

GOVERNANCE AND GOOD GOVERNANCE

Introduction to the special issue of TRAMES

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Over the past decade and a half, the concepts of ‘governance’ and ‘good governance’ have become an important focus of social science research as well as a vocabulary unto its own in both the scholarly and political world. While governance as a concept is therefore not in itself newborn, it has lately received more thorough and systematic attention. As noted by Jon Pierre, ‘governance theory has tremendous potential in opening up alternative ways of looking at political institutions, domestic global linkages, transnational cooperation and different forms of public private exchange’ (2000:241). According to Kooiman, there is still an optimistic stage of ‘creative disorder’, though there are several boundaries to be crossed: conceptual boundaries, border lines between theory and practice and last but not least between ‘world views’ (2003:5). In some form or another, this issue challenges all of these aspects and aims to shed more light onto the concepts, the changes they have brought as well as the future they await.

1. Challenges of defining governance and good governance

Both ‘governance’ and ‘good governance’ are concepts that have been used in a variety of ways. They have a large number of meanings which tend to be broad and diffuse. Therefore, it is difficult to give them any clear and singular definition as well as understand their essence, values and implementation. Both concepts have often been misunderstood, misinterpreted or misused. Among the more frequent inaccuracies is to equate governance simply with ‘new public management’ or good governance with participatory rule. As the following articles will show, however, these are vastly superficial.

In the literature of the last 15 years, there have been several attempts to map the trends and developments in governance and to conceptualize these trends (see for

example the studies by Doornbos 2001, 2004, Kooiman 2003, Knill 2004, König 1999, 2002, Peters and Pierre 1998, Rhodes 2000). To put it most simply, 'governance' is a 'new process of governing; or a changed condition of ordered rule; or the new method by which society is governed' (Rhodes 2000:55). Mostly it is used to refer to the development of governing approaches where the boundaries of all three societal sectors – public, private and non-profit – have become blurred by using the strategies of resource mobilization across the sectors and where the trends of corporate management and marketization have taken over (Kooiman 2003, Peters and Pierre 2003:3, Rhodes 2000, Stoker 1998). Contracting-out public services, setting performance measures in administration, making management decisions based on results, insisting on value for money and customer satisfaction are all just some of the examples of private sector management methods that have become embedded within the new governance concept. In addition, governance brings more openness, transparency, accountability, and allocation of responsibilities and efficiency into the public sector. The boundaries between societal sectors have become blurred, representing a growing number of policy networks and governing by networks. The latter has also been referred to as 'governance without government' stressing the importance of international markets, partnerships and various networks (Peters and Pierre 1998). There are some authors who see governance mostly as a pattern of rule characterized by networks that connect civil society and the state (see, for example, discussion in Bevir et al. 2003). Overall, the use of 'governance' has been classified into at least seven separate versions of public administration, including: corporate governance, new public management, 'good governance', international interdependence (e.g. EU, NATO), socio-cybernetic systems, new political economy, and networks (Rhodes 2000).

These numerous examples clearly indicate the diversity of the concept and call for more attention to ideology and values as well as to the implementation of 'governance' ideas. Several questions arise about the meaning of 'governance'. Is it just another buzzword or does it really represent a new stage in government and political life? If it is the latter, then it must draw attention to the role of state, i.e. to the role of government in 'governance'. It is perhaps one of the key questions in governance research to what extent the state has been a representative of public interests and an authoritative decision-maker for problems in the society. At the same time, the increasing role or importance of private and non-profit actors in 'governance' itself presupposes a change in the role of the state in deciding the matters of society and fulfilling the public interest. It demands special attention to how these new directions influence the roles and tasks of public, private and non-profit actors in formulating and implementing public policies and public services, and whether the changes brought by 'governance' include in addition to their positive characteristics also pitfalls or even threats. There has been a growing concern and discussion amongst scholars and practitioners of public administration whether the decrease or even weakening of the role of state has been justified or not. This is also one of the main questions that the contributors to this volume address.

2. Governance and government

Governing in an era of ‘governance’ is certainly as difficult as it ever was. Close collaboration with different interest groups and other members of society represent a highly complex form of rule. It manifestly brings out the ‘societal diversity, dynamics and complexity in governance’ (Kooiman 2003:99). One may call it modern, post-modern or post-post-modern (see Drechsler in this volume), but diversity, pluralism and the challenges for governing that these engender certainly represent an important principle that is well worth bringing more into relief via concepts such as governance.

Indeed, whether such challenges are successfully handled in practice constitutes the second debate raised in these contributions concerning ‘good governance’. As Drechsler argues most forcefully, any use of the term ‘good’ brings us into the realm of normative judgments, where any claim of ‘good’ must be justified with demonstrable and agreed-upon criteria. But as Knill points out, different societal problems can involve different normative criteria. Depending on whether we are dealing with decision-making capacity, implementation effectiveness or democratic legitimacy, we will judge ‘good’ governance also in a different light.

This, in turn, highlights what Martin Doornbos brings out as the contradictions inherent in the work of many international financial institutions and their demands for ‘good governance’ from partner countries. How can such demands be met when the problems faced by developing or aid-recipient countries are in reality multi-faceted and often contradictory? As Rainer Kattel’s examination of governance in one particular economic policy area (innovation policy) suggests, the solution to a devaluation of the concept amidst issues of development is to narrow its focus to readily discernible fields and contexts.

3. Insights in this volume

These are just some of the insights offered by our four authors. Their symbiotic treatment of governance and good governance begins with Christoph Knill’s outline of the conceptual dimensions of the phenomenon. At heart, Knill argues, governance still concerns classical philosophical issues involving the degree to which public and private interests can work together and with what level of legal formalization (see his insightful table). Yet, put in this light, governance becomes a four-fold typology of state-society relations, which dramatically clarifies the normative choices at stake. Knill’s own conclusion is that ‘governance’ cannot stand simply for a roll-back of state involvement in national development. Rather, the variety of ‘constellations’ of governance shows that the state remains a key institution.

Such nuances seem often to have been lost in the real world as soon as ‘governance’ moved into the policy-making realm. In particular after the end of

the Cold War, Martin Doornbos argues, 'governance' became ensconced in a broader agenda of conditionalities placed on developing countries by global lending organizations. While such views of governance as a cure-all concept gradually gave way to greater selectivity, Doornbos shows incisively and step-by-step how 'pliability' of the governance concept was in this case quite a euphemism for how the ideas have been mangled by fashionable use and abuse.

Likewise critical in his assessment of governance and its specific application in Estonia is Wolfgang Drechsler. Drechsler shows how governance became all too frequently misunderstood by Estonian elites as simply 'new public management' and the drive to build a state run according to market principles. Not only was such an approach horribly outdated already by the mid-1990s, but in addition, argues Drechsler, this thinking severely handicapped Estonia's administrative capacity to handle both European integration at large as well as specific domains such as the Lisbon strategy on creating employment.

Indeed, even more specifically, Rainer Kattel contends that an overly simplistic understanding of governance in Estonia has undermined Estonia's ability to innovate, since promising companies have often been left to the winds of the free market, where in fact a more concerted, governance-based system of public-private partnership would be needed. Again, the conclusion is that modern governance involves deliberative efforts at multi-level solutions.

Our final contribution comes in the form of a roundtable involving politicians, business people and non-profit professionals. All the guests - Urmas Reinsalu, Eiki Nestor, Enn Veskimägi, Erkki Mölder and Mall Hellam - reflect on the ideas presented by the four previous authors, while also adding considerable personal experience in dealing with governance on a practical level. Together they ask the question, have Estonia's three societal sectors – public, private and non-profit – developed the kinds of mutual practices and understandings of governance and good governance that were outlined by our main papers? Their consensus is that much of Estonian governance remains on the level of buzzwords, although some positive examples exist.

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