the state. Networks are not accountable to the state; they are self-organising.

3.6 Global Governance and Multi-level Governance

In the field of international relations, it is widely recognised that certain important problems cannot be controlled or contained by action at the level of national states alone, such as environmental problems or economic crisis. There has been a rapidly growing discussion of the role of international agencies, inter-state agreements, and common governmental practices as methods of governance, or in other word, the interest in *global governance* (Hewson and Sinclair, 1999; Rosenau, 2000; Rosenau and Czempiel, 1992). Furthermore, a great deal of recent EU-focused research has also been shaped by the notion of *multi-level governance* to the nature of the relationship between local, regional, national and transnational institutions (Bache and Flinders, 2002). This is a specific example of the governance notion as international interdependence and its impact on the state.

3.7 Institutionalised Economic Governance

In the area of political economy, the new political economy approach to governance re-examines the governing of the economy and the interrelationships between civil society, state and the market economy. Governance denotes the steering concept capacities of a political system: the ways in which governing is

carried out, without making any assumption as to which institutions or agents do the steering (Gamble, 2000). Governing is not the exclusive preserve of government: to govern means to influence, shape, regulate, or determine outcomes, and in this sense there are many other agencies and institutions that are involved in governing a social order. Thus economic governance refers to the 'political and economic processes that coordinate activity among economic actors' and the 'transformation of the institutions that govern economic activity' by focusing on the 'emergence and rearrangement' of several forms of governance (Lindberg *et al.*, 1991: 3). Numerous studies drawing on extensive research projects have investigated the role of state in coordinating sectors of the economy by constituting various governance regimes (Campbell *et al.*, 1991; Hollingsworth *et al.*, 1994).

A very interesting observation by Stoker (1998) is the point that governance is sometimes used for rhetorical rather than substantive reasons. He argues that, for instance, at times in 1992, governance appeared to be used in place of government as if 'government' was a difficult word to sell in a privatised, market-oriented society. For Osborne and Gaebler (1992), governance is about a *reinvented* form of government which is better managed. But in Stoker's view, governance for both authors was about what other author referred to as new public management.

A common confusion in the governance literature would be about the differences in these various interpretations of socio-political phenomena in the contemporary world, as described by variety of interpretations explained in this part. One reason for these varieties is that the choice of interpretations selected is not 'a matter of evidence but a function of the story; of the questions to be asked and the plot to be unfolded' (Rhodes, 2000: 67). This means the explanatory usage of the notion of governance is constructed by the questions being asked. Further, Kooiman (1999) points that we probably presume that the various definitions and applications of governance are more appropriate and useful under different circumstances as he argues that: corporate governance appears to be more relevant at the organisational level; while networks and economic governance approaches seem to appropriate for sectorial analysis; good governance is more relevant to national level; as the global governance speaks more to international level.

4. Governance as an Analytical Framework

Although the term governance has been used in a variety of ways and has a variety of meanings, there is a baseline agreement – governance refers to the development of the way society is governed and the creation of conditions for ordered rule and collective action. Governance is a concept that tries to make

sense of the changing nature of the state in the recent decades. The notion of governance is about changing nature of government within changing milieus, and how to understand such changes. The notion is operationalised under a condition that governments have lost their ability to solely control and shape both policy and society; governments have to operate in a diverse, fragmented, complex, and decentralised environment (Richards and Smith, 2002). However, an issue that we should also consider is about to what extent the notion of governance contributes to the development of analytical framework for the study of changing nature of state and its relations towards society.

In defence of the contribution of the governance as an analytical framework, Richards and Smith (2002: 15) argue that:

The primary level the term governance should be understood as a concept that reflects the shifting patterns of the state over the last thirty years, from an era of government to a new era of governance. Governance is a boarder and more fundamental concept than that of government alone, and it concerns with the links between parts of the political system as with the institutions themselves.

Stoker (1998) also defends that the contribution of the governance perspective to theory. Whilst it offers little at the level of causal analysis, nor does it offer a new normative theory, its value is its capacity to organise and provide a 'map' or framework for understanding the changing process of governing: applying a simplifying lens to a complex reality. It identifies key trends and developments in the nature of relationship between state and society. The governance perspective offered here also brings into focus a number of key dilemmas or concerns about the way in which systems of government are changing. In the same way, Pierre (2000: 241) argues that governance 'has tremendous potential in opening up alternative ways of looking at political institutions, domestic-global linkages, transnational co-operation, and different forms of public-private exchange'. Rhodes (2000) claims that governance – as a notion in social sciences – does not offer us causal explanations that evoke physically necessary relationship between phenomena; predictions is mainly an aspiration and probably an impossibility to exercise accurately in real life. Rather, governance provides a language for

redescribing the world and challenges the dominant narrative of the 1980s in the ways it describes a complex world. Governance as a conceptual framework then:

...provides a language and frame of reference through which reality can be examined, and lead theorists to ask questions that might not otherwise occur. The result, if successful, is new and fresh insights that other frameworks or perspectives might not have yielded. Conceptual frameworks can constitute an attempt to establish a paradigm shift. (Jude et al., 1995: 3)

Therefore, we could argue that the term governance has two-dimensional meaning (Pierre, 2000). On the one hand, it refers to the empirical manifestations of state adaptation to its external and internal change as illustrated by the variety of the term being used. On the other hand, the term also represents a conceptual or theoretical framework of co-ordination of social systems, and the changing role of the state in that process. This organising perspective makes its theoretical contribution at a general level in providing a set of assumptions and research questions. It also provides a language in which to identify key features of a complex reality, and also to pose significant questions about that reality.

5. Analysing Governance

5.1 The propositions

Stoker (1998) provides a concise survey of the main themes presented in contemporary governance literature, which reveal key interrelated propositions that help understanding the governance theory. Firstly, governance refers to a set of institutions and actors that are drawn from, but also beyond, government. Government is referred to the formal institutions of the state and their monopoly of legitimate coercive power. This first proposition of governance challenges formal understandings of the system of government. Governance suggests that the traditional model of government has failed to capture the complex reality of the system at this contemporary age. The notion of government implies that there is only one centre of power in a unitary state, but in reality there are many centres and diverse links between many agencies of government – at local, regional, national and supranational levels. Bovaird and Loffler (2003) suggest that, typically,

governance issues are likely to involve the following key stakeholders: citizens (as individuals); community organisations (whether formally or loosely organised); nonprofit organisations (including charities and major non-governmental organisations); business; media; public agencies (at different levels of government or elected bodies, including international levels); and elected politicians. They note that it is obvious that the stakeholders who are most important in any policy issue will vary, depending on the policy area, the geographic area or the community concerned.

This phenomenon has been compounded by the trend towards establishing principal-agent relations throughout much of the machinery of government. Contracting-out and public-private partnerships are now part of the practice of public services in many countries. The governance perspective also draws attention to the increased involvement of the private and voluntary sectors in service delivery and strategic public policy decision-making and delivery. Responsibilities that were previously the near exclusive responsibility of government have been shared. This governance perspective challenges conventional assumption that focuses on government as if it were divorced from wider societal forces.

Secondly, governance identified the blurring of boundaries and responsibilities for tackling social and economic issues (see also Kooiman, 1999). Public authority at all levels is becoming diffused over various societal actors and their relationships have changes. Governance draws to our attention a shift in responsibility – a stepping back of the state in some ways, and to push responsibilities onto the private and voluntary sectors, and more broadly the citizen. The shift in responsibility finds institutional expression in a blurring of boundaries between the public and private, state and society. This finds substance in the rise of a range of voluntary or third-sector agencies variously labelled: whatever they are called voluntary groups, non-profits, non-governmental organisations, community enterprises, community-based organisations. The governance perspective demands that these voluntary organisations be recognised for the scale and scope of their contribution to tackling collective concerns without reliance on the formal resources of government. It is claimed that needs are met and problems are managed through such organisations without recourse to an over-arching authority or a formal system of control. Such a claim takes us beyond a simple recognition of the plurality of groups that seek to influence government, to a recognition of a range of groups that have taken over some of the traditional tasks of government.

Thirdly, governance identifies the power dependence involved in the relationships between institutions involved in collective action. Governing from the governance perspective is always an interactive process because no single actor,

public or private, has the knowledge and resource capacity to tackle problems unilaterally (Kooiman, 1993). Power dependence implies that organisations committed to collective action are dependent on other organisations. In order to achieve goals, organisations have to exchange resources and negotiate common purposes. The outcome of exchange is determined not only by the resources of the participants, but also by the rules of the game and the context of the exchange.

Lastly, governance recognises the capacity to get things done which does not rest on the power of government to command or use its authority. This requires government to identify key stakeholders; develop effective linkages between the relevant parties; concern with influencing and steering relationships in order to achieve desired outcomes; establish mechanisms for effective co-ordination. Government in the context of governance has to lean an appropriate operating. This proposition suggests the need to think beyond the retooling of government to a broader concern with the institutions and socio-political fabric beyond government. The design challenge with respect to our 'public' institutions becomes complex and demanding.

These propositions of governance sensitise us to the fact that the number of actors located on these terrains had increased, central government had become only one amongst many when it came to the making of policy, and the different relationships involved in the process of governing. As Pierre and Peters (2000: 7) argue 'this new perspectives on government – its changing role in society and its changing capacity to pursue collective interests under severe external and internal constraints – are at the heart of governance'. Further questions involve the ways in which the governance framework can be developed to analyse the contemporary socio-political phenomena.

5.2 The 'old' Governance VS 'new' Governance Approach

The utility of the governance perspective depends in part upon which approach to governance is adopted; two different approaches to governance have been observed by Peters (2000), Pierre and Peters (2000) – the 'old' governance and 'new' governance. There are both normative and empirical elements in each approach.

The first approach, labelled 'old' governance, refers to a *steering* conception of governance approach (Pierre and Peters, 2000), concerns with identifying 'the capacity of the centre of government to exert control over the rest of government, and over the economy and society' (Peter, 2000: 38). The questions asked in this approach are about how and with what conceivable outcomes the state steers society and the economy through political brokerage, and by defining goals and

making priorities. In this approach, the main research problem is ‘to what extent the state has the political and institutional capacity to steer, and how the role of the state relates to the interests of other influential actors’ (Pierre, 2000: 3). Therefore, Peter (2000) suggests the empirical element of this approach is contained largely in determining if a government is capable of governing, while the normative element is simply that an effective state is necessary to guide the public toward some attainment of the public interest. The assumption is that society cannot reach that public interest on its own, but instead requires the imposition of the authority of the state. This approach of governance perspective is consistent with state-centric models of explanation (Pierre and Peters, 2000). In this model, the structure of the state is what matter for explaining difference levels of policy outcomes and political performance.

On the other hand, the focus of the ‘modern’ or ‘new’ governance perspective (Kooiman, 1993; Rhodes, 1997) is on co-ordination and self-governance manifested in various forms of formal/informal types of public-private interactions, most predominantly on the role of policy networks. This approach questions ‘how the centre of government interacts with society to reach mutually acceptable decisions, or whether society actually does more self-steering rather than depending upon guidance from government, especially central government’ (Peters, 2000: 36). This ‘new’ governance perspective is consistent with the society-centric approach of explanation as its principal question appears to be how the social forces are structured to channel the input into political process, and in implementation. Peter (2000) argues that we could further distinguish between the *negative* and the *positive* version of the ‘new’ governance that appear within the literature, and each version has different empirical and normative implications for the study.

The negative version of ‘new’ governance emphasises on the capacity of social forces to resist the regulations and impositions of the state. The normative element of this negative conception is that somehow citizens know better what they want and need than does the state, and therefore are entirely justified in finding way to avoid any incursions of authority into their lives. For the empirical element, the negative ‘new’ governance advocates that groups, and even individuals, in society do have the capacity to resist government’s interventions. Government does have legitimate authority on its side, but the public is seen as sufficiently smart and resourceful to escape any regulations that they do not like: for example, the capacity of industries to avoid regulation, or the capacity of ordinary citizens to evade taxation. More recently, the communitarianism literature (Etzioni, 1994, 1998; Tam, 1998) and the deliberative democracy literature (Bohman and Rehg, 1997)

proclaim some of the same claims about the capacity of people and communities to identify their own needs and to govern themselves more autonomously. For the positive version of ‘new’ governance, it argues that there are resources in society which are sufficiently powerful to shape policy – at both input and output stages. Networks, communities and other aggregations of interest organisations that surround policy area are assumed to be in positions to either shape policy as they see fit, or to assist government in putting policies into effect. The normative element of this version is that society should be capable of managing many of its own affairs without the need for intervention from the state.

Either state- or society-centric approach, ‘old’ or ‘new’, governance framework offers an important and interesting avenue for reframing the study of politics and policy-making. Peters (2000: 38) argues that:

...adopting governance approach simply provides some standard against which to examine behaviour in the public sector, and analyse what had happened along the way to cause government fails or is succeeds and why that happened. The same type of analysis may be undertaken from other perspectives..., but thinking about governance and governing makes the question of what has happened to policy ideas and proposals all the more evident.

5.3 Governance as structure VS process

Beyond the ‘old’ and ‘new’ governance approach, we can employ alternative conceptual ways to analyse governance as *structure* or *process* (Pierre and Peters, 2000). Four common governance structural arrangements or modes of governance are hierarchies, markets, networks and communities (Gamble, 2000; see also Heywood, 2000; Hollingsworth and Linberg, 1985; Hollingsworth *et al.*, 1994; Thompson *et al.*, 1991). The assumption under the structural view is that if we want to get governance ‘right’ we need to manipulate the structures within which it is presumed to be generated (Pierre and Peters, 2000).

The hierarchical model is somehow characterised by constitutional rules for the government and bureaucracy that operate through top-down authority systems. This is essentially governance by law, and the control mechanism is carried out using hierarchy and rules internally, as well as externally (Jorgensen, 1993). This type of governance strictly upholds the distinction between public-

private instead of bridging border between both of them. The state, conceived of as the representative of the collective interest, is thus distinctly separated from the rest of society, but governed society by imposition of law and other forms of regulation. Other institutions of the state are also entangled in a hierarchical system of command and control. Public organisations are organised in such a way that the political control of the administration is made efficient. Other institutions in society enjoy some degree of autonomy, but the state never surrenders its legal authority over these institutions which remained creatures of the state. This model still plays a major role in the political and institutional organisation of the large number of national and institutional contexts; even in the advanced democracies, such as in Britain, Germany, Japan, Scandinavian countries (Derlien, 1995; Goldsmith and Newton, 1993; Pierre, 1995a).

Market is understood as a resource-allocating mechanism, or more broadly the employment of monetary criteria to measure efficiency. Market governs the voluntary exchange activities of multiple parties though price mechanism that functions as a coordination device of social life (Thompson *et al.*, 1991). Market is believed to be the most efficient and just mechanism for resource allocation because it empowers citizens when they exercise powers of choices. Market does not allow for politics to allocate resources in inefficient ways; instead of having elected politicians make decisions about what goods and services the state should provide and at what price, introducing market mechanism allows people to choose the things they want on their own. Governance as markets, therefore, refers to various mechanisms in which people can cooperate to resolve common problems without contorting the basic supply and demands mechanisms of the market.

Networks comprise a wide variety of actors – state institutions, businesses associations, organised interests and so on – on a given policy sector. The key feature of networks as a coordination mechanism is the way cooperation and trust are formed and sustained within networks. Network is characterised by informal relationships between essentially equal agents or social agencies; in contrast to market or hierarchy, it coordinates through less formal, more egalitarian and cooperative means (Thompson *et al.*, 1991). Networks facilitate coordination of public and private interests and resources and, in that respect, enhance efficiency in the implementation of public policy. Although the state has had some forms of organised network with key actors in society – such as in the form of corporatist models, some networks are said to have become sufficiently concerted and cohesive to resist or to take over some businesses of government (Stoker, 1998), or even challenge state powers (Pierre and Peters, 2000). The relationship between the

networks and the state could be described as one of mutual dependence (Pierre and Peters, 2000). From the point of view of state, networks embody considerable expertise and interest representation, and hence are potentially valuable components in the policy process. However, networks are held together by common interests which tend to challenge the interests of the state. The development from government towards governance has clearly strengthened the position of the policy networks.

In a board perspective, communities or communitarian governance builds on a consensual image of the community and the positive involvement of its members in collective matters. The general idea of this model is that communities can, and should, resolve their common problems with a minimum of state involvement (Etzioni, 1994, 1998). The state is believed to be too big and too bureaucratic to deal with these issues; moreover, communitarians view that state generates at least as many problems as it resolves. Communitarian means to introduce some sense of collective responsibility in to the community. Communitarian governance seems to resolve common problems and foster a civic spirit in the community without breeding large public bureaucracies.

These structural/institutional arrangements remain important because they determine much of what roles the state can actually play in governance; however, thinking about governance in a process perspective is important at the least because governance is not much about structures, but more about interactions among structures. Therefore, the alternative assumption is that governance is a *dynamic outcome* of social and political actors. If changes are demanded then it is those dynamic that should be addressed: the inclusion and influence of various actors could well change over time and in different degree. For this dynamic view, governance can be perceived as the *process* of *steering* and *coordination* that are two dominant dynamic perspectives in the current literature (Pierre and Peters, 2000). The concept of governance as 'steering' is at the heart of much of the current research in governance in different sub-fields of political science (Pierre, 2000). The notion of the state as 'steering' society is still central to theories of governance (Kooiman, 1993, 2000). The governance perspective typically argues that states are still indeed capable of 'steering' society, only now its authority is less based in legal powers and more due to its control over critical resources and its representation of the collective interest. Governance sometimes refers to coordination of a sector of the economy or of industry (Hollingsworth *et al.*, 1994), and sometimes to the process through which a government seeks to proactively steer the economy (Gamble, 2000). In either of these manifestations, governance is still being considered in a dynamic manner, seeking to understand how actors,

public and private control economic activities and produce desired outcomes (Pierre and Peters, 2000).

6. State as a Variable for Analysis

Another issue, that could arise when utilising a governance framework, is the choice of variables for analysis. On this account, Pierre and Peters (2000) suggest that the perspective on governance should focus on the *state* – its role in governance and how the emergence and challenge of governance affect the state in different respects. They argue that state remains the key political actor in society and the predominant expression of collective interests. The role of state is not decreasing but rather its role is transforming, from a role based in constitutional powers towards a role based in coordination and fusion of public and private resources (Payne, 2000). Furthermore, states have proved to be surprisingly resilient and innovative in meeting a variety of internal and external challenges such as financial constraints, internal insecurity, domestic demands, war, etc. The transformations in the role of state – how state transforms to accommodate emerging forms of governance – are a key issue in governance inquiry (Pierre, 2000). Especially, if we want to study the relationship between governance and policy-making process, ‘the discussion of the public policy process needs to be grounded in an extensive consideration of the nature of power in the state’ (Hill, 1997: 18). Approaching the state in a state-centric governance perspective helps us understand the new roles of the state.

6.1 Independent Variable or Dependent Variable

If we employ state as a focus of analysis when studying governance configuration, we can look at the state either as an independent variable or dependent variable (Pierre and Peters, 2000). As an independent variable, the role of government in governance is one of the key aspects of governance. The role of the state in governance can vary from being the key co-ordinator to being one of several powerful actors. However, the role which the state plays in governance depends on a large number of factors, such as the historical patterns of regulation and control of the particular policy sector; the institutional interest in maintaining control; the degree to which governance requires legal and political authority; and the strength of societal organisations and networks. The alternative research strategy – looking at the state as the dependent variable – raises questions about how the emergence of governance alters the powers and capacities of the state. This may study the various forms of public-private partnerships – cooperation

work between government and voluntary organisations – or the challenges posed by transnational forms of governance and their effect on institutional arrangement of the state, and the management of these institutions.

6.2 The Postmodern State

One way to view the state as an independent variable is the idea of *postmodern state* (Richards and Smith, 2002). Weberian bureaucratic state has become a target for much criticism. Hierarchy, uniformity, predictability, and unilinearity, all of which were originally regarded as positive characteristics associated with the Weberian model of state, have been increasingly attacked as residual elements of an unresponsive, inefficient, inflexible, and non-innovative state machine that can no longer satisfy the aspirations of society (Fox and Miller, 1995). Alternative forms of state delivery were sought to address the perceived failing of the Weberian bureaucratic state, and it is here that the origins of governance, as a new state form, can be located. Postmodernist state provides an alternative means of conceptualising the new form of state as Richards and Smith (2002) argue that:

For postmodernists ... whereas the features of a modern state would include sovereignty, territoriality, single rule of law, nationality, centralisation, unified bureaucracy, policy autonomy, autonomous taxation, and welfare, the features of the postmodern state would include non-exclusive sovereignty and territoriality, cooperative or multiple rule and law, multilateral defence, shared citizenship, multiculturalism, devolution, non-bureaucracy, non-unitary, pluralistic policy, taxation, and transnational welfare. (p. 31-32)

Richards and Smith (2002) further present the nine characteristics of the postmodern state:

- *A shift from hierarchy to heterarchy*: this represents a shift from an organisational form which was clearly layered in a top-down manner to one in which there are many different but interconnected actors, each with out a single dominant centre of core.

- *Clear line of responsibility replaced by blurred or fuzzy lines of accountability:* postmodernists would contend that there are now many different actors or bodies operating within the policy arena. One of the unforeseen or unintended consequences of this change is that lines of responsibility have become more blurred. This is most clearly demonstrated in the case of identifying the difference between responsibility for policy formulation and accountability for implementation.

- *Hierarchical discipline replaced by regulation:* this reflects a perceived shift from a directive relationship within the state associated in particular with the corporatist era of the 1970s to now based on greater regulation. Rather than determining what we should do, the state regulates what we can do. The state says that it will trust an organisation to make a decision, but retains the right to hold the organisation to account for those decisions.

- *A shift from state central control to state steering:* this is the notion that government has moved away from the modernist notion of control towards the more flexible postmodern mode of steering.

- *A shift from rigid to flexible and ad hoc organisational structures:* the traditional Weberian bureaucratic model is regarded as permanent and easily observable. The postmodern state is regarded as one in which rigidity has been replaced by flexibility, and in which institutions possess the ability to adapt.

- *Uniformity and predictability replaced by diversity and uncertainty:* whereas the Weberian state was regarded as being uniform and predictable, the postmodernist state portrays an environment in which diversity and uncertainty are the key characteristics.

- *Structures are no longer fixed but contingent:* structures in the postmodern state are regarded as fluid and constantly changing, in response to the environment in which they are located. Unlike the Weberian state which is established, stable, and possesses a functional bureaucracy, the postmodernist state is no longer fixed, but is contingent on its environment. So, for example, postmodernists would suggest that the task forces are flexible, adapting to problems in society as they arise.

- *A single public-service ethos replaced by a heterogeneous service culture:* Weberian state possessed a single public-service ethos – state officials were conditioned by a culture based on public service and working for the public good. Most notable culture was seen to be based on the conventions of neutrality,

permanence, and anonymity. Postmodernists argue that there no longer exists a single organisation or unifying culture. Instead, there are numerous different state organisations, each possessing its own particular culture, which in turn prioritises different features.

This is a model that we can implement in analysing the changing role of the state vis-à-vis other actors in society. The key characteristics of Weberian state and Postmodern state could be summarized in the following table.

Table 1: The comparison between Weberian state and Postmodern state

Weberian bureaucratic state	Postmodern state
Government	Governance
Hierarchy (Weberian)	Heterarchy (network, etc.)
Power: zero-sum game	Power: positive-sum game
Power: concentrated	Power: diffuse
Elitist	Pluralist
Unitary, centralised, monolithic state	Decentralised, fragmented, hollowed-put state
Strong, central executive	Segmented executive
Clear lines of accountability	Blurred/fuzzy lines of accountability
State central control	State central steering
Single homogeneous public service ethos	Heterogeneous service cultures

Sources: Richards and Smith (2002)

7. Conclusion

This article reviews the use of the notion of governance. It has been used differently in different discipline and for different purposes. Although the notion has been used in a very diverse ways, the notion is useful to capture the contemporary changes in the role, compass, power, and activities of the state in economy and

society. This article proposes that the notion could be used as an analytical framework for the study of state-society relations and the analysis of the role of state in governing process. Based on four propositions presented in this article, we can analyse the governance through two major approaches: (1) the 'old' or a steering conception of governance, and the 'new' or a co-ordination/self-governance conception of governance; and (2) the structural or procedural approach. Using either approach, I propose that we may use *state* as a variable for analysis. We could employ such framework to analyse how state has transformed its role or accommodated emerging forms of governance. Finally the postmodern state could be applied as a model of state transformation to fit itself itself with new governing milieu. However, this notion has been developed within a context of developed region, particularly the European-American context, to help understanding the change in the position of government over the last decades. We also observe some changes in the role of the state and its relationship with other actors in society that has happened in Asia over the last decade, especially after the 1997 economic crisis, and many scholars are working towards the understanding of such changes. Further question that worth asking is to what extent this notion could help explain change happened in other parts of the world. This question is still waiting to be answered.

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