

GOVERNANCE – POSSIBLE OR DESIRABLE IN DEMOCRACIES UNDER TRANSFORMATION?

Agnieszka Pawłowska

Department of Political Science, Rzeszów University
Moniuszki Str. 10c, 35-015 Rzeszów
e-mail: a.pawlowska@1gb.pl

Summary. The subject of the article is the dilemma facing governance (multi-actor management) connected with more and more numerous and influential non-state actors not subjected to democratic procedures. The absence of democratic control over non-state actors taking part in the decision-making process arouses fears in the societies under transformation. The paper presents the theoretical framework of governance and the circumstances which led to its becoming widespread in the public sector. Discussion covered the barriers to the introduction of governance, especially the low level of social trust, in post-totalitarian states. The question was also raised whether governance is the right alternative to traditional democratic procedures.

Key words: governance, decision-making networks, public services, transformation

INTRODUCTION

Jeffrey Goldfarb's politics of small things (micro-politics), which he presents in his recent study *The politics of small things: the power of the powerless in dark times* (University of Chicago Press 2006), and in the article included in the present volume, merits both reflection and placement in the context of discussion on „medium” – and „large-scale” things (meso- and macro-politics). Knowing that macro-politics has been dealt with in the present volume, I would like to focus on matters that are „in between”, i.e., those related to small social groups rather than individuals; to local communities rather than global, although meso-scale manifestations of public life may – and actually do – have a global dimension. For governance is multidimensional: it concerns local, national, regional and global spheres.

Non-state actors (international corporations, non-governmental organizations, new social movements, religious organizations, terrorist networks) are growing more and more numerous and influential in all dimensions of public life. Unlike state actors, they are not subject to democratic procedures, which is why their activities may arouse concern among communities, especially those accustomed to all-embracing control by the state. State agencies, in turn, perceive non-state

actors as competitors in the public services market, hence their distrust of the latter has both a social and institutional dimension.

It appears, however, that the complex character of the contemporary world requires multi-actor and interactive actions. Neither the state nor any other actor in public life has a monopoly of truth, material and financial resources, information, knowledge or even coercive measures. We live in the world of dispersed resources and only their combination in the interaction of different actors can result in solving both small and big problems of the world. However, this multi-actor and interactive solution of problems – which we call [multi-actor] governance here – poses a new dilemma for communities (especially post-communist ones) accustomed to the vision of highly politicized (if not partified) public sphere, dominated by decision-making centers at each administrative level.

The subject – matter of the present article is precisely this dilemma associated with governance. Governance originally appeared as a way of providing public services, and then it took on its theoretical framework in order to find its way, in a more developed form, almost a form of democracy, into where management in the public sector (or public sector itself) appeared in a not so distant past.

SOME THEORETICAL AND HISTORICAL REFLECTIONS

Governance is the process of combining the goals of diverse participants (often referred to as stakeholders in literature); citizens who „express themselves” regularly in elections, respondents of opinion polls, consumers, or enquirers/applicants, organized interest groups, and elected and appointed public officials.¹ Governance is a dynamic and interactive process, complex and multi-level, realized in the network of mutual relations and joint decisions of actors from three sectors: public, private, and the so-called third or the sector of non-governmental organizations. This concept often serves to describe the declining ability of the state (broadly understood here as all institutions of public authority) to exercise direct control over the process of policy making and to replace the traditionally conceived control with influence in the expanding decision-making networks.

Governance is found as one of many theoretical approaches to public administration, besides the theory of bureaucracy, institutional theory, public management theory, postmodernist and decision-making theories, and rational choice theory.² At this point this approach seems to be a „legitimate” instrument designed to explain social phenomena, but, it must be pointed out, it is not as developed and precise as

¹ L.E. Lynn, Jr., C.J. Heinrich, C.J. Hill, *Studying Governance and Public Management: Why? How?* [in:] *Governance and Performance: New Perspectives*, (eds) C.J. Heinrich, L.E. Lynn, Jr., Georgetown University Press, Washington, D.C. 2000, p. 4.

² See: H.G. Frederickson, K.B. Smith, *The Public Administration Theory Primer*, Westview Press, Boulder 2003.

the aforementioned theories. Governance is „more an acknowledgement of the empirical reality of changing times than it is a body of coherent theory”.³

Governance – both in practice and theory – is characterized by:

1) dominance of decision-making networks: it is not public institutions but an amorphous set of actors that determines the catalog of public services and the manner of providing them;

2) the state's diminished ability to exercise direct control over social policies: state agencies function more as negotiators in decision-making networks, whose actors have an equal status;

3) mergence of public and private resources: the state uses non-state actors to attain what it cannot achieve by itself and *vice versa*;

4) the use of various instruments to implement the goals of social policy: application of „unconventional” methods of obtaining funds and for the provision of public services.⁴

The above description of the approach, which we term governance here, shows that we are by no means dealing with a theory-of-organization category but a political-science one. For governance allows us to understand the process of constructing and implementing social policy; it relates to institutions to a lesser extent, to a greater extent – to relationships obtaining between diverse actors of the decision-making process and the so-called decision-making networks. Governance belongs therefore to political theory.

What circumstances were conducive to the development of decision-making networks? Over the last quarter of the century, developed democracies experienced significant changes in the goals and methods of exercising public authority. Many elements contributed to this situation: growing budget deficits, stagnant economy, a certain level of disappointment with the range of services provided by the welfare state, and the general feeling that the government was infringing more and more on the scope of the individual's freedom. This began to be especially noticeable in the 1990s, in the European Union, whose institutions began to be perceived as bureaucratized, dysfunctional towards the needs of EU inhabitants, and the citizens themselves felt alienated from the Communities, which they expressed by the falling voter turnout in the elections to the European Parliament.⁵

A crisis of confidence in public institutions or in fact in the mode of decision-making and effects of their decisions important for the citizens' everyday life, was observable most clearly at the transnational level of making politics and at the local level. With regard to the latter level, we should focus our attention on the processes taking place in the 1980s. As a result of the economic crisis in the 1970s, services provided by local governments were also in poor condition. In

³ *Ibidem*, p. 209.

⁴ G.B. Peters, J. Pierre, *Governance Without Government? Rethinking Public Administration*, „Journal of Public Administration Research and Theory” 1998, no. 8, pp. 225–227.

⁵ Commission of the European Communities, *European Governance. A White Paper*. Brussels, 25.7.2001. COM(2001) 428 final.

order to improve their efficacy, instruments characteristic of economics were utilized. Effectiveness, quality, costs, management, strategy etc. – the concepts, measures and instruments previously unknown to the public sector began to be applied in it more and more often. The approach to the public sector was termed the New Public Management. The role of local administration in the process of provision of public services was also redefined – from a services-providing institution into an institution creating conditions for public-services provision by different actors – public and private. It appears that this placement of public institutions – as actors participating in the market play with the same rights as other actors; in general, the admission of non-public actors to provision of public services created conditions for the subsequent development of decision-making networks, which, after all, are by definition characterized by equal relations between numerous and different actors.⁶

It appears, however, that there were other reasons why other, non-public actors were „invited” to take part in the decision-making process. The economic measures, which started to be applied to the public sector, are absolute. It is difficult to undermine the economic calculation and challenge the methods leading to provision of cheaper and high-quality services. But apart from economic values, there are social values, not always convergent with the former, that is more, often incompatible with them. If social and economic values were to clash, the latter would be implemented with all ruthlessness.

Impossibility to attain social goals at a greater cost than that resulting from the economic calculation called into question the sense of social involvement in the local decision-making process, including voting in the elections. The declining voter turnout in traditionally highly involved societies (Scandinavian) signaled a diminished interest in settling minor issues, which, however, the citizens regarded as closely relating to them. This was the second condition, apart from the admission of non-public actors to provision of public services, for the creation of governance. The creation of a mechanism, by which different social groups could influence local policy making and provision of public services, was to be the means of overcoming insufficient participation of the citizens in the local decision-making process.

An especially significant consequence of governance in the public sphere is the emergence of quasi-institutions, whose goals frequently clash with the goals of public institutions. This phenomenon, if it occurs on a large scale, is called quangocratization. A Quango (quasi-non-governmental organization) is an organization implementing one or several public tasks, financed also by public funds, and, although controlled by the government, it is not part of it in legal terms.⁷ Quango operates in the „grey market”, the „in-between” zone between

⁶ H.G. Frederickson, K.B. Smith, *op. cit.*, pp. 207–208.

⁷ A.M. Bartelli, *Delegating to the Quango: Ex Ante and Ex Post Ministerial Constrains*, „Governance: An International Journal of Policy, Administration, and Institutions” 2006, no. 2, p. 231.

the free market and the hierarchical government – without being subjected to the law of the former and control by the latter. Quangocratization is treated as a threat by public institutions (especially at the local level), which, on the one hand, have the citizens-granted legitimacy to implement tasks, and on the other, they cannot be fully held accountable for them, because a wide range of those tasks is realized by actors such as quango.

Not only public institutions cannot „accept” the situation that public tasks are implemented by publicly-not-accountable organizations. Both practice and studies on the phenomenon of governance show that its actors try to retain their original roles. The traditional models of behavior of citizens, interest groups, officials, or politicians do not lose their importance under new circumstances of decision-making (in decision-making networks).⁸

On the other hand, however, the entrustment of implementation of a major part of social policy to non-governmental institutions is the sovereign decision of public authorities. They themselves must therefore benefit from delegating tasks to other actors, and thereby, from involving various parties in the process of constructing social policy. This appears to be the right way of increasing public trust in the activities of public authorities, and consequently, retaining the legitimacy of further exercise of authority.

Governance poses two significant problems for political theory and philosophy. One is the problem of the public sphere, whose objective scope should be expanded by including actors traditionally regarded as being outside the sphere of political government, while the relations, which obtain between them and traditional participants in the public sphere, should be redefined.

The other significant issue is control and its accompanying accountability. Governance theorists maintain that the traditional relations of control and accountability have been replaced by procedures other than electoral ones, e.g. consumer choice, or stakeholderism (control by stakeholders). Are these procedures adequate, however? One can be a taxpayer and, under a democratic system, demand that politicians account for the use of public funds but one does not necessarily have to use public services (under such circumstances we are deprived of consumer control). The weakness of governance is the lack of direct relations of control and accountability between citizens and non-governmental actors that provide public services, and between the latter and public institutions which are accountable, in light of the law and social legitimacy they obtained, for the implementation of specific policies.⁹

Governance, like other models of public services provision, is a consequence of the political culture in which it is practiced. Hence it should be examined in different national contexts. The next parts of the present study will discuss the

⁸ J. Edelenbos, *Institutional Implications of Interactive Governance: Insights from Dutch Practice*, „Governance: An International Journal of Policy, Administration, and Institutions” 2005, no. 1, pp. 120–125.

⁹ G.B. Peters, J. Pierre, *op. cit.*, p. 228.

conditions of network decision-making in societies which are still building their democratic systems.

DILEMMAS OF DEMOCRACIES UNDER TRANSFORMATION

The decision-making networks of public, private and non-governmental organizations usually tend to be complex. Although the main goal of their operation is to solve problems, the fundamental difficulty in understanding them is unclear relations – frequently informal and not transparent enough. Many actors involved in the process of network decision-making have not been democratically elected; consequently, citizens cannot make them directly accountable through the act of voting.

We should therefore take into consideration a possibility that citizens may treat the „invitation” of non-public actors to participate in the decision-making progress differently from what network animators would expect. Such activities or what we often call consulting with the society – only carried further, because they result in final decisions on the directions of social policy and the rules and manner of public services provision – may be interpreted as a way of strengthening the executive branch. Local administration, understood as an executive agency with its apparatus of officials, may refer important issues directly to organized citizen groups: consumers of local services and voters at the same time, passing over the local legislative body or direct representation of the local community, i.e. the Council. The position of representative bodies on the public scene dominated by decision-making networks is unclear at present.

I would now like to expound on the question whether and how multi-actor decision-making is possible in the countries which are still working on their political and legal system, where democratic mechanisms are stable but may not be functioning as efficiently as we should expect them to work. Where the institution of State left behind by the previous system turned out to be amazingly weak although bureaucratically expanded. Where interest in politics is great but it does not translate into the level of political participation in societies that are characterized by the low level of confidence not only in public institutions but also in non-governmental organizations and in their fellow citizens.

In democracies under transformation, or post-totalitarian societies, governance encounters several basic barriers:

- political decisions are rarely formulated in the context of missions, clear-cut objectives and attained results;
- citizens’ participation usually takes the form of institutionalized protest, seldom of prior open debate (consulting);
- the low level of culture of debate/consulting and dialogue (e.g. with neighbors, with experts, etc.);
- the lack of traditions of team work.

The aforementioned barriers stem from the one-dimensional and one-actor nature of the activities of the totalitarian state and from the social void produced by the communist system. Is it filled to the extent that decision-making networks can be created, which could function but avoid being called cliques? In societies with a low level of public confidence but with a high level of corruption in economic and public life, governance or actually the corresponding manner of taking decisions, can be regarded with suspicion. Therefore, if decision-making networks were to develop in post-totalitarian states, they certainly will not be the result of the same processes that took place in democratic states, although confidence in public institutions in the latter is just as low if not lower.¹⁰ The problem of post-totalitarian societies is the permanently low level of public confidence, which does not result from economic fluctuations or scandals in the government but from the lack of social ties. Loyalty and trust manifest themselves in small informal groups, and serve to attain particularistic rather than public interests.

If governance should therefore be used as a decision-making mechanism, we should make sure it is transparent and has a formal framework – I would like to say institutional – but I am not sure, however, whether the far-reaching institutionalization of decision-making networks would not change their nature and change them into some sort of corporativism.

There is one more thing that hinders governance in post-totalitarian societies. The level of their technological, economic and social development is usually far below the citizens' ambitions. People expect quick decisions and immediate results. They attach less importance to the decision-making process itself, although we should observe that in where particularly their health, property and well-being are threatened, they react decisively if not violently. This reaction, however, is the result of a decision already taken rather than its cause. Citizens tend to be less often involved in the decision-making process itself even if they have an opportunity to do so. What I want to say is that governance requires partnership building, which is a long-lasting process, which requires patience, determination, and a certain „culture of debate”. With decisions for which citizens have been waiting for a long time, they will surely have enough determination but they may run out of patience and fail to achieve the point in the debate, in which different „stakeholders” jointly arrive at one solution to the problem.

The social environment is not conducive to governance in democracies under transformation. Although the sphere between the government and citizens is „filled” extremely quickly with new organizations, and the institutional forms of public services provision become more and more diversified, there is a clearly observable mistrust of the non-governmental forms of implementation of social policy. There is mistrust both among the citizens, who try to detect ulterior interests behind the pub-

¹⁰ CBOS, *Zaufanie do rządu, przedsiębiorstw, ONZ i organizacji pozarządowych w 20 krajach świata. Komunikat z badań* [Confidence in government, enterprises, UN, and non-governmental organizations in 20 countries of the world. Research announcement], Warsaw 2006.

lic activities of non-public actors, and among government agencies, for which the fact of granting some part of social policy to non-governmental actors means the loss of control over this policy and over the funds associated with it.

Despite unfavorable circumstances, network decision-making in post-totalitarian societies is possible. This is proved by the fairly common adoption of the principle of subsidiarity as one of the systemic foundations of democracies under transformation, and by the creation of the appropriate institutional and legal framework for implementing it. Is governance a desirable formula for implementing social policy? The adoption of it would, without doubt, be now „an escape forward”, an attempt to „circumvent” barriers and ignore post-totalitarian political culture. It would certainly be a risky undertaking although it could turn out to be the most effective way of building a civil society.

Doubts about governance as a form of public services provision are expressed more and often where it has the longest history. Consequently, a question should be asked whether it is indeed a desirable way of making decisions in the public sphere. Whether, offering network decision-making to democracies under transformation, we are not lagging behind? This question is dealt with in the following conclusion.

CONCLUSION

Governance is a political process based on the participation of also non-public actors, on equality of parties in the decision-making process; it is not formalized and thereby flexible. In the countries of Anglo-Saxon tradition this way of implementing social policy became particularly widespread. This is probably because the level of confidence in the government is not very high there, while the level of trust in non-governmental organizations is far higher. Hence the acceptance of participation of the latter in the activities of the public sector.¹¹ In other countries, governance contributed significantly to efficient public services provision and improved the social acceptance of institutions, and also enhanced the quality of local politics. In many cases an increased involvement of inhabitants in local affairs was reported.¹²

However, reservations are expressed more and more often about network decision-making as an alternative to the traditional forms of democracy. There are growing fears that governance will expand into a parallel government structure „whose efficacy undermines the legitimacy of traditional democracy without offering an equivalent form of accountability of its own”.¹³ Initial enthusiasm for network decision-making was replaced by doubts associated with the lack of an

¹¹ See: CBOS, *op. cit.*

¹² *Citizen and City. Developments in Fifteen Local Democracies in Europe*, (eds), H. Daemen, L. Schaap Eburon, Delft 2000.

¹³ C.F. Sabel, *A Quiet Revolution of Democratic Governance: Towards Democratic Experimentalism* [in:] *Governance in the 21st Century*, OECD 2001, p. 122.

effective mechanism for controlling this process in order to ensure that decisions thus made serve to maximize the public interest.

In democracies under transformation it is difficult to gain the right level of public confidence and mutual loyalty of actors, which would permit the efficient functioning of decision-making networks. At the present stage of post-totalitarian societies „opening up”, public confidence is still in short supply. This deficiency derives both from the past and from experiencing everyday life characterized by numerous dysfunctions (bureaucracy, corruption, particularism).

The most rational way is apparently to eliminate dysfunctions in the first place, which is a *sine qua non* condition for increasing the level of public confidence because this is not only indispensable in network decision making but above all in the functioning of civil society. Further consolidation of democratic procedures, building of transparent and efficient institutions, and strengthening of the pillars of civil society must necessarily precede the development of more complex decision-making mechanisms such as governance.

Thum. Jerzy Adamko