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GOVERNING NETWORKS

EGPA Yearbook

**Editor:
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International Institute of Administrative Sciences Monographs

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EGPA Yearbook

Edited by

Ari Salminen

Professor, Department of Public Management, University of Vaasa, Finland



Amsterdam • Berlin • Oxford • Tokyo • Washington, DC

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ISBN 1 58603 321 2 (IOS Press)

ISBN 4 274 90578 0 C3034 (Ohmsha)

Library of Congress Control Number: 2002117406

Publisher

IOS Press

Nieuwe Hemweg 6B

1013 BG Amsterdam

The Netherlands

fax: +31 20 620 3419

e-mail: order@iospress.nl

Co-Publisher

International Institute of Administrative Sciences - IIAS

Rue Defacqz, 1

B-1000 Brussels

Belgium

fax: +32 2 537 9702

e-mail: iias@iiasiisa.be

Distributor in the UK and Ireland

IOS Press/Lavis Marketing

73 Lime Walk

Headington

Oxford OX3 7AD

England

fax: +44 1865 75 0079

Distributor in the USA and Canada

IOS Press, Inc.

5795-G Burke Centre Parkway

Burke, VA 22015

USA

fax: +1 703 323 3668

e-mail: iosbooks@iospress.com

Distributor in Germany, Austria and Switzerland

IOS Press/LSL.de

Gerichtsweg 28

D-04103 Leipzig

Germany

fax: +49 30 242 3113

Distributor in Japan

Ohmsha, Ltd.

3-1 Kanda Nishiki-cho

Chiyoda-ku, Tokyo 101-8460

Japan

fax: +81 3 3233 2426

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PRINTED IN THE NETHERLANDS

Foreword

Ignace Snellen *

Vertical relationships between government and society still do exist, but almost everywhere they are becoming the exception, rather than the rule. During the last two decades developments in public administration have tended to replace hierarchies. Both in and between organisations, by all kinds of - more or less horizontal - networks, through which the governmental authorities have realised their dependency on the other actors in society. These networks stretched from intergovernmental relations between administrations, in different sectors of society, and between different layers of government, to relationships between public and private organisations.

Governments themselves created their dependency from those networks through the formation of more or less autonomous agencies, the devolution of governmental authority, the outsourcing of traditional governmental tasks, and the growing reliance on Non Governmental Organisations (NGOs) and Public Private Partnerships (PPPs).

The motives behind the formation of those governance networks were based on the desire to put some public services 'off budget,' and to economise. At the same time decreasing the daily political accountability; with growing interdependencies between sector policies, and a consequent aspiration to develop integrated policies. Attempts to profit from the strengths of a combination of public, and more businesslike approaches. The need to improve the service provision for citizens, and to enhance the responsiveness of public bodies by decentralisation of decision making powers.

In networks of relatively equal partners, those 'decide and defend' approaches of previous policy makers, no longer work. They have to take into account the specific dimensions of those networks. First of all, the institutional dimension: the reciprocal expectations, about the way in which each of those partners within the network contributes to a common result. Secondly, the power dimension: the mutual resource dependencies through which each of those partners might set boundary conditions, for attaining the outcome, as desired by other partners. Thirdly, the strategic dimension of partly converging and partly diverging, the network participants' goal orientations; network outcomes are mostly down to compromises.

Information and Communication Technological (ICT) networks are functioning more and more as an infrastructural basis, for social and policy networks within the public domain. ICT networks are a requisite which allows for putting into practice

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those network approaches, in both policy making, and policy implementation. The label of E-Government covers an ever growing field of applications of ICTs. They are starting to receive a good reception by public authorities at all levels of government. It is impossible to imagine modern, public life today without internet, and those ICT applications which it facilitates.

Most European countries are experimenting with modalities of policy, such as inter-active policy making, pro-active policy making and co-production of policy. Some are trying to facilitate forms of New Public Management, by the application of ICTs. Others are mainly routinising and automating their administrative processes. Benchmarking attempts are made in different policy sectors of many countries.

In this fast growing area of social, judicial and technological developments, practitioners and academics in Europe can learn much from their mutual experiences and research, especially across national, territorial boundaries. Europe itself is becoming an interesting stage on which existing players are choosing their positions, and new players are coming to the fore. The fore-mentioned, integrating tendencies, give a special dimension to social, judicial and technological developments. For the coming decades, networking through social and technological networks will be the core business of public administrations. Public Administration discipline will have to guide this business by comparative research, and by developing those theories and practices, that will chart and improve the state of the art.

The European Group of Public Administration (EGPA) is grateful to the University of Vaasa, and especially also to our colleague Professor Ari Salminen, as well as to the Finnish Organising Committee, for the impeccable organisation of its annual conference of 2001. They created an atmosphere, wherein the Chairmen of the Workshops, Directors of the Study Groups and the Convenors of the Research Groups were able to do an excellent job. Fabienne Maron may be mentioned, because of the efficient way in which she governed those networks. They resulted in a successful conference and the interesting book publication which is in front of you.

Acknowledgements

Ari Salminen *

On behalf of the editors of the EGPA 2001 Yearbook I would like to express my gratitude to several individuals and organisations for their commitment to the EGPA 2001 Conference in Vaasa, Finland.

Several people have, of course, been involved in the process of editing the Yearbook. I should like to acknowledge Ignace Snellen, past President of EGPA, Werner Jann, President of EGPA, Michael Duggett, IIAS Director General, Fabienne Maron, Executive Secretary of EGPA and Cécile Poupart, IIAS Communications Manager.

We also are grateful to all contributors within EGPA working groups, study groups and work shops. Special thanks must go to the keynote speakers of the Conference, namely Professor Rod Rhodes, University of Newcastle (United Kingdom) and Under-Secretary of State, Mr. Juhani Turunen, the Finnish Ministry of Finance.

To get things done before and during the Conference, the Finnish Organising Committee was needed. In co-operation with the EGPA Secretariat, the practical arrangements were handled quite efficiently by the members of the Organising Committee. For their financial support, I should, in particular, like to thank the Ministry of Finance, the University of Vaasa and the Academy of Finland.

I am convinced that the Vaasa Conference marked a special success in the history of EGPA. The number of Conference participants was exceptionally high, providing an ideal opportunity for scientific interaction and learning during the Conference. The theme, 'Governing Networks', was considered timely and inspiring by the participants. Also as a result of the Conference discussions, several research projects have been successfully completed, either as books or other publications.

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Contents

Foreword <i>Ignace Snellen</i>	v
Acknowledgements <i>Ari Salminen</i>	vii
Keynote Addresses	
Networking Central Government <i>Juhani Turunen</i>	3
Putting People Back into Networks <i>R.A.W. Rhodes</i>	9
Workshops on the Conference Theme	
<i>Workshop I. Public Administration in Networks</i>	
Networks and Governance: a perspective on public policy and public administration <i>Erik-Hans Klijn</i>	29
The Formation and Stagnation of a Health Care Network <i>Yann B. Malara and Yolande E. Chan</i>	39
Will Networks and Hierarchies ever Meet? <i>Anita Niemi-Ilahti</i>	59
New Labour and the Politics of Governance <i>Janet Newman</i>	83
Comparing Professional Policy Networks: the legal and policing professions in England and Wales <i>Stephen Cope and Peter Starie</i>	101

Workshop II. Governance and Information Technology

Public Administration as a Network: promises and pitfalls of a pervasive paradigm <i>Wim van de Donk</i>	123
Matching ICT networks and PA Networks: lessons to be learned <i>Ignace Snellen</i>	129
Diverging Trajectories: explaining different levels of success in public sector ICT <i>Frank Bannister</i>	143
Participatory E-governance – a new solution to an old problem? <i>Juha Mattila</i>	161
The Influence of ICT on the Organisation and Functioning of the Public Sector in Slovenia <i>Mirko Vintar, Mitja Dečman, Mateja Kunstelj and Anamarija Leben</i>	171
Modernizing Public Services: the possibilities and challenges of electronic services in the Finnish public sector <i>Ulla Kauppi, Kirsi Lähdesmäki and Ilpo Ojala</i>	191
Taking Citizens Seriously: applying Hirschman’s model to various practices of customer-oriented e-governance <i>Hein van Duivenboden and Miriam Lips</i>	209
MPs in the Network Society: agenda-setters or puppets on a string? <i>Jens Hoff</i>	227
L’usage d’Internet entre administrations et administrés français : vers une rupture du lien d’égalité des citoyens devant le service public ? <i>Renaud de La Brosse</i>	241
Neighbourhoods On-line: connecting physical and virtual spaces in Dutch cities <i>Miriam Lips, Marcel Boogers and Rodney Weterings</i>	255
Lights, Camera, Action!: networks discourse and diffusion in the closed circuit television policy arena <i>C. William R. Webster</i>	277

Selection of Papers of the Permanent Study Groups

Quality of Public Service Delivery and Trust in Government <i>Geert Bouckaert and Steven Van de Walle</i>	299
Trust and Satisfaction: a case study of the micro-performance theory <i>Jarl K. Kampen, Bart Maddens and Jeroen Vermunt</i>	319
Labour Relations in the Belgian, French, German and Dutch Public Services <i>Koen Nomden</i>	327
Multi-level Governance, Network Governance, and Fiscal Federalism Theory <i>Nico Groenendijk</i>	349
Emerging Practices in Network Management at Local Levels in Europe <i>Tony Bovaird, Elke Löffler and Salvador Parrado Díez</i>	371
Responsibility in Flames: a case study of the New Year's Eve catastrophe in Volendam <i>Alex Cachet, Harry H.F.M. Daemen, Arthur B. Ringeling and Linze Schaap</i>	387

Reports of the EGPA Permanent Study Groups

Productivity and Quality in the Public Sector <i>Geert Bouckaert and Petri Uusikylä</i>	403
Personnel Policies <i>David Farnham, Annie Hondeghem and Sylvia Horton</i>	407
Public Finance and Management <i>Mihály Hógye</i>	411
East-West Co-operation in Public Administration <i>György Jenei and Frits van den Berg</i>	417
The Development of Contractualisation in the Public Sector since 1980 <i>Gavin Drewry</i>	421
Management and Delivery of Justice <i>Philip M. Langbroek and Marco Fabri</i>	425

Local Governance	429
<i>Tony Bovaird, Elke Löffler and Salvador Parrado Díez</i>	

Report of the EGPA Research Group

Public Governance: an interdisciplinary and international perspective	435
<i>Walter Kickert</i>	

About EGPA	439
List of EGPA Publications	441
Author Index	443

Keynote Addresses

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Networking Central Government

Juhani Turunen *

History

State leadership in Finland has long roots which date partly to the era of Swedish rule, and especially to the era of autonomy. Ever since the end of the 19th century, the second pillar of public administration has been formed by the municipalities and municipal self-government, which is strongly supported by the Finns.

After the Second World War and right up to the late 1980s, people's attitudes were characterised by trust in the power of the State and in the State as a central operator. State administration, State enterprises and public investments held a significant position during the period of reconstruction after the Second World War. This also included a model in which the State was responsible for the development of a welfare society.

At the end of the 1980s, the concept of a comprehensive State and a centralised way of performing State functions started to crumble rather quickly. The strict steering role of the State had reached its end. This is shown in most public management reforms and in the strengthening of municipal self-government. Since then, administration has been decentralised, decision-making power has been delegated downwards and the number of regulations has decreased. In the 1990s the tempo of reform in the Finnish State administration closely followed the problems in the public economy. The deep economic recession in the late 1980s and early 1990s accelerated the process and forced Finland to make both structural and functional reassessments in many areas.

The majority of public welfare services are provided via the municipalities with an emphasis on local self-government. The State increasingly fulfils its functions not only through administration by the authorities but through market-oriented ways. After this thorough reform process and the extensive changes that have taken place since 1987, the time has come to put the main emphasis on finding new ways of governance in the Ministries which are at the very centre of the Finnish administration.

Six challenges

Many agree that the search for effective governance will be the biggest challenge to governments during this period of volatility, globalisation, the

* Juhani Turunen, Under Secretary of State, Ministry of Finance, Finland.

expansion of the European Union, and decline in citizen trust. Therefore the purpose of the reform of central State government has been to respond to six central challenges:

- to strengthen the trust of citizens in government and increase their opportunities for exercising influence,
- to control the management of broad horizontal issues,
- to outline national strengths and use them as the base for longer-term corresponding activities,
- to achieve targeted results in government,
- to manage the requirements of internationalisation,
- to implement the flexible management of change.

The ability to respond to these challenges requires that government should be flexible in its organisation and be able to think out and adopt new practices. What is needed is a comprehensive approach and the efficient co-ordination of activities as well as the ability to respond to long-term challenges. The central goals and strategies of the future have to occupy a central role and government must be able to fulfil its goals through co-operation across traditional boundaries.

The administrative machinery functions under political guidance for the welfare and success of the nation. The corner stone of this work is the trust in the operation and goals of government. In order to achieve and maintain this aim, the political and administrative system has to meet the citizens' main expectations of the in terms of public activities and the quality of public services.

The ministries are responsible for overseeing the provision of public services. The reform measures aim at improving the quality of this oversight in the work of both the whole Government and individual ministries.

Four main areas of development

The reform process reflected these six challenges by establishing 13 different projects in four main areas:

- The role of Government in steering administration — work practices, tools and processes,
- The role of the Ministries in steering government,
- Government in the service of the citizen society,
- The resources and structures of central government.

In order to discuss the theme of my paper «Networking Central Government» I will concentrate on the following two main areas of the reform:

- The role of the Government in steering administration and Government in the service of citizen society. In my opinion these two themes are also the most exciting and challenging.

Before going further into the subject, some words on the working methodology. We tried to approach this difficult and somehow controversial challenge on a wide front (lähestyä laajalla rintamalla), starting the process with an international survey of the main development trends in the EU countries and some other areas of interest from our point of view. The aim of the surveys was to trigger a discussion in Government circles; this succeeded very well and resulted in guidelines for the process starting in August 2000. The Prime Minister strongly supported the process and the Ministerial Group, which was specially established for this project.

This political support and guidance has been significant from the beginning until now when we are starting to implement some sections of the reform. We tried to avoid the traditional fallbacks of such a reform; instead of starting to play with compartmentalised administrative «boxes» we concentrated on processes, new ways of working using modern tools.

The role of government in steering the administration – work practices, tools and processes

This area covered 7 main topics:

- The Government Programme and its preparation
- The Government 's Portfolio Project
- The joint handling of strategic policy programmes and the budget framework
- The co-ordination of Ministers and fixed-term Ministerial Groups
- Joint Forums of the whole Government
- Strengthening of the joint expert resources of the Prime Minister and the Government
- The information basis of leadership in central government.

The Government Programme is the basis for central policy guidelines and cross-administrative co-operation. A systematic preparation and networking process of collecting status and development estimates produced by the Ministries combined with the influence of political parties, NGOs and other central actors in society provides the platform for Government negotiations. Irrespective of the contents and structure of the Government Programme reached through the political process, what is essential for effective cross-administrative preparation and Government-level handling of issues is the way in which the new Government defines the more detailed contents of its strategic overall programme after the coalition basis for the Government has been resolved and the main guidelines have been agreed in the Government Programme.

This strategy document includes:

- cross-administrative policy programmes collected from the work areas that are the most important to the whole Government,

- projects limited to the fields of individual Ministries, but especially important to the work of the whole Government,
- important legislative projects relating to changes in the fundamental institutions of society,
- central rules for internal work methods of the Government to be agreed.

The political monitoring and review process of the Government's policy programmes will be tied to the annual review of the budgetary framework so that the Government can handle its policy programmes and the allocation of resources as a single item once a year.

Responsibility for the management of policy programmes is going to be allocated to a Government Minister (the so-called co-ordinating Minister) who, in addition to the portfolio of his/her own field of administration, has political responsibility for the programme area. The co-ordinating Minister can be assisted by a fixed-term strategic Ministerial Group representing the sectors relevant to the Programme area.

This working method requires a strong co-ordinating capacity on the part of the Prime Minister and his/her office. That's why the common strategic General Staff of the Prime Minister's Office should be strengthened. In addition to the political advisors engaged by the Prime Minister, the General Staff Unit should have experts for both analysing, co-ordinating and evaluating the programmes.

A core pre-requisite for high-quality decision-making is the use of up-to-date research information, as well as that gained through experience in government organisations. That governments should exploit better communications and information technologies is a truism, and has in any case now been enshrined in EU policy. But it should be recalled that, compared with the private sector, the sheer size of government operations, the complexities involved in meeting multiple public objectives, and the impossibility of predicting the impact of technological developments more than a few years ahead make government investment in this area particularly vulnerable.

One of the difficulties has been to determine the real objectives of ICT applications in the public domain. Beyond straight productivity gains, how can the "knowledge-based government" of the future be characterised? One key task, to which an answer must be found, is central decision-making whose quality has been increasingly undermined in recent years due to shorter response times, busier agendas, resource cutbacks and information overload. The other key task is the capacity for shared policy development. New forms of service delivery in a far-flung country; the monitoring of programme implementation; or transparency of public life in general are further examples.

Finland finds itself in the paradoxical situation of being at the forefront of technological advance in the field of ICT, with high ambitions, yet at the same time handicapped by the presence of incompatible systems between ministries,

insufficient policy directions, and lack of clear lead responsibility in this key domain.

In order to remedy these defects, the Ministries need data management systems jointly agreed upon and a common ICT strategy in general.

Government in the service of the citizenry

The participation of citizens in government increases its transparency. Transparency and the use of a broader information base in government are channelled into knowledge. This increases trust in government.

Then, how can consultation and participation in central government be increased?

The issue of strengthening government-citizen connections has been on the rise in Finland for several years now. The discussion has been caused partly by the decline in voting participation and the decreased respect for institutions and political parties and partly by the new possibilities of information technology.

Openness is an underlying value in administration.

This attitude is reflected for instance in:

- the structure of Finnish administration in the strong self-government of municipalities, in the fact that decision-making power is close to the citizens,
- the fact that participation has a strong basis in legislation (the Constitution, the Local Government Act)
- the strong role of citizen organisations (there are about 110 000 such groups, of which 63 000 are active).

When the Government launched its central government reform, it emphasised, among other points, trust and legitimacy and citizen participation. Two surveys were carried out in order to evaluate citizens' trust in the Ministries on the one hand and the civil servants' trust in the management of their ministries on the other.

Not surprisingly the results were not very encouraging.

Another project was launched with emphasis on the ways of increasing consultation and participation in central government. The project called «Hear the Citizens» aimed to approach the issue in various ways. The first was to look at the current situation. A national survey examined questions such as:

- What consultation and participation forums are found in the Finnish ministries?
- What kind of new ideas or experiments and pilot schemes exist for listening to citizens and their organisations?
- In what ways have the different parties experienced these developments?

- What possibilities and threats exist?

Civil servants from the ministries as well as 130 citizen organisations were consulted.

Not surprisingly the administration, rather than the citizen organisations, considered the current situation to be better. The aim of the meetings with the citizen organisations was to put forward ideas, models, international experiences of ways of increasing the participation of these organisations. Ideas and recommendations were put to the ministries on new ways of co-operating with NGOs.

This included organising events, sending surveys regularly to the organisations on the issues what would come before the ministry. This strategy should ensure that whenever a new project or the drafting of legislation is launched, consultation and participation are taken care of in the best possible way.

The project also emphasised the necessity to set up in the ministries those information strategies that really take into account citizens and their organisations and emphasise interaction. Consultation should be open to everybody through the Internet.

What next?

We started this process by making a comparative international analysis of the current trends in various administrations, with a special focus on central government, and evaluated the Finnish situation in the light of this analysis. This comprehensive approach has been significant throughout the whole process. We have tried to avoid compartmentalising issues and instead concentrated on new work practices, tools and processes. With the Finnish tradition of top-to-bottom hierarchical flow, this task is not easy but the only way to make some progress.

So far the strength of the process has been the genuine political commitment shown not only by the Government, but by the opposition as well. The Ministerial Group, responsible for the reform, has shown a real hands-on attitude when giving guidelines and support to different projects. This has been crucial to the credibility of the whole reform process. This autumn we are going to implement proposals concerning Government work practices. We hope that at the same time ministries will also start experimenting with these project results. In September the Government will decide on a new State Personnel Strategy, with the aim and challenge of improving the competitiveness of the State administration as an employer. Some ideas must still be discussed on the political level and in public before they are launched at the beginning of the next Government's mandate in 2003.

Putting People Back Into Networks

R.A.W. Rhodes *

This paper argues that political scientists should spend more time observing policy networks, using ethnographic tools to capture the meaning of everyday activities. To show how individual actors construct networks, it looks at the experience of consumers, managers and permanent secretaries of living and working in networks.

'I believe that not enough political scientists are presently engaged in observation' [1 p. 128].

1. Introduction

Where you sit does not determine what you see. You cannot read off beliefs and preferences from institutional position. This paper looks at the experiences of consumers, managers and permanent secretaries of living and working in networks to illustrate the proposition that we must put people back into networks and to recommend an ethnographic approach. It has two sections. In the first section I present my 'factions' or anonymised, disguised field material. In the second section I comment on what the field material tells us about both networks and ethnographic methods.

The paper illustrates an argument. Elsewhere [2 Chapter 8], I criticised the focus of the existing literature on policy networks with typologies and abstruse theoretical arguments. I argued there is no essentialist account of networks that can be used either to produce law-like generalisations or to legitimate advice to policy makers. The road to understanding lies in decentred accounts focusing on the political ethnography of networks and on narratives that recognise the creative individual. Individual actors construct networks. They are not created by governments or imposed by the researcher. So, the key question is 'whose network?' As researchers, we write constructions about how other people construct the world; we produce 'thick descriptions' of networks [3 Chapter 1].

2. Customers 'Factions': 'seems like a railway station'

These cases are based on the files of a local authority in Northern England. The social workers involved wrote them. After discussing the draft with the social workers, I edited them. They then agreed the version produced below.¹ All names

* R. A. W. Rhodes, Professor of Politics, University of Newcastle, United Kingdom.

¹ In this paper, the methods involved are elite interviewing and accounts written by participants but my argument covers the range of ethnographic tools, such as non-participant observation.

have been changed to protect the anonymity of both customers and local authority employees².

Case 1

Mr and Mrs R live in a two-bedroom house in the suburbs of a town with a population of some 200,000. Mr R is 83 years old, and wheelchair bound following a stroke six months ago. Mrs R is 79 years old, still active mentally and physically but not strong enough to help with her husband's personal care without help from one other person.

For the past six months they have had a care assistant from a private agency to help Mr R with getting up, toileting, washing and dressing every morning. A local authority Home Help calls at lunch to help with toileting, and personal care tasks if necessary. The Home Help also calls twice weekly to do shopping, as Mrs R can't leave Mr R, because he gets distressed when left on his own. Mr R has a catheter that is managed by his wife and checked by a Community Nurse twice weekly. Three nights a week (Friday, Saturday and Sunday) a private agency care assistant calls to help Mr R to go to bed. The council's Home Help service help on the four remaining evenings a week. The evening call can take place any time from 7.00 pm to 9.00 pm depending on daily demand on staff. The local authority care manager arranged and purchased the private agency.

Mr and Mrs R moved their double bed into the lounge because the bathroom is downstairs at the back of the kitchen and Mr R cannot get upstairs. They live and entertain in their small kitchen. Mr R cannot get out without being lifted because there are three steep steps at the front and at the back of the house that make it difficult to install a ramp.

To make themselves more comfortable their care manager suggested moving to a new comfortable sheltered housing complex in the centre of town. They have an offer of a one-bedroom flat with a kitchen and living room on the first floor. There are lifts. There is a communal room with regular activities.

Mr R would be able to move freely around the flat and use the kitchen, as the units are wheelchair height. He would be able to use the lift and attend the activities at the communal room. He would need assistance at home for personal care. Mrs R would be able to get out to do some shopping while her husband is joining in the communal activities. She would not be so isolated as she would be able to join in the communal activities with her husband.

Mr R will not consider looking at the flat until he knows he can have the same carer from a private agency who calls every morning. This will not be possible because his care arrangements will be provided by different locally based staff. His wife needs help to explain this. The Home Care Manager responsible for the new area visits the couple to reassure Mr R that he and his wife will get all the help that they need. The couple visit the new flat and accept the offer.

² The local authority care workers were told to refer to the users of their services as 'customers'. I follow local practice. I use the term 'faction' to make it clear that the fieldwork has been anonymised and disguised to protect the people involved.

Case 2

Mrs T is 80 years old, and arthritic. Her local GP has referred her case, asking for Home Help. She lives on her own in a bungalow. She uses a walking frame to help with walking. She can no longer manage pans nor cooking for herself. She was coping well until she fell five days previously, fracturing her wrist. She visited the hospital casualty department for treatment on the wrist and was discharged home. A friend has been helping but she is elderly and finding the constant help that Mrs T needs too much of a struggle for her.

The Home Care Manager visits and assesses Mrs T. She is slow and finds holding the frame difficult because of the arthritis in her hands and fractured wrist. She has difficulty with washing, dressing, toileting, bathing, preparing food, cooking and shopping.

The friend who calls in has been cooking and shopping and helping with personal care. She would still like to visit her friend twice a week and will do small amounts of shopping and get Mrs T's pension when she collects her own. Mrs T's three children all live away from their hometown, have their own families and work. The eldest expects to retire in the next year. The family arranged to take it in turns to visit on Sundays, keep the house and garden tidy and in good repair.

The Home Care Manager asks for an urgent visit from the Occupational Therapy Services to assess Mrs T for equipment for daily living. While waiting for this assessment a home help will call at mealtimes and help with dressing in the morning. The friend will call about 7.00 p.m. to help with undressing.

Two days later an Occupational Therapy Assistant (OTA) calls to assess for equipment to help with daily living. Mrs T can eat with special cutlery and a plate guard. She can manage a cup of tea with a kettle tipper if it is laid out for her. Mrs T can manage toast or cereal for breakfast if put out before. Tea is manageable with bread, butter, cheese or cold meats. Mrs T can manage her gas cooker with the help of replacement dials. The kitchen is well organised. With a perching stool she can sit at the work surface next to the cooker to eat her meals. She can wash and dress herself with equipment but needs help with doing up buttons, laces and zips and putting on stockings. With carefully selected clothing from the wardrobe Mrs T will need minimum help to dress and undress. She needs a raised toilet seat and frame in the bathroom and a bath board on the bath with a grab rail on the wall. The equipment, except the grab rail, is provided later that day. An emergency warden call system will be installed by the end of the week by the council's housing services. The Gas Board will call within 48 hours to replace the dials on the cooker.

The Home Care Manager rearranges the home help. She provides a morning call from her own services Monday to Friday and arranges a private agency on Saturdays. The home help will help with buttons and to collect shopping and pension or to do some basic cleaning. They will do the laundry and ironing. One hour a day is allowed. The home carer helps Mrs T to use her bath board to have a bath one morning a week. Breakfast and tea are laid out and the kettle is filled for

the day. A twilight service will call any time between 7.00 - 9.00 p.m. Monday to Saturday to help with undressing; fifteen minutes are allowed. These services are arranged and purchased by the Home Care Manager.

The Women's Royal Voluntary Service (WRVS) delivers Meals-on-Wheels Mondays and Fridays. Frozen meals are cooked at a local primary school and delivered by the home help. On Saturdays Mrs T will treat herself to a meal cooked and delivered by a local hotel.

Mrs T does not get out at all and with increasing disability does not feel that she can consider going out. She is isolated. Various local centres have activities for the elderly either run by the council or voluntary agencies such as Age Concern, which runs a post-hospital discharge support service. Used to her own company, Mrs T is nervous about mixing with others. She is so grateful for all the help she gets, she does not want to be a nuisance and does not like to ask for information and more help. She is also hard up, getting only her pension. The Home Care Manager is busy and now all the arrangements are in place will make a quick visit to check every six months.

Mrs T will pay the second-tier home care charge of £5.00 a week because she does not receive Income Support or Council Tax benefit. Her meals will cost £1.40 each Monday to Friday and her meal on Saturdays will cost £3.00. She pays all her service charges, Council Tax (£520 a year) and other outgoings from her pension of £61.15 a week. She has savings of £7,000.

The social worker concerned wondered if Mrs T's quality of life would be improved if a care manager or social worker assessed her. Is the quality of Mrs T's life improved by the range of services provided by the Home Care Manager and OTA? Social workers may have other resources at their fingertips. Could someone take her to a local lunch club, a day centre? She may like playing bingo, or whist. What about a stay in a residential home or a holiday with her friend perhaps? Is Mrs T entitled to more money? What about Income Support, Attendance Allowance, and Council Tax Benefit? Would Mrs T have more choice about the services she would like if she had more income? Would she have to pay more for some of the services?

Case 3

Mrs K was admitted to the local psychiatric hospital having become aggressive towards her daughter. Mrs K was 78 years old and had been suffering from dementia for two years. She lived alone in a large detached Victorian house in a village some 10 miles from the local town.

Before admission, Mrs K's family, particularly her daughter and two children, visited daily and Mrs K had been coping well. The GP and Consultant Psycho-Geriatrician kept in regular contact with the family and a community psychiatric nurse visited once a week. Mrs K attended the specialist day hospital one day a week and the local elderly persons' day care centre one day a week. The social services Home Help service called in a morning (Monday - Friday) to see that Mrs K was dressed, breakfasted and ready for any transport that would be calling. On the days Mrs K was at home the home help called at lunchtime to make sure that

she had eaten the hot meal delivered by WRVS or the home help (prepared at the local elderly persons home). The family called in at teatime and again later in the evening to check Mrs K was all right. Mrs K tended not to sleep at night and would telephone neighbours in the middle of the night for help. She had been known to wander out in the middle of the night disturbing the neighbours.

To give the family a break Mrs K was admitted to the local elderly persons home for a two-week short stay. After two days Mrs K became confused and disorientated, demanding to go home. The home manager became concerned when Mrs K began to wander outdoors, something she had not done while attending day care. Mrs K hit a member of staff who had tried to escort her indoors. A decision was made to allow Mrs K to go to the day hospital as usual and arrangements were made for her to return home.

On returning home Mrs K became even more disorientated, wanting to return to her home to be with mummy and daddy. She hit her daughter when her daughter tried to take her around the house to convince her that she was at home. The daughter broke down saying that the family could no longer cope and that she could not allow her children to visit with their children if Mrs K was going to be violent.

The Consultant visited and decided that Mrs K needed re-assessment and a review of her medication. She was admitted to the psychiatric hospital. The assessment showed that Mrs K's condition had deteriorated rapidly into a delusional and challenging phase. No long-term beds were available from the health trust but, with the correct medication, Mrs K's condition and behaviour could be reasonably well controlled. Mrs K was referred for permanent care to the social services care manager attached to the hospital.

The care manager decided that Mrs K needed 24-hour supervision and assistance with all aspects of daily living and personal care. The care manager discussed this with the family who were clearly distressed at the idea of nursing home care for Mrs K. With the new medication, Mrs K was less aggressive and they believed that they could manage with a full package of care for Mrs K. They insisted that Mrs K returned home.

The Care Plan was complicated and expensive, costing an average £360 a week. Cover for each hour of 24 hours was worked out for two-week blocks. The Care Plan involved the health trust's psychiatric day services, private nursing home day care, private agency home care, voluntary home care sitting services, social services home care and several transport services supporting the daughter to provide 24-hour care at home. The social services felt that it would be more cost-effective for Mrs K to go into a nursing home and assessed the cost to the local authority of her care to be £186 a week. Following recent case law the local authority was within its rights to offer nursing home care to meet the need. They could have asked the family to supplement the cost of the care.

Because there were continuing health care issues, the care manager was able to secure funding from the joint-finance continuing care fund for the first four weeks. The care manager was unhappy about the arrangements because it is widely

known, and particularly in the case of Mrs K, that constant changes in carers and location add to disorientation and confusion for people with dementia.

The daughter was concerned that she would have to give up work and asked if a private agency could be bought in for the equivalent amount of money. This would not help; there would continue to be many carers visiting. The house would seem like a railway station with so many people calling.

The arrangements were set up on discharge but quickly become difficult to manage as Mrs K would not attend day care some days and more care had to be bought in from the private home care agency. There were frequent problems with maintaining regular home care support with home carers being ill, late or not turning up and replacements being difficult to find in a rural area. Mrs K's son and daughter-in-law did what they could to help but they did not live locally and are not as committed as their sister.

After one month the care manager decided to approach Community Service Volunteers (CSV), a national volunteer agency that provides young volunteers as full-time live-in carers. Four weeks later two young volunteers began providing 24-hour care and supervision for Mrs K. The care plan covered a three-week block with supplementary help for the CSVs. The cost of the care was similar. Two months later the young volunteers were feeling the stresses and strains of caring full-time for an elderly person with dementia. They were fighting among themselves and one young person began taking the medication prescribed for Mrs K and drinking alcohol. She was asked to leave. One week later Mrs K died.

3. Management 'faction': 'we are in the shit if we don't'.

This example is from an interview with the chair of a primary care trust. He has been in post for less than a year and the Primary Care Trust (PCT) is a new organisation. He is soberly dressed and the interview is business-like. It takes place in his study in his modern house in an exclusive housing development aimed at the executive and professional classes. We sit at opposite sides of the table. If I can be forgiven a shorthand cliché, he represents the 'new management' in the UK public sector. His job is to provide strategic leadership for the primary care sector of the National Health Service (NHS). Primary care comprises the services provided in a specific geographic area by family or general practitioners and the community health services, such as midwifery, which look after people in their own homes. The following words are his own. I have edited them into a continuous text. The passages in italics are my comments or questions.

Our major partner is the local authority as a whole, not just social services. One of the first people I met was the chief executive of a local authority. I rang him up and said I'd like to see him and he and the leader of the council came round to see me. The chief executive talks about the town and, I mean, he is strongly committed to the notion of the local authority as community leader but is very, very keen to have as many meetings as possibly outside the council offices. One of the first things I talked to them about was developing a common planning capacity to support the community plan. We are a small organisation and I'm keen

for us to play a part right across the community because the potential impact of what they do on us is great and vice versa. Within a few weeks they asked me if I would be the vice-chair of the community safety partnership and that, it turned out, was really to chair it because the person who chairs it, who is the former leader of the council, was never there. Whenever I've been there, which is three times now, I've chaired it. So, yeah, they were very keen to get us into things like that. I knew the former director of social services very well. He moved on to a job in the Department of Health at Christmas. Yeah, I've known him for years and years, and I guess he knows a lot about what I've done in the past and I'm sure he's passed that on to people in the local authority.

I certainly see the director of the community services, who is the chief officer responsible for community safety, regularly. I see the guy who - he has chief officer status - is responsible for the local strategic partnership in the community plan. There's a lot of issues about mental health and crime and only this week I discovered a whole set of issues around prison health. We primarily meet in a partnership group. It is one of five task groups. It reports to the overall local strategic partnership. The local strategic partnership is the over-arching liaison, strategic planning mechanism that brings together all the elements of the community plan, but if we need to have a one-to-one, yes. For example, I wanted to see the local commander and again he came around to the office for about an hour just to chat.

Apart from the local authority and the community plan, the other key actors are the provider trusts and in our case there is an acute trust, a mental health and learning disabilities trust. Then, in addition, there's the whole primary care sector. Obviously in some respects they are major providers but in the main they are still independent contractors and they are not on a contract with us, but they are our partners, they are part of the trust.

There are separate meetings of all the chief executives, and there are separate meetings of all the chairs, though as a result of a proposal I made at the last chairs' meeting, we are going to have some joint meetings. But most of the business is done through bilaterals. There are some exceptions that sort of prove the rule, like there was a review of acute services. There is the financial agreement each year, what's called the Service and Financial Framework (SAFF), which is certainly the centre of the financial frameworks. Essentially that's where each purchaser agrees with the local providers what the envelope cash is in the coming year, and what targets they will meet in terms of delivering their services, and that is a politicised process with a small 'p', which has been brokered by the health authority. This year because there are lots of deals that have to be done around the two big acute trusts - which have implications for the rest of the services, as they tend to swallow up a lot of the growth - those deals have to be brokered on an area-wide basis.

The health authority is also a major actor. We have to sign an annual accountability agreement with it. The essential element of the agreement is that we will meet the targets laid down in the national NHS plan. We meet them on a quarterly basis. There's the regional office of the NHS executive, to which we are

accountable via the health authority. Our provider trusts are directly accountable to the regional office. The regional office has to broker the SAFFs if the health authority can't do it, and the regional offices in our region put a lot of pressure on the health authorities to get everything signed up by the end of March. The regional office monitors us through the quarterly returns that we make to the health authority and then the regional office monitors the health authority.

I mentioned the meetings of the chairs of the trust and the health authority. The first meeting I went to, it was absolutely clear that we've got a major problem with the East acute trust, which has been built up to provide regional specialities. It was saying that it couldn't meet its cost reduction targets and if it can't do that, then there is no growth money available to develop some other areas of service in which I'm strongly interested. So I've used a combination of informal lobbying of some of the other chairs, plus the meetings to say, 'actually, I don't think we can let this happen.' We can't have the chair of another trust coming along and saying I'm sorry but we're not going to meet these targets. What I've done so far is I have been careful to build up a relationship with the acute provider on the West bank who provides most of our acute services and who also suffers if East gets all this cash; and with the community mental health trust who will lose a lot. You know we've got poor mental health services which I'd like to see improved and there's no way they'll get improved if we can't get this money out of the trust. It hasn't been necessary to take it outside the area so far. It may be, it may be.

Within the town, all the major players work in offices within 10 minutes walk of one another. Domestically and socially, everybody knows where you live and where you went. At the senior level, a number of people meet for lunch and have drinks during the day and things like that. I've met the director of social services to have a pub meal. There is, undoubtedly, a local network which is beginning to self-consciously think about organising itself, rationalising a lot of the activities. I think it was Wednesday I was chairing the community safety thing, and we talked about rationalising the way that youth offending, drugs and community safety are handled, so now it is all going to be within a single framework.

The voluntary or the private sectors are not immensely significant for decision-making in the arenas that I operate in. It is not as significant in this area as in some places because of the long tradition of municipal Labourism. If not alive and well, it's still there (laughs). The voluntary sector is, however, a major player in service delivery although it is not a major player in terms of strategic development.

We have a responsibility to consult with and involve the public in setting priorities and getting feedback about health services and we've got what we call the communications forum, which meets about every two months. We can get as many as 60 people into a meeting. We've invested a lot of time in developing good relationships with a wide range of community groups.

There really is a local area network that has to be worked, managed, and learnt.

Absolutely. Yep. Every week I will be involved in a meeting with some part of it, which will be a decision-making meeting in the main.

We haven't talked either about the inter-relationship between my other roles because I'm part of national and regional networks by virtue of my job, which plays directly into my PCT role as well.

You are actually plugging the local network into a bigger network.

Oh yeah. A very large part of my role is networking, ambassadorial. I was reflecting on this over the last couple of weeks, perhaps partly because we were going to talk and you know partly because I was reflecting on the job because I've been doing it for a while. It's almost entirely self-managed. There's no requirement on me to make a lot of all my links.

What are the benefits and costs of this kind of management?

The time issue. We have a central government that is behaving proactively in relation to a whole range of issues. So people on the ground are suffering from initiative-itis. The benefits are (long pause). The way I conceive of health, and the role of health organisations, means that it's impossible to achieve any goals without working with and through other organisations and other key actors regionally, and especially locally, and to some extent nationally. It would not be possible to do the work that I do, it wouldn't fulfil the goals I have, unless I was approaching it in that way. I guess I am trying to turn this into more of a managed network. I'm hoping to talk to the chief executive of the local authority in the next week or so about how we can rationalise some of our activities and how we can get this common planning support capacity.

The cost of it? You know it obviously is time-consuming. I guess if you didn't naturally enjoy this kind of work then it could be difficult - if you were a sort of shrinking violet as it were, did not have the personal qualities that go with this. (Long pause.) I guess there have to be costs in terms of juggling so many things at the same time. It would be easy to burn out yourself as well as the organisation. There's no question about that. So you have to keep it within limits. I can't ... I mean ... I suppose, to be honest, the honest answer is that it is so new and I'm enjoying it so much that it doesn't have any obvious costs at the moment but over time they may become much more evident.

Networks presuppose some agreement on values and that agreement on values is very elusive.

That's absolutely right. There is an agreement on some basic values on the part of most of the people I meet and the major one goes back to the old thing about city pride. You know it's the really old thing; we are working on behalf of the people of the area. There's a public service ethos, there's no doubt about that. Unless we work together, then we can't actually manage ourselves out of some of the difficulties we've got because if you want to do what you want to do, you have to work with them. There's a strong recognition that we are in the shit if we don't.

4. Permanent secretary 'faction': 'keep the show on the road'.

The permanent secretaries of government departments sit at the top of a hierarchy where three main tasks come together: political advice (to ministers), management (of their departments) and diplomacy (or managing external relations). It is a singular combination. The job's ingredients would be instantly recognised by earlier generations (and for a more detailed account see [4]). In these extracts from an interview transcript, a current permanent secretary (PS) talks about his role in managing links with the rest of the civil service and with the outside world. The interview takes place in a well-apportioned, large office in Whitehall in the early evening. The private office serves tea. I (RR) sit in an easy chair. Initially he sits on the settee facing me across a coffee table. He takes his jacket off. Before long he is stretched out along the settee. He is relaxed. The conversation is punctuated with laughter and innumerable conversational asides. Again if I may be forgiven a shorthand expression, he exuded 'effortless superiority' or, to avoid the pejorative connotations associated with this phrase, the self-confidence of proven ability. His remarks are edited from six hours of taped interviews.

PS You knew people, you knew all of your own type, you know, the whole generation of them, all the people who are assistant principals, you knew all of them. You knew some bits of the department quite well, but you had quite a narrow focus, which is unusual, because there are only one or two really big departments like that. Then there was the network thing. You were internally focused really, so you were looking up and across in our case for the X division. So you had that network. Then you go to the private office. You were now on a different network. You've got both the network down inside your department, across the whole of it, so you've got a coverage which is huge, which is quite tricky, and you've got the network across Whitehall and to an extent you've also got an international network as well. So you have to establish those relationships, keep them lubricated, keep the show on the road.

Obviously what appeals about it is you're dealing with people in Number 10, and in our case, we had well established ways of working, which generally worked very successfully because we had the same little group of people we're dealing with. So we knew Number 10, the Foreign Office, to an extent the Treasury, to an extent the DTI (Department of Trade and Industry), and defined bits of the Cabinet Office, two defined bits of the Cabinet Office. If you worked those systems a lot, the people you were working with were on secondment and you knew them. Or if you didn't know them the day you got there, they took you into their circle. People in the civil service are basically open and welcoming and want people to succeed. So they took you into their network and you then worked their network and then by the time you came out at the other end, since this was basically a development thing, you'd developed an idea about how the government as a whole worked; you knew how to work that machine and you had a top-of-the-pyramid view of your own organisation. And it works you know. It's good training. I didn't know this at the time 'cause I didn't really think about networks and how it all works, but the people above you are getting to know who you are.

RR I see. So presumably, necessarily, you begin to build networks around you when you move to these kinds of posts?

PS You build it, yes.

RR You have to build it consciously?

PS Yes, and you build it differently. I've taken over posts from different personalities and you do the job differently. I don't know whether you do it better or worse, but I've taken over from very capable people, where I've thought 'well I'm doing this job much worse than them', but others obviously were quite happy at how I was doing it. But you do it differently. So, yes, you stamp your personal style. Some people you know are great producers of paper and great writers to people and so on and some are very assertive. I always thought I was more sort of consensual and they'd probably say I was more manipulative. You can have different styles, but you're delivering and people see whether you're delivering or not. Now what are they measuring? They are measuring whether you're achieving the goals of that bit of the organisation relative to other bits of the organisation, whether you're delivering what ministers want, whether you're turning the paperwork over, whether the PQs (Previous Questions) are being answered, whether there's trouble, whether you can dodge it when it comes inevitably.

Most of what I was doing wasn't the very glamorous stuff. It was underpinning the work of the official committees and so on. So you build a network across departments at official level. At the end of doing that, you know how the central government machine works.

I then moved to be the private secretary to the permanent secretary and spent about two and bit years as his private secretary. This again was a sort of classic career move for a civil servant, a principal level civil servant. You were sitting next door to the great man. You saw how he worked. You underpinned what he did. The notional job description was fairly menial. You were organising the flow of paper and taking the records of meetings. But you were on the inside and you could see how top people worked. So you saw another network, in a sense the permanent secretary's network.

RR Was there a social network supporting the work network?

PS There was and there still is. There was a sort of network of private secretaries. There was a network of permanent secretaries as there still is — a lot of mutual loyalty amongst them. There was a sort of parallel network of private secretaries. So you were all in the same boat together, you worked together, you got to know each other, and you all went up the machine together. So again I suppose you were creating these cross-boundary networks. You spent a lot of your time working to make the system succeed and you had that network, but you didn't meet socially very often. I mean it was quite funny. You might meet once a year at a party or something, and you'd finally put the faces to the voices.

RR. How has your job changed since becoming a permanent secretary?

PS Well if you are in any big department and you are the permanent secretary you are trying to give a sense of leadership to the whole department under

ministers. You don't tend to get involved in those bits that are going well. I used to leave them to get on with it. They could do it. They knew what they were doing. They took the glory. If it went wrong, or I thought it was going wrong, I would get involved. Also you spend a lot of your time on sort of broader civil service management, corporate issues across the whole service. If I worked out how I spend my time, quite a lot of my time actually is spent on corporate issues across the whole civil service and things in support of the government as a whole.

RR Could you give me an example of this work?

PS There is a civil service management committee, there's honours work, there's discussions about where the civil service goes more informally and so on, all those sorts of things.

RR I wondered if this work linked into the current interest in joined-up government?

PS There's now a stronger sense of the need for permanent secretaries to get together and talk about some of these joined-up issues. I find I have a slightly different view on this to some others because in my previous department we had long since discovered joined-up government. We had worked on the basis that we joined-up everything. We did with the Foreign Office and with the Cabinet Office and with 10 Downing Street. This was just deep in our culture; this was the way you worked and we got this off to the finest art possible so that although you could get the ministries saying something different about something to people, it was only by design. You know, everything we did we worked out with them. So joined-up-ness isn't a great revolutionary idea for me. But I think it is difficult on the civilian side.

There is a traditional role where permanent secretaries meet up and deal with things, the paraphernalia of state in various ways, the senior civil service appointments, and the group that does honours. But I suppose under the present government there's been a feeling that the corporate management of the civil service, as opposed to the management of the process of selecting senior people, was insufficiently strong and we are still developing that and that, as you say, policy making was insufficiently joined-up and that permanent secretaries needed to be involved in that and to give a lead.

5. Afterword

About networks

The basic claim made for ethnographic method in general is that 'It captures the meaning of everyday human activities' [5 p. 2]. In a similar vein Fenno [1 p. 2] argues 'The aim is to see the world as they see it, to adopt their vantage point on politics'. It encourages the researcher to get out there and see what actors other than the elite are thinking and doing. It generates descriptive accounts valuable in their own right [5 p. 237]. Also it aids the development of theory because extensive contact with people challenges the preconceptions of social scientists [5 p. 23]. It is exploratory – 'unstructured soaking' [1 p. 57] – and encourages fresh

lines of thought. Research strategies and ideas can be adapted quickly. And for those who are so inclined, it can be used to test theory; by, for example, the detailed study of key cases [5 p. 24]. Although my fieldwork extracts are brief, nonetheless they do illustrate the potential of an ethnographic approach; of 'thick descriptions'.

The most obvious point is that 'network' is an everyday term used by consumers and managers alike to describe the web of relationships in which they are embedded. But there are significant differences in what the term means to each of them. Consumers experience networks as given,³ as complex, confusing structures. Thus, Mrs K's daughter sees her mother's house as a railway station because of its endless stream of visitors. British government recognises that this complexity is a problem for citizens [6]. The clear, central message of the consumer factions is the dependence of consumers

The contrast with the view of the chair of the PCT is sharp. He sees himself as constructing – that is, designing, building and managing - a network not just for his organisation but for the local area. Indeed, I would argue that, during our conversations, the chair worked out he was constructing an area network. It was not an explicit part of his strategy at the start of our conversation. He recognised that he is not required to build the linkages but believes he will be in the shit if he doesn't.

The permanent secretary also sees himself as constructing a network to get the job done. In his case, however, it is a lifelong network built up as he is socialised into the workings of the civil service. He is groomed to inhabit networks, trained to develop them. It is also an inward-looking network. 'Other organisations' for the PCT chair refer to a disparate set of bodies but for the civil service it refers substantially if not exclusively to other central departments. Central government has been described as a federation for many years. Networking provides the glue which holds the parts together. The permanent secretary understands networking as essential to producing corporate glue.

My claim for these short extracts is a simple one. The term 'network' has different meanings for each respondent and the study of networks must capture these meanings, not read them off from the beliefs and practices we assume adhere to a specific position.

There is one important limitation to the analysis in this paper. As the observer, I report the interviews as if I am neutral and as if the data is given to me in a pure or unmediated form. I am not that naive. All observers construct their material drawing on their prior theories. We understand Mrs. K, the chair of the PCT and the permanent secretary by understanding their beliefs and practices relative to a specific context. We understand their context by looking at the traditions in which

³ Brian Hardy asked if I used 'given' in both senses of the word. When he asked, I had not. I meant that the service delivery structures seemed fixed and immutable to customers. But he makes an important point. Dependent customers also see the services as 'given' in the sense of gifts, and they are grateful. Gratitude sustains dependence, thereby sustaining the immutable quality of structure.

they were socialised. I have no space to develop the notion of traditions here [see 7]. I accept that my ‘factions’ are my constructions of how my interviewees see their world and that it is crucial to locate people’s beliefs against a background of traditions.

About methods⁴

Fenno [1 chapter 3] provides perhaps the most insightful account I have come across of the opportunities and pitfalls of ethnography, especially non-participant observation and elite interviewing. I cannot better his account so I extract key points and add personal reflections from my own work on top civil servants [4].

First, the aim is to see the world through the eyes of the consumer, manager, top civil servant; to make our construction of their construction of the world. So, the key question is ‘Whose network?’ The network structure is not given to us. It is built-up through the accounts of its members. Don’t assume, ask and listen to the reply. As academics we are used to, even love, the sound of our own voice. In fieldwork, our voice can be the equivalent of static or white noise – it interferes with reception.

Second, trust is essential – ‘being nice to people’ and trying to see the world as they see it. You need to be patient, come on slow, and feel your way along. Two handy hints: Go where you are driven; take what you are given; and, when in doubt, be quiet’. I would add be patient and stick around. Gradually you become part of the furniture.

Third, both insufficient and too much rapport are problems. A professional relationship can slip into a personal friendship. ‘I did not want them as friends – only respondents’ [1 p. 75]. If they invite you home, you cannot refuse but don’t take notes. Switch off as a researcher and forget what you hear. To keep your distance, Fenno suggests some rules of neutrality. ‘I have not registered with a party; I have not engaged in partisan activity; I sign no political petitions; I join no political organisations or interest groups; I engage in no radio TV or newspaper commentary. I do not allow my name to be used for political purposes’ [1 p. 67].

Finally, be critical of yourself. It is all too easy to contaminate the relationship between observed and observer and cause respondents to behave differently. The aim may be to remain the outsider but for lengthy on-site visits and extensive repeat interview, you have to have a conversation. You cannot just nod. Observing has its costs. You get tired, you forget quickly and interviews produce anxiety.

⁴ My thanks to Nelson Polsby (University of California, Berkeley) for giving me a copy of Fenno’s slim but insightful monograph. I must demur from his view that it is easier to practice non-participant observation in Britain than America because the academic, administrative and political elites mingle in Oxford senior common rooms and equivalent places. It is not easier. It is different. It is more difficult to maintain distance; to be the outsider. I am not looking for companions on high table but respondents. The more familiar, the more friendly the relationship, the greater the constraints on what can be said and done. I should also note that I conducted repeat interviews. For some interviewees I have more than six hours of conversation on tape. These encounters are best described as conversations because the conventions of a formal interview cannot be sustained over six hours.

Your notes are selective, a reconstruction. ‘The data is not better than quantitative data. It is just different’ [1 p. 90].

Finally, there are sound criteria for judging the work. Judgement is made by the researched – do they recognise themselves and their world? Judgement is made by the academic community – does it ring true, does it say anything new and insightful? [8 pp. 190-2]

There is no one way to do research in the social sciences. I am all too aware of the limits of ethnography. Such methods do not work well in analysing such aggregates as the nation state. Interviewees can be self-serving and misleading. The validity and reliability of the data can always be disputed. But I am prepared to defend the proposition that our understanding of political life, whether in the guise of political parties or policy networks, must be grounded in observation. And so I return to the epigram. ‘I believe that not enough political scientists are presently engaged in observation’ [1 p. 128]. This address is a plea to ground the study of policy networks in ethnography.

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Workshops on the Conference Theme

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Workshop I

Public Administration in Networks

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Networks and Governance: a perspective on public policy and public administration

Erik-Hans Klijn *

1. Introduction: Administration in a Changing Society

It is widely agreed that today's public administration and decision-making processes are characterised by complexity. Policy formation and implementation are ongoing processes that influence each other, decisions are being taken by a wide variety of actors. These actors participate in different arenas which sometimes belong to different networks. Governments can achieve little without co-operation between different public and private actors (Rhodes, 1997; Kickert, Klijn and Koppenjan, 1997; Osborne, 2000).

Modern government and decision-making mirror modern society, which has been labelled 'the network society' (Castells, 2000). It is not possible to discuss this issue at length here, but some characteristics that can be attributed to the network society are:

- *globalising*: partly as a result of information techniques, firms operate on a global scale and economic activities are less tied to a given space. Economic activities no longer restrict themselves to nations. This also makes it more difficult for public actors to govern economic activities (Faulkner, 1995; Castells, 2000).
- *chains and interdependencies*: as a result of specialisation and the growing demands of consumers, products are increasingly produced in chains or networks of specialised firms. Knowledge is specialised and dispersed among different actors. This characteristic of interdependency increases the importance of horizontal relations at the expense of vertical connections. The quality of products and services is more reliant on the chain between organisations than on the performance of one single organisation (Alter and Hage, 1993; Castells, 2000; Nooteboom, 1998).
- *individualisation*: as a result of mass media and information techniques — but also as result of emancipation processes — citizens identify less with a group and determine their own values and identities more on an individual basis. This results in a far greater variation in values and ideas than in the

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past. Citizens do not necessarily show less solidarity, but their solidarity has become an option which they choose to exercise as something that is self-evident (Sociaal Cultureel Planbureau, 2000).

- *loss of political identity*: partly as a result of individualisation, citizens feel less attached to political parties or political systems. Membership in political parties has declined rapidly, citizens tend to evaluate public actors critically and are less willing to accept their decisions at face value (Sociaal Cultureel Planbureau, 2000; Castells, 1997). The electoral changes sweeping over Europe probably have something to do with this.

The rise of the network society will make society more fluid, more horizontal, more pluralist in values and less likely to be governed from above by public actors. At the same time, problems in this society will call for more integral solutions that have to be implemented with many different actors with different knowledge of the issues involved. Governance will increasingly have to be realised through networks of actors. This new reality demands different views on public administration and management and at least partly explains the popularity of the concept of network in public administration. In this Chapter, we compare the use of the network concept in a public administration context with that in a more private sector context (Section 2). In Section 3, we look at what this network perspective has to offer as a theoretical perspective. In the last section (Section 4) we look at some of the issues it poses for governance. This last section also functions as an introduction to the contributions that follow and that were presented at the 2001 EGPA conference in Vaasa in the Workshop on Public Administration in Networks.

2. Public and Private Networks: similarities and differences

The network perspective has risen in popularity in the theoretical and empirical world of public policy and public administration (Marsh and Rhodes, 1992; Rhodes, 1997; Klijn, Kickert and Koppenjan, 1997). But there has also been a substantial and growing amount of literature on networks in the private sector. Due to global competition, the enormous amount of knowledge and investments necessary for developing and manufacturing new products, and their short life cycle, organisations are no longer able to function on their own but need alliances and networks of firms to survive (Miles and Snow, 1986; Alter and Hage, 1993, Grabher, 1993; Faulkner, 1995; Noteboom, 1998).

The literature on networks in both the private and public sectors has a lot in common. Both focus on the interdependencies of actors. No actor can realise products, targets, policy etc. alone but is dependent on the resources, knowledge and actions of other actors. Another common trait is that both focus on the complexity and the exchange of relations between actors. There are also some interesting differences which shed light on the specific characteristics of networks in the public sector. Table 1 compares the literature on networks in the public and the private sector and summarises the main differences.

Table 1 Differences in literature on public and private networks

	Private networks	Public networks
Focus	Knowledge exchange and innovation	Dependency in realising policy and policy outcomes
Interdependencies	Loose co-operation, substitution of actors in principle possible (sometimes difficult in case of high tech industry like aircraft manufacturing)	Tight interdependencies, substitution of actors not usually possible (local and central public actors are often essential and not replaceable)
Nature of relations	Knowledge exchange, contractual relations, exchange of resources	Joint problem and solution finding for social and administrative problems
Nature of conflicts	Conflicts about ownership and division of revenues	Conflicts about (societal) values and costs (division)
Citizens/consumers	Consumers, mostly passive as client or as societal force	Citizens, part of them active (as interest groups in complex decision-making) and as critics of policy proposals
Context	Market pressure (global competition) necessity to combine core activities with other specialisations	Pressure of societal problems (and increasing complexity of these problems) and political uncertainty

The literature on private networks focuses more on knowledge exchange and innovation as driving forces for the development of networks while the literature on public networks pays more attention to the situation of dependency in realising policy and policy outcomes. The context of public networks is more political — not only because political actors are part of the network but also because issues in public networks are characterised by conflicts about values and involve citizens who actively try to influence decision-making. These value conflicts are not dominant in private networks where consumers play a more passive role. Another interesting difference is that the substitution of actors within public networks is more limited than in private networks. There are public actors (like local governments) for which there is no alternative. In private networks, actors can be replaced more easily by other providers — although in the case of networks that produce high technology goods, the transaction costs of such movements will be rather high.

3. Networks As Governance Theory

The network perspective as governance perspective focuses on the fact that public actors can not achieve much without other actors. This leads to complex decision-making processes in which the strategies of the various actors clash. In most cases, insufficient organisational arrangements exist to accompany the interaction of actors. Essentially, our government is still organised as it was in the 19th century, that is on strongly hierarchical departmental and political lines, while society and the administrative reality have changed substantially. The network perspective does not focus on the action of a public actor alone but more on the actions of a network of actors. The network approach provides a handle for analysing and managing contemporary steering processes (Rhodes, 1997; Mandell, 2001; Agranov/McGuire, 2001).

Institutional Complexity: networks, arenas and games

The network perspective highlights the institutional complexity of governance. The central concepts in the perspective are networks, arenas and games, although other terms are sometimes used. Networks are more or less stable patterns of social relations between interdependent actors. They form themselves around policy problems and/or policy programmes or resources and often outlive the reasons that justified their establishment in the first place. Actors can be individuals, but in a network perspective, they are mostly (parts of) organisations. Organisations are mutually beneficial because they control means and resources (Benson 1982; Rhodes, 1981).

As networks exist and operate over a period of time, rules are developed. Network rules offer actors a frame for action (Klijn, 2001). Rules can be formalised, but many rules have an informal nature and have been shaped during earlier interactions. Rules determine access to a network, designate the actors who can engage in interaction, and specify the actions that will be rewarded or, inversely, punished (Ostrom, 1986). Status, position and authority are also often expressed in rules. While network rules lend a certain stability and predictability to the strategic action of actors, they do not determine that action. Obviously, actors can always break rules.

Networks facilitate interaction, decision-making, co-operation and learning since they provide the resources to support these activities, such as recognisable interaction patterns, common rules and organisational forms and sometimes even a common language. This does not mean, however, that decision-making in networks is easy. Quite the contrary since agreement must be reached between a large number of actors, each with their own strategic goals. This is what makes interaction complex.

Interactions occur in arenas. Arenas are active parts of a network where some of the actors interact around concrete policy issues. An arena consists of a set of actors, the decision-making situation in which they operate, and the organisational arrangements that accompany their efforts, for example consulting platforms. The (policy) games being played out in such an arena — or in the case of complex decision-making processes, in several arenas simultaneously — are in fact the interactions occurring between actors (see Allison, 1971; Crozier and Friedberg, 1980, Klijn and Teisman, 1997; Scharpf, 1997).

Games are series of interactions between actors designed to influence the formulation of problems, solutions and methods of working on the policy issue. Policy games can occur in one or more arenas. To make them even more complex, these arenas can be situated in one or more networks. Discussions about CO² reductions occur in many arenas all over the globe and involve many different networks. By distinguishing between networks, arenas and games, the network perspective on governance can help map the complexity of decision-making in order to acquire an impression of the problems linked to decision-making.

Strategic Complexity: interactions, perceptions and strategies

Actors do not simply act, they interpret their environment as well. They act on the basis of perceptions, i.e. the images they have of reality. Sometimes, actors in a network have very different views of reality. The ways in which they link factors, in terms of cause and consequence, problem and solution, instrument and effect, frequently diverge. This can also be the case for such issues as the importance of the problem, the capacity of another actor, etc. Actors not only have varying and possibly conflicting objectives, but even in the case of comparable goals and interests, they may differ in their opinions about how these can best be served.

Based on these perceptions, actors select certain strategies to achieve their goals. As a consequence of changes in strategies and perceptions of actors and the interaction of strategic choices of various actors, policy games in networks are characterised by dynamics. The complexities raised by dynamics in actor-networks make it difficult to foresee how a certain process will develop. This means that the initiator must be attentive to the dynamics of the game and play it with his steering strategies.

Outcomes of the game can be substantive decisions, changed game situations (breakthroughs, stagnations) and institutional changes. Outcomes are the result of a policy game. Since outcomes are determined at a specific moment and have been achieved gradually, the distinction between process and outcome is mostly analytical. In practice they are linked.

The Management of Interaction from a Network Perspective

As a result of the complex interactions which characterise networks, achieving mutually agreeable outcomes is not easy. During the interaction, sharp conflicts may emerge about, for instance, the distribution of the costs and benefits of a solution. Since co-operation and the co-ordination of goals and interests do not occur of their own accord, it is necessary to steer interactions in policy games within networks. These steering strategies can be labelled network management (Friend et al, 1976; Agranov/McGuire, 2001; Gage and Mandell, 1990; Klijn, Kickert and Koppenjan (eds.), 1997; Mandell (ed.), 2001). The (implicit) assumption is that a satisfactory outcome is often impossible without network management.

Various management strategies are distinguished in the literature. The available strategies can be categorised as strategies of process management and of network constitution (Gage/Mandell (eds.), 1990; Kickert, Klijn and Koppenjan, 1997). Process management has to facilitate the interaction between actors in policy games. This concerns steering strategies aimed at bringing together the actors' different perceptions. These strategies must solve the organisational problem that results because the autonomously defined strategies of different organisations are not automatically co-ordinated. A number of important strategies for improving the interaction process are provided in Table 2.

Table 2: Strategies for process management

Dimension of strategy	Explanation	Types of strategy (examples)
Interactions	Supervision and governance of interactions so that package deals, agreements and results between actors are possible	<ul style="list-style-type: none"> • interaction mediation • appoint process manager • link arenas
Perceptions	Identifying, changing and linking of perceptions so that differences, and blockages are reduced and ideas are linked	<ul style="list-style-type: none"> • create variety of ideas • direct and organise (joint) research • change perceptions through reflection, confrontation negotiation etc.
Organisation	Creating temporary organisational arrangements so that interactions and the exchange of ideas are facilitated	<ul style="list-style-type: none"> • make agreements (covenants) • determine rules (for conflict management, access etc.) • create temporary organisational constructions

The strategies that are ultimately selected often depend upon the implementation process. If the process stagnates because of conflicting perceptions, an investment must be made to develop mutual perception. This can be done, for instance, by analysing differences, searching for common grounds for solutions, generating new solutions or changing and influencing existing perceptions. If the process stagnates because the interaction between actors is not linked, then organisational arrangements or intensive process management are necessary. Hence, one must invest in temporary organisational resources to improve interactions, for instance through project groups, consultation platforms or mediators who can regenerate the interaction between actors.

Network constitution is focused on changes in the network. Assuming that institutional characteristics of a network can influence the chances of co-operation, an attempt must be made to change one or more of these characteristics. Generally, these strategies take time since they concern institutional changes. They are generally not useful for influencing the outcome of a policy game, but we will briefly address them in the context of this paper. Network constituting strategies aim at:

- changing the positions of actors or introducing new actors;
- changing the rules, for example the rules of access to a process, reframing (fundamentally changing ideas about the functioning and the substantive problems of the network).

Note that managing interactions in networks is a difficult job that requires a lot of effort, interaction and dedication. It also requires managers to know their own networks. The state does not abandon its position, although the public actors may be required to play a role other than governance by top-down steering or

contracting after public actors have unilaterally defined the content of their tasks (see Kickert, Klijn and Koppenjan, 1997; Agranov/McGuire, 2001; Mandell (ed.), 2001)

Evaluation Interaction Processes and Outcomes

Evaluating outcomes from a network perspective is not easy. Whose goals should be taken as a measuring point for evaluation if networks consist of several actors interacting with each other? And maybe more importantly, how do we incorporate learning processes during interactions? Perhaps evaluating public policy from a goal that was previously defined by a central actor is not the best way to perform the evaluation. It ignores the different values at stake and the necessary dynamics of the process (Klijn and Koppenjan, 2000).

One way of evaluating outcomes in networks is to use an ex post criterion of satisfaction (Teisman, 1992; Klijn and Teisman, 1997). This criterion states that in order to judge the outcome of policy process, one must independently examine the subjective judgements of all actors. In making such a judgment, the actors must weigh the ultimate outcome with the effort required to achieve it. They should also assess the extent to which circumstances have changed during the process.

Since judgment is carried out retrospectively, justice is done to the development of goals and problem formulations during the process. Thus learning acquires the appreciation it deserves. There is a danger that actors may rationalize, for instance, in order to hide loss. Therefore, in the literature it has been suggested that the actors' judgements should be weighed against the outcomes achieved and subsequently compared to the actors' specific interests. Also, in order to judge the learning effects, one should consider the substantive development of policy proposals.

Policy proposals (and outcomes) are better: when they manage to incorporate the various goals and desires of actors, thus enhancing their satisfaction;

- when these proposals include or refute criticism of earlier policy recommendations. It is important, therefore, that a variety of solutions is established during the process so that choices are possible and the (dis)advantages of the various solutions are discussed. Variety also creates greater opportunity for thinking out the solutions that accommodate the values upheld and the actors are satisfied as a result.
- the cost of solutions is not unilaterally imposed upon actors who are not involved in the decision-making process.

The last criterion concerns the risk of exclusion. After all, it is conceivable that actors who worked toward a solution together have not or have insufficiently considered outside actors. Solutions may be proposed that meet resistance from outsiders. The third and last criterion ought to be guaranteed by opening up decision-making to third parties so that assessments are carefully made and contact with the outside world is maintained. Hence, a focus on process criteria such as openness, prudence, reliability, and so forth. Public actors in particular can make a difference in this area.

4. Topics of a Network Perspective on Governance: the contributions in this book

From the network perspective on governance, many issues become prominent as possible subjects of research. Without being exhaustive, a number of questions arise (see for instance O'Toole, 1997; Kickert, Klijn and Koppenjan, 1997; Agranov/McGuire 2001). Of course, research can focus on the nature and characteristics of networks and their impact on decision-making (see also Laumann/Knoke, 1987; Marsh and Rhodes, 1992; Marsh (ed.), 1998). It is not only a question of how these networks are organised and the internal rules they apply, but also how these rules influence the interaction and decision-making that take place within the networks themselves. Cope and Staries's contribution to this book focuses on the the role of legal and policing professions in criminal justice policy networks. They show how policy making was traditionally characterised by relatively closed policy communities and how these relations have become more fluid.

Another interesting question is how service provision of all kinds of public and semi-public goods can be improved by the use of networks. Given the assumption that modern network societies need high-quality service and products which can only be delivered by co-operation between different actors, we want to know how this service delivery functions. In this connection, see Alter/Hage, 1993; Milward/Provan, 2000; Mandell, 2001. Malara and Chan look at the process of creating organisational ties between health care providers in Ontario and the motives for, and obstacles to, this network formation. They focus on mapping the schema or mental maps of key decision makers.

Another question concerns whether or not governance strategies have changed in (West European) countries (Rhodes, 1997). Janet Newman looks at the policy of New Labour (United Kingdom) from different strands of governance theory and shows how this generates insights into what New Labour is trying to achieve. In several European countries, public actors are experimenting with other more horizontal forms of governance. In the United Kingdom, New Labour has introduced 'Joined-up Government' which should govern more with other actors. In The Netherlands, a lot of local governments, and also central public actors, are experimenting with interactive decision-making. How do these new, more horizontal forms of governance work and what are their effects and problems? In this book, Niemi-Iilahti discusses new forms of governance between citizens, NGOs and local governments in Finland and sketches some of the problems with these forms of governance.

All together, the contributions in this book illustrate that the network perspective on governance is flourishing. By pursuing common ground, i.e. the interaction and dependencies of actors, a wide range of research has been conducted with different theoretical flavours and methodological approaches. This holds out hope for the future.

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The Formation and Stagnation of a Health Care Network

*Yann B. Malara & Yolande E. Chan **

1. Introduction to the Study on Health Care Networks

1.1. Nature of the Inquiry

Fourteen health care providers in one of Ontario's regions are in the process of strengthening organizational ties. One of those ties is in the form of a new corporation that will co-ordinate the activities of the region's varied, health care, providers. The formalization of previously, informal ties, which is changing the relationships among health service delivery organizations, is the focus of this report. A key factor motivating this research is to help decision makers, within the network, to explore the possible consequences of this reorganization.

1.2. Area of Research – Health Care Network of Upper Ontario (HCNUO)

In this case, the specific network formation is the Health Care Network of Upper Ontario¹ - HCNUO; see Appendix A for an organizational chart. The network sees itself as a partner, in giving leadership to the development of a regional, integrated, health system, which is locally planned and publicly managed. They cast themselves in a leadership role in promoting health, and in providing the highest quality health care at the right time, in the right place, and by the right provider/s. Part of the leading, in an integrated system, is to take on responsibility in the area of promoting health education and planning. Members of the HCNUO envision the network as a system in which the components, health providers and organizations, will be interdependent. These components will have shared relationships, roles and responsibilities for health, health care services, education, research and planning. Finally, the HCNUO, using a needs-based approach, actively plans to promote the appropriate, equitable, and sustainable use of scarce, healthcare resources.

This study is still ongoing. As such, a theoretical review of networks will be presented, followed by a presentation of preliminary findings.

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¹ The HCNUO represents a real health care network in the province of Ontario, Canada. The names of the network and some of its members have been modified to preserve network confidentiality

2. Research Framework: Inter-Organizational Networks, Social Networks and Institutional Theory

This section introduces important concepts related to inter-organizational networks, social cognition, social network analysis, and institutional theory. It presents the literature base, that will be used, to study HCNUO experiences and outcomes.

2.1. Definition of the Inter-Organizational Network

The HCNUO is perhaps best described as an inter-organizational network. Although the 'network' concept is very popular in literature, this term or metaphor is, unfortunately, used with little consistency. Easton and Araujo (1993) characterize the metaphor as highly systematic; in other words, it is used consistently, but with low clarity. These two conditions, i.e., low clarity and high use of the term, are problematic for some academics, who see this as a threat to the consistent application of the concept. Specifically, they are concerned that the network concept might become a tired metaphor: "This indiscriminate proliferation of the network concept threatens to relegate it to the status of an evocative metaphor, applied so loosely that it ceases to mean anything"- Nohria, 1992, p. 3. However, some researchers, such as Araujo and Easton – 1995 - see varied usage as a richness of perspectives and applications of the network concept; they are pleased to review ten separate categories of networks in socio-economic systems.

Our research will depend on a very broad definition of network: "a model or metaphor that describes a number, usually a large number, of entities which are connected", Easton, 1992, p. xiv. However, since all organizations are connected, in one form or another, this cannot be the only distinguishing feature of a network, Baker, 1992. Therefore, another distinguishing factor becomes clear in the process of relationship development. For our purposes, relationships are not created and developed in isolation, rather in the broader context of inter-related links within the network (Hakansson & Snehota, 1995). Another way of distinguishing between networks and other kinds of organizations focuses on types of relationships that exist in various networks.

2.1.1. Concepts of Inter-Organizational Networks

One reason networks are of such interest, is that their structure differs from that of most organizations. Some authors argue that this is because network structure does not rely solely on market transactions, or solely on hierarchical authority (Nohria & Eccles, 1992; Park, 1996). As a hybrid, between the markets and hierarchies, the structure of the network combines the best and the worst of both. This admittedly leaves organizational networks open to challenges. For example, individual firms may exhibit opportunistic behaviours, akin to the behaviour of firms within a market, and the bureaucratic costs of coordinating inter-firm exchanges are high, as may be the experience of a hierarchy; Park, 1996. However, other researchers assign organizational networks a structure entirely their own. In their opinion; networks are not simply an aggregation of firms within a single firm, or a form of coordination through a market, but they possess a

structure that can use the prior cited coordination mechanisms, Grandori & Soda, 1995. This view fits the case at hand, since in our research, the organizational network of interest (the HCNUO) is assumed to be more than merely a hybrid between a market and hierarchical structure. However, this explanation of the possible structure of organizational networks does not clarify how entities are connected, or for what purposes.

Two reasons organizations form networks are to reduce their resource dependence, acquire more resources, and to reduce uncertainty, gather information, Aldrich & Herker, 1977. If we assume that more information reduces uncertainty, then the reduction of uncertainty is done through the acquisition of more, informational, resources - Mulford, 1984. By building relationships, a firm can hope to gain a degree of control over another organization, which will lead, albeit indirectly, to greater control over the environment, Hagg & Johansson, 1983. For instance, the HCNUO survives in part because of the expectation that working collaboratively will benefit member organizations through efficiency gains and scale advantages. Increased information sharing in the network results in fewer surprises, or in other words, a reduction in the level of uncertainty.

One possible disincentive firms face when forming networks is the probable loss of some of their autonomy. Therefore, although their main concern is to increase access to resources through cooperation with other firms, at the same time these same firms hope to avoid becoming subservient to, or overly dependent on, each other - Thompson, 1967. The benefit of gaining access to some resources would be nullified if the firm lost control over these same resources. Aldrich - 1979 - argues that firms, in order of preference, would rather 1) keep organizational boundaries closed, and keep control of resources, 2) form a dyad to cooperate and negotiate with another organization, and 3) join many other organizations for joint actions. As we move down the list, the boundaries become more permeable, and the firms become more dependent on other firms. The struggle of each organization within the network, is to access vital resources through other organizations while keeping control of the organization in the hands of its stakeholders. - Pfeffer & Salancik, 1978.

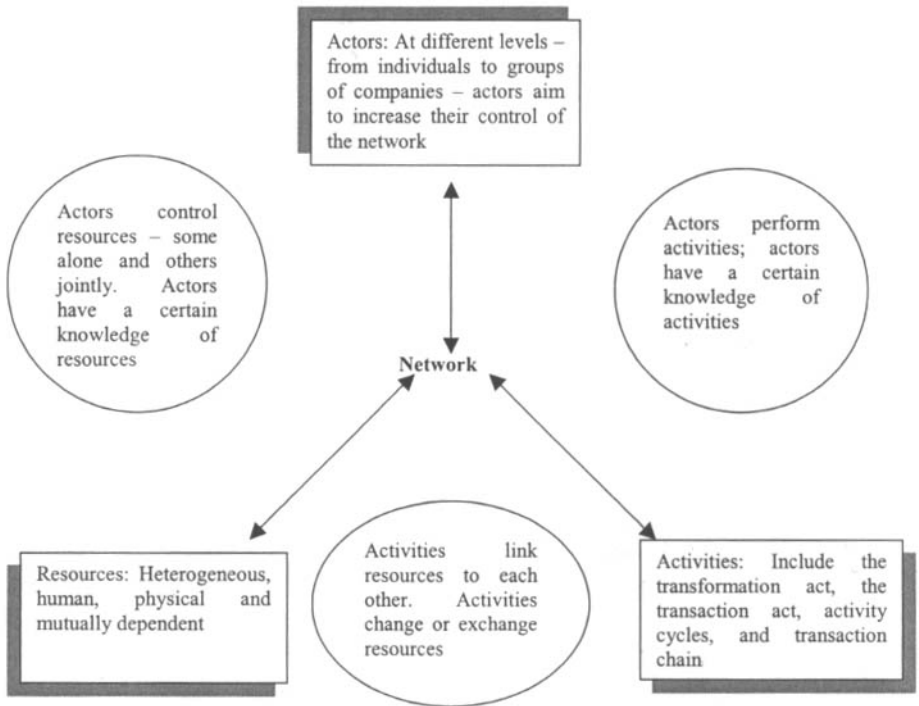
Overall, by building ties, organizations create dependencies, and dependence brings with it concerns of power and control. However, the argument outlined above is somewhat more suited to the firm seen as a single entity, than to networks. This is because keeping control over its resources, activities, and employees is crucial for a firm, but the dynamic of a network might be different. An organizational network might clearly benefit, overall, from taking certain actions that actually disadvantage one or more member organization/s. Using the HCNUO example, it is unlikely that every decision would benefit all member organizations equally. The discussion above explains why a firm might want to optimize its access to resources, but not how a network is structured, how it functions, or its possible characteristics.

2.1.2. Modeling Inter-Organizational Structure

One useful model that can be used to describe and to deconstruct inter-organizational networks is that of Hakansson (1987; see Figure 1). The model separates networks into three distinct entities, each inter-related. The three groups are:

- The actors - which can be individuals, groups of individuals, firms, parts of firms, or groups of firms.
- The activities - which occur when one or several actors combine, develop, exchange, or create resources by utilizing other resources; activities are a sequence of acts directed towards a purpose.
- The resources, tangible - technical facilities, manpower, financial resources - and intangible -know how, skills, trust customer base, company image; relationships also add value by tying together other resource elements.

Figure 1—Modeling Inter-Organizational Structure (Hakansson, 1987)



Hakansson defines the relationships between the groups as follows: “Actors are defined as those who perform activities and/or control resources. In activities, actors use certain resources to change other resources in various ways. Resources are means used by actors when they perform certain activities” - Hakansson &

Johansson, 1992, p. 28. Although the model in Figure 1 divides the network into three separate groups, they are all equally important and mutually interdependent.

Hakansson & Snehota – 1995 - argue that relationships - activity, actor, resources - are the most significant resource that makes companies capable of unique performance. An organization's relationship assets are very difficult to reproduce, which makes them vital for an organization's success - Itam, 1987.

2.1.2.1. Actor Bonds

For this research, the dimension of greatest interest in the HCNUO is actor bonds. Hakansson & Snehota, 1995 argue that, depending on the industry, one of the three dimensions can dominate. They also warn that researchers might have a tendency to focus too quickly on the actor dimension. Although this research will place an emphasis on the actor dimension, it will not dismiss the other two dimensions. Two noteworthy factors in treating organizations as actors, in the HCNUO are: 1) Organizations in a network act through the individuals that represent them. These individuals act within their own cognitive constraints. Their actions, and those of their organizations, are a result of their intentions, motivations, and perceptions, all of them bounded. 2) Organizations can be perceived to have an identity, and in this manner be seen by individuals, to act in a purposeful manner. The goals attributed to the organization are shared and pursued by the individuals who represent the organization. In effect, these goals guide the behaviour of individuals.

It is important to consider how and to what purpose actors build relationships. The relationships between actors can be defined as follows: "Two actors become mutually oriented and identified in relation to each other. In these situations individuals will not just be perceived as individuals, but as representatives of the units to which they belong" - Hakansson, & Snehota, 1995, p. 197. To build relationships, individuals accumulate characteristics, by which the individual can be judged. What the individual can and cannot do, the potential and restrictions – these constitute the bonds. These bonds will create an identity for the individual. With such relationships it becomes possible for the individuals to exchange each other's perceptions and motivations, therefore increasing the capacity to learn from, and to communicate with, each other. An example of a lack of identity creating problems, is in the context of international business, where the partners often do not understand each other's experiences and perceptions. Another purpose of networks is described as follows: "The interaction process that characterizes relationships can be said to be productive for the actors involved in the sense that they correct and develop their knowledge - pictures of attributes, of the counterpart and learn to exploit each other, and the relationship, better" Hakansson, & Snehota, 1995, p. 199.

Individuals within an organization do not necessarily have the same perceptions, motivations, or intentions. Otherwise the vision of individuals, within organizations, becomes very monolithic; we deny these individuals their free will. Furthermore, these individuals might not be perceived, or be attributed, the same

intentions and motivations by other actors, within the network. Again, it would rob these individuals of their free will.

HCNUO bonds are effective in three ways: 1) Bonds are needed as a baseline for mutual learning and development of actors. 2) Bonds are required for the actors to acquire meaning, and be considered in other actors' perceptions and behaviours. 3) Bonds are necessary to mobilize the other actors in the network.

2.2. Social Network Analysis

In the following section social network analysis is explained. This theoretical lens also helps us explore the impacts of the HCNUO formation.

2.2.1. Definition of Social Network Analysis

Social network analysis depends on the actions of network analysts who "try to describe regular network patterns and use their descriptions to learn how network structures constrain social behaviour and social change" - Cook & Whitmeyer, 1992, p. 114. In the case of the HCNUO, network analysis permits us to investigate how the inter-organizational network has limited social action. We can focus on the relationships between units, and on finding the patterns that reveal how the network members affect each other. Also, the actions of the members can be interpreted in terms of structural constraints on activity rather than in terms of inner forces within each of the members, Rowley, 1997.

2.2.2. Relational Analysis in Social Structures

A very popular approach in analyzing social structures is to focus on the relationships between individuals in a network, Emirbayer & Goodwin, 1994. This approach focuses on the cohesion within networks, which is measured through the strength or density of ties. Cohesion "rates the distance between two individuals as a function of how many clique - or pseudo-clique - affiliations they share. If the cohesion model is valid, influence is due to contact closeness. The higher the density of a dyadic relation, the faster and more efficacious the influence should be" - Degenne & Forsé, 1999; p. 169. In using cohesion, researchers try to explain why, and how, a decision, or innovation, is accepted, or transmitted, within a particular network.

Cohesion is often studied in the medical environment. One very prominent study dates from the 1950s, in which Coleman et al.- 1966 - were very influential in providing evidence that medical innovations diffused through social contagion - cohesion. Their study maps the acceptance of a new antibiotic in the American Midwest, during the middle of the 1950s, through interviews with physicians in four small cities, in Illinois. The study's main conclusion was that the physicians' informal discussions created social contagion. In a similar manner, the current study investigates how informal cliques, within the HCNUO, impact the acceptance of certain decisions and healthcare practice innovations.

2.2.3. Positional Analysis in Social Structures

Another approach used to analyse the diffusion, or transmission, of practices is to focus on the global structure of the network. Instead of focusing on the kinds of

ties actors can have with each other, structural equivalence focuses on the kind of ties actors have with third parties. Structural equivalence occurs when “people occupy the same position in the social structure and so are proximate to the extent that they have the same pattern of relations with occupants of other positions” - Burt, 1987; p. 1291. Individuals can be very similar in structural equivalence. Take, for example, two medical students working with the same physician. In this case, the competition will be high. The structurally equivalent actors compete for favours from occupants of other positions. Alternatively, individuals can hold non-equivalent positions, such as the leader in a group, or an isolated individual.

One example of a study applying structural equivalence is described in Burt - 1987. He used Coleman et al.'s -1966 data, from a different perspective, to verify if social contagion was caused by cohesion, or by structural equivalence. Burt drew three conclusions: 1) Structural equivalence predicts the time of adoption, unlike the social cohesion among advisers and discussion partners. 2) A physician's personal predisposition to adopt early, strong belief in science, younger in professional age, more journal subscriptions, is associated with early adoption, and vice versa. 3) There is a strong association between prominence in the network, and early adoption rate. The prominent citizens in a network are more likely to adopt and diffuse an innovation that is normative, and more likely to resist an innovation that would not be normative -Burt, 1982. Applying this conclusion to the HCNUO, we would expect that BT General Hospital - BTGH, a prominent member of the network - see Appendix B, to be more likely to adopt and diffuse normative innovations, and to strongly resist other innovations.

Some problems can occur while studying social networks. One difficulty is that social networks are not bounded. For instance, it is possible for a researcher to limit the study by focusing on individuals in a certain city. Although two individuals in this city might be linked through another individual in an adjoining city, they would be considered to be unconnected in the study. Unfortunately, there are no perfect solutions to such eventualities, but the researcher, within his, or her, research constraints, can set limits that encompass most of the social network. In the case of the HCNUO, we will limit the network to its member organizations.

2.3. Institutional Analysis

The following section introduces institutional theory. This also helps us in our understanding of the activities and outcomes of HCNUO organizations.

2.3.1. Definition of Institutional Analysis

Institutional theory explores the organization in its greater environment in order to understand the possible influence of other organizations. Powell, 1996, suggests a definition of the effects of the environment when he notes that the fact that “...organizations are deeply embedded in wider, institutional environments suggests that organizational practices are often direct reflections of, or responses to rules and structures built into, their larger environments” p. 239. Powell, 1996, further defines institutional analysis as “a rejection of the optimizing assumptions of rational actor models popular in economics with an interest in the institutions as

independent variables” -p. 240. The focus is not on how individual actors, organizations, maximize their environments, but rather how their practices become taken for granted. Scott - 1987 - sees three groups of researchers contributing to institutional analysis.

2.3.2. Institutionalization as a Process of Instilling Value

The prominent investigator in this vein of research is Selznick -1957. Selznick and his student’s research focused on how the organization could react to the influences and constraints of the external environment while simultaneously reacting to the particularities and beliefs of inside participants. Theoretically, by institutionalizing, creating institutions, organizations instill value, which goes “beyond the technical requirements of the task at hand” - Scott, 1987, p. 494. The purpose of instilling value is to allow the organization to experience more stability; in other words, for the structure of the organization to survive beyond the turnover within the organization. This view of institutionalization assumes that the leaders and/or participants are conscious of their actions - the design and intervention involved - in creating institutions. Scott, 1987, comments that this perspective is helpful in showing “us *that* values are instilled, not *how* this occurs” - p. 495, emphasis in original. In the context of the HCNUO, this suggests that the leaders of BTGH, and other health care providers, have the potential to instill value by collectively creating a new care facility specialized, e.g. in the prevention and treatment of diabetes. As individual actors working independently outside the context of a network, this might not have been possible.

2.3.3. Institutionalization as a Process of Creating Reality

The prominent researchers and reference point for this vision are Berger & Luckman, 1967. In this perspective, “institutionalization occurs whenever there is a reciprocal typification of habitualized actions by types of actors”, Berger & Luckman, 1967, p. 54. The implicit assumption is that humans construct a social order based on a shared social reality. The individuals classify their environment - i.e., the behaviour of organizations - in order to make sense and respond to their environment. Berger and Luckman, 1967, describe three phases of this construction of social reality: 1) Externalization, where individuals take action; 2) objectification, where individuals develop a shared understanding of their actions - these actions become separated from the individuals who created them; and 3) internalization, where the objectified actions become internalized. Scott – 1987 - argues that although this vision is helpful, it is too general since it focuses more on the construction of a social reality, social order, than on understanding “the rise of formal organizations” - p. 496.

In the context of the HCNUO, continuing the previous example, the powerful BTGH actor could instead create a new diabetes clinic. This clinic could then become an integral part of BTGH’s self-identity, and the identity perceived, by the other health care providers in HCNUO.

2.3.4. Institutional Systems as a Class of Elements

This perspective can be attributed to Meyer and Rowan -1977. The researchers argue that institutions are so dominant due to “the complexity of relational

networks and exchange processes but also to the existence of elaborated rational myths or shared belief systems”- Scott, 1987, p 497. Scott, 1987, differentiates this vision from that of Berger and Luckman - 1967- on the basis that it allows many different belief systems and is not a monolithic view of a shared reality. This view is expanded by DiMaggio and Powell -1983- who argue for three general pressures of institutionalization: 1) coercive, in which organizations institutionalize to increase legitimacy; 2) mimetic, in which organizations institutionalize as a response to uncertainty in the environment; and 3) normative, in which organizations institutionalize because of the power of professions - e.g., Physician Colleges. These pressures can act in conflict, or in accordance with each other. DiMaggio and Powell - 1983 - argue that these pressures will come from an organization within a field, and will be in one of four stages: 1) there is an increase in the amount of interaction among organizations within a field; 2) there is an emergence of well-defined patterns of hierarchy and coalitions; 3) there is an upsurge in the information load with which members of a field must contend; or 4) mutual awareness among participants develops and they recognize that they are involved in a common enterprise.

Continuing with the above example of BTGH, the clinic could be perceived differently depending on the identity of the actor. Individuals within BTGH would probably hold more favourable attitudes towards the clinic than actors not comprised within the bounds of BTGH. According to DiMaggio and Powell - 1983, the existence of the BTGH diabetes clinic combined with an increase in communication within HCNUO, could then encourage other health care providers within the network to build - mimic- their own diabetes clinics.

3. Model of a Health Care Network Constitution

Please see Appendix C for the full research model to be tested.

3.1. Formation of the Network

We hypothesize that one of the principal effects of the HCNUO network’s formation, will be to increase bonds, whether they be among actors, activities or resources. By formation, we refer to the formal incorporation of the HCNUO network, which is currently a loose strategic alliance. Incorporation is expected to occur later this year. Inter-organizational bonds are the social glue of the network; the interactions between the different actors - individuals within the firms - help to create a sense of community, to which each organization belongs. The creation of bonds is critical for the network to succeed; without these bonds organizations will experience enormous difficulties in relating with each other - Hakansson & Snehota, 1995. Stronger bonds between organizations have been linked to the overall stability and predictability of a network; they also allow more changes to occur within the network - Easton, 1992. Greater communication between actors will strengthen the bonds between them - Hertz, 1992. Communication between organizations is needed to coordinate the activities, resources, and actors that form the network. Since the organizations are forming this network, they are prepared, and also expect, to interact with each other - Mattsson, 1988.

Hypotheses	
H1a	Health network formation will result in an increase in actor bonds
H1b	Health network formation will result in an increase in resource bonds
H1c	Health network formation will result in an increase in activity links

3.2. *Processing of Knowledge*

The modification in the actors, resources, and activities bonds in the network will effectively increase the complexity of the inter-organizational relations within the network. The organizations within the network will have more opportunities to interact with each other, which will lead to greater complexity in the relationships that determine current, and future, resources and activities. The complexity will stem from the explosion of possible combinations of activities and resources. Each organization will have many more possibilities to access different types of resources, to create different types of activities. All these changes add to the complexity of each organization, and to that of the network. This increase in complexity is expected to lead to higher levels of rules and regulations within the network, i.e., increased hierarchy in the network -Van de Ven, 1976; Williamson, 1991. Other researchers project that the higher level of complexity will likely result in the creation of trilateral governance - Park, 1996. Trilateral governance is defined as the adoption of "a separate, external, management entity composed of professional agents in order to monitor the parties' behaviors and to administer the process of collective decision making. The central administration coordinates and directs members' efforts towards the collective goals in the network" Park, 1996, p. 812. In terms of the HCNUO, this means that an attempt at coordinating the treatment of diabetes within the network would increase the level of complexity in the activities - patient transfer - and resources - which health care providers treat the patient and are remunerated for their work, within the network. Such an increase in complexity could create a push to establish an umbrella organization within the HCNUO whose responsibility would be to coordinate the treatment of diabetes.

Another consequence of the modification in the actors, resources, and activities bonds in the network is likely to be the generation and distribution of additional information about the other organizations. Such information could be ignored, but will probably help organizations form opinions of others within the network through schema (category) creation. Creating or changing schemas of the organizations, within the network, relies on the individual firms receiving enough information, which will be provided by the increased actors, resources, and activities bonds in the network.

Hypotheses	
H2a	Health network formation will result in the stereotyping of the participating health care providers
H2b	The increase in bonds will create new rules and regulations

3.3. Outcomes

With a more complex organizational network, and with simultaneous creation of rules and regulations, we expect that the organizations will have to define themselves more clearly. The network will have the effect of increasing the specialization of each organization, Easton, 1992. Several health care organizations will be faced with other organizations providing very similar services, and one solution will be to exploit niches. The creation of the rules within the network will enhance the standardization processes within the network; such processes will make it easier to compare the performance of each health care provider. Performance will be measured on more uniform evaluation criteria.

We anticipate that an increase in the communication exchanges between the actors will make each organization more open to information probing and evaluation from the other organizations. Weakened communication boundaries, will allow organizations to survey each other's work and performance more easily. An increase in the available knowledge of the different partners will allow organizations to detect increases or decreases in the efficiency of network member activities more readily (Dubois & Hakansson, 1997).

Furthermore, we anticipate that with reworked schema of the network, the individual members of the network will find it easier to evaluate other organizations' performance. The reworked schemas will have been solidified through the standardization of activities, relationships, and resources that occurred with greater rules and regulations. Stronger and updated schemas will imply that each organization will be well mapped out in its activities, resources, actors, and its relationships. Such details make the monitoring of activities, resources and relationships an easier task since deviations from 'normal' performance become easier to detect. Barker -1993- in a study of work teams finds that those individuals, within the teams, build stronger and stricter monitoring procedures. Individuals become entrenched in their own accumulation of rules and regulations, to the point that these rules and regulations become separate entities. These rules cannot be challenged except by challenging the entire dynamic of the team. Such processes of peer evaluation, or surveillance, might be easier to build within teams, than within networks. However, stronger norms of conduct, within the network, will be a definite possibility.

Hypotheses	
H3a	Health network formation will result in the specialization of practices, re-allocation of resources.
H3b	Health network formation will result in enhanced performance monitoring.

4. Implications: Standardization and the Creation of Categories

Overall, we expect that the network's formation will increase the power differences between the members, and centralize the power structure of the region. For instance, we anticipate that an already powerful organization - located in a central position within the network - such as the BTGH will become even more

powerful, and currently marginalized organizations will, over time, become even less influential in the network's decision making processes.

4.1. Standardization

We expect that the network's formation will increase the complexity of the environment -coordination of the services offered and resources transferred. This will have several consequences, such as a push towards a greater standardization of the services offered within the network, with the use of guidelines, or care protocols. Such standardization will have a twofold impact. The first will be greater adherence to standards across the region, while the second will be greater co-ordination of treatments across the region. The impact of these changes will be an increase in the overall care, within the population served by the HCNUO. The population in remote parts of the network will have access to equivalent levels of care. As such, patients in these remote areas will receive improved health service.

A possible negative aspect of such standardization, however, is that more rigid patterns of behaviours will likely be accepted, and even expected, from the HCNUO members. Freedom to act autonomously may be severely diminished. Individual actors who do innovate will not be recognized as innovators, unless that is their designated role. These categories could lead to a reduction in the number of innovations and in their diffusion. For instance, there could be reduced innovation, in general, in practices used by individual physicians, nurses, or administrators within the network. We anticipate that an authorized innovation from a BTGH specialist would diffuse quickly through the network, while one from a less powerful member probably would not.

4.2. Creation of Categories

Categorization is expected to have multiple effects on the organizations within the HCNUO. E.g. each organization is likely to be categorized according to its power position within the network. According to Kabanoff -1991, in an organization with high power differences, two parties of unequal power will accept equity as the distribution rule to allocate resources. Furthermore, the greater the power difference, the less clearly that the weaker party will perceive the inequitable distribution, that favours the stronger party, as inequitable. We can transfer this analysis to the HCNUO, by viewing BTGH as a strong member of the network, when compared to any and all other members of the network. Such categorization will, no doubt, affect its perception of the equity of the distribution, and allocation of network resources.

The creation of categories is also expected to simplify the allocation of resources within the network, since categorization uses the processes of discretion - flexibility in distributing resources - and stereotyping, facilitating administrative judgements, Jenkins, 1996, p. 159-60. Through these two processes, the most powerful members in the network, such as BTGH, will be able to make quick decisions based on often incomplete and outdated categories. This can be devastating for less powerful members of the network who do not have the resources to fight incomplete perceptions. An example of such decisions could be of a unilateral decision by BTGH to transfer diabetes services, or the emergency

services of stroke care, from a smaller health care provider to itself, thereby establishing a monopoly--albeit efficient--on speciality diabetes or stroke services. Alternatively, undesired activities could be transferred to weaker network members.

The creation of categories, and an increase in communication, is also expected to enhance the possibility of peer monitoring. E.g. it will be easier for weaker HCNUO members to verify if BTGH has done the right surgery for a particular patient, or if the quality of a particular surgeon's work matches his, or her, reputation. The chances of health care mistakes in BTGH - diagnosis, tests- being overlooked by the other health care facilities, is diminished with this increased monitoring.

5. Preliminary Findings: Network Formation and Network Stagnation

The research described above is in its early stages; the incorporation of the network is still being finalized. However, some significant network changes and preliminary findings have already been uncovered. We end our discussion by outlining these findings.

5.1. Network Formation

As hypothesized - H1 to H3 - the formation of the network increased the resource and activity bonds between the different health care providers. E.g, the health care providers created an information management committee in order to improve and devise new methods of coordinating the information flow among themselves. This information committee helped the health care providers to share information. More precisely, this committee: 1) developed a list of the immediate challenges to sharing health information among the health providers; 2) created an inventory of existing connectivity capacity, internal information systems infrastructure and information sharing capability; 3) produced a database of funding resources; 4) facilitated the identification and monitoring of similar initiatives around the globe; and 5) identified short term priority projects. The health care providers also initiated various bilateral agreements, such as resource sharing, in order to produce laboratory tests and radiology tests. Actor bonds were reinforced with the creation of this information sharing committee, the creation of a powerful CEO committee, comprised of CEO representatives from each member organization, and with the various bilateral exchanges occurring more frequently within the health care network.

5.2 Network Stagnation

A few months after the initial achievements of creating stronger resource, activity, and actor ties, some of the founding members of the HCNUO - CEOs of health care providers - transferred or retired. This turnover drew in new leadership, and signalled different vision within the CEO committee of the HCNUO. The incumbent CEOs focused, almost exclusively, on balancing the budgets of their institutions. By such logic, every dollar spent on the shared

programs of the HCNUO, was a dollar that could not be spent internally within the CEOs' own institutions.

One of the CEOs made administrative changes in his own institution, including the replacement of a vice president who was a key member in the progress and development of the information sharing committee. Such changes, taken in isolation, might not have been sufficient to hinder the progress of the HCNUO formation. However, during this time, the network suffered two additional major setbacks. The network applied, and failed twice, to receive external, financial assistance in the form of governmental grants. These grants would have been used to build the connectivity infrastructure needed to commence extensive activity sharing, within the network. This failure caused network members to re-assess the goals they were trying to attain. The idea that financial and personnel investments, made by each member of the network, would lead to naught, became a real possibility.

After a period of uncertainty, the most powerful hospital in the network sponsored the appointment of a high profile HCNUO Managing Director, see Appendix D. This director initiated the formalization of ties, among the health care providers, through the creation of a constitution for the HCNUO -H2b. The newly appointed director created rules and regulations by advocating and establishing a governance structure, used to monitor the exchanges, information, resources, within the HCNUO - Williamson, 1991. Furthermore, the director ordered a reduction in the frequency of the information, management, committee meetings - which he did not regard to be of high priority, despite the views of other network actors - and the release of the information, management, committee's coordinator.

In parallel to these changes, the largest hospital in the region acquired a privately sponsored organization, focused on establishing a co-ordinated, stroke strategy, and on applying same day catheterization, across the region. This organization had previously reported to the entire HCNUO. Additionally, shortly after the acquisition, the hospital received a substantial grant from a non-governmental organization to infuse the funding needed to implement the coordinated stroke strategy, region-wide.

These changes motivated the smaller health care providers to re-evaluate their commitment to the network. The smaller health care providers became wary of the centralization of much of the network's resources, activities, and actors around the largest hospitals in the region - the HCNUO's director's office is located within the city that houses the largest hospital.

One outcome of the sharing of information among the health care providers was the identification of a social order within the network--one that clearly delineated the health care providers who could benefit, and those who could lose, from a network formation -H2a. Some health care providers became concerned that their institutions would become community health care centres with greatly reduced services, H3a, and that their internal governance structures, e.g., decision making ability, would be weakened if they were deeply tied - activity, resource, actor - to

the network. The smaller institutions perceived this change, as possibly detrimental, to the welfare of their populations. Several of these less powerful institutions began to cluster together to form their own networks within, and separate from, the greater HCNUO network.

The HCNUO continues to evolve, and our study is still ongoing. As such, the preliminary findings discussed above only give us a glimpse of what can, eventually, be discovered through the continued longitudinal study of the HCNUO.

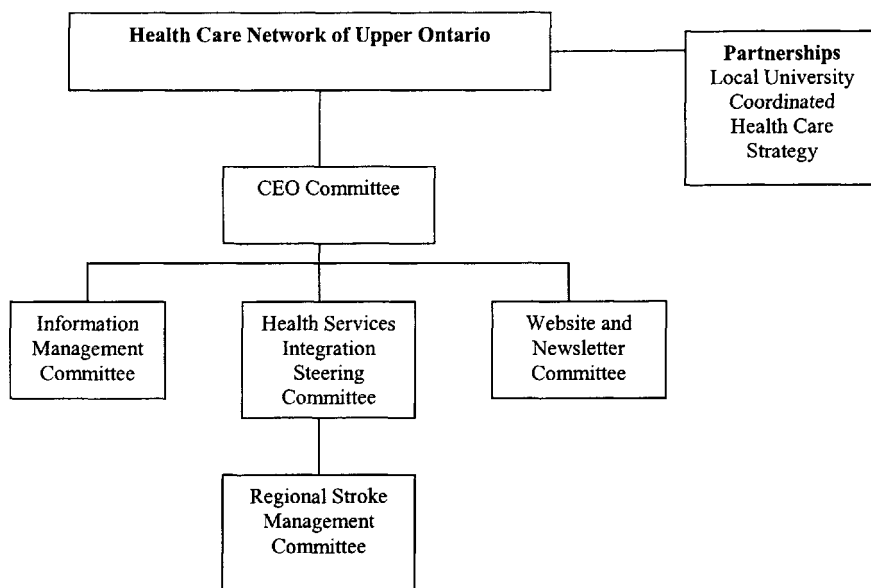
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Appendix A

Organizational Chart of the HCNUO



Appendix B

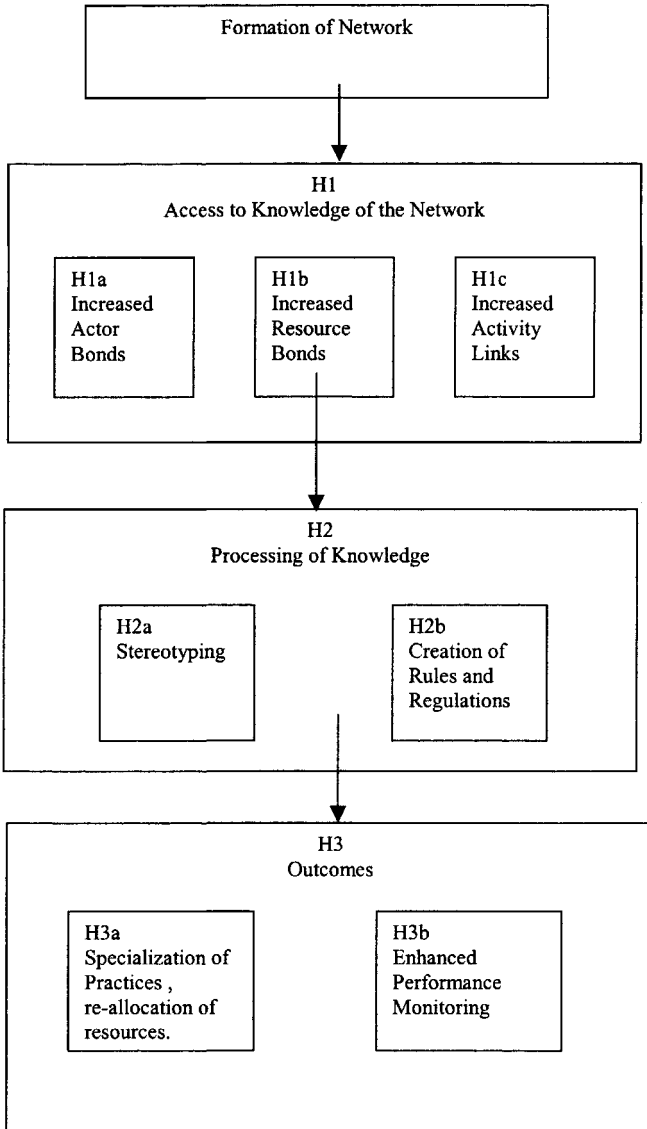
BT General Hospital

BT General Hospital, a 452-bed teaching hospital - not including 24 newborn bassinets - affiliated with a local University, provides critical care, trauma care and in-patient, overnight, stays. BTGH offers a full-service, 24-hour, Emergency Department, and specialized programs and services including:

Burn Unit	Musculoskeletal
Cancer Care	Neurosciences
Cardiac Care	Obstetrics and Gynecology
End Stage Renal Disease and Nephrology	Pediatrics
Gastroenterology	Perinatal
General Internal Medicine	Plastic Surgery
General Surgery	Respiratory Diseases
Medical Microbiology and Infectious Diseases	Trauma
	Urology

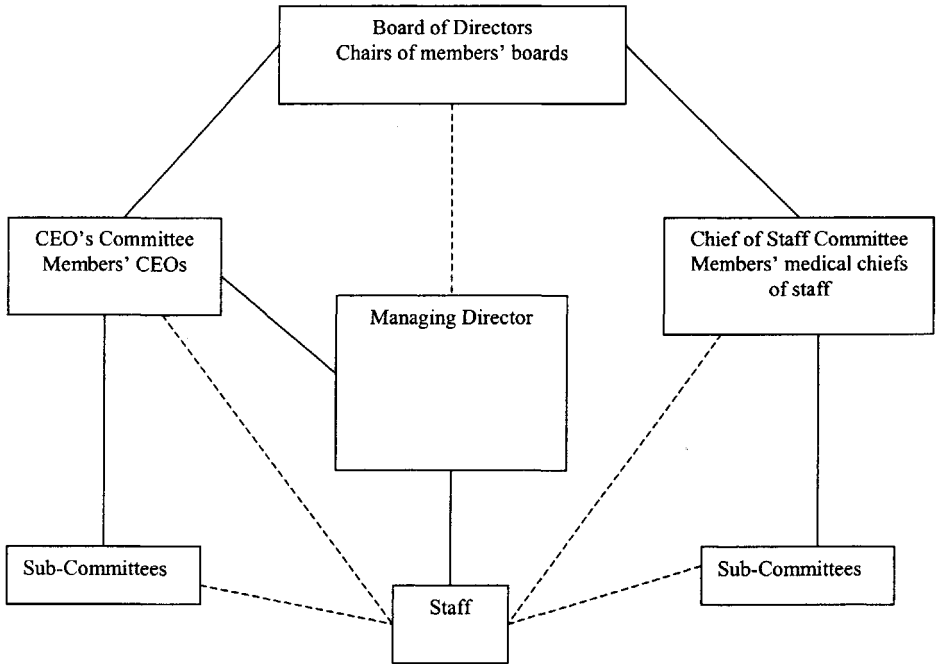
Appendix C

Model to be tested



Appendix D

HCNUO's Proposed Organizational Structure



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Will Networks and Hierarchies ever Meet?

*Anita Niemi-Iilahti**

Governments of the 21st century are facing challenging problems in the search for effective ways of fulfilling their tasks. The growing realisation of the complexity, dynamics and diversity of social-political sub-systems claims for new forms of governance. Networks are seen as complements to markets, and hierarchies as governing structures for authoritively allocating resources, exercising control and co-ordination. Will networks and hierarchies really meet - or do they live their separate lives? The document discusses those problems which are connected with hierarchies and networks in policy implementation. An empirical study at the local level in Finland, on the implementation of sustainable development, shows that networks may improve local governance. However, due to their very basic nature, they are not, as such, an alternative to traditional public administration based on hierarchies.

1. Introduction

The growing realisation of the complexity, dynamics and diversity of social-political sub-systems claims for new forms of governance. The governance literature emphasises the blurring of boundaries, between the public and private sectors, and the increasing interdependence between different organisations [1][2]. The concept of governance refers to self-organising, and inter-organisational, networks and to an increasing need for consensus and co-operation, between a multiplicity of actors. Networks are seen as complements to markets, and hierarchies as governing structures for authoritively allocating resources, exercising control and co-ordination. However, a sceptical question arises: Will networks and hierarchies really meet - or do they live their separate lives? The question is important from the point of view of effective governance, and successful policy implementation.

This document discusses the contrary characteristics of those hierarchies and networks within the framework of policy implementation. Empirically, local implementation of the global policy of sustainable development, is analysed. The loosely formulated, global policy of sustainable development, adopted by the UNCED meeting in Rio de Janeiro in 1992, has resulted in various local interpretations. What to do, and how to do it, is left to the local actors. In controlling local actors, and in contrast to the implementation of welfare policies, traditional regulative policy instruments are not applied by the central states. There is an evident demand for innovative management patterns and new forms of

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local governance. Does the process enable the emergence of governance innovations, and if so, what kinds of innovations?

The interaction between citizens, NGOs and local government, in the implementation of a global policy, is analysed in the document. The aim is to identify innovations, and problems of local governance, within a framework. A framework where traditional formal public administration, and local civic society, are supposed to co-operate in implementing a policy. The following questions are discussed in the document. What kind of "new patterns" of interaction, between local government and citizens, can be identified? What kind of roles do different actors have, in the implementation process? What problems and obstacles can be identified, in the interactive process?

The document starts by discussing the concepts of hierarchy and network, within the context of policy implementation. The discussion is followed by a presentation of how LA21 processes have advanced in Finland, and a more in-depth analysis of how processes have been organised, from the point of view of interaction between local governments and other local actors. The data consists of experiences of LA21 implementation in Finland 1992–2001¹. The analysis of organisational patterns, roles of actors, innovations and problems, is based on case studies mainly conducted in 1997–99. The paper concludes, with some short remarks of lessons learned on implementation of complex policies, presupposing networks, and citizen involvement.

2. The Framework of the Study: Implementation through Hierarchies and Networks

Hierarchies and networks are analysed, within the framework of local implementation of a global environmental policy. Both hierarchies and networks are applied in implementing public policies, although the dominant discourse in Western societies is the move from hierarchies and centralisation, towards networks and decentralisation. It is argued that hierarchical control will be replaced by continuing processes of bargaining among interested parties, within most fields of public administration [4]. As is well known, Public Administration and Implementation literature has identified problems in both models. Implementation deficit and rigidity are most obvious in connection with hierarchies, whereas co-ordination deficit, and difficulties in decision-making, are the main challenges with networks. In Finland, the concepts are used as tools for interpreting the implementation of LA21, and in getting a better understanding of the characteristics of the interaction, between local government and the local community.

¹ The Finnish study has been conducted in co-operation with a European research group "Sustainable Communities in Europe. A Cross-National Study of the Implementation of Agenda 21 at the Local Level of Governance 1997–99" [3].

Hierarchies vs. Networks

Here, the concept of hierarchy refers to the ideal type of Weberian public bureaucracy, in which the administrative structure is characterised by centralisation and sectorisation. The administrative process is dominantly a top down process. A hierarchy assumes a centralised and formalised way of implementing a policy. The governance model is based on rules, and rights of control and complaint, are specified. In this context hierarchies go together with formal organisations. (Table 1.)

The concept of network is an ambiguous concept, having different meanings in different contexts. Networks are not organisations, but they may turn into organisations. Organisations are formalised units, with distinct resources of power and methods of control, that have a wider social significance than networks [5]. In networks there are no methods for making collective decisions. Hecló [6] and Hanf and Scharpf [7] have even maintained that it is not possible to locate a centre of decision making in networks. Network is a form of loosely coupled organisations, and an intermediate form between contract and formal organisations [8]. Networks are unbounded, or bounded clusters of organisations, that, by definition, are non-hierarchical collectives of legally separate units [9]. Networks differ from organisations, by degree of formalisation of relations, and by type of co-ordination. Networks cannot be co-ordinated by hierarchic authority, but by horizontal bargaining. Networks cannot make binding decisions or impose obligations, and will, as a rule, side-step controversial issues, on which it is clear that there can be no unanimous agreement. For social interest groups, recourse to horizontal co-ordination represents a weak substitute for consolidated formal organisation [10]. Networks as inter-organisational co-operation have both advantages and problems, or costs and benefits, as Alter and Hage [11] show. Thus, organisations must calculate, that the benefits outweigh the losses, before they will concert their efforts with others. For example, a loss of stability may be offset by flexibility.

Table 1
Characteristics of Hierarchies and Networks

	HIERARCHIES	NETWORKS
ADMINISTRATIVE STRUCTURE	Centralisation Specific division of labour Sectorisation	Decentralisation Cross-sectional and integrated structure
IMPLEMENTATION PROCESS	Top down	Bottom up
GOVERNANCE STYLE	Rule governed Rights of control and complaint specified Governance by government	Deregulation Market orientation Communication Governance in networks
BENEFITS	Clear command and control Legitimacy based on representative democracy Professional capacity Stability Autonomy	Gain of mutual support Opportunities to learn and develop competencies Local knowledge Flexible Holistic view
PROBLEMS	Implementation deficit Lack of local knowledge Rigid Problems in coping with complex, dynamic and diverse social-political sub-systems	No method for collective decision making Conflict over domain, goals and methods Co-ordination deficit Fragmentation

The concept of network in this study, is seen as an opposing concept to hierarchy. The network type of implementation builds on a decentralised, organisational set-up, with initiatives originating from the field, from actors close to actual policy delivery [12][13]. The structure of a network is characterised by decentralisation and holistic structure, whereas the administrative process of a network stresses 'bottom up' processes. Decentralisation is advocated by the values of plurality, diversity and autonomy. Governance, in a network, is based on deregulation and market orientation. Governance relies on communication, between public and private actors. Networks are defined as open systems, that do not have clear boundaries.

In the context of the implementation of the global policy for sustainable development, networks can be identified at several levels of governance. At the supranational level, United Nations and international environment, development, business and other organisations are co-operating in the policy formulation and implementation. At the national levels, central governments co-operate, negotiate and bargain with national environment, agriculture, forestry and business organisations, as well as with the representatives of local and regional authorities, in transferring the policy of sustainable development to the agendas at different levels of government. At the local level, local governments are supposed to manage the implementation process in a dialogue, together with the actors of the local community.

In this study the concept of network consists of citizens, NGOs and other local actors, and hierarchy, of the political and administrative apparatus of local

government. Network refers to relations, between individuals and organisations, and to relations between organisations. The focus is on horizontal networks, and decentralised governance in a civic society.

Networks and Implementation

In general, policy implementation is faced with different kinds of obstacles and problems. The literature mostly presents us with stories of failure [14] [15] even if more recent studies have also documented a range of implementation results [16] [17]. Implementation processes are most often played between organisations, not just within organisations. Some researchers claim that a complicated implementation structure will impede policy implementation [18], whereas others believe that it is the character of inter-organisational relationships, which determines the likelihood of successful implementation [19]. Moreover, the attitudes and behaviour of those who are to implement the policy, is an important factor. The implementation literature, as to different implementation models, has moved through an initial stage of ‘top-down’ perspectives, through a counter-stage of ‘bottom-up’ perspectives, to the current situation where attempts at synthesis dominate [20] [21] [22]. The implementation of sustainable development involves, however, a process where there is very little input of a normal political nature (laws, budgets), and where the program to be implemented is at once global in scope, and comprehensive as to level-specific strategies [23].

Networks may exist between and within organisations, they may cross boundaries of organisations, linking sub-groups of organisations to each other, as much as to their own organisations, to be understood as unitary entities. Network actors have different interests, which may cause conflicts, or co-ordination deficit, throughout the implementation phase. In addition, the professional culture and knowledge of field-level public officers, may give a particular bias to policy implementation. Further, the incitements for target groups to respond to the various policy instruments depends on their personal incentives, as well as their relations with implementing organisations [24].

Implementation studies show that government organisations are often only one of many types of actors that constitute the network for the implementation of public policies. Network analyses are, in sociology, used to trace interactions – at the level of individuals, groups and communities [25]. In policy analysis, networks are used to reveal who participates power, and who wields it. In organisational studies, networks are seen as the basic social form that permits inter-organisational interactions of exchange, concerted action, and joint production [26]. The concepts of policy, as well as issue network, have been used in analysing different types of networks. Hecló [27] analyses relationships that prevail among individuals. He uses the concept of “issue network”, to suggest a policy making process that is fragmented and populated, by a wide and unpredictable number of participants. Actors are moving in and out of the policy arenas, with different views of policy outcomes. Often, the actors do have expert knowledge, and they are representing their own personal interests, in the maintenance of their expert image. The actors function as a channel, for both attempts to get access and influence, and for participation in policy formation.

Issue networks are informal, intricate and unstable webs with an unlimited number of participants. Waarden [28] concludes that a principal characteristic of issue networks, is that it is difficult to trace the locus of decision-making. Hence, the dependencies and power relations are diffused, and decision-making is difficult, because the issue networks are – as he sees it – better suited to increasing, rather than decreasing, complexity of issues.

Rhodes [29] again uses the term 'network', exclusively at the level of groups and organisations. He defines the concept of policy community, as a limited number of participants who share values on policy outcomes, with a limited number of decision-making centres. Waarden [30] uses the concept of policy network in a more general sense, as an overarching, characterisation of public-private relations. He sees issue networks only as one type of policy network.

Different dimensions of networks are, more or less, explicitly present in the literature. Waarden [31] sees the following as major dimensions in the analysis of policy networks: actors, function, structure, institutionalisation, rules of conduct, power relations and actor strategies. He concludes in selecting three dimensions, that seem to be of particular importance in distinguishing various types: the number and type of societal actors, the major function of the networks, and the balance of power. The number and type of actors may be hardly any, only one major interest group with a representational monopoly, at least two major opposing interests, involvement of political parties, or parliamentary committees, or an unlimited and unspecified number of participants. The major function of a network may be to organise lobbying, or to organise implementation of public policy. The latter may operate through participation, in or through, state-regulation and self-regulation, backed by state support. The balance of power is a question of who dominates the relation – state agencies or societal organisations.

Since the 1960s in Public Administration, the network analysis has brought up a variety of approaches and correspondingly different meanings of networks. In a special issue of Public Administration titled "Comparing Networks" Bogason and Toonen [32] describe the situation by the following statement: "The whole administrative world now seems to consist of networks". They also see it as strange that all these networks seem to be so 'new' to those uncovering them. The explanation found, is that Public Administration is a differentiated field of study. The classical paradigm brought the formal institutional structure to the forefront and made the hierarchical – monist, monocentric, unicentric – perception of government and administration into a powerful concept. The neo-organisational perspective broadened the concept of administration, from organisation to policy and decision-making.

Policy analysts discovered a missing link, an implementation deficit [33], street-level bureaucrats [34] who formulated the policy while coping with rival claims and contradictory forces, in dealing with the operational problems of those citizens at the base. In the 1980s policy analysis dominated the agenda both in the US and Europe, e.g. as empiricist, implementation structures approach [35] [36]. In the 1990s, the search for appropriate concepts, for grasping the operations in

and between networks of actors was intense, both in institutional analysis and neo-managerialism [37].

In the beginning of the 21st century, network analysis continues to appear in many forms. The role and nature of partnership in policy networks is analysed further [38]. Partnership might offer a more pluralist form of governance in the local arena. Networks are even seen as more than a new organisational form, according to Bate [39] they are a new paradigm for professional organisation. The notion of network culture is based on a cultural vision of trust.

Hay and Richards [40] call for a total rethinking of the concept of network. They criticise the definitions of networks, on being invariably presented as structured settings, emphasising structural character of networks, and stressing network density and durability. Hay and Richards focus on network evolution, as a cyclical process. Their empirical study (policy process centred in and around British core executive in Westminster and Whitehall) produces an identification of different stages in networking. From the pre-network stage to network formation and modification, to networking as practice, further to network transformation, and finally to network failure, and network termination. Network termination is followed by network realignment, in which the network takes on a new policy direction, often through exogenous pressure. The thinking emphasises the flexible, volatile, adaptive and dynamic character of networks as organisational forms.

Hypotheses on Hierarchies and Networks in Policy Implementation

The theoretical discussion referred to above does not give self-evident tools for an empirical analysis, of how hierarchies and networks co-operate and complement each other. It should help when searching for answers to those questions posed at the beginning of the document. When trying to identify new patterns of interaction between local government and citizens in the implementation of a policy, following working hypotheses are here selected as ground: 1) Hierarchical control will be replaced by continuing processes of bargaining among interested parties within most fields of public administration. 2) Formal institutional structure is powerful. 3) Better governance can be gained by the adjustment and balancing process between needs and capacities; this requires open channels, flexibility and mutual recognition of divided and complementary responsibilities. Partnership in a network offers a pluralist form of governance in the local arena. Networks advance consensus and co-operation between actors. 4) In networks there are no methods for making collective decisions and networks cannot make binding decisions. 5) Networks permit inter-organisational interactions of exchange, concerted action and joint production. 6) Networks will side-step controversial issues. 7) Networks help in knowledge problems in the implementation process. Networks are a new paradigm for professional organisations. 8) Networking develops as a cyclical process: pre-network stage, network formation, networking as practice, network transformation, network failure, network termination, network realignment.

3. In Search for New Forms of Co-Governance: Implementing Sustainable Development at the Local Level of Governance

The Agenda 21 document signed in Rio in 1992 has a special chapter that is devoted to local political authorities. The Agenda outlines the rationale for action in this area as follows:

“Because so many of the problems and solutions being addressed by Agenda 21 have their roots in local activities, the participation and co-operation of local authorities will be a determining factor in fulfilling its objectives. Local authorities construct, operate and maintain economic, social and environmental infrastructure, oversee planning processes, establish local environmental policies and regulations, and assist in implementing national and sub-national environmental policies. As the level of governance closest to the people, they play a vital role in educating, mobilising and responding to the public to promote sustainable development.” [41]

One of the most characteristic features of the UNCED process is the goal of bringing together key social actors for co-operative efforts on vital issues of environment and development. Citizens are expected to contribute to administration, through active participation in the formation of a local action program on sustainable development. The idea of LA21 involves a conscious attempt to combine a top-down, and a bottom-up implementation, of local actors. Local authorities do have a key role in taking responsibility for introducing, interpreting, adapting and eventually implementing the most relevant aspects of Agenda 21 for their local communities. However, that does not mean that local initiatives are to be governed by the authorities themselves. At both national and local levels of governance, it is assumed that the authorities' role is to employ the powers and resources of government, in order to facilitate co-operation and co-ordinated action within the area. The intention of Chapter 28 is to give local authorities the responsibility for pursuing the goal of local sustainable development, through dialogue and public assistance.

Implementing LA21 radically deviates from the traditional implementation processes, where detailed, policy goals and instruments are defined in advance. What to do so as to promote the goal attainment, in this case it is left to the local actors. Neither are there any formal sanctions for those municipalities who do not comply with the goals set in Rio. Thus, there is room for varying interpretations of LA21, ranging from doing nothing to doing something, either in a traditional or a new way.

The Finnish study of LA21 implementation covers ten years, a period starting with the transformation of the notion of Sustainable Development into a national policy strategy, and arriving at how the strategy is being put into practice in the beginning of the 21st century. Agenda 21 builds on the premises that the achievement of sustainable development requires new forms of social learning, whereby major collective actors seek to resolve potential conflicts on environment-and-development issues, through new forms of involvement and co-operation. This raises the question of how to make all the 448 Finnish local authorities to adopt and implement a policy, which has been authored at the supra-

national level, and how to involve community citizens in the implementation process of a public action programme?

The Finnish legislation pays great attention to sustainable development, need of democratic planning and increased citizen participation. The concept of sustainable development was introduced to the legislature step by step, e.g. to the Building Act (1990), the Local Government Act (1995), and the Nature Protection Act (1996). Likewise, the Environmental Impact Assessment (EIA) procedure has since 1994 increased at least formally the possibilities of citizens, organisations and experts to influence matters by expressing their opinion on the sufficiency of the plans and accounts already presented. However, any explicit LA21 legislation does not exist.

In Finland, all major actors of the institutional setting – the state government at the central and regional levels, local governments, the common interest organisation of local and regional authorities (AFLRA) and non-governmental organisations – are participating in the implementation process. Since no single actor has the possibility to do the job unilaterally, the co-operation and interaction between the different actors is of vital importance. Additionally, there must be sufficient convergence of objectives and interests to make it possible to reach a "win - win" situation [42]. This is probably one of the major challenges since the interests and priorities of different actors do not always coincide.

Implementation Patterns, Innovations and Problems: Four Cases of LA21

In Finland, municipalities are the base units of welfare service delivery and citizen's participation. Thus, there lies an opportunity and a responsibility for local authorities to integrate ecological aspects into all societal sectors. The resemblance with Rio's agenda is obvious. Finnish municipalities are obliged to supervise and promote environmental protection on a comprehensive basis at the local level. The post-Rio period has added land use, transport, energy, citizens' attitudes, and environmental education to the list. This sets challenges to co-operation between social, ecological and economic subsystems. Thus, co-operation between different sectors, also within the municipality, is of increasing importance.

By 1996, the majority of Finnish municipalities had initiated the LA21 process, and in 2001 up to 80 % of municipalities have started LA21 processes. The forms of action include both the traditional implementation of environmental policy and more integrative, cross-sectional approaches of sustainable development. In more than 90 % of those municipalities that have initiated the process, a political decision was taken on LA21 by the municipal council [43]. The hierarchies are thus controlling the process at least in a formal sense.

Activities related to LA21 processes in Finland seem to be closely connected with the degree of general environmental awareness at the local level [44]. Relatively large urban municipalities have a professional, environmental, administration with full-time, highly educated and fairly numerous personnel. On the other hand, small and medium-sized rural municipalities usually have a mixed type of administration. They employ part-time personnel, those having relatively

low levels of education. Another factor affecting the implementation of LA21 in the municipalities is the political climate concerning environment. In some municipalities, spontaneous local environmental activity can be found, while in others, mostly rural communities, almost hostile attitudes towards ecological aspects are dominant [45] [46].

The local implementation models of LA21 in Finland vary due timing, activities, the main actors and the implementation models, as shown in several surveys [47] [48] [49]. The overviews of the situation show that LA21 -processes first got under way in the larger towns. Whereas rural municipalities – often in co-operative networks – became more involved toward the end of 1996. The surveys also reveal some of the obstacles to the implementation of LA21. Negative attitudes among local politicians and officials, economic constraints, lack of information and administrative reasons are those obstacles often mentioned by respondents. The initiative to start an LA21 process is often taken by a municipal environmental official. In some cases citizens or NGOs take the initiative, whereas local politicians are rarely active. Thus, the activity is not mobilised by the political top of the hierarchy, but rather by professional administrators. Municipality's international contacts have in some cases given a push to the process. Very often, the AFLRA is in the background. The profile of the NGOs in mobilising LA 21 processes is rather low.

In order to learn more of how citizens are involved in the implementation processes, and how the co-governance works at the local level, four more in-depth case studies of LA21 processes in Finland were conducted [50] [51] [52]. The cases cover different types of municipalities and varying implementation models (table 2).

Those questions asked in the case studies were the following. Who are the core actors? What roles do different actors have in the implementation process? How do the processes advance? How is citizen participation promoted? A multiple-case design [53] was used to get a holistic interpretation of the complex phenomena of LA21, and to identify meaningful characteristics of the implementation process. Multiple sources of evidence were used in the data collection conducted in 1997–1999. The data consists of local government documents, research reports, interviews and questionnaires. In each case questionnaires were sent to both local council members and top officials in each of the municipalities. The aim was to identify the success in diffusing information and increasing awareness of LA21. The level of commitment to LA21 within the local community, as well as the level of citizen participation in LA21. The total number of questionnaires sent was 553, but only 212 of those questionnaires were correctly completed and returned. The response rate was very low, varying from 32 %–46 % in the four cases. There can be found several explanations for the low response rate, but one of the explanations is probably that the issue of LA21 was totally, or rather unknown, for many of the respondents. Additionally, in one of the cases (Helsinki) a questionnaire was distributed to all participants in a citizen forum (144 respondents). This is the only data representing citizens' views. The survey data was complemented with personal interviews at key persons (politicians, officials

and NGO-representatives known to have a role in the LA21 implementation), and document analysis. The aim of interviews and document analysis was to map out the roles of different actors, methods of joint implementation, possible innovations and problems.

Table 2
Hierarchies and Networks in Implementing LA21: Four Cases

CASES	START AND ADVANCEMENT	IMPLEMENTATION MODEL
CASE A: BIG CITY (HELSINKI)	1992 initiative by local environmental officials 1992-93 participation in a national project 1995 signing of the Aalborg assignment 1997 city council decision to prepare an action plan 2002 decision on LA21 action plan to be taken by the city council	City environment centre as 'engine' - city manager as symbol leader Thematic groups and projects by citizen organisations, economic and professional resources available for citizen activities Citizen forums – interactive arena Comprehensive interpretation of LA21 LR planning (40 years) and farsighted process <i>Traditional public policy implementation model combined with interactive cooperation with citizens and NGOs</i>
CASE B: MEDIUM SIZED CITY (VAASA)	1996 initiative by citizen organisations 1996 local environmental board asked consultant for a plan 1997 LA21 task force appointed by the local executive board 1998 hiring of a new consultant 2002 Internal activities (EMAS), no LA21 activities	External consultants managed LA21 Cooperation with NGO representatives and study groups a short time Two small-sized citizen forums Incremental process and limited interpretation of LA21 <i>Traditional internal way of working combined with contracting out (NPM) ideas</i>
CASE C: FOUR NEIGHBOURING MUNICIPALITIES IN CO-OPERATION (CENTRAL FINLAND)	1996 initiative by municipal environmental officials 1996 Agenda activities of twinned (Norway, Finland) municipalities 1997-98 participation in a national LA21 project 1998 local work groups and a joint task force 2002 no formal co-operation but some LA21 activities	Close mutual cooperation between local environmental officials in the four municipalities: 'LA21 cabinet' Agenda training for primary educators Citizen Forums Agenda columns in local newspapers <i>Traditional public policy implementation model combined with intensive cooperation between municipalities</i>
CASE D: TEN MUNICIPALITIES IN CO-OPERATION (NoM)	1996 initiative by citizen organisations, municipal officials and local politicians 1997 common decision of ten local councils on a joint LA21 project and a joint LA21 office 10 local work groups 1999 project ended 2002 no co-operation but some LA21 activities	Project conducted by an NGO "Nature and Environment" 1997-99 Information delivery, workshops for selected groups and exhibitions organised by the joint office Separate preparation of action programmes in some of the municipalities <i>Implementation managed by an NGO – loose co-operation between the municipalities</i>

In two cases (A and B) local authorities are acting independently, and in two cases (C and D), several municipalities are co-operating with each other (a kind of regional agenda). In those cases, the implementation models chosen, also differ. Type A is relying on the city administrative capacity and a steering group of politicians. The implementation is organised by local government in co-operation with community actors. Type B hires a consultant who is steered by a group of leading, local officials. Type C (four neighbouring municipalities in Central Finland) participated in a national AFLRA project 1997–98, and since 1999 the municipalities rely on their own administrative capacity. Case D (ten municipalities in a coastal area) participated in 1997–99 in a project conducted by an environmental non-governmental organisation (Natur och Miljö, NoM).

Case A

Case A relies on the city's administrative capacity and a steering group of politicians. The city (Helsinki) joined the “Sustainable Communities” project conducted by AFLRA in 1992. The matter was introduced into the administration in the early 1990s by environmental civil servants and international contacts. In 1994, the city signed the Aalborg Agreement. In 1997, the city council made a decision to prepare an LA21 plan of action and a task force was appointed.

In 1998 and 1999, citizens were involved in the process in terms of citizens' for a and theme groups. Also financial resources were made available for the use of citizens. In 2001, a local agenda for Helsinki was to be submitted to the city council for decision-making. The time perspective of the action plan is 40 years. The local agenda process in Helsinki has advanced smoothly step by step, far-sightedly and professionally. The work is a continuation of the city's cross-sectoral environmental work. The case is characterised by an extensive and interactive process that triggered a considerable exchange of opinions between citizens and civil servants. The citizens' input is included in the draft of the LA21 action programme.

The attitude towards the agenda varies among key decision-makers of the city – the City Council, City Government and leading officials. A small group knows it very well and works actively for it. The city's top leaders have committed themselves visibly. In other quarters, A lack of knowledge and commitment is obvious. Innovation always encounters prejudice, and the inherent reluctance to change in administration can be seen in Helsinki, too. To many, the local agenda is a secondary matter, in some extreme cases even something negative. Most feel that the local agenda is important and stress its role as a channel of influence for the inhabitants, but at the same time they do not believe that citizens really want to participate in societal matters.

The local agenda process has met the same difficulties in Helsinki as elsewhere in Finland and Europe. The problems are linked with administrative structures and models, prejudices and weak, civic participation. A large organisation with hierarchical and sectorised structures makes the process hard to master. Those features that usually give public administration ease of action and expertise,

appear here in an inverse manner. What we see is how stiff the administration is, and how difficult it is to cross sector borders.

Citizens were involved only after the goals had been set and the activity models planned. Their contribution was not desired when the ends and means were being declared – this was to be done by professional civil servants. The process was taken further in a planned and controlled way – and in this sense efficiently – but the citizens had to content themselves with a merely reacting role. Nevertheless, the model was new, and it triggered considerable exchange of opinions between citizens and civil servants. At times tens, even hundreds of inhabitants were involved in those meetings where an action program was formulated. The participants were mostly members of various kinds of associations. The local agenda is a form of activity for a limited, but active, group of people. No companies are involved in the activities.

The local agenda process in Helsinki reflects the problems of an urban community: large size, inhabitants unfamiliar with each other, many kinds of industries and related interests, a consumption-friendly way of life, conflict between the interests of the environment and other involved parties. The growth in population, construction and traffic continuously forces administration to observe the state of its environment. Sustainable development cannot be forwarded through traditional administration and policy only, and consequently many things today are being done according to new models. It is necessary to improve the vertical co-ordination between citizens, civil servants and politicians, as well as the horizontal co-ordination between administrative branches and inhabitant areas.

Helsinki's Local Agenda is in a phase of transition. The first steps towards the goals set by the Rio Agenda have been taken. Citizens have been involved in the process in a new way, although their number is limited and the opportunities for civic participation could be improved. Knowledge has been transmitted, and the dialogue between administration and citizens has started. There is now a ground for a continued negotiation process between them. However, there is a danger that the process will dry out when the citizens' contribution has been documented. The feeling creeps in, that the process has been completed. The continuation of the process depends on many parties. The key persons for sustainable development that work in the city's offices and departments – and their ability to forward the cause within the administration – are decisive for its future. In addition, a visible public opinion and, within administration, a canalisation of it are needed. Last but not least political decision-making should give the process the emphasis that it absolutely requires.

In the future, too, various administrative bodies, citizens and politicians should meet in citizens' forums and other similar arenas. A forum is needed where members of the large urban public occasionally can see what state the local sustainable development (or any other issue of present interest) is in, exchange opinions and bring up new ideas. Today, direct civic participation is coming up alongside traditional representative democracy. Functioning systems for civic participation are a prerequisite for community-wide learning processes and

sustainable development. The citizens' contribution to planning and to the nuances of the implementation are a key factor for the process to be able to continue.

Case B

Case B has hired consultants who are steered by a group of leading local officials. The city (Vaasa) participated in the LA21 project conducted by AFLRA in 1992-93 the focus then being on waste management. In 1994, the board of an open college made an initiative of a project on environment education, and suggested that the city should aim at being an 'ecocity'. In 1995, the city council adopted sustainable development as one of the main principles for future development, and two open colleges arranged study groups for citizens. In 1996, an external consultant prepared a proposition of efforts to further sustainable development, and in 1997 the city council decided to start an LA21 process. A task group was set up and a new consultant hired. In 1998, two citizens' fora were organized, one for students and the other for residents in a specific area. In 1999, the contract with the consultant ended, and the project was reduced to internal work within the municipal organisation. However, in September 1999 the Board of the Environment made a decision that the city should still sign the Aalborg Agreement.

The figures for LA21 information, awareness and attitudes, as well as participation and commitment are on a lower level than those of case A, and often at the lowest level of all of the cases.

In this case, the implementation of LA21 advanced more as a separate project (or projects) than as a holistic process. LA21 has low political status and no true interactive processes between citizens and the administration have been developed. Only a couple of single public occasions were arranged. Local government did not show interest in welcoming citizen contribution to the professional administration. A dominant attitude was that representative democracy offers the channels needed for citizens' views.

In 2001, only the formal organisation of the city is taking responsibility for implementing sustainable development. Thus, "hierarchy" is living its own life, and no co-governance practices can be identified. There was a pre-network phase, but it did not lead on to other phases.

Case C

Case C (4 municipalities in Central Finland) participated in the LA21 project conducted by AFLRA in 1997-98. The initiative was taken by civil servants in 1996. International contacts and AFLRA spurred the initiative. In 1997, local authorities of the four municipalities decided on starting LA21 work. Within the same year, the four municipal councils signed a common declaration on LA21 and hired a common co-ordinator. All the four municipalities participated in an AFLRA project in 1997-98. The environmental officials acted as the core group (calling themselves 'cabinet') in the implementation process organising citizens' fora and agenda columns in local newspapers so as to promote the process. Several efforts were made in order to increase citizens and city councils' members

awareness. Since 1999 the municipalities have relied on their own administration. Co-operation between the four municipalities continues, although they no longer have a common co-ordinator.

The questionnaire shows that the commitment of local officials and politicians is rather high in this case, whereas citizen participation is seen to be low.

The process advanced fairly actively during 1997–98, but now there seems to be less interest for action. Two of the councils have approved an LA21 action plan. In the initial phase citizens were interested and active but when the AFLRA project was finished, interest seemed to dry out. The network idea proceeded to networking as practice, but lost capacity in the lack of continuous support from the decision-makers in the four municipalities. Co-ordination and motivation problems are evident.

Case D

In case D (10 municipalities), the initiatives of citizen organisations in several municipalities in the region during 1996 led to the local authorities' decision on starting LA21 planning in 1997. The planning was organized as a project conducted by an NGO, Nature and the Environment (NoM). A common project co-ordinator worked systematically, with the help of a steering group, to spread information and organise education on LA21 in the region. An LA21 office was founded as 'headquarters' for the project. Seminars, courses and exhibitions were organised and a newsletter was published to inform about LA21 events and activities. Events with specified target groups and concrete action drew much attention whereas some of the more general happenings had to be cancelled due to lack of interest.

The project lasted for a little less than two years. Co-operation between the ten municipalities was loose during the project. The parallel implementation of the European Union's Natura 2000 raised several conflicts of interest in this rural coastal region, and had a strong weakening effect on the results of the LA21 project. Since the project closed, interest has been very low in the majority of those ten municipalities. However, in a couple of the municipalities the process is continuing actively. In this case, there was true networking in practice, but for a very short period. Several explanations for network termination can be identified. The geographical area was problematic, since there was a long distance between municipalities from North to South. Also cultural differences were present in this case. Additionally, controversial issues arose between the agricultural and fur-farming community on one side, and an environmental organisation on the other.

Variations in the Implementation Pattern

The cases show big differences in ways to implement LA21. Case A (Helsinki) proves to be most innovative and successful in implementing LA21. There is a true ambition to combine the outputs of networks, with the outputs of hierarchies. Networking clearly develops as a continuing process in this case. The case also reveals an innovation, a new pattern of interaction between citizens and local government. The other cases show less ambition in general in implementing

LA21. Especially in involving citizens to those processes traditionally taken care of by local authorities. The LA21 in those three cases are more or less short-lived.

Common problems in all cases are passive citizens, negative and undermining attitudes of some civil servants, the abstract concept of sustainable development, and the slow progress made. In the light of those questionnaires given to local politicians and officials, the success in implementing LA21 processes, differs between the cases. Concerning LA21 information dissemination, awareness of the content of LA21, and the attitudes of local politicians and officials, the profiles of the four cases are in line with each other, but there are clear differences as to the level of those aspects (figure 1).

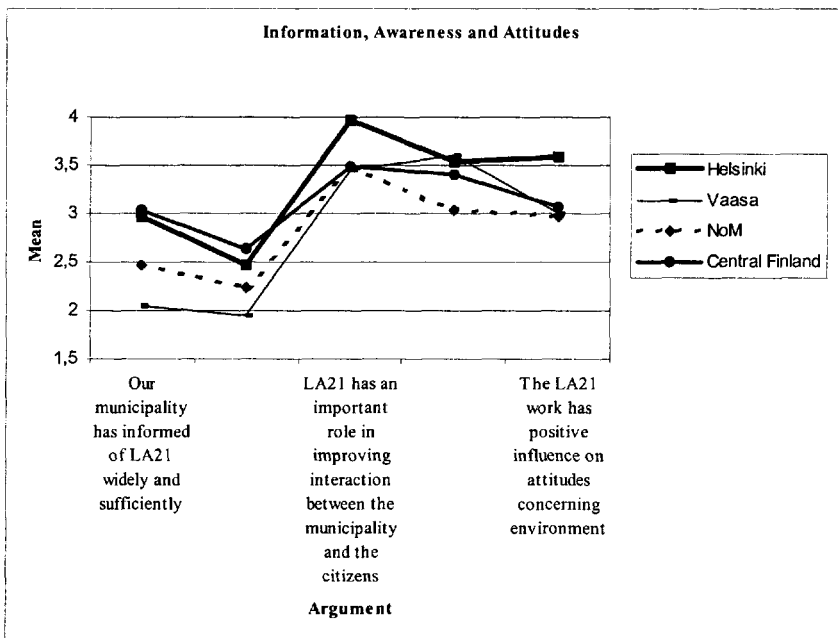


Figure 1. Distribution of Information on LA21, Awareness of the Content of LA21 and Attitudes concerning the Role of LA21. (1 = totally disagree...5 = totally agree. The profile shows the means value of the answers given in each case. Since the means is used, even minor differences between the cases are of interest.)

Cases A and C get the highest scores in the figure. They have been the most successful in diffusing information on LA21 to local actors. Information as a policy instrument attempts to influence people through the transfer of knowledge, communication of reasoned arguments, and persuasion. Those cases have also succeeded in increasing the general awareness of sustainable development in the local community. Further, local authority's work in producing and diffusing information and knowledge on sustainable development through newsletters,

handbooks and seminars has positively influenced the attitudes concerning environment.

The attitudes toward citizen participation are an interesting issue (figure 2). Although all the cases show that citizen participation is given a high priority, in general, the level of citizen participation is experienced as low. It is also known the most active citizens in LA21 processes are those who are known to participate in other societal activities, too.

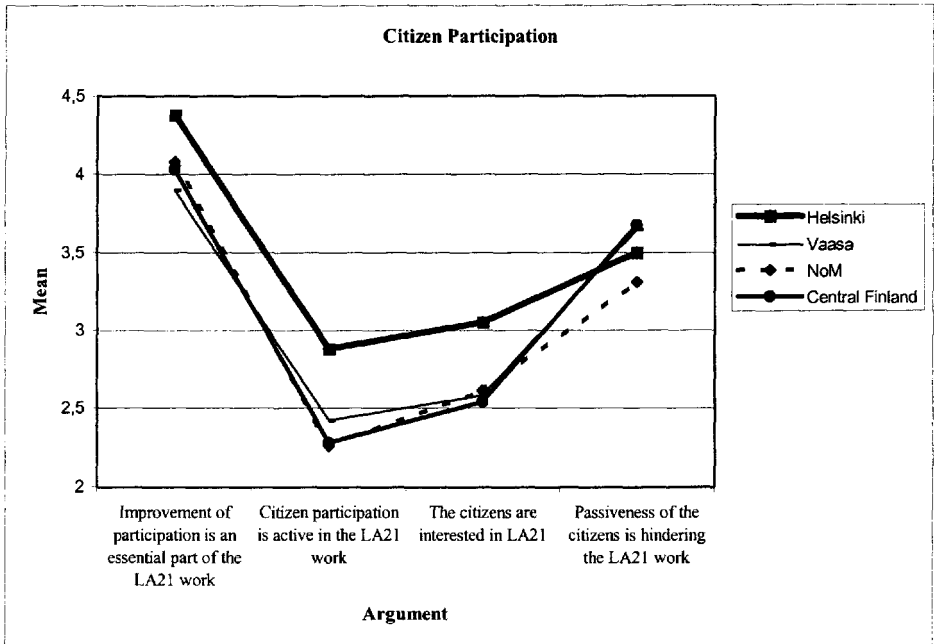


Figure 2. Citizen Participation in LA21 Work (1 = totally disagree...5 = totally agree)

Only in case A, is the level of citizens' participation and interest in LA21, viewed as somewhat satisfactory. This can be seen as a reflection of how the local authority has worked, far-sightedly and in co-operation with citizen groups, in promoting LA21 implementation. Examples of this are both the more formal big citizen forums, arranged with high status, and those thematic working groups continuously operationalising the concept of sustainable development, into practical efforts. Case A shows some specific, deviating and innovative ideas and practices, concerning the complementary role given to networks.

The respondents were also asked how familiar they are with the LA21 work done by their local authority, and how committed they are to LA21 work in their local community. Figure 3 shows that in all of the cases, the respondents knew little of what their local authority had, or had not, done to promote the

implementation of LA21. This was the case, in spite of the fact that respondents were leading local politicians and officials.

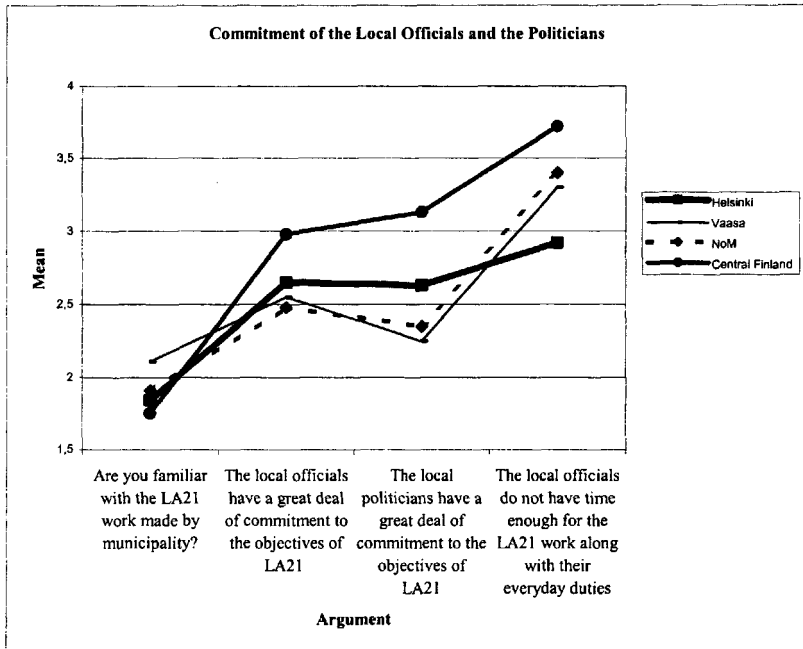


Figure 3. Commitment of the Local officials and Politicians to LA21 (1 = totally disagree...5 = totally agree)

The level of commitment to LA21 work varies between cases, but even here the cases A and C get the highest scores. The commitment of both politicians and officials is clearly on a higher level than in the two other cases. Further, on this point the local politicians in the cases B and D seem to have a very low level of commitment to the objectives of LA21. Because the attitudes and behaviour of those implementing a policy is an important factor, the low level of politicians' commitment naturally has impacts on the efforts taken by the local authority. Those efforts taken in order to promote sustainable development and citizen involvement, in the community. Why this situation exists in those cases is an open question. In general, results based on expert interviews show that a lack of personnel resources and time are experienced as the main constraints, by politicians and officials. A significant feature of the post-Rio activities is that hardly any new economic resources have been allocated to environmental functions. The existing staff has new duties, but no new resources. This again affects attitudes and the level of commitment.

4. Conclusions: Hierarchies and Networks can Meet – but only in passing

In Finland, the analysis on implementation of sustainable development, at the local level of governance, shows that those goals set in Agenda 21 have, at least to some degree, been attained. Most local authorities have undertaken a consultative process with their populations, and achieved a consensus on local agenda 21 for the community, at least in a formal sense. However, the variations between local authorities are big.

The analysis of interaction between citizens, NGOs and local government in the implementation of a global policy also shows that some new patterns of co-governance can be identified. Some forerunning, local communities have been successful in finding out new and more flexible local implementation models. Citizen empowerment is emerging and there are signs of a new administrative culture. Direct democracy with civic participation is coming up, alongside traditional representative democracy. The need to share tasks and responsibilities, to do things together has gradually given birth to new ways of action characterised by co-operation, co-managing, co-steering, and partnership. Nevertheless, this network alternative of policy implementation is a laborious way. It continuously questions the legitimacy of those participants that are not elected. Thus, and in future too, citizens, politicians and professionals should continuously meet in citizens' fora, and other similar arenas. An arena where members of a local community can occasionally see the state of any recent and vital local issue, exchange opinions and bring up knowledge and new ideas to politicians and officials is needed. Citizens' contribution to planning and implementation is a key factor in allowing the process of sustainable development to continue. The fact that the relationship between democratic politics and the management of the environment is in general very complex [54] can truly be identified here. Additionally, Jänicke and Weidner [55] show that the true participatory elements of a system, that enable a successful learning process, appear to be most decisive for successful implementation of a policy.

Innovations such as the new partners, resources and arenas of political action occur, but citizen involvement is still at a relatively low level, or limited to small groups of citizens. However, there are now grounds for a continued negotiation process between the local partners. LA21 is not yet in the centre of political decision-making, but there are clear signs of advancement. Political decision-making should give to the process, the emphasis that it absolutely requires. Functioning systems that combine professional administration, political decision-making, and civic participation, are the real challenge of the 21st century generation implementation.

The modern state is challenged by failures in performing its duties. In order to prevent undesired developments Mayntz [56] suggests either to look for alternative instruments or to lower the aspirations of central-state control, i.e. decentralisation. Granting more discretionary space to the subordinate agencies, can improve their adaptation to situational requirements. Subsequently, this might lead to more effectiveness in the fulfilment of tasks. This would also assist limited knowledge of the implementation process, since the local knowledge of

implementation authorities can be used. This perspective is heavily emphasised in the implementation of sustainable development. Further, self-organisation and the capacity for horizontal co-ordination at the local level, may enhance the governability of societal subsystems.

Kooiman [57] emphasises the view of social-political governance, not only as interaction between government and society, but also of governability. As an expression in terms of effective and legitimate adjustment of government needs to capacities, and capacities to needs. Needs should not be regarded as something in society, and capacity as something of governments. Both needs and capacities should be seen at the same time as being, social, political, public and private, state and society in their mutual interdependencies. However, this line of thinking is very demanding. He emphasises that traditional policy instruments (financial incentives, laws, rules and regulations) have even more, become questionable instruments of social-political intervention. Thus he sees a chance for better governance in the adjustment and balancing process between needs and capacities, but this again requires open channels, flexibility and mutual recognition of divided and complementary responsibilities. He is well aware of the fact that the integration process is difficult to plan. There are hardly any institutional forms of mutual and integrated adjustment of social-political needs and social-political capacities. If so, will hierarchies and networks ever meet?

"Forum" is the most usual 'new' way of spurring interaction between different actors. In the best cases citizens have been involved in the implementation process in a new way, although their number is limited and opportunities for civic participation could further be improved. Knowledge has been transmitted, and within the administration, dialogue between environmental and other professionals, and citizens, has started. A network (an issue network or a policy network?) is developing, where local government and other actors in the local community are co-operating. The innovative element is the high ambition to combine professional knowledge with citizens' experience. Resemblances to Kooiman's [58] view on social-political governance, as an expression in terms of effective and legitimate adjustment of government needs to capacities, and capacities to needs, can here be identified.

At least two big challenges can be identified. The first one is to enable and achieve greater citizen engagement. The legitimacy of networks in local governance is a problem. Formal political and institutional implementation, and ideologies of the responsive state with self-regulatory capacity in civic society, are confronted in the process. The relation between direct and representative democracy raises questions.

The second challenge is in the fact that the processes with citizens, NGOs and other actors of the local networks have to be anchored in the formal decision making processes. A successful management of local processes presupposes that participation, co-operation and interaction between actors will develop to co-management, to an integration of "hierarchies" to "networks". But will networks and hierarchies ever meet? Or do we see the alternative development suggested by Bogason and Toonen [59]? Will hierarchical control be replaced by continuing

processes of bargaining among interested parties within those policy fields where the parties are in equal position? This may be the case within policy networks (agriculture, business), whereas the policy field studied here (sustainable development) does not seem to belong to that category. In this policy field the networks seem to be rather unstable webs with a varying number of participants. The dependencies and power relations are diffused. Thus, the formal institutional structure is still powerful here.

The study shows some implications that better governance can be gained by adjustment and balancing of processes between needs and capacities. There are signs of more open channels and flexibility in the local implementation. However, mutual recognition of divided and complementary responsibilities is still a big challenge to the formal institutional actors. If this problem can be solved, in one or other way, we can probably find a way out of the network's dilemma, concerning the inability to take decisions. Networks offer a long list of advantages and possibilities in improving local governance, but due to their very basic nature, they are not as such an alternative to traditional public administration. More 'Research and Development' is still needed to find a qualifying new model. A model able to compete with the innovation which Weber, in his time, introduced to the science of Public Administration.

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New Labour and the Politics of Governance

Janet Newman *

This paper draws on different strands of theory in order to examine the governance of the UK during the late 1990s, with special emphasis on those changes that might be associated with 'new Labour'. It addresses a range of questions, drawn from different strands of governance theory:

- *Do Labour's policies and strategies reflect a shift from markets and hierarchies, towards coordination through networks - a shift characterised in the UK public administration literature as a shift from government to governance?*
- *Does Labour's attempt to renew civil society in the aftermath of neo-liberalism reflect an increased emphasis on the importance of forms of 'co' or 'self' governance, a shift debated in some strands of governance theory, governance developed in continental Europe?*
- *Can post-structuralist theories of governmentality help illuminate Labour's social policies and governance strategies?*

Each of these strands of governance theory offers important insights into new Labour's approach and style. However, I argue that those understandings offered are only partial. The paper goes on to explore ways in which core concepts of governance theory - those of 'complexity', 'dynamics' and 'diversity' - might be extended, so as to explore fundamental political tensions in Labour's approach, and to illuminate the contested nature of 'the social', that inform state-society interactions.

Introduction: New Labour and the question of governance

The result of the 1997 election represented the culmination of shifts in the governance of the UK, in the period since the demise of the Thatcher regime of the 1980s. Much of Labour's electoral platform in the run up to the 1997 election, had been based on a critique of the changes produced by neo-liberalism. Tony Blair set out a vision of the future, based on a re-articulation of the language of community and citizenship, reciprocity and responsibility, justice and fairness. New Labour was presented as embodying a 'Third Way' between the market individualism of neo-liberalism and the collectivist, state-centred approach of previous UK Labour governments.

Labour's approach can be understood as an attempt to retain the economic gains of Thatcherism, while invoking a set of moral and civic values, through which Labour sought to reshape civil society. A new emphasis on issues of citizenship, democratic renewal and social inclusion appeared alongside a continued emphasis on economy and efficiency. There was an attempt to address deep seated 'cross cutting' policy agendas - social exclusion, neighbourhood renewal, ill health, poor

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education achievement, long term unemployment, youth crime and so on. This in turn led to an emphasis on 'joined up government' and partnership in order to promote horizontal and vertical collaboration. Across government departments, between sectors, and up and down different tiers of government, and between government and 'communities' themselves (e.g. Performance and Innovation Unit, 2000). There was a focus on the involvement of new policy networks, on public consultation, on community involvement and democratic innovation. All appearing to signify a more open, involved and collaborative style of government. Yet Labour has also been characterised as tightening central control, both in its approach to the modernisation of government, and of Labour itself as a political party.

Such issues raise questions about the nature and practice of governance, since they suggest the possibility of an attempted reconfiguration of relationships between state, public services and civil society. New Labour has tended to be discussed in terms of the contradictions around its attempt to develop a new form of economic settlement, modelled on the Third Way. Equally significant, have been the tensions within Labour's attempt to forge a new *social* settlement. Such a social settlement, aimed to overcome the social divisions and dislocations produced by neo-liberal reforms of the 1980s, but was not viewed as a return to that settlement on which the post war welfare state had been based. Labour's approach to welfare policy and the renewal of 'the social' (Driver and Martell, 1998) was shaped alongside a recognition of the impact of social changes around the family, and the 'multi-cultural' character of Britain as a nation. There was an attempt to appeal to new constituencies - women, black and minority ethnic communities, disabled people, lesbians and gays, and especially the young - while seeking to shed the image of class based politics associated with 'old' Labour.

In discussing new Labour and governance, I am concerned with such questions of the governance of the social, as well as the more conventional focus on network based forms of economic and policy coordination. Governance is an analytical concept, giving rise to questions about shifting forms of power and authority, patterns of relationship, as well as rights and obligations. Governance theory wrestles with the problem of governing in complex and differentiated societies. Societies in which notions of nation and citizenship are no longer stable, in which the local and the global interact in dynamic processes of structural change, and in which tensions around questions of culture, nationality and identity are becoming increasingly evident (Newman 2001). It has become a rather promiscuous concept, linked to a wide range of theoretical perspectives and policy approaches (Rhodes 1997, Pierre and Peters 2000). One strand of theory, predominantly drawn from UK public administration, views governance as a network based form of coordination, partially displacing coordination through markets or hierarchies. The second strand, emerging from continental Europe, attempts to conceptualise the pattern of state-society interactions in societies, characterised by complex patterns of mutual dependence and 'co' governing arrangements. The third is drawn from post-structural theories of governmentality. Rather than focusing on the demise of state power, the emphasis here is on the reconfiguration of power, through shifting patterns of knowledge and control. Below I outline each strand of

theory, and those theoretical challenges raised by each, before going on to suggest what each might contribute to an analysis of 'new' Labour.

From government to governance?

The UK literature has tended to focus on the fragmenting effects of the New Public Management, and the emergence of 'new' modes of governance. The idea of a shift from markets and hierarchies towards networks and partnership as modes of coordination is a dominant narrative. Rhodes (1997, 1999, 2000) and Stoker (1998, 1999, 2000), e.g. discuss the emergence of new forms of governance, as a response to the fragmentation of the public realm, and the proliferation of new, self-regulating processes of coordination. Networks, it is argued, represent a departure from the traditional forms of governance, through state hierarchies or through self-regulating markets. The predominant narrative is one of a shift from government (through direct control) to governance (the indirect pursuit of effects through other agents). This shift is located in broader patterns of economic and political transformation. It is argued that the capacity of governments to control events within the nation state, has been influenced by the flow of power away from traditional government institutions. Upwards to transnational bodies, and downwards to regions and sub regions. This has produced what has been termed the 'hollow state' (Rhodes 1994). At the same time, the old mechanisms of control-through-hierarchy have been superceded by the rise of markets during the 1980s and early 1990s, and by the increasing importance of networks and partnerships from the mid 1990s onwards. The state, it is argued, can no longer assume a monopoly of either expertise, or of those resources necessary to govern, but must rely on a plurality of interdependent institutions and actors, drawn from within and beyond government.

The idea that markets, hierarchies and networks form alternative strategies of coordination, is a central theme in this literature. Different modes of governance are likely to coexist, with different institutional combinations in specific nations, but with networks becoming increasingly significant (Gamble 2000). Literature tends to assume a historical shift, in which bureaucratic hierarchy is superceded by market relations, and then by networks (forms of collaboration, partnership and alliances) that promise to overcome the limitations of both hierarchies and markets. This could be viewed as a narrative of change, that mis-remembers the past, and that presents an over tidy view of the present, or future. Other critiques contest how far state power has been eroded, arguing that the emergence of new ways of governing represent an adaptation by modern states, to their environment (Pierre and Peters 2000), or highlighting new forms through which state power is exercised (Jessop 2000). Nevertheless this approach has produced a richly detailed body of empirical work, studying the process of governance in specific policy areas, and in particular localities. E.g. research carried out under the ESRC Local Governance Programme (1992-7), found that network based patterns of interaction had become increasingly important, leading to the conclusion that local government had been transformed into a system of local governance involving a plurality of organisations across the public, private and voluntary sectors (Stoker

1999, 2000). Other studies have focused on the developing role of policy networks (Marsh, ed, 1998; Kickert, Klinj and Koppenjan, 1997) and on the development of regional governance regimes (Elcock 2001).

In many ways, Labour's approach to governance seems to correspond with propositions drawn from this body of theory, and to reflect many of the propositions set out in the previous section. The 'pragmatic' politics of the Third Way is based on an explicit rejection of both predominantly hierarchical, and predominantly market-based, modes of coordination. Labour emphasised the value of partnership as a way of delivering services, stressing both the need for collaboration between the public and private sectors, and the importance of voluntary and community based organisations, those working in partnership with the statutory sector. The language of partnership has been used to re-label contractual or outsourcing arrangements between the public and private sectors. Partnership working has been a crucial element of Labour's strategies for crime and disorder, health and social care and other modernising reforms (Department of Health 1997, Home Office 1990, 1999; Social Exclusion Unit 1998).

However, this is not the whole story. The idea of a shift from governing through hierarchy to network based forms of governance, tends to simplify complex and often contradictory shifts.

E.g. partnerships are positioned in a field of interactions, between centralising and decentralising tendencies. The range of forms of coordination that underpin partnerships, as a policy approach under Labour, suggests that partnerships, as means of delivering policy, must be distinguished from network forms of governance (Newman 2000). While Labour has sought to influence a range of policy actors, in the shaping and delivery of public policy, there has also been an intensification of a 'command and control' style of governing. Alongside a partial dispersal of power, that power has become concentrated through a range of measures: e.g. the growth of audit and inspection, the threat of removal of powers for 'failing' schools, hospitals and local authorities, and the growth of units within central government, directly under the control of the Executive. There have been significant tensions within the Labour party and government, around regional government, and the development of multiple tiers of governance has been accompanied by substantial conflict over political power. Alongside the partial decentralisation of power, the Labour administration has been characterised by a re-centralisation of political control over sub-national tiers and over the party itself. Before discussing the implication of such tensions, I want to go on to explore Labour through another, albeit related, theoretical lens: the systems theory used to conceptualise state-society interactions by Kooiman, and others working in continental Europe.

Governance as new state-society interactions

Here the contemporary focus on governance can be understood, as a response to the challenge of governing complex and fragmented societies. The emergence of new governance processes and relationships are viewed as adaptations to

changes in the social system, that pose new demands on, and raise new possibilities for, the processes of governing. Growing social complexity, the development of greater access to information, and other social changes make the task of governing more difficult. Complex social issues (such as environmental protection) elude traditional approaches to governing.

As in the U.K literature, the emphasis is on change. Kooiman (1993) argues that there has been an attempt by governments - in the UK, the US and across much of western Europe - to shift the focus away from the state itself, towards various forms of co-production with other agencies, and with citizens themselves. This is because no single agency, public or private, has all the knowledge and information required to solve complex problems, in a dynamic and diverse society. No single actor has the power to control events in a complex and diverse field of actions and interactions. Rather than government acting alone, it is increasingly engaging in co-regulation, co-steering, co-production, cooperative management, public-private partnerships and other forms of governing, that cross the boundaries between government and society, and between public and private sectors (Kooiman 1993 p 1). The tasks of steering, managing, controlling or guiding are no longer the preserve of government, but are carried out through a wide range of agencies in the public, private and voluntary sectors. Those acting in conjunction or combination with each other. Increasingly governance comes to be exercised through what Kooiman terms 'co' arrangements - co-governing, co-steering, co-operating etc. These arrangements operate at different levels of governing (macro, meso and micro) and Kooiman explores the complexity of their interaction, rather than assuming that new governance processes displace the need for 'meta governance' by the state. As a consequence, governance processes are depicted as 'heterarchical' in character, comprising diverse vertical and horizontal relationships.

In contrast with the work of UK political scientists, this model highlights the importance of the *social* relations of governance. It shifts the focus of attention beyond economic structures or processes towards a much broader concern, with issues of citizenship, concepts of community, and the equilibrium of social systems. Our understanding of the pattern of interaction in social systems is greatly enhanced by the use of Kooiman's concepts of *complexity, diversity and dynamics*. However, these concepts are constrained by the cybernetic, or systems based theory, in which they are located. So, diversity is understood as a characteristic of the entities in the system, rather than referring to differences that are relational, produced by social and political practice. Gendered or racialised differences might be construed as formal properties of elements within the system, rather than as socially constructed distinctions and positions (see, for example, Saraga, ed, 1998). Complexity refers to the 'architecture of the relations between parts', but typically does not treat these relations (and thus the system) as formed in and through contradiction and antagonism. Dynamics refers to the interplay of different forces, working at the same time within the social system. However the question of tensions, antagonisms and contradictions in social formations, and how they may become the focus of social and political mobilisation, is not one which Kooiman seeks to address.

The strength of Kooiman's model lies in its capacity to highlight the complexity of governance processes, relationships and levels. However its close links with systems and cybernetic theory produces a tendency to view systems as inherently adaptive or self balancing, rather than as the site of unresolved conflicts or tensions. That is, it tends to marginalise the role of politics, in creating temporary alliances across conflicting interests, or in forging periods of consensus that can be fractured as social, cultural and political conflicts re-emerge. However this perspective is important for my analysis, because it helps to illuminate the emphasis by Labour on co-governance. There is evidence of different tiers of government - in Scotland, Wales and Northern Ireland, at regional, city and local levels - engaging in what might be termed 'negotiated self-governance'. Labour set up a very large number of policy review and consultative forums in its first years of office. Thus signalling a further extension of the role of policy networks at the heart of government. It also sought to draw a wider range of actors into the process of tackling complex, cross cutting social and economic problems: e.g. in initiatives social exclusion, the New Deal for Communities, the Sure Start programme and other locality based initiatives. Labour's emphasis on public participation and democratic renewal appears to suggest a new emphasis on collaborative governance. New forms of democratic practice based on community initiatives and the direct involvement of the 'third sector' (not just as service providers, but also as policy shapers) reflect Labour's normative discourse about inclusiveness and public participation. Notions of reciprocity, inclusion and involvement are key ideas in Labour's vocabulary, reflecting its goal of establishing a more consensual basis for state-society interactions.

The notion of governance as a self balancing system is also relevant to understanding some aspects of Labour's approach. The replacement of Compulsory Competitive Tendering by Best Value, represents a partial move from hierarchical control to co-steering. In as much that local authorities are encouraged to shape their own performance improvement strategies across all services, rather than being subject to mandatory competition in designated service areas. Public Service Agreements, based on the idea of long term targets, negotiated between the Treasury and individual Departments, have now become extended to local government. They represent the development of a significant element of co-steering, countering the dominant trend of imposed, top down, short term targets.

However, the Labour government is involved in much deeper processes of top down, hierarchical control than the 'meta-governance' steering role, as envisaged for the state by Kooiman. The process of realigning and dispersing state power has interacted with, rather than displaced, a process of concentration, and the exercise of more coercive and direct forms of control. Such coercive strategies are evident in the government's attempted control over the Labour party itself, and over the actions and statements of ministers and back bench MPs. They are evident in its strategies for public service reform, in health and education. There a plethora of targets, standards and performance indicators continue to cascade from the centre, backed up by an ever expanding army of inspectors, auditors and regulators. They are evident, in its attempt to place its own favoured candidates in crucial positions,

in sub national tiers of government. This attempted concentration of power produces particular challenges for understanding the process of change. For example, the prescriptive policy climate in which participation exercises have taken place, mean that the scope for participation so as to contribute to a more open and reflexive style of governance is limited. Rather than asserting or rejecting the notion that there has been a fundamental shift, it is necessary to ask how different processes - of centralisation and dispersal, of enabling and controlling, of loosening and tightening - coexist. What might the consequences be? I return to these questions in the final section.

Governance and governmentalities

Theories of governance that focus on the self-steering capacities of networks and partnerships, or on the adaptive capacity of social systems, tend to marginalise issues of agency and individual, institutional and state power. Rhodes (1997, 2000) develops a concept of power, based on power dependence and games theory so as to explain what happens *within* networks, in relationships between those involved in collaboration and partnership. However, the predominant narrative is that of the emergence of organic processes of coordination. As Peters puts it, "If the old governance approach creates a straw person of the unitary state as motivator of the action, the decentralised, fragmented approach of the new governance appears to have little with which to force the action. Something may emerge from the rather unguided interactions within all the networks, but it is not clear how this will happen, and there is perhaps too much faith in the self organising and self coordinating capacities of people" (Peters, 2000 p 45). This is a generic weakness of the cybernetic and systems based theories, on which much of the writing on governance is located. While it is helpful to highlight the dispersal and fragmentation of power, this does not mean that it should disappear from the analysis.

A rather different perspective on power is offered by post-structuralist theory. Rather than debating whether the state's power has been 'hollowed out', or dispersed through a plurality of agencies. It directs attention to the kinds of knowledge and power through which social activity is regulated and through which actors - citizens, workers, organisations - are constituted, as self-disciplining subjects. Much of this theory is directed towards understanding the shifts associated with the rise of neo-liberal strategies in the UK, USA and elsewhere. The break up of large bureaucracies, the introduction of market or quasi-market mechanisms into the delivery of services, and the privatisation of many functions. Those previously viewed as the responsibility of the state itself were accompanied by the development of new patterns of control directed towards the construction of 'self regulating' autonomous actors. As Rose and Miller comment, "relocating aspects of government in the private or voluntary sectors does not necessarily render them less governable" (1992 p 200).

The focus on governmentality reflects a concern with governing, as the practices of managing populations and their conduct. At the same time it

displaces, or decentres, government and/or the state within the analysis by insisting that 'governing' takes place through multiple agencies, relations and practices (Dean, 1999; Barnes et al 1999). This strand of theory highlights the diversity of the agency, through which these processes take place, and the value of attending to those techniques and technologies, through which governance is conducted. Rather than the reduction of government promised by neo-liberal regimes, such changes can be understood as the dispersal of governmental power across new sites of action, augmented through new strategies and technologies. Post-structuralist theory illuminates the processes through which forms of knowledge and power become linked to individual subjectivities: power is viewed as productive rather than coercive. So, for example, the neo-liberal reforms of the 1980s were linked to new governmentalities, through which subjects were constituted in new ways. With professionals recast as managers, and citizens recast as the consumers and customers of services.

This strand of theory foregrounds the study of multiple and complex apparatuses, knowledges and regimes of practice, through which governing takes place. By doing so, it tends to produce an over-unified conception of governmentalities, as coherent formations. Nevertheless post-structuralist theory is important to my analysis, because of the way in which it directs attention, beyond the state and the operation of formal political authority. It can illuminate the complex apparatuses and strategies involved in the construction of new governance practices across a range of different sites: in schools, regeneration initiatives, local strategic partnerships, consultative forums, preventative health programmes, inspection and audit processes, as well as the formal bodies of the state itself. Such theories also transcend the normative emphasis of much governance theory, in that they highlight the modes of power underpinning new technologies, including those based on the apparent 'empowerment' of subjects to regulate themselves. They help to conceptualise the forms and flows of power involved in 'governing at a distance', and to disclose the extension or multiplication of strategies.

Such strategies were not necessarily successful, and the outcomes of the reforms are still debated. Nevertheless, theories of governmentality help to illuminate the flows and relations of power under new Labour. Labour installed a range of strategies directed to 'governing at a distance': the intensification of the discourse of failure, the expansion of the audit and inspection culture, the proliferation of standards and quality regimes, and the introduction of incentive-based funding regimes. This aimed to produce particular forms of calculation and control within organisations, and to prioritise particular forms of judgement and action. My argument here is not about whether these strategies have positive or negative consequences. It is about whether the dispersal of power across a plurality of organisations, those delivering public services, is best understood as a withdrawal of state power, or rather, as its extensions through new discourses and practices.

Similar arguments might be made in relation to the enlargement of the range of actors, those involved in shaping policy and delivering services. The growth of

partnerships and the extension of public participation in decision-making might, in the governance literature, be regarded as evidence of a shift towards co- or self-governance. In political or managerial discourse, such shifts might be described as the 'empowerment' of individuals, communities and organisations. However, post-structuralist theory would not view them in terms of the empowerment of free actors. Rather, as an enlargement of the range and penetration of state power through the constitution of new forms of 'responsible' subject. The government may be giving up some forms of direct control, but, by drawing a wider range of actors into a more direct relationship with government, may be enhancing its influence and control. As such, post structuralist theory provides a sharp contrast with the normative view of networks, as the preferred mode of governance, capable of overcoming the disbenefits of both market and hierarchy. The view of power as productive also presents an important challenge to ideas of the empowered, 'self governing subject' in new governance regimes. Rather than the reduction of government, the shifts can be viewed as the dispersal of state power across new sites of action (Clarke and Newman, 1997). The ways in which the state practices empowerment - of actors to participate in decision making, of citizens to be responsible for their own health decisions, or households for the provision of their own welfare needs - might be understood in terms of new strategies of regulation and control.

The discourses of 'public participation', 'partnership' and 'joined up government' create new understandings of what it means to be a public service worker under Labour. Much as 'consumers', 'contracts' and 'competition' did under Thatcher. These discourses provide new legitimate subject positions and identities for social actors, even though they do not directly determine social action. Patterns of relationship and hierarchies of knowledge are being reshaped, and those new spaces and sites of action that cannot be controlled from the centre are opening up. This body of theory also highlights the capacity of social actors to appropriate officially sanctioned forms of knowledge and power, in order to strengthen and legitimate counter discourses.

Thus, the dispersal of power does not mean the erosion of power. Post-structuralist theories of governmentality highlight the importance of discourse, and its role in the constitution of new forms of subjects. As responsible citizens in the 'modernised' welfare state; as organisations in the new partnership arrangements for the delivery of public policy; and as communities charged with the responsibility of solving their own problems. It is already possible to trace the attempt to constitute new forms of subject through a series of dualities: between active, working citizens and the 'socially excluded', or between responsible (job seeking) recipients of welfare benefits and those who do not deserve state support. The category of 'consumer' as empowered subject has been amplified through the discourse of modernising services. At the same time notions of community are being invoked in discussions of the moral citizen, constituted in relationships of mutuality and reciprocity with others, and taking responsibility for social problems.

The limits of governance: New Labour and politics of governing

Labour's approach to governing cannot be understood through the concepts and propositions of either governance theory or post-structuralist forms of analysis alone. Though each offers important insights, each is rooted in attempts to analyse *long term* and *trans-national* shifts in the governance of western states, in the late 20th century. While the UK Labour government can be located in the context of global economic trends, and long term shifts in the role of nation states, it also represents a *specific* political conjuncture. This conjuncture has been shaped in the context of the historical trajectory of UK politics. The characteristics of the UK state, and the pattern of political alliances and interests, from which Labour as a political party has attempted to remake itself.

As well as describing and analysing Labour's discourses, it is necessary to ask why *these* discourses in *this place at this time?* (Clarke and Newman, 1998). The formation of 'new' Labour was as much about a struggle to establish new political ideas (the 'Third Way', 'modernisation') and representations of the nation ('the people' as a consensual unity; organisations as partners in 'joined-up' government) as it was about new policies, institutions and practices. Its ideology traces the super-ordinate importance of the global economy, as the context in which economic, welfare and social policies must be shaped. It has sought to reconfigure representations of 'the social' around ideas of social inclusion and exclusion, rights and responsibilities. The public realm has been re-imagined through the imagery of communities and citizenship. Of democratic renewal and public participation, an imagery overlaid on the individualised metaphor of the consumer which had gained dominance in the Thatcher years. The interface between intention and realisation, between the formation of the new and the continuance of the old, continues to be articulated through a struggle for ideas.

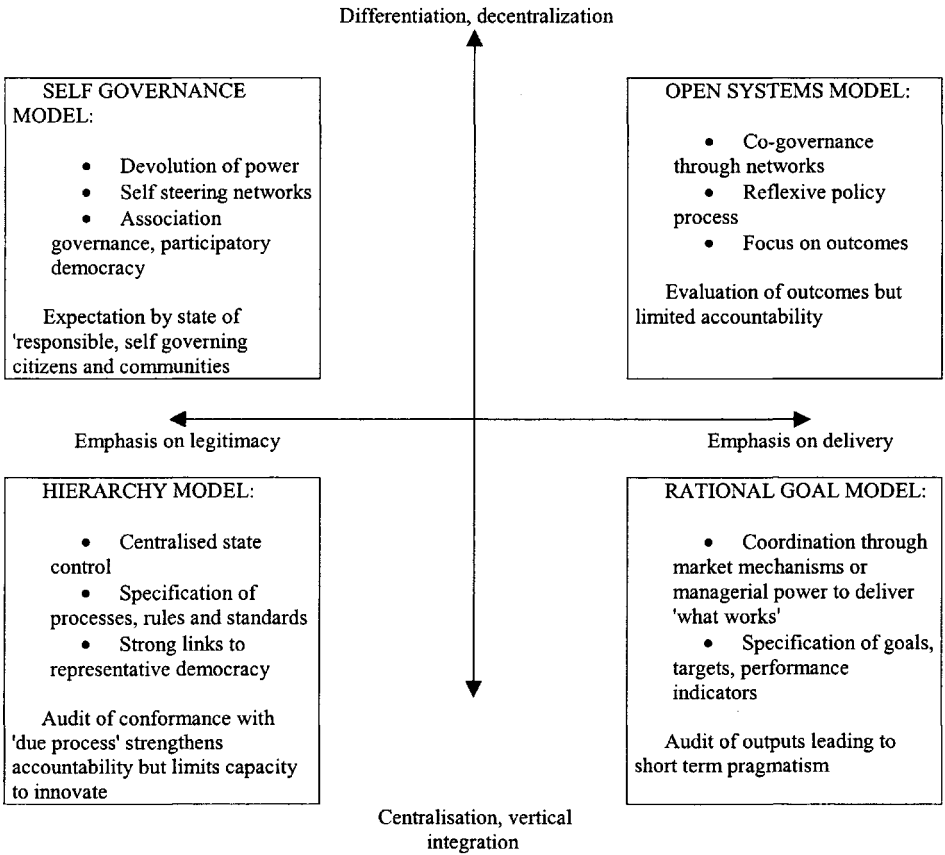
A normative concern with appropriate or effective governance tends to overlook these specifically political dimensions of the state. By 'political dimensions' I do not mean just the politics of a multi-levelled, multi-tiered or dispersed set of government institutions. I also use it to highlight the politics of the wider public realm, and the patterns of inclusion and exclusion, on which it is based. It is noticeable that theories of governance fail to deal adequately with the problematic and contested nature of concepts such as 'citizens' or 'society', and the shifting patterns of inclusion and exclusion, on which they are based. In particular, the conceptualisation of governance, and the analysis of the institutions of government tend to take little into account of the dissolution of post-war social settlements around gender, race and class. This dissolution has led to a broader set of issues around diversity, complexity and dynamics, than that which runs through the governance literature. So I want to argue for a broadening and deepening of governance theory so as to address the kinds of theoretical issues raised in this paper. In doing so, I am appropriating Kooiman's concepts of complexity, dynamics and diversity, but am using them, in a way other than that which he intended.

Complexity

Social change can be viewed as a process in which different - and not necessarily coherent - trends and tendencies interact in combination, producing fields of tension within the process of governing. Such tensions are not confined to governance under New Labour, but are negotiated in particular ways in its approach. Labour has sought to create both a new social settlement based on consensus and inclusion, and a more coercive and conditional welfare regime. It has attempted to ensure the consistency and efficacy of policy delivery, by setting and enforcing performance standards, while at the same time seeking to institutionalise new forms of co-steering and co-governance, through partnerships and community capacity building. It has sought to send out a strong and consistent set of messages from the centre, while also fostering public participation and drawing a wider range of actors into the policy process.

To help conceptualise the dynamic interplay of different sets of tensions, *Modernising Governance* (Newman 2001) sets out a framework through which the interaction between multiple models of governance might be explored. This set out four models of governance, representing different flows of power and authority, forms of relationship, and conceptions of social action. (FIG 1). Each model is based on distinctive discourses, embodying specific forms of language, practice and relationship. Each is associated with particular logics of decision making that guide and coordinate action, and with specific forms of authority and conceptions of responsibility and accountability. These are not readily compatible. For example the form of accountability embodied in hierarchical governance - upward through vertical, departmental chains of command to the relevant Minister, with an emphasis on accounting for expenditure. This forms one of the institutional barriers to joined-up government and an open, reflexive approach to policy. The devolution of power and responsibility implied by the 'self-governance' model is not readily compatible with the managerial forms of power at the core of Labour's policies and strategies.

Fig 1: Models of governance



Labour's modernisation programme, then, cannot be viewed as a coherent, unified project representing a particular form of governance. It is rooted in conflicting models of governance which are overlaid on each other, in complex configurations. Each is based on a distinctive set of assumptions about power and authority, relationships between government and the governed, views about change, and sources of legitimacy. This produces deep contradictions within the implementation of the modernisation programme that produce tensions for practitioners. Those charged with delivering Labour's agenda. Indeed, the tensions between the different models of governance on which Labour's reforms are based, suggests that modernisation can best be considered a discursive strategy. It legitimises a range of different interventions, rather than a clear cut programme of reform.

Dynamics

The dynamics of change are, in part, forged out of the political contradictions that inform the tensions between different modes of governance. For example,

Labour's goal of securing long term solutions to complex, cross cutting policy agendas - e.g. poverty or public health - requiring an 'open systems', decentralised and network based approach - have been constantly undermined by the requirement that organisations deliver short term, sector specific goals (e.g. cutting hospital waiting lists) in order to deliver on electoral pledges. Its decentralisation of some forms of political power have been matched by a strongly state centric approach, buttressed by managerial discourses and rational management practices. The dynamics of change are also forged by political struggles over the boundaries of state power, in all forms. New discourses and practices involve conflict between different tiers of government, as the strong drive to centralise clashes with the rhetoric of, and claims for, local control and flexibility. The interaction between different levels and sites of power - local and central government, the voluntary and statutory sector, the front line delivery office and the HQ, the nation and supra- or sub- national governments. All can be understood as sites of conflict and resistance, rather than as components of self managing systems. In these terms, the interaction between Westminster, Scotland, Wales, Europe and the English regions can best be understood not as the evolution of a new, decentralised form of governance, but rather in terms of a struggle over who should govern, and with which areas of authority and autonomy.

The interplay of forces within Labour's unstable political settlement will also depend on the way in which government exercises its power. Jessop argues that

"The state reserves to itself the right to open, close, juggle and rearticulate governance not only in terms of particular functions but also from the viewpoint of partisan and global political advantage" (1998a, p.39).

This is an important point. It reminds us that any government will not only be concerned with shaping the activities of the state. Shaping, in order to respond to the challenges of governing in more complex societies, but will also strive to retain political support, win consent for its programme and be re-elected to office. It is not only concerned with building processes in order to support effective governance, but also with reproducing its own power to govern. These two goals may be in considerable tension, and exercise a profound influence on the dynamics of governance.

Diversity

Here I want to suggest the importance of rethinking 'governance' as a gendered and racialised domain. Notions of 'the public', 'community' and 'citizenship' are structured around particular (gendered) notions of family and the public, and (racialised) notions of nation and citizenship. Other lines of division - around disability, age, sexuality, class and so on - are equally significant. Feminist, anti-racist and other 'new social movements' ask important questions of governance at two different levels of analysis. One level concerns questions about 'who governs'. Liberal ideology claims that those elected to representative assemblies are un-gendered and un-racialised beings, able to represent the totality of the population they serve in a non-partisan way. Radical politics disputes this claim and highlights the disproportional exclusion of women and of black and ethnic minorities, claiming that this matters in both symbolic terms (the capacity of

different groups to identify with 'government') and in material terms (the impact of policy and financial decisions on different groups).

A second, and less visible, level at which notions of the new governance fail to acknowledge issues of diversity, lies in the inclusionary and exclusionary practices on which it is based. Networks and informal partnerships are notoriously difficult for some groups to access (Balloch and Taylor 2001). Public participation initiatives, while formally claiming to be open to diverse interests and identities, may be delimited by the individualising norms of consumerism and the rule bound rational discourse of liberal democracy (Newman 2001 ch 7). Challenges from 'outside' these norms may easily be deflected or incorporated. The emerging practices of governance through public involvement may also serve to reproduce dominant understandings of race and gender by replicating biological and essentialist group categorisations (Lewis, 2000b). Feminist perspectives highlight the problems resulting from the sharp separation between notions of 'public' and 'private', with many of those concerns or agendas significant to women being marginalised in, or excluded from, the public realm (Phillips, 1992). Women's disproportionate contribution to the informal political domain of community and social action may remain unrecognised (see, for example, Lowndes analysis of the gendered nature of social capital: Lowndes, 2000).

The governance literature is typically silent on such issues. Yet they are of central importance to the analysis of Labour, as it has attempted to reconcile divergent strands of politics. The politics of gender, 'race', disability and sexuality have informed Labour's attempt to build on critiques. Critiques of both neo-liberalism and social democracy, arising from the 'new social movements', and to carve out a distinctive style of politics which engages with social and cultural agendas. Yet these forms of politics have become increasingly marginalised, as Labour has attempted to hold together its fragile alliance of progressive and conservative forces. At the same time to appeal to 'middle England', as well as its new cosmopolitan, metropolitan supporters, not to mention its traditional constituencies. The politics of the last five years suggests that notions of gender, ethnicity, sexuality, and nationhood are crucial points of disruption for Labour. Crucial as it has attempted to forge a politic that reconciles tradition and modernity.

Conclusion

My aim within this document has been to examine the processes through which a new government sought to steer, direct, lead and coordinate actors. Both within and beyond government, in the struggle to deliver its political objectives. Certainly Labour appeared to be engaged in a rather different process of state restructuring and transformation than those based on neo-liberal conceptions of the minimalist state under Thatcher. To understand the shifts in governance - if any - that Labour represents, I have argued that it is necessary to draw on multiple strands of theory. First, I have suggested that different strands of governance theory each have something to offer, to the way in which Labour has attempted to

engage with the processes of governing a complex, 'modern' society. The UK public administration stream offers important insights into the growing significance of collaboration and partnership under Labour, and its attempt to influence a wide range of agencies in order to steer responses to complex, cross cutting policy agendas. The systems theory of Kooiman and others suggests ways of highlighting Labour's emphasis on public and community involvement in 'co'-governance arrangements, and its attempt to the capacity of the public policy system itself. However, I have also suggested that post structural theory provides an important counterbalance to the normative tendencies of some forms of governance theory, and challenge the dominant conceptualisations of the dispersal of power. Finally, I have thrown down a challenge to governance theorists: how to extend and develop the theory so as to produce a reading of complexity that highlights tensions and contradictions, a more 'social' concept of diversity, and a more political concept of dynamics.

However, two tricky theoretical difficulties remain. The first is whether or not it is possible to think in terms of more than one form of theory at once, or whether these represent what Aldrich (1992) terms 'incommensurable paradigms'. The second is how far it might be possible to expand the limited horizons of public administration theory, in order to encompass more complex conceptualisations of 'the social'. Do post-modern accounts, cultural theory, feminist theory, post-colonial theory and other emerging developments outside public administration have a contribution to make to the future development of governance theory?

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Comparing Professional Policy Networks: the legal and policing professions in England and Wales

Stephen Cope & Peter Starie *

This essay examines two professions within the criminal justice policy sector in England and Wales - namely, the legal and policing professions - and charts repeated, government attempts to reform these two professional networks. It uses the policy networks model as a way of understanding the impact of such reforms upon the legal and policing professions. It critically assesses the utility of the increasingly ascendant, and even dominant, policy networks model in explaining policy change. The essay first outlines the policy networks model, and the refinements made to the model in light of criticisms. Then it examines the role of the legal and policing professions in the criminal justice policy network, and the reforms that have shaped these professions. Finally, it provides an evaluation of the policy networks model, in light of the aforementioned empirical examination.

1 Introduction

This essay examines the legal and policing professions within the criminal justice system in England and Wales, and assesses the usefulness of the policy networks model as a way of understanding policy reform. The essay first outlines the policy networks model, both the old and new models; then examines the changing roles of the legal and policing professions in the wider criminal justice policy network; and, finally, evaluates the policy networks model in the light of empirical evidence.

2 Policy networks models and governance

There is now a rich vein of literature on policy networks, reflecting the embeddedness of network analysis, in policy analysis as well as sociological analysis[1]. The policy networks model has been used extensively by political scientists, initially as a way of understanding policy-making in government ,particularly, intergovernmental relations and pressure group-government relations, and later as a way of understanding governance[2]. British and American approaches have tended to focus on the analysis of intergovernmental relations, interest group intermediation and subgovernments; German approaches have concentrated on networks as an emerging and functional mode of governance; and the Dutch literature has also focused on networks as a mode of

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governance, emphasising the various mechanisms of managing networks for public policy. This essay is written within the broad framework of British approaches, but does examine the rise of network analysis in terms of the changing context of governance.

The rise of the policy networks approach coincided with the rise of governance, both as an empirical trend and as a theoretical perspective. In the words of Pierre:

"Governance has a dual meaning; on the one hand it refers to the empirical manifestations of state adaptation to its external environment as it emerges in the late twentieth century. On the other hand, governance also denotes a conceptual or theoretical representation of co-ordination of social systems and, for the most part, the role of the state in that process"[3].

Rhodes argued that Britain is no longer a unitary State but a "differentiated polity" ... characterized by functional and institutional specialization and the fragmentation of policies and politics"[4]. Governance reflects the view that Britain is no longer governed from one place, but instead is governed from many places. Following Pierre and Stoker:

"Governing Britain - and indeed any other advanced western democratic state - has thus become a matter of multi-level governance. To understand the challenge of governing requires a focus on multiple locations of decision-making - in both spatial and sectoral terms - and the way in which exchanges between actors in those locations are conducted and managed"[5].

There is thus a highly complex and dynamic set of interdependent, and consequently interconnected actors, cutting across different levels of government and different sectors of society, involved in governing. Governments do not govern on their own; they increasingly rely on other actors to govern society. For Rhodes, networks are "central to the analysis of governance"[6], and governance can be seen as "self-organizing interorganizational networks" [7]. Governance, then, is all about steering a myriad of networks, consisting of a maze of interconnected actors.

2.i The old policy networks model

The policy networks model in Britain originated in an attempt to explain relations between central and local government and between government and pressure groups. It stressed the importance of disaggregating the policy-making process into discrete policy sectors. The power-dependence model of interorganisational relations is central in understanding the policy networks approach. This model assumes that all organisations are dependent on others for resources, and, therefore, organisations need to exchange resources for them to achieve their goals; such exchanges of resources involves bargaining within, and between, organisations. This interdependence facilitates the construction of policy networks, because actors within a policy sector are dependent upon each other for resources and are, thus, connected together as a network.

The policy networks model acknowledges that policy-making is not uniform across government, because network structures vary considerably between policy sectors. The number of interested policy actors, their goals and resources, and their consequent relations will depend significantly upon the different traditions, routines and environments of policy sectors, as well as issues within policy. As

policy-making has become more complex, governments rely increasingly upon professional associations, pressure groups, think-tanks and private sector companies for the formulation and implementation of policies. Indeed Weir and Beetham argued that "organised interests and professional groups play a significant and often dominant role in government policy-making"[8].

Government is functionally and institutionally fragmented at the national, subnational and supranational level, thus making the task of centrally steering government difficult. This fragmentation within government reflects the lack of control that the core executive can exert over government. The core executive, embracing such actors as the Prime Minister's Office, Cabinet Office and Treasury, can only attempt to "police the functional policy networks"[9]. The core executive is relatively weak, not strong, because "power-dependence in policy networks is a cause of executive segmentation" [10]. As a result of segmented government and fragmented governance, a myriad of relationships of mutual dependence exist between actors within government and between government and non-government actors within a policy sector, involving exchanges of resources in the making of public policy. Following de Bruijn and ten Heuvelhof, a policy network is "an entity consisting of public, quasi-public, or private actors who are dependent on each other and, as a consequence of this dependence, maintain relations with each other"[11].

Rhodes developed a typology of different kinds of policy networks along a continuum ranging from a policy community to an issue network. The distinction between policy communities and issue networks is based upon "their integration, stability and exclusiveness"[12] - see Figure 1 below [13]. A *policy community* represents a relatively closed, consensual and tightly-knit network of policy actors, that is characterised by policy continuity, consensus, limited membership, significant resources held by all actors, and a relative balance of power between actors. An *issue network* embraces a relatively open, conflictual and loosely-bound network of policy actors, that is characterised by policy instability, conflict, wide and relatively open membership, an imbalance of resources held by actors, and unequal distribution of power between actors.

Figure 1: Continuum of Policy Networks

POLICY COMMUNITY		ISSUE NETWORK	
stable membership		fluid membership	
highly insular		highly permeable	
strong dependencies		weak dependencies	

2.ii The new policy networks model

The policy networks model has become the dominant approach in understanding policy-making in government. It captures the complexity and interdependence of actors involved in shaping public policy, and sees policy as being made within a series of interconnected policy networks comprising

interested and interdependent actors drawn from inside and outside government, though mediated by the core executive. The virtue of the old policy networks approach lay in its ability to map the policy-making process and provide a typology of the different types of relationships between policy actors, such as interest groups and government.

However, though the old policy networks model provides useful insights into how policy is made, and not made, it has not escaped criticism. Dowding argued that the policy networks model is "essentially metaphorical", relying on a set of images to visualise relations between actors within a policy network[14]. The three main criticisms that have been levelled at it, are firstly, that it is essentially descriptive; secondly, that it is a meso-level concept which has not been sufficiently articulated and integrated with micro- and macro-level analyses; and thirdly, that it fails to adequately explain social and political change.

First, critics have argued that the old policy networks model is far better at describing, than explaining, policy-making. The model is useful in making sense of a seemingly complex and chaotic policy-making process, often characterised by inclusion, and exclusion, of actors, interdependence of actors, and exchange of resources between actors. However, the old policy networks model cannot provide answers to questions about the formation of preferences of actors, and the distribution of resources between actors. It is useful in understanding how things get done, or not done, but not very useful in understanding why things get done, or not done. Second, there is a consensus that the old policy networks model is a meso-level model examining relations between actors within the State, and also between State and non-State actors, in making public policy[15]. The model is firmly consistent with the neo-pluralist tradition from which it stemmed, stressing the significance of pressure groups in the policy-making process, and the importance of disaggregating the State to explain policy-making. However, the old policy networks model, though seeing policy networks as "structures of resource dependency"[16], proved weak at placing such structures within wider structures, such as economic structures, that shape patterns of power-relations between actors, within policy networks. Increasing globalisation, Europeanisation, privatisation and managerialisation of policy-making have had a significant impact on policy networks, yet the old policy networks model largely regarded these developments as exogenous factors impacting upon a policy network, without unravelling how these factors actually impacted upon a network and, moreover, how actors within a network reacted to these so-called exogenous pressures. The approach, if it is to fully explain policy-making within governance, needs to be integrated with more micro-level, and macro-level, forms of theoretical analysis. This multi-theoretical analysis is beginning slowly to take shape in the form of the new policy networks approach[17]. Third, in the earlier literature it was easy to leave with the impression that policy was made by a relatively exclusive set of interdependent and entrenched actors within a policy network, and that because policy-making was closed, routinised and stable, policy change was very difficult. Hay and Richards observed that policy networks are often portrayed as "static, indeed torpid phenomena"[18]. This impression was not consciously sought by the proponents of the old policy networks model, who have long noted, particularly

within issue networks, that policy change takes place as a result of both endogenous and, moreover, exogenous pressures. However, what was problematic was that the model failed to sufficiently explain change within policy-making. If change is brought about by endogenous and/or exogenous pressures, then, the policy networks model lacked theoretical power to explain such changes, not least because "the distinction between exogenous and endogenous factors is difficult to sustain"[19]. As a meso-level approach, it found itself in 'no-man's land'; it did not have the conceptual tools to explain policy change, and consequently failed to understand how policy networks sponsor, resist and react to change, by precisely specifying "the mechanisms through which change occurs"[20]. In response to this static representation of policy networks, two refined models of policy networks have been formulated as a way of explaining change within policy networks.

First, Hay and Richards developed a *strategic-relational* model of policy networks that recognised "the observable sequence of network formation, development and termination"[21]. There was an assumption in the earlier literature that policy networks were given entities; they just existed. This assumption was far more apparent in the discussion of the more stable policy communities than the more fluid issue networks. However, there was little discussion, never mind explanation, of how and why policy networks form. Following Hay and Richards, the idea of a network is neither neutral nor uncontested. They argued that "decisions to participate in networks are, in some sense, strategic"[22], and posited the following three ,strategic, and contextual conditions for network formation:

"(i)The recognition of the potential for mutual advantage through collective (as opposed to individual) action, i.e. a positive-sum game for all those participating in a particular network form;

(ii)The recognition of the potential for enhancing the strategic capacities of participant organizations through the pooling of strategic resources...;

(iii)The recognition and/or establishment of the conditions of network feasibility..." [23].

Second, Marsh and Smith offered a *dialectical* model of policy networks recognising "a dialectical relationship between the network and the broader context within which it is located" [24]. Their model recognises that "networks are structures which constrain and facilitate agents" and that "the culture of a network acts as a constraint and/or opportunity on/for its members" [25]. However, unlike the old policy networks model that tended to assume that network structures largely determine policy outcomes, Marsh and Smith argued that both structures and agents matter. They noted that "outcomes cannot be explained solely by reference to the structure of the network; they are the result of the actions of strategically calculating subjects", but they added that "these agents are located within a structured context, which is provided by both the network and the broader political and social-structural context within which the network operates and those contexts clearly affect the actor's resources"[26]. This dialectical model of policy networks acknowledges that:

***The broader structural context affects both the network structure and the resources that actors have to utilize within the network.*

**The skill that an actor has to utilize in bargaining is a product of their innate skill and the learning process through which they go.*

**The network interaction and bargaining reflects a combination of the actor's resources, the actor's skill, the network structure and the policy interaction.*

**The network structure is a reflection of the structural context, the actor's resources, the network interaction and the policy outcome.*

**The policy outcome reflects the interaction between the network structure and network interaction"[27].*

Marsh and Smith explicitly argued that relations between actors within a policy network, the structure of a policy network and the wider structural context surrounding a policy network are "interactive or dialectical"[28], thus accepting that micro-level and macro-level, as well as meso-level, forms of analysis are necessary in understanding how policy networks change.

The two new policy networks models, outlined above, represent a significant advance in understanding and explaining change within policy networks. The policy networks approach is thus a very useful way of understanding governance, and constitutes a relatively robust and sophisticated model of policy-making. The policy networks approach, as a result of concerted empirical application and considerable theoretical critique, has moved from descriptive to explanatory analysis.

3 The changing nature of professionalism

We now examine the changing nature of professionalism as a prelude to discussing the attempted reforms to the legal and policing professions. There has long been a debate about the definition of a profession and the concept of professionalism. Traditionally, the role of professions has been explained in terms of its traits and its functions. Increasingly, however, professions have come to be viewed as occupational groups which attempt to exclude others to protect their monopolies and privileges. Professionalism has come to be seen as occupational control over a particular market. However, this did not happen in a social and political vacuum. For professions to achieve autonomy and self-regulation, they needed to strike a bargain with the state. Following Seneviratne:

"In return for the licence from the state to carry out some of the dangerous and important tasks for society, the professions have claimed a mandate to define and control their own work, and to influence its content and delivery"[29].

Professionalism should, therefore, be viewed as a "socially constructed, contingent and dynamic concept that is capable of evolution"[30]. Moreover, it is crucially contingent on the changing nature of society and the state. Many commentators, therefore, have situated the changing nature of professionalism in terms of wider social and political forces. Perkin went as far as arguing that the current stage of civilisation is characterised by the 'rise of professional society', characterised by a struggle between public sector and private sector professionals with the latter coming out on top in the last twenty years[31]. Hanlon commented that, while this argument is persuasive in that there has been a "struggle for the

soul of professionalism”, this struggle transcends the public-private sector split[32]. He contended that there has been a battle between the established professions, previously less important professions, and newly emerging professions. He argued:

“This struggle revolves around whose definition of professionalism emerges as hegemonic.... This contest reflects wider socio-economic forces and represents a structural fragmentation of the service class based on different forms of economic sustenance” [33].

Thus Hanlon noted that we are living in an era of transition defined by a shift from a ‘social service professionalism’ to a ‘commercialised professionalism’, which broadly corresponds to the changing nature of capitalist production and a related transformation of the State. The changing nature of the professions thus reflects the shift from the Keynesian welfare state to the neo-liberal competition state. Hanlon squarely situated the redefinition of professionalism in the context of the New Right’s ascendancy since the 1970s. Professions have come to be seen much in the same way as trade unions - defending the privileges and monopolies of their members. Hanlon and Jackson commented:

“In short, the right wanted to destroy social democracy and because it saw the professions as a bulwark for this democracy it attacked many of the privileges the professions had taken for granted” [34].

While this analysis is also persuasive, it is too sweeping to explain the complexity of the changes that have faced individual professions. For instance, with regard to the legal and policing professions, lawyers and police officers cannot simply be classed in the same category as other social service professionals. Firstly, they - particularly, the legal profession - have been allowed by the State to exercise much more self-regulation. Secondly, they have not been as closely identified with the social democratic welfare State. Moreover, the changing nature of professions is part of a much wider trend than simply a right-wing ideological onslaught. In hindsight, the neo-liberal revolution, while initially propagated by right-wing parties, has proven to be a much more enduring and world-wide phenomenon, as proven by centre-left governments. Thus, our analysis follows that of Brazier, Lovecy, Moran and Potton’s broader analysis. They argued that the deregulation and re-regulation of the 1980s has its origins in the watershed of the mid-1970s. The economic crises that affected both Conservative and Labour Governments “produced a reform-minded coalition in the state élite”[35]. This meant that certain professions and other interest groups were vulnerable. They rightly commented that professions, such as medicine and the law, were particularly exposed to the ‘winds of change’ because they were “trying to defend regulatory arrangements created during a pre-democratic era in a society with democratic institutions and declining deference”[36]. However, they also correctly pointed out that the ‘winds of change’ did not hit all of the professions at the same time. Firstly, this would have been tactically naive. Secondly, and more importantly, some groups were more successful than others in holding off the forces of change because of the “quality of the alliances” they forged. In a passage strikingly reminiscent of much policy network analysis, but not utilising the terminology, they argued that the encroachment of the State has depended on the “character of the historical links between an occupation and the State machinery”.

For example, it is here that we can see that both the Bar, one part of the legal professional policy network, and the police have had structurally privileged roles within the State, and with key government departments, which has enabled these professions to resist change.

Thus, several conclusions can be drawn in terms of contextual analysis. First, broad trends can be discerned in terms of the changing nature of society and the State, but the manner in which these have affected the professions cannot be simply 'read-off' from these structural trends. Quite clearly, there has been a shift of power from the public to the private sector, and equally clearly, professionalism has become more commercialised. However, if there has been a general trend affecting all professions, it is more likely to be that of the new managerialism, which is closely linked to, but necessarily the same as, private sector commercialism. Nevertheless, the nature of these changes has not been uniform: some professions have been able to resist the tentacles of both the market and the State for a considerable time. The legal and policing professions have managed to resist many of these changes because of their close connections to the State and privileged alliances - in other words, their key position in their respective policy communities. However, by the mid-1980s, even these professions came into the firing line.

4 Reconfiguring the legal profession's policy network

The legal profession is undergoing its most profound transformation for many years. Traditionally, a powerful professional élite protected by the ideology of self-regulation, barristers and solicitors have, since the late 1970s, been simultaneously exposed to the forces of the market and the State. We begin by providing an overview of the changing relationship between the Bar Council and the Law Society, as it responded to various government initiatives. We will contend that these professional bodies formed a relatively cohesive professional policy network with parts of the State, especially the judiciary, until the 1980s. However, as the context changed - liberalisation of markets, deregulation and re-regulation - the nature of the network changed. The legal profession is now fragmented and divided when compared with its traditional structure.

We need first to disaggregate the legal profession into its two key component parts. In fact, the legal profession is two distinct professions, each with a separate professional body and regulatory framework: the Bar Council representing barristers and the Law Society representing solicitors. Although the two professions have had a common interest in maintaining self-regulation and resisting competition from external providers of legal services, their competing interests in the market for legal services have led to bitter jurisdictional disputes in recent years.

Solicitors enjoyed the benefit of statutory monopolies over conveyancing, probate and the right to commence or conduct litigation on behalf of another; whilst barristers had a monopoly over higher court rights of audience, that is, they had an exclusive right to appear as advocates on behalf of clients in the High

Court, the Crown Court, the Court of Appeal and the House of Lords. The judiciary were drawn from the Bar and close links between the two were maintained through the Inns of Court. Brazier, Lovecy, Moran and Potton observed that the power of a group to maintain its professional privilege “is closely connected to the historical connections between a group and the State machinery, and therefore to the quality of the alliances the group can forge in resisting reform”[37]. The relationship between the Bar and the judiciary, and between the Bar and the Lord Chancellor, was an alliance of the highest quality.

Solicitors were also linked into the alliance through complementary monopolies, and interlocking restrictive practices, that bound the professions together in their common interest. Solicitors were required to instruct barristers to appear on behalf of clients in the higher courts, and the Bar was exclusively a referral profession, accepting instructions solely through solicitors. Although the Law Society consistently challenged the Bar’s monopoly over higher court rights of audience, its own monopolies over conveyancing, probate and right to conduct litigation maintained a consistent market share for solicitors.

The legal professions were remarkably successful in maintaining their monopolies and restrictive practices up until the 1980s. However, this convenient accommodation within the legal profession as to the division of the legal services market came under increasing pressure. External shifts in the political agenda and in the professions impacted on the market for and delivery of legal services. This period saw a paradigm shift towards the new managerialism and the perception of the recipients of legal services as customers. The consensus between the two professions was finally broken in 1985 as the *Administration of Justice Act* abolished the solicitors’ conveyancing monopoly and permitted licensed conveyancers to undertake this area of work. Looking to protect its members from the potential loss of income from the break-up of this monopoly, the Law Society renewed its attack on the Bar’s exclusive rights of audience in the higher courts.

The Marre Committee on the Future of the Legal Profession was established by the Law Society and the Bar Council in 1986 in an attempt to reach a new accommodation within the two branches so as to hold off government-imposed reform and to preserve it from competition from other providers of legal services. However, the two branches of the legal profession failed to agree over the ‘rights of advocacy’ precipitating the intervention of the State in the form of the *Courts and Legal Services Act 1990*.

The reforms were worded in the language of the new managerialism. Whilst the Law Society welcomed the general principle that the Bar’s monopoly on higher court rights should be removed, both professions were united in their condemnation of the overall thrust of the proposals for undermining the independence of the legal profession and the judiciary. The legal profession successfully lobbied for a watering-down of the proposals. This was clearly due to the ‘quality of its alliances’ in the House of Lords, eg former Home Secretaries, senior judges, and the House of Commons, eg barristers. The *Courts and Legal Services Act* was significantly less radical than the preceding Green Papers. The proposal that the Lord Chancellor could determine the appropriate qualifications,

and experience for advocates, had disappeared. Changes to the professional bodies' rules and regulations still had to be approved by the Lord Chancellor but he was required to consult with four designated senior judges, any of whom could veto the proposed changes. Despite the compromises forced on the Lord Chancellor, the 1990 Act was a watershed. As Brazier, Lovecy, Moran and Potton commented, "the very fact of legislation [for barristers] is momentous"[38]. Significant inroads had been made into the principle of self-regulation. The Act removed the Bar's monopoly on higher court rights of audience, but more significantly permitted applications from other organisations to become authorised bodies, thus removing the legal profession's monopoly on litigation.

Neo-liberalism and the new managerialism did not, however, disappear with the election of a Labour Government in 1997 confirming our previous argument that these are trends which transcend party politics. After all, this was a *New Labour* Government that was elected with a clear agenda for reform of the civil and criminal justice systems. The twin aims of the 1998 White Paper, *Modernising Justice*, were to bring about a significant increase in access to justice and to obtain the best value for taxpayers' money spent on legal services and the courts. The Government proposed to abolish restrictive practices in order to increase competition between lawyers and ensure legal services were delivered at lower cost. As the Lord Chancellor argued in his speech to the Bar in 1999: "I have far too great a respect for the quality of my own profession to believe that, to flourish, it needs the protection of any restrictive practices"[39]. The prime targets were rules which prevented employed barristers and most solicitors from appearing in the higher courts. The White Paper also proposed a radical overhaul of the civil legal aid system, replacing the existing system with a mixture of contracting for legal services, conditional fees and legal insurance.

The response of many individual members of the Bar to the 1998 White Paper was as forceful as it had been almost a decade previously. High profile opposition came from retired Law Lords, Conservative barristers and Labour QC peers. This approach could be characterised as 'agenda resistance'. However, the Bar Council itself, led by Dan Brennan QC as Chairman, adopted an 'agenda reshaping' approach. The Bar Council publicly accepted that the profession could no longer defend its monopoly on historical grounds and took the position that barristers had nothing to fear from competition. It concentrated its lobbying efforts on ensuring the high quality of advocacy services and on the independence of the advocate being in the public interest. In return, the Lord Chancellor met the Bar Council's request for statutory authority to issue compulsory practising certificates, thus confirming the Bar Council as the pre-eminent regulatory authority over the Bar and ensuring a secure source of income for its activities. The Lord Chancellor acknowledged the Bar Council's contribution in his speech at the Bar Conference in 1999:

"Let me pay tribute to the positive approach the Bar Council took while the Access to Justice Act was before Parliament. The Bar, of course, opposed some parts of the Bill, and opposed them vigorously, not the least the proposals for some salaried defenders; but at all times there was constructive dialogue"[40].

The *Access to Justice Act 1999* implemented the main proposals of the 1998 White Paper. All solicitors and barristers are deemed to have rights of audience in all courts subject only to the education and training requirements set down by the authorised bodies. Whilst the Lord Chancellor must still consult the designated judges over proposed rule changes, their power of veto has been removed. The Act also gives the Lord Chancellor the power to 'call in' rules of the professional body, which do not appear to be in the public interest.

The reforms to the market for legal services set out in the *Access to Justice Act* have prompted another realignment and renegotiation of the relationship between the professions, and between the professions and the government. It seemed as if the power relationship in the legal professional policy network was moving in favour of solicitors and the Law Society. However, the Law Society's lobbying activities were, in 2000, overshadowed by the bitter and protracted dispute over the Deputy Vice President's alleged bullying and intimidation of Law Society staff, which culminated in her resignation. The Society's complaints and discipline body, the Office for the Supervision of Solicitors, continued to grapple with a backlog of 13,000 complaints under the shadow of the Government's threat to remove self-regulation. There are suggestions that some of the City law firms may be pushing to set up their own professional body. It is unclear to what extent the Bar will be able to retain its status as a referral profession in an environment where solicitors, its main source of work, are potentially in direct competition.

In terms of policy network analysis, the legal profession, although divided into two distinct professions with separate governing bodies, has traditionally formed a close working relationship over a number of years whereby both participants played by 'the rules of the game'. Moreover, one part of this intra-policy network, the Bar, had very close personal and structural connections with one part of the state, the judiciary. This meant that the issue of reforming the legal profession was often kept off the agenda. In terms of Rhodes's typology of policy networks, the legal profession, therefore, was a professional policy network at the 'policy community' end of the continuum. However, this changed in the 1990s due to the advance of the market and the State. The changing nature of legal services, and the greater heterogeneity of the legal profession and its consumers, means that the old, cosy 'policy community' is probably at an end, the profession now coming to resemble a looser issue network. This does not necessarily imply, as some commentators have argued, that the legal profession and, indeed the ethos of legal 'professionalism' is in decline. Rather, it means that the nature of the profession has been undergoing fundamental changes, some of them internal to the profession, some due to the changing nature of legal services, and some due to wider socio-economic and political factors. The legal profession and their representative bodies are renegotiating their position within society, and in relation to the State. Whether this means that there will be an "internal re-ordering of the power relationship within the profession"[41], and a restructuring of the legal professional policy network, it is probably too early to tell. But the indications are that loose affiliations, and strategic alliances, will become an integral part of all future policy-making processes.

5 Reconfiguring the policing profession's policy network

Outside London and Northern Ireland, the *Police Act 1964* established a tripartite system of police governance, involving many local police authorities, comprising a majority of elected councillors, plus magistrates, chief constables and the Home Secretary. Police authorities were obliged to maintain 'adequate and efficient' police forces; chief constables were to provide 'direction and control' of their police forces; and the Home Secretary was to 'promote' the efficiency of police forces. In London and Northern Ireland central government, not local government, was the police authority overseeing the Metropolitan Police and Royal Ulster Constabulary, with the exception of the City of London Police which had its own local police authority. However, the *Police and Magistrates' Courts Act 1994*, and the *Police Act 1996*, altered substantially this tripartite structure[42]. Essentially this Act upgraded the status of both chief constables, and the Home Secretary, at the expense of police authorities, which have become free-standing corporate bodies, independent of local government, again with the exception of the City of London. Chief constables have been given greater powers to manage their police services, and must be consulted by police authorities in formulating local policing plans. The Home Secretary has been given powers to nominate a significant number of members of police authorities, and to set the strategic policing framework, including key national policing objectives, within which chief constables and police authorities must operate. Though the *Police and Magistrates' Act 1994* nominally retained the tripartite system of police governance, it fundamentally altered the balance of power between the three constituent parts of the system. More recently the present Labour Government have established local police authorities for the Metropolitan Police, and the Northern Ireland Police Service.

By mapping out the terrain of the policing policy network, it is clear that the constitutional metaphor of the tripartite structure of police governance, established by the *Police Act 1964* and revamped by the *Police and the Magistrates' Courts Act 1994*, fails to capture the myriad of policy actors involved in the multi-level governance of the police. The interdependence of policy actors in the policing policy network is asymmetrical; some actors are more powerful than others because of the uneven distribution of resources between actors within the network. Key policy actors of the policing policy network include: the Home Office; local police authorities; local police services; National Criminal Intelligence Service; National Crime Squad; MI5; European Police Office - Europol; HM Inspectorate of Constabulary; Audit Commission National Audit Office; Association of Police Authorities; Association of Chief Police Officers; Police Superintendents' Association; and Police Federation. These actors are the 'insiders' that dominate the routines of making policing policy. However, even membership of this relatively stable policy community changes over time. For example, local authorities were once 'insiders' as police authorities were effectively committees of local authorities, with elected councillors forming the majority of their membership. But the *Police and Magistrates' Courts Act 1994* made police

authorities formally independent of local government, though councillors form half of their membership with magistrates and independent members forming the other half. However, under the *Crime and Disorder Act 1998*, local authorities have been given a partnership role with local police services and other agencies to prevent crime. Moreover, Parliament, the judiciary, the mass media, pressure groups and the public, though normally 'outsiders', sometimes influence the policing policy agenda when policy-making has become unsuccessful, more politicised or crisis-ridden.

The policing policy network exhibits the characteristics of a relatively tightly integrated and state-dominated policy community, which is not surprising given that the police are the domestic guardians of "the legitimate force which the state seeks to monopolise"[43]. Arguably the lead policy actor within the policing policy sector is the Home Office, led by the Home Secretary. Though there is much evidence to support the 'centralisation of policing' thesis, it assumes that the Home Office is the dominant and independent, actor able to autonomously impose its wishes upon other policing actors. The policy networks approach provides an antidote to this view and suggests that the Home Office, though still a relatively powerful actor, is constrained in what it can do, within the policing policy network.

Police reform was launched by the Conservative Government in the early 1990s and has been accepted, embraced and furthered by the present Labour Government. In both cases, governments have been completely unable to fully implement their reform plans. Moreover, the package of police reforms was significantly shaped by both macro-pressures transcending, and micro-pressures emanating from within, the policing policy network. To a significant extent, the reforms constitute an attempt to restructure the policing policy network, by introducing new public management.

The Conservative Government's police reforms significantly enhanced the capacity of the Home Office to steer the police in determining policy goals, controlling resources - especially budgets - and regulating policy delivery. It believed that the Home Secretary should give the police "a clear steer on priorities" by setting "key objectives for policing which will provide the strategic framework within which police authorities and Chief Constables will operate"[44]. The Home Secretary also has powers to control the spending of local police authorities, though his/her powers to control police establishment and capital spending, have been substantially relaxed. As well as having powers to call for reports from police authorities and chief constables, the Home Secretary is advised by the strengthened HM Inspectorate of Constabulary on police performance matters, and can use a range of performance indicators developed by the Audit Commission to assess police performance. Furthermore, the Home Secretary has been given greater influence over the appointment of independent members to police authorities, though has not been given powers of direct nomination as originally proposed. These powers given to the Home Office have considerably strengthened its capacity to formulate policing policy strategy, though moves to

centralise policy strategy have been accompanied by moves to decentralise policy delivery within the police service.

With the Conservative Government's police reforms there have been significant moves to centralise the steering, and decentralise the rowing of the police - in other words, while policing policy strategy has been centralised, policy delivery has been decentralised. For example, both the 1993 White Paper on police reform, and the 1993 Sheehy Report into Police Responsibilities and Rewards, recommended that chief constables have greater management powers in deploying resources, including personnel, within their police forces. However, chief constables, as newly empowered chief executives, must operate within a national steer, set by the Home Office, and a local steer, set by their police authorities. The *Police and Magistrates' Courts Act 1994* required each local police authority to approve an annual and costed policing plan, drafted by its chief constable, reflecting not only the national policing objectives but also "its own local objectives, which will reflect what local people want". Furthermore, each police authority will set its own budget "in close collaboration with the chief constable, to ensure that the budget set properly reflects policing needs"[45]. The augmented role of local police authorities is further reinforced by the establishment of police authorities for London and Northern Ireland. However, there are significant limits to such moves towards greater decentralisation, not least the statutory powers of the Home Secretary to set national policing objectives and control police budgets. Furthermore, the purchaser/provider split - a key tenet of new managerialism - found in most other public services, is not fully replicated within the police service; the local police authority acting on behalf of police-consumers cannot act as a genuine police-purchaser in the internal police-market, because of the powers of the chief constable, also acting as the police-provider, in formulating local policing plans and budgets[46]. Also police authorities are not directly elected, though elected councillors comprise just over half of their membership, and consequently are not directly accountable to local people. They are required to consult with the public in setting their local policing plans, which usually takes the form of police-community liaison groups, public meetings and public surveys, but such consultation is relatively embryonic and limited[47]. Moreover, though the police, with the encouragement of the Audit Commission and HM Inspectorate of Constabulary, have attempted to make policing more consumer-responsive by embracing the 'performance culture', there are political limits to how far consumers can be empowered with regard to policing because of "the police monopoly of the use of legitimate force" [48].

The Conservative Government's package of police reforms reflected new managerialism because it was underpinned by the belief that greater competition between the police, and other providers of 'policing', such as private security companies and local authorities, and within the police, will make the police service more efficient and more consumer-responsive. For example, the Sheehy Inquiry recommended that fixed-term contracts of employment should be introduced for all police ranks, later reduced to senior ranks only, performance-related pay introduced for senior police ranks, and civilianisation extended within the police service, all of which inject greater competition within the police service.

In particular, given that the Home Secretary must approve the appointment of chief constables selected by police authorities, there is a “fear that chief constables on fixed-term contracts will feel compelled to follow centrally laid down, and narrowly conceived, measures of performance, rather than local needs and priorities”[49]: mechanisms of competition may thus become disguised mechanisms of centralisation. Furthermore, the White Paper on police reform recommended the extension of compulsory competitive tendering and special constables within the police service, and the Posen Inquiry identified many ancillary tasks where “police effort could be streamlined or reduced”[50].

However, many reform measures were dropped or diluted, because of parliamentary and police resistance. For example, the, then Home Secretary, under pressure from the police, conceded that fixed-term contracts should be introduced only for senior, and not all police officers, and that he should not appoint the chairpersons of police authorities. The implementation of police reform was less than smooth, mainly because of resistance from the police, supported by many in Parliament and local government. The Conservative Government was unable to stand firm against this campaign, not least because of its small parliamentary majority. The Conservative Government was unable to fully implement its reform plans because of resistance from elsewhere, within the policing policy network. It illustrates the interdependent world of the policing policy network embracing a few relatively powerful actors, who together shape policing policy. The policing policy network is highly integrated, as witnessed by the ease with which many of its constituent parts were welded together, to block the reforms. The Home Office, and especially the Home Secretary, were left stranded as other formidable parts of the network mobilised political support amongst politicians and the media against its proposals. The mobilisation of the many actors within the policy network was facilitated by the hierarchical structure of the police, popular concern over rising crime rates, the small parliamentary majority of the Conservative Government, and government dependence upon the police to implement law-and-order and other policies. The reforms represented an attempt by the Conservative Government to restructure an obdurate policy network. However, the strength of the police within the policing policy network and the consequent weakness of the Conservative Government meant that the police reforms were always likely to be , at least temporarily, blocked.

The post-1997 Labour Government, under the mantra of ‘tough on crime and tough on the causes of crime’ and “permanently sensitive to the fact that the fear of ‘crime’ occupies an important place in the litany of public anxieties”[51], were initially supportive, like its preceding Conservative Government, of the police service as a way of combatting crime; but recently, again like its predecessor, it has launched a raft of police reforms, such as establishing an Independent Police Complaints Commission, to replace the Police Complaints Authority in which the police themselves investigated complaints against the police, creating a more flexible framework for negotiating pay and conditions, using non-police staff ,such as traffic wardens, to exercise certain policing functions, and enhancing the oversight of police performance[52]. Such reform measures were not well received generally, within the policing profession. The parallels between police reforms

launched by the previous Conservative Government, and the present Labour Government, are highly significant - initially, the Government supports the police to combat crime; but when crime rates, or the fear of crime, increase, the Government attempts to reform the police, which is then met with police resistance and consequent government climbdowns. This cyclical process of police reform clearly suggests that governments cannot impose reform, but that reform is negotiated by key policy actors, such as the policing profession. Moreover, as successive governments have adopted a multi-agency approach to tackle crime, the policing policy network is increasingly connected to key actors in other criminal justice networks, furthering the creation of a single criminal justice policy network. For example, in 1991 the Home Office established the Criminal Justice Consultative Council, comprising actors drawn from central government, the courts and the police and social services. Furthermore, Rose claimed that under one former Home Secretary, Michael Howard, ACPO “found itself in the unfamiliar position of actually being asked to draft Government policy” on certain criminal justice matters[53]. McLeay claimed that “the autonomy of the traditional policing policy state network has been challenged; ‘policing’ has increasingly been subsumed into the broader sector of ‘criminal justice’, introducing further influential agencies and, moreover, groups outside the state”, and, as a possible consequence, “policing policy in future becomes part of this wider sectoral network”[54].

6 Conclusion: comparing the legal and policing professions as policy networks

In this essay, we have surveyed the debates concerning the policy networks model concluding that the policy networks approach has moved on from mapping and describing the changing nature of policy-making sub-systems to providing more explanatory analyses of change within various policy sectors. The policy networks approach allows for far more multidimensional and sophisticated analysis of reform in the legal and policing professions, stressing the interdependence of key actors, exchange of resources in shaping reform, asymmetrical distribution of power-resources, and consequent inclusion, and exclusion, of actors. Moreover, both Hay and Richards' strategic-relational and Marsh and Smith's dialectical models of policy networks, representing the new policy networks approach, stress the dynamic nature of policy networks and interactive relations between structures surrounding, and agents operating, within policy networks. We have provided two case studies of policy reform relating to the legal and policing professions. In both our case studies, policy-making was traditionally characterised by relatively closed policy communities with stable relationships between the main participants. This was partly due to the professions' structurally privileged role with sections of the State. However, since the 1980s, as a result of external changes in terms of the socio-economic context, incorporating complex economic, political and ideological elements, and internal changes in the composition and strategic alliances of the professions, the stable relationships have become more fluid and, in some senses, conflictual. As John

and Cole argued generally, “stable policy-making subsystems have weakened”, and, rather than closed policy communities, there are “diffuse networks of actors”[55]. In terms of policing, McLeay has commented that “the central state has recently expanded the agencies concerned with policing policies, attempts which can be construed as efforts to widen the regular policy network of policing and provide contestability to practitioners’s views and advice”[56]. Similarly, the legal profession policy network has also expanded as traditional relationships between barristers and solicitors have become tense due to government reforms and a changing socio-legal context.

Reform of both the legal professional policy network and policing policy network was a dynamic process that involved the interplay of actors, building strategic alliances to defend and promote their interests and operating within constraining structures. Furthermore, reforms implemented both strengthened and weakened the positions of different actors within the policy networks, thus reshaping the contours upon which subsequent reforms have been, and will be, moulded. The rise of new managerialism can be seen, in part, as an attack on the entrenched and relatively autonomous position of many professions within government that tend to be mission-oriented with little regard to the costs of providing public services[57]. However, new managerialism, despite its anodyne discourse, is political, because it favours certain actors over others. For example, it is possible to argue that its rise has enhanced, in many ways, the status of the Association of Chief Police Officers, representing senior police officers, whose support is often necessary, and certainly useful, in implementing police and other reforms. We argue that the key macro-level processes that need to be articulated with, and integrated with, these meso-level changes include globalisation and Europeanisation, if this is taken to mean increased global competition and European responses to this phenomenon. This has led to a reorganisation of State forms and functions, allied to a changing political and ideological conception of public sector organisation in the form of new managerialism. This has meant that traditionally stable professions, such as the legal and policing professions, have not remained immune from externally-imposed reform[58].

Returning to our original overview of the policy networks approach, we can see that analyses cannot simply provide static snapshots of the policy-making processes but must also endeavour to provide a dynamic overview of the relationship between context, network structure and policy change. Perhaps we are in a transitional era from government to governance which signals the “emergence of wider interorganizational networks”[59], which have yet to become stable and orderly. Furthermore, we need to further investigate the changing nature of professional policy networks as the nature of professionalism changes as a result of the new managerialism. Finally, we need to provide more comparative analyses of policy networks focusing on the same policy sectors in different countries in order to assess the important macro-level processes of globalisation and Europeanisation.

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Workshop II

Governance and Information Technology

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Public Administration as a Network: promises and pitfalls of a pervasive paradigm

Wim van de Donk *

Images of public administration have, time and again, been presented by metaphors that were, more or less, explicitly referring to the technologies and - social, cultural and economic - trends that dominated a certain era. They even contributed to our theoretical understanding of public administration. In this respect, construction and shipbuilding technologies do not differ from modern information and communication technologies - ICT's. Each of the major applications and developments in the field of ICT seems to produce some strong images, or metaphors, that more or less significantly influence the way in which we think of public administration. In the earlier stages of computing and information systems, the strong images of a database, and a computing machine, contributed largely to the image of the steering State. The system orientation largely determined our image of the State as a cockpit, that effectively, and rationally, steers and controls society.

More recently, the emergence of electronic networks - the Internet, the World Wide Web - seems to contribute to the image of the networked state, in which public administration is just one of the nodal points, in a much larger network of interdependent actors, characterized by all kinds of institutional complexity and hybrid relationships. The processes of governance transcend the traditional barriers of the public sector, in a way, all organizations have become 'public' - e.g. Bozeman, 1987. Democratic governance is not a business of clearly defined and stable systems, but of fuzzy networks, and, world wide, wobbling webs. These new images play a central role in the literature that describes and analyses the shift from government to governance that is discussed elsewhere in this volume.¹

Authors who claim that ICT's are dominantly shaping our societies will not hesitate to think of public administration as an information system. Many authors have stressed, in this respect, the revolutionary potentials of ICT's in the field of public administration. The image of an integrated, information system is not in an innocent metaphor. These technologies do represent a powerful tool for a 'transformation' in the sense that the capabilities and characteristics of these technologies annoyingly challenge existing, administrative patterns and processes

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¹ See also in the chapter of Webster in this part of the volume, and notably table 1 for a short summary of the characteristics of this governance paradigm.

by introducing all kinds of new possibilities and 'optima' -e.g. Snellen and Van de Donk, 1998. Or, as it is put in one of the many slogans that dominate the 'E-gov' literature: 'the way you've always done it isn't always the way to do it.' - Holmes, 2001. Why should several agencies of public administration bother citizens by separately, but repeatedly, asking them the same data, when the coupling of some of the core-databases, in the public sector, would enable them to prevent asking these data, if only for the sake of asking? In Australia, 75% of the citizens file their income tax returns over the Internet. But, there again, who is really profiting from these revolutionary changes? In a recent overview of the literature, 1987-2000, that discusses the impacts of information technology on public administration, however, Danziger and Andersen show that ICT's were, indeed, responsible for positive and successful transformations in the public sector. But they were mainly so in the domains of productivity gains, staff reductions, managerial control of subordinates and processes, and time savings. 'Overall, the research is unambiguous in concluding that IT has enhanced efficiency. Next to information quality impacts, this is the area where the largest number of impacts is identified in the research, with a very high proportion of positive impacts.' - Danziger and Anderson, 2002:605. It is interesting to see that all these impacts, are impacts that tend to merely reinforce the traditional paradigm of public administration. Even the electronic networks are, most of the time, used to strengthen the hierarchical paradigm of Public Administration.

Others, however, stress the *paradigmatic* potential of ICT's by pointing at the challenges to that traditional paradigm, by the more *fundamental* characteristics of the more recent applications of ICT, such as the Internet. One of the leading authors in the field, Manuel Castells, has extensively analyzed the pervasiveness of the 'networking logic' that features the latest generation of ICT's - Castells, 1996; 2001. In order to grasp the significance of ICT's for the administrative world, it is, indeed, largely insufficient to look at the main, or impacts of, separate applications of ICT's - such as databases, management information systems, cellular phones, expert-systems or Closed Circuit Television Cameras. Rather, we should look into the more profound attributes that characterize these technologies and those processes which they, especially, support - e.g. transparency, interactivity, virtuality, flexibility, integration; see in Castells, 1996: 60-66 for a description of the 'Information Technology Paradigm' which he sees as the paradigmatic foundation of the network society. More importantly, and fundamentally, these characteristics are believed to challenge the way in which we understand public administration. Not the impacts, but the guiding ideas that are represented by these technologies, are especially important to look at.

In this respect, the *networking logic* is discerned as the most fundamental driver for change. In the chapters of Klijn and others, this volume, it is made perfectly clear, that this networking logic cannot be reduced to a set of characteristics of digital information - and communication technologies. Rather, it is embedded in the broader social, economical and cultural trends that dominate the current environments of public administration. More than ICTs seem to have been able to do so far - see above - these broader trends, widely discussed throughout this

volume, effectively challenge the traditional paradigms of policymaking and public administration.

However, many of the essays that were presented during the workshop in Vaasa, and that are published in this part of the EGPA's Yearbook, show that all kinds of electronic networks, in many areas of public administration, are more or less unambiguously bringing forth the new patterns of governance that we tend to recognize as networks, or networking. Nowadays, all kinds of processes in public administration - e.g. service delivery, policymaking, political decision making - are supported by all kinds of ICT networks. The notion of support is, however, largely inadequate, since it is rooted in a voluntaristic perspective of technological change that does not adequately take into account, that the introduction and development of these networks is, in effect, a complex set of outcomes that are generated by the ongoing interplay of technology, and social, and institutional variables.

Snellen -*Matching ICT Networks and PA Networks: Lessons to be Learned*- shows that an adequate understanding, and management, of contemporary, public administration is barely possible without acknowledging the specific characteristics of, as well as the intense relationships between, social/institutional networks, and the digital networks that are used to facilitate, or to transform them. The rationality and consistency that tends to dominate the ICT-networks is confronted with the much more vague and contingent character of social networks. The reader will find it interesting to confront the lessons he presents, with the case studies that are presented in the chapters of Webster -*Lights Camera Action: 'Network Discourse and Diffusion in the Closed Circuit Television Policy Arena'*, Bannister, '*Clashing Cultures: 'Vision and Verve versus Inertia and Indifference in Public Sector ICT'*', and Vintar et al., '*The Influence of ICT on Organization and Functioning of the Public Sector in Slovenia*'. The many cases that are presented in these chapters show how -in a series of different fields of public administration and with regard to different applications of ICT- some attributes of existing, institutional, and social networks - e.g. culture and leadership are, most of the time, to a great extent, determining the ways in which these digital networks develop. The same becomes clear in the chapter - *L'usage d'Internet entre Administration et administrés français: vers une rupture de lien d'égalité des citoyens devant le service public* - that is contributed by Renaud de La Brosse. Strong traditions - centralist, administrative culture, and a heavy emphasis on values, like equality, clearly determine the strategies that are formulated to introduce the Internet in French Public Administration. These strategies still reflect the centralist culture of French Public Administration: the network is seen as an effective infrastructure in order to smoothen all kinds of processes.

On the other hand, the specific characteristics of French Public Administration - most of the 36,000 municipalities are very small, rural, communities that are confronting all kinds of financial and technical difficulties in order to get connected - are learning that one of the specific pitfalls of the network paradigm

of governance that is discussed by Castells, the danger of simply being, or becoming, disconnected, are becoming as real as its widely appraised advantages.

It is clear that the relationships between ICT networks, and the existing, institutional relations and co-ordination mechanisms, in the public sector, can be seen as a highly interesting field of study. Snellen rightfully claims that we only have a first understanding of the conditions that have to be fulfilled in the ICT networks so as to further the social networks that they are supposed to support. Vice versa, in the conditions that have to be fulfilled in the social networks, to make an optimal functioning of the related ICT networks possible. Both theoretical research, but especially empirical studies have to be developed in order to deepen our knowledge in this field. This knowledge will not only help us to reformulate our theories of public administration, but is also very helpful at a more practical level.

In this respect, some of the other essays that are presented in this part of the Yearbook could be seen as an effort, to contribute to the understanding of the ways in which these new technologies could be successfully introduced so as to bring about changes in various domains of public administration - from improving service delivery to the design/redesign, of democratic and participative processes that involve the citizen in other respects. The chapters of Duivenboden en Lips - *Taking Citizens Seriously. Applying Hirschman's model to various practices of customer-oriented e-governance*; Kauppi et al. - *Modernizing Public Services. The Possibilities and Challenges of Electronic Services in the Finnish Public Sector*, Mattila - *Participatory E-governance: a New Solution for an Old Problem?*, Lips et al. - *Neighbourhoods On Line: Connecting Physical and Virtual Spaces in Dutch Cities* - present different case studies and critical evaluations of the ways electronic networks are/or are not changing, the relationship between citizens and administrations, notably in the domain of service delivery, but also in the domain of agenda-setting and decision-making. The conclusions they present reflect the ambiguity that Danziger and Andersen found in their overview of the impacts of ICT in the field of interaction patterns between administration and citizens: 'IT might support in the making of decisions about citizens, but automated systems have generally not furthered the goal of enabling citizens to shape their interactions with government more fully.' - Danziger and Andersen, 2002:609. On the other hand, the study of Lips et al., shows that the Internet is proving some citizens with possibilities to create their own forms of 'public administration', therewith reducing their dependence from public agencies, or the formal political institutions. But, as the exploratory research presented by Hoff - *MP's in the Network Society: Agenda-setters or Puppets on a String?*- show, these changes in dependencies and relationships that are related to the introduction by ICTs, the Internet, notably, are still largely under-researched and it is far too early to conclude that the introduction of ICT-networks is unequivocally leading to a new reality of public administration. The new metaphors, and narratives, about a new public administration in an information age, that are actively produced by ICTs, are, to a large extent, no more than guiding ideals. The realities of the virtual state

are, as a matter of fact, still predominantly reinforcing the characteristics of Public Administration as we knew it -e.g. Frissen, 1999.

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Matching ICT networks and PA Networks: lessons to be learned

Ignace Snellen *

During the last decade and a half the number of publications on social networks in Public Administration (PA) has grown enormously. The same is true for the publications on Information and Communication Technology (ICT) networks. However, although there is an intense relationship between both kinds of networks, and they normally develop interdependently, almost no research specifically focused on this relationship has been done, either from the technological or the organisational side.

In this presentation I will try and analyse the conditions under which a possible fit between ICT and PA networks may emerge and how a smooth reciprocal functioning, which they are supposed to facilitate and further, may be realised. The main questions I will raise and try to highlight are the following:

- *Which conditions have to be fulfilled in the ICT networks to further the functioning of the social networks they are supposed to support, and*
- *Which conditions have to be fulfilled in the social networks to enable an optimal functioning of the related ICT networks.*

Empirically this paper is based on study of the literature on social and technological networks, and on personal experiences with different sectors of Public Administration as well as different projects in which ICT networks were designed and started.

This being a first endeavour in this area of research, the reader should not expect clear-cut answers on the questions raised above. Directions will be indicated in which fruitful research can be done and lessons may be learned. Practitioners may profit from these lessons as well.

Introduction

During the last decade and a half the number of publications on social networks in Public Administration has grown enormously. (Agranoff & McGuire 1999, Bekke & Rosenthal 1984, Brinkerhoff 1999, de Bruijn & ten Heuvelhof 1995, Gage & Mandell 1990, Hanf & Scharpf 1998, Hufen & Ringeling 1990, Kickert, Klijn & Koppenjan 1997, Klijn 1996, Klijn & Koppenjan 2000, Mandell 2000, Marin & Mayntz 1991, Marsh & Rhodes 1992, O'Toole 2000.) They highlight the transition from a dominant, vertical and hierarchical, decide-and-control, relationship between government and society to a more horizontal and communicative one. The network approach testifies that governments recognise their dependence on the cooperation of actors in society. By embracing the tenets of New Public Management governments have stimulated the transition from vertical to horizontal relationships. Through autonomisation, agency formation and privatisation, governments themselves have

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created the conditions of their dependency on «civil society». The «governance» concept has become almost synonymous with government through societal networks. More recently, the growing tendency to formulate integrated policies (on youth, the elderly, safety, etc.) furthers the creation of networked project teams.

As far as ICT networks are concerned, the transition from information technology to a combination with communication technology has given an enormous impulse to network applications in all spheres of social life. Before this combination was achieved, the information generated by information technology was transported physically on magnetic tapes and punch cards. With the introduction of the communication component in ICT, electronic networks have become a dominant mode of organisational and societal communication infrastructures, from internet applications in education, politics, medical care and community formation to all kinds of policy implementation in the different domains of society. As the information infrastructure of those fields of application and of those domains, ICT networks are becoming the functional requisite for any form of social organisation.

However, a smooth functioning of ICT networks in the context of social networks is not in the least something that goes without saying. The number of (costly) failures in the introduction and use of information and communication applications – hardware as well as software – in private enterprises and public services, is evidence to the contrary. This raises the question of their reciprocal relationships:

- Which conditions have to be fulfilled in the ICT networks to further the functioning of the social networks they are supposed to support, and
- Which conditions have to be fulfilled in the social networks to enable the optimal functioning of the related ICT networks?

Answers to these questions will be formulated as lessons to be learned from theory as well as from experience. The lessons will not contain prescripts of dos and don'ts in order to match ICT networks and PA networks. They will rather indicate what to expect and not to expect about a fit between those networks, and what kind of approach might be advisable. The background to these lessons consists of perusal of literature, analysis of personal experiences, description of cases by experts through personal contacts, and just a little empirical research by students.

ICT networks and institutional relations

Let me start with a simple case:

A school doctor is working within a medical inspectorate to verify the hygiene of school premises, the general health conditions in the schools that are under the jurisdiction of the inspectorate, and the health of the children attending the schools concerned.

For that purpose she makes regular visits to "her" schools. She instructs her secretary which schools she intends to visit and when. The secretary informs the school principal and the parents of the children are also notified of her visit.

The school doctor likes the freedom she has to organise her work as she feels appropriate, and in accordance with her other professional and social businesses.

Because quite a lot of paperwork is involved in the notices to the schools and the parents, the inspectorate decides to buy a programme for automatic calling. This enables the secretary to approach the principals and the pupils' parents directly. As a matter of course the secretary handles the calling system. At first nobody realises that a role reversal between the secretary and the school doctor is taking place. With the old system the doctor instructed the secretary. With the automatic calling system the secretary instructs the doctor. One can imagine that the system was intensely disliked by the doctor, who perceived it as an infringement of her professional autonomy.

Although very simple, this is a case of matching on the one hand a social network between the doctor, her secretary, the school principals, the parents and the children and on the other hand an ICT network through which communications and appointments between the social parties come about. In this case only the relationship between the doctor and her secretary was affected by the introduction of an ICT network.

What can we learn from this case?

First, the introduction of an information system normally changes the organisational relationships between the parties involved. It changes the division of tasks as well as the coordination between co-workers, as we see clearly in this case. The initiative to make appointments is shifted to the secretary; the secretary's coordination task has slightly gained in importance.

Secondly, the introduction of the new system also changes the institutional relationships between the persons (departments or organisations) involved. By institutional relations we mean the norms and values that guide people's behaviour (departments or organisations) towards each other. In terms of initiative and steering, a role reversal has taken place in this case. The doctor has to give an explanation to her secretary if she wants to deviate from the suggestions made by the secretary (the calling system). Previously, the situation did not require an explanation. The doctor was professionally autonomous.

So, the *first lesson* we may learn is this:

The introduction of an ICT network implies not only technological changes, but at the same time changes in the organisational and institutional dimensions of the social networks concerned. When introducing an ICT network not only the organisational implications in terms of division of tasks and changes in coordination have to be considered, but also a careful analysis of the institutional implications is required. This is all the more true for the introduction of ICT networks in Public Administration, in which the institutional dimensions of the division of tasks through jurisdictions, and the forms of coordination between those jurisdictions, are worked out according to constitutional, legal, political and democratic precepts.

It has taken the automation specialists decades to realise that automating is (re)organising. They still have to realise that automating also implies institutionalising.

The «universality» of ICT networks

The case of the schooldoctor also points in another direction, that is very important for the

relationship between ICT networks and social networks. In that case not only the relationship between the doctor and her secretary changed, but also that between the doctor and the manager of the inspectorate. With the introduction of the automatic calling system the manager (unexpectedly) acquired a supervisory tool, which made it possible for him to check the workload of the doctor, and the way in which she organised her work.

In this respect the case points to what is called the "universality" of computers. This means that every computer can perform any computational task any other computer can perform (given the required peripheral apparatuses). In contrast to machines, which are only able to solve one specific «problem», computers are "general problem solvers". Of course the necessary peripheral hardware and software have to be connected to the computer. But the computer does not have to be changed to perform the task.

«Point of Sales» (POS) applications are a good example of the universality of computers. POS applications combine the traditional functionality of cash registration with, in principle, an unlimited number of other functionalities such as price and stock enquiry, cash management, store operations, stock management, sales analysis, profiling of customers and many more. Many functions are effectuated automatically. This is a consequence of yet another aspect of computers: their «informating» character. The American technology sociologist Shoshana Zuboff has drawn attention to this aspect. According to Zuboff computer applications entail «informating» which means that *«the same technology simultaneously generates information about the underlying productive and administrative processes through which an organization accomplishes its work»*. This informing character of ICTs explains the greatly increased transparency it creates in the information society.

The importance of this scientific finding is that the introduction of computer applications, and even more so of ICT networks, normally has side effects in areas of the social network for which their introduction was not intended. In our example such a side effect enables the manager to supervise the work of the doctor on a daily basis.

So, the *second lesson* we may learn is this:

The introduction of computers in social networks always has side effects in parts of the networks not primarily targeted. It is wise to try and detect such possible side effects in advance and to expect surprises!

What additional knowledge, albeit unsolicited, is known about the situation and the activities of the actors in the social network, after the introduction of the ICT network?

Power in and around ICT networks

Knowledge is power. «Informating» leads to power shifts. An example may illustrate this.

The architecture of ICT networks may be an expression, a confirmation, or a change of existing power relations within social networks. For instance, the

introduction of an electronic calendaring system may allow the manager to look into his colleagues respective diaries , and even to change their appointments, while the colleagues are not able to check their boss's diary, let alone change his appointments. Another example: some ministers may have access to a cabinet information network, while others are not allowed access. Resistance to such confirmation of power relations in the social network will come to the fore during the building, the roll-out, or the use or non-use of the ICT network.

With respect to interorganisational networks Mandell and Steelman rightly remark that «(A)lthough networks are viewed as horizontal partnerships of a diverse number of actors, this does not mean that there are no issues of power. Just as in Orwell's *Animal Farm* (1945) where «all animals are equal, but some are more equal than others», so too for members of networks. The emphasis in the literature on interorganisational problem-solving often obscures the underlying tension and conflict present in networks. The authors relate the power dynamics in networks to two factors: the different power bases of the different participants and the commitments the participants have both to the other network members as well to the members within their own organisation. With the transparency created by ICTs the knowledge power base is likely to shift, and the tensions in commitments may emerge more clearly.

So, the *third lesson* we may learn is this:

When an ICT network is being installed one has to anticipate the probable reactions from the social network. An analysis of (power)relationships in a social network has to accompany the introduction of an ICT network into such a social network. And more generally, the general question that has to be answered is: Which conditions have to be fulfilled in a social network for the optimal functioning of an ICT network, and which conditions have to be fulfilled in an ICT network for the optimal functioning of a social network? The coming lessons will be specially focused on these questions.

ICT networks and the autonomy of the participating organisations

A good example of such an interorganisational analysis is provided by the Dutch ICT specialist Jan Grijpink. (1997) Grijpink recognises that, when chains of sequential activities proceed through complex interorganisational networks of interdependent organisations, no formal authority exists in those networks which can enforce mutual policy formation, collective decision-making and open communication flows. When developing «chain informatisation», the building of ICT networks into such social networks has to be planned and implemented carefully, and on the basis of painstaking analyses. A realistic view of the growing need for co-operation between *autonomous* organisations requires an approach which takes their desire to remain autonomous seriously. As far as information about persons is involved, the chain informatisation proposed by Grijpink also assures a level of privacy protection, because personal data only cross the boundaries of the organisations that constitute the chain, if this is strictly necessary.

For the development of chain projects in an interorganisational context Grijpink has created a test framework. Application of this framework has to prevent the creation of a kind of routine automation of large databases across organisational boundaries, ensuring that such a framework is not badly completed and managed, and is only used sporadically. The test framework gives an indication as to the feasibility of a certain kind of chain informatisation: a common database, a reference index, a common identification number and so on.

Development phase Chain Processes	Informal discussions	Formal consultation	Common decisions	Common chain project	Common network organ
Support					
Execution					
Policies					

Key to framework:

	well developed
	not well developed

The framework makes a distinction between different degrees of interaction and co-operation between the partners in an interorganisational chain of activities. The further the chain processes in the social network, that is support, execution and policies, are developed in the direction of a common network organ in order to regulate their chain activities, the greater the chances that an ICT network will operate satisfactorily.

On the basis of his own experiences considering the resistance of organisations to give up part of their autonomy, and in order to meet the privacy requirements, the author has advocated the so-called "non-intrusive information infrastructures", such as reference indexes, for the Dutch criminal law enforcement chain. This chain can be presented as follows:

offence report summons sentence release
 ----->detection----->prosecution----->trial----->execution of sentence----->

This chain can be seen as a value chain, in which (in the Netherlands) more than a thousand organisations of public administration are involved. The exchange of information between the organisations in such a large network is problematic. There is no clear authority through which a smooth stream of information flows is secured. Each individual organisation in this network has information relations with different other organisations, which have different information requirements. Each organisation tries to optimise its inner information flows, if necessary at the expense of the other organisations in the network. As the author notes:

"Organisations cherish their own data, which means that a collective databank beyond the borders of organisations is seldom possible. Even if this does succeed, there is often a lot of bickering about the ownership of the data, authority and management tasks. The most important factor is the lack of formal and unequivocal authority in organisational networks and value chains."

For these instances Grijpink has developed his own model of "chain computerisation". Instead of sharing information between organisations, he advocates the use of reference indexes between them. Reference indexes are a kind of catalogue or telephone directory which indicate where a certain data-collection or data-source can be found. Combined with the data which the questioning organisation already has available from its own sources, the reference data can be used to reach a substantive decision.

A reference index leaves intact the autonomy of the organisations participating in a network, it protects the privacy of the persons about whom information is assembled, and it reduces complexity.

According to Grijpink, as far as the criminal law enforcement chain is concerned, a reference index is necessary to bridge a gap in the information structure:

"the first part of the chain focuses on punishable facts, the second part of the chain on cases and the last part of the chain on persons, the exchange from the one part of the chain to the other will give rise to many errors and problems, because information is gathered and kept up-to-date with a different ambition and focus of attention."

So, chain computerisation is a remedy in situations where no single organisation in a network can impose its will on the other organisations in the network. The only thing the organisations have in common are reference indexes and a yes/no enquiry as verification.

Based on examples like the Dutch judicial chain, the *fourth lesson* we may learn is:

Traditional automation is directed at the development of common databases and a central authority to regulate the smooth functioning of a chain of interorganisational activities. But, sometimes ICT solutions other than the sharing of databanks or information have to be invented to make the cooperation of organisations in a network possible.

The difference in nature between Social networks and ICT networks

Where information systems, and ICT networks as a specimen of information systems, are defined as a combination of 1) hardware, 2) software, 3) procedures, 4) data and 5) people, there seems to be no difference in nature between social networks and ICT networks. As people are an essential component of information systems, at least some social aspects are involved. However, although information systems cannot function without human involvement, the social, organisational and cultural context of information systems is much larger than the (partial) involvement of people in the functioning of information systems or ICT networks implies. As we have seen in the example of the school doctor, the social relationships between the doctor, the secretary, the manager, the school personnel and the parents are not

completely covered by the ICT network facilities. On the contrary, they withdraw largely from any technical interference.

Therefore, if any kind of «cooperation» or interference between the larger Social network and the ICT network is at stake, we have to be aware of the fundamental differences in nature between a Social network and an ICT network, or a social and a technical network in general. These differences make themselves felt in the first instance during the design and building of ICT networks. But their influence will be noticed during the whole lifetime of a technical network. When we compare technical networks and social networks we see the following differences:

ICT Network	Social Network
<ul style="list-style-type: none"> • rational • holistic • clear • definitive • deadlines • no exit option • non-learning 	<ul style="list-style-type: none"> • contingent • fragmented • vague • options open • open-ended • exit option • learning

An ICT network is characterised by its rationality and consistency. e.g. the priorities fixed in its programmes are unambiguous. In social networks a (suggestion of) priority may be created for different participants at the same time.

ICT networks have to be holistic, at least for the tasks for which they are designed. Social networks, on the other hand, can be fragmented and flexible. They can handle their assignments in parts and parcels.

The relations between different entities in the information system have to be clear in order among other aspects to be standardised. Without clarity, communication between computers is neither possible nor sensible. Social systems can function very well, sometimes even better, when the relationships and the communication between the participants are not entirely clear. In this respect much will depend on the tasks that have to be fulfilled.

A technical network has to be well defined in terms of its essential components as well as in terms of its boundaries. At every moment its shape has to be definitive. As far as social networks are concerned, options may remain open (purposely kept open) with respect to who participates, the division of labour, the aims shared with the network, and the freedom to opt out.. This touches upon two other characteristic differences of technical and social networks, their fixed deadlines or open-endedness and the existence, or not, of an exit option.

The suggestion that technical networks are not able to learn may be contested. As an infrastructure they can at least facilitate learning in a social network. But exceptions (some very special expert systems) apart, they can not improve their own functioning the way social networks can.

Despite the lack of scientifically corroborated insights, a *fifth lesson* we may have to learn is:

Much research will still have to be done to find out the exact influence of the fundamental differences between social and ICT networks on their reciprocal relationships. This may be of special relevance for public administrations for which predominantly political and legal considerations and not freedom of contracts are the basis for network formation.

In the meantime it is safe to say that ICT networks follow their own logic, that may be incompatible with the logic of the social network, for which they are built. Therefore let us not be surprised if a technical network does not necessarily do what seems natural within a social network.

If the dominance of an ICT network in the context of the social network is introduced or accepted, technical network characteristics may be imported, which are contrary to the desired social network characteristics.

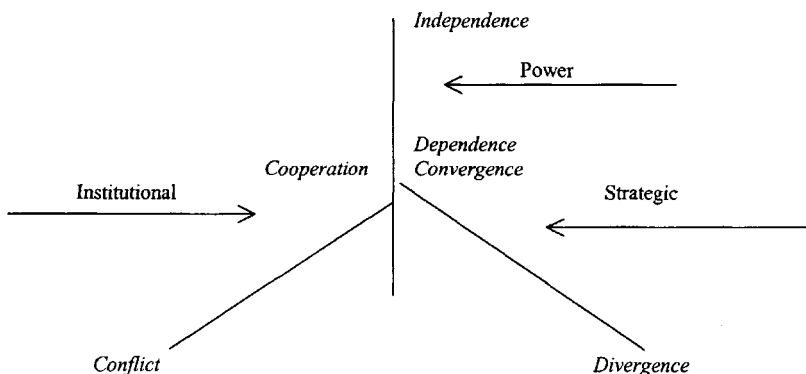
Basic dimensions of a social network

The fundamental differences between a social and an ICT network discussed above lead us into the issue of the basic dimensions of a social network. If one wants to create within a social network the conditions for the proper functioning of an ICT network, one has to be aware of these dimensions.

In every social, interorganisational, network the following dimensions can be discerned:

- a *strategic* dimension in which the degree of convergence or divergence of the purposes and goals of the participants in the network is represented;
- a *power* dimension in which the relative (inter)dependency with respect to resources between the network participants is represented;
- an *institutional* dimension in which the mutual understandings with respect to the behaviour of the participants with regard to each other (cooperation, competition, conflict avoidance, etc.) is represented.

FIG.1 Basic dimensions of a social network



The division of resources in a network determines the mutual power relationships. The participant who disposes of resources in terms of money, organisation, expertise or information, and authority, resources which are necessary for the other participants to reach their goals and which can not be substituted by other providers, has a relatively powerful position with respect to the other participants. As networks are formed because none of the partners disposes of all the necessary resources, the power differences will be mitigated most of the time. If one of them did indeed dispose of all necessary resources to reach his goals, there would be no good reason for the resourceful partner to participate in the network.

Without a certain conviction shared by the participants that they need each other's expertise, organisational capabilities, financial means and/or legal qualifications to reach their own goals and purposes, there is no reason for them to link themselves up to the network.

According to the public choice theory, which inspires most network analyses, every participant in a network will use his power base to the fullest extent. Without the creation of so-called win-win situations the chances of the future effectiveness of networks are slim. This will of course also affect the effectiveness of the ICT networks which function in such a context.

A second basic dimension of social networks is a degree of commonality of goals and purposes. Every participant has his own strategy, goals and purposes because every participant has his own contribution to make to the network activities.

But, without a certain consensus on the strategy of the network and a certain commonality of purposes and goals, shared between the participants in the network, it will be almost impossible to share information and create the right conditions for standardisation of concepts, programmes and practices.

When ICT networks are designed and developed, the strategic dimension of the social networks for which they are destined absorbs most of the attention. Every handbook on information (systems) planning can testify this. The strategic, allocational and operational planning of the network participants runs parallel to the planning and development of information systems. Such kinds of alignment are a necessary condition for the proper functioning of ICT networks, but they do not suffice.

If a certain common understanding does not exist between the network participants with respect to their mutual attitude and behaviour, the distrust between them will make any degree of fruitful cooperation almost impossible. During the creation of ICT networks the institutional dimension of social networks is often overlooked. (see also the first lesson) However, the network participants must have an idea of the network's regime and about the expectations they may have with respect to each other's behaviour before they are prepared to accept their dependence on the other partners. A whole range of possible understandings or tacit agreements is possible, from all-out co-operation, to avoidance of competition, to (all-out) competition, to avoidance of conflicts. The regime that is chosen will determine the extent to which information will be shared and the content of communications within the (social and ICT) networks. Attention to the institutional dimension of social

networks is essential for the proper functioning of ICT networks. Even common understanding about all-out competition between the participants may be more productive than disregard for this dimension.

In view of the basic dimensions of social networks the *sixth lesson* we may learn is:

Without the common development of a strategic vision for the network as a whole, without the common acknowledgement of mutual dependence, and without (maybe tacit, but) clear agreements about the way in which the partners in the network will behave towards each other, the building and maintenance of an ICT network is hardly feasible.

Thus, the conditions to create a fruitful ICT network are only present when there is a clear view of the power dimension, the strategic dimension and the institutional arrangements within which the network will have to function.

Analysis of those dimensions is a prerequisite for the development of ICT networks.

ICT networks require social networks with a common identity

Let me finish with another Dutch case:

The Centres for Work and Income (CWI)

Since 1995 a social security policy is being developed in the Netherlands directed at cooperation between the labour exchange offices, the municipalities and the unemployment benefits offices. Regional Centres for Work and Income are created to achieve this cooperation. The Centres are supposed to follow a single-window approach, through which the total service surrounding work and social benefits is provided. The leading idea is that such a cooperation will further the chances for «reintegration» on the labour market of the persons who draw benefits provided by the municipalities (subsistence benefits) or by the unemployment benefits offices.

Five years after this co-operation was introduced, not much has been achieved. The participants of the CWIs continue to do their own work, under their own management, mostly not under one roof, and according to their own traditional routines. The ICT registration and administration systems of the participants follow those solipsistic routines. Even if the activities of the participants are executed at the same location, they do not cross-refer to each other.

So, the situation for the client has become more complex, less friendly, less accessible, and hardly beneficial to reintegration on the labour market.

Different factors are at work in the background of this unfavourable situation. Firstly, the participants have a sceptical and reserved attitude towards co-operation within the CWIs. They do not always see the added value of co-operation with all the partners at the same time. Especially the co-operation with the municipalities is not regarded as functional. Secondly, there is a difference in culture, expertise and professional point of view: labour exchange offices are oriented to the estimation of job openings. As such, their activities and attitude are more characterised by a liberal market orientation than by a social security orientation. The social security offices of the municipalities are characterised by a social orientation as subsistence providers in the last resort. The unemployment benefits offices are mainly oriented to the correct, prompt and just payment of due allowances. Thirdly, conflicts of interest play a role. The participants compete with each other for clients, and are afraid to lose jobs.

In these circumstances an ICT network had to be developed to support the flows of information

and communication between the partners in the social network, while the partners tended to avoid interdependency and the sharing of information.

In advice on «the information household and the communication infrastructure» for the new structure of CWIs, an expert panel emphasised the overriding importance of the political/strategic and managerial/organisational aspects of this cooperation.

(Case study partly borrowed from Terpstra 2001)

This case study makes it clear that, in the social system, conditions have to be created which ensure the fruitful functioning of an ICT network. As long as the participants in the social network do not develop a **common identity**, the different backgrounds, cultures, interests and orientations of the network participants will hamper the building and the use of a common ICT network.

Louis C. Gawthrop, a leading American philosopher of Public Administration, has developed the concept of identity in a way that is useful for this presentation.

According to Gawthrop the identity of an organisation or a collaborative set-up of organisations consists of the following four elements: 1) a shared sense of purpose; 2) a shared sense of consequence; 3) a shared sense of order; and 4) a shared sense of history. Gawthrop discusses the way in which these components of identity work out in the dichotomy between a «reactive-consolidative-incremental» organisational focus and an anticipatory-innovative-systems analytical organisational focus.

In this paper, the meaning of the components of identity for the fruitful cooperation of organisations, and for the development and use of ICT networks across organisations focuses upon the shared elements we set out in the following paragraphs.

My basic contention is that when different organisations have to work so closely that they share common information and communication networks, they also need to acquire an identity shared by all participants.

A shared *sense of purpose* means that they are inspired by the same ideas about the objectives to be pursued, both in the short and long term. (In the CWI case we saw that every participant in the newly created network stuck to its own objectives, and was only prepared to co-operate if its own purposes were served.)

A shared *sense of consequence*, i.e. they consider the same first order, second order, and if necessary, third order effects not from the inside out but from the outside in. (In the CWI case every participant only felt responsible for the immediate effects of its own activities, and was not really interested in the effects on the other participants or the client.)

A shared *sense of history* implies that every participant is prepared to relativise its acquired habits and routines, and realises that also in its own history change was and is a normal aspect of organisational life. (In the CWI case the participants were not prepared to think in terms of a common future, and had only a narrow view of the past of their own organisation.)

A shared *sense of order* relates to the frames in which the participating organisations place their own activities. (In the CWI case we saw that the participants related their activities to differing frames of reference: the liberal market

orientation, the social security orientation and the insurance orientation.)

So, the *seventh lesson* to be learned can be phrased as follows:

The development of a shared **identity** of a social or an inter-organisational network is a basic necessity for the creation, maintenance and functioning of an ICT network. Without a shared sense of purpose, sense of consequence, sense of history and sense of order, the ICT network that has to support the common activities of the network as a whole will tend to fail.

Conclusions

As it is based on scant research, dispersed literature, personal experiences and a reconstruction of situational logic, this paper refrains from hard and fast conclusions. More research is definitely needed to develop theories.

Application of the lessons on the creation of networks in Europe may lead to the following insights:

- 1) it is preferable to start with the institutional dimension;
- 2) fragmentation within the national partners hinders the development of ICT networks;
- 3) chain computerisation may shield the national sovereignty;
- 4) piecemeal growth is difficult to realise;
- 5) development of a common identity is a boundary condition for the success of European ICT networks.

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Diverging Trajectories: explaining different levels of success in public sector ICT

Frank Bannister *

Many researchers have reported on the uneven development of information systems in public administration over the past three decades. Some parts of the public sector have been much more effective in their use of Information and Communications Technology (ICT) than others. This disparity is explored by examining the development of information systems in three major Irish government departments over the past thirty years. In order to explain these different trajectories of development, various explanatory variables are explored. It is suggested that leadership, and particular structures of leadership, play a major role in effective informatization.

1. Introduction

The history of Information and Communications Technology (ICT) development in European public administration is a story of varying levels of achievement. At the level of individual organisations and systems, there have been many successes and a considerable number of failures. Not surprisingly, the failures tend to attract more public and academic attention. Probably the most widely discussed public sector computer system in the academic literature is that of the UK Department of Social Services/Department of Health and Social Services ([1], [2], [3], [4], [5], [6], [7], [8], [9], [10], [11]). On the other hand, comparative studies of the use of ICT in public administration are rare. Even where research has been done, it can be difficult to make comparisons, because of differences in administrative structures. Snellen's [12] comparative analysis, that of Bekkers and Frissen, and the individual country chapters which follow it [13], suggest an uneven state of development across Europe, and to some extent within different countries [14]. Margetts' [11] study of the social security and revenue authorities in the UK and US, over a twenty year period, shows that the level of success experienced by each of these four agencies with ICT has been quite different. Adler and Henman [15] looked at the impact of computerisation, on the administration of social security across several countries, and found considerable differences between different regimes. Thin as it is, the available evidence suggests that the effectiveness of the use of ICT, i.e. the degree and effectiveness of informatization, is highly variable. We may further surmise that, even within a given jurisdiction, there are likely to be significant differences in effectiveness in exploiting ICT between individual agencies and organisations. In Ireland, there is

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strong evidence supporting this contention. None of this should be surprising. As Walsham [16] writing about interpretive research, observes:

“Organisations which appear similar in terms of their task, structure and environment often exhibit disturbingly different characteristics”

This paper addresses the implicit question posed by this phenomenon: why do similar government organisations have such different development records when it comes to ICT? Possible explanations include:

Nature: Some organisations have more complex operations than others, which may be more difficult to computerise;

Scale: Larger organisations are more difficult to computerise [17], [18];

Volatility: Some organisations operate in stable environments, while others are subject to continual, and sometimes quite radical, change;

Control: An organisation may have more or less control over the changes in its responsibilities, operations and structure;

Context: The differences are due to path dependence and historical circumstance.

Culture: Some organisations are better disposed towards operational activities and are more likely to adopt ICT as a result.

Understanding this is important. If the factors which make informatization more rapid and successful, can be isolated and identified, then the lessons learned can be applied to organisations that have been less successful. Indeed, given the importance of the question, it is surprising that relatively little comparative research into the ‘why’ of this question has been undertaken so far.

1.1. Paper structure

The focus in this document is on Ireland, and the problem is approached by examining three government departments in Ireland, those with very different experiences of ICT. The findings are based on over 60 interviews with ICT and general management in the three departments, and study of departmental records and archives. The remainder of this document is organised as follows:

- First existing research on ICT in public administration in Ireland and in particular on research into the relative effectiveness of ICT exploitation is reviewed;
- Second, the barriers to effective ICT development (and informatization) in the civil service in Ireland are identified. Some of these barriers are possibly unique to Ireland, but many will be common in other jurisdictions;
- Third, the history of ICT deployment in the three government departments is outlined;
- Fourth, the factors which may account for the differences between the ICT development trajectories of the three departments are examined;

From this analysis, it is suggested that the most critical factor in explaining the different development paths of public administrative organisations, may be the nature of the organisational leadership over the long term. Finally the implications of this are briefly discussed.

2. Existing Research

Remarkably little research has been done into the use of ICT in Irish public administration. The most important piece of work is by Pye [19] who wrote a critical history of computerisation in the Irish civil service over the period from the mid 1960s to the late 1980s. A number of other authors including Connolly [20] and D'Arcy [21] have looked at particular aspects of this subject. However in the years from 1952 to early 2002, *Administration*, the quarterly journal of public administration research and comment in Ireland, has had only one article on ICT in the civil service by Pye [22]. Pye ([22], p1) comments that:

"Despite the increasing level of resources dedicated to the provision of computer services across Government Departments ... there has been a remarkable absence of public analysis and informed commentary on this area of Government administration. It undoubtedly deserves closer attention than it has received to date, and a more systematic examination of certain issues."

Little has changed since Pye made this observation in 1992. While there has been a number of government reports on ICT ([23], [24], [25], [26], [27], [28], [29], [30], [31], [32]), other comment is restricted to a relatively small number of contributions ([20], [21], [33], [34], [35], [36], [37]).

Pye's study found that during the 1970s and 1980s there were clear differences between the different government departments and agencies in Ireland, in the success that they had with ICT development and deployment. Some had made highly effective use of ICT. Others struggled with basic systems problems. Notwithstanding the predictions of informatization theory ([38], [39], [40]) the organisational effects of computerisation in Irish public administration over the period of study were minimal. As of 1990, ICT had yet to penetrate to the core of departmental thinking. Only in certain departments, notably Revenue, Social Welfare and the Meteorological Service had consistent moves been made to exploit new technology.

As part of his research, Pye carried out a survey in 1987 which sought to ascertain the reasons for the slow development of ICT in the public service. Pye summarises the major obstacles towards expansion of computerisation as weaknesses in management, co-ordination and central direction, insufficient numbers of skilled computer staff and insufficient initiative at a departmental level. Connolly [20] has a slightly different perspective. He observes that many of the difficulties arise from the inherent contradiction between the cost control role of the Department of Finance, with its culture of minimising expenditure and its supposed leadership role in encouraging greater exploitation of appropriate technology. Boyle [35] supports Connolly's view, in a review of informatization policies in Ireland, in the late 1980s and early 1990s. Clinec *et al* [27] address the

issue of ICT evaluation and value for money from ICT investments in the civil service directly. Blennerhassett [34] touches on one particular facet of it. Blennerhassett and Moran [33] report on three case studies of the impact of computerisation in the public sector. There have also been specific studies of individual projects by the Value for Money Division of the Controller and Auditor General's (C&AG's) office, one of which is directly concerned with a civil service department, the Department of Social Welfare [28].

Clince *et al* observe that departments seem to have great difficulty leveraging benefits. The reasons for this, they surmise, are absence of a 'change climate', aversion to risk, project sponsors not having sufficient organisational weight, lack of pressing (e.g. competitive) need, lack of ICT expertise and poor prioritisation. A more recent study by D'Arcy [21] looked at information systems planning (ISP) in the Irish civil service and concluded that civil service organisations do not appear to use ISP in an effective way. The Strategic Management Initiative (SMI) Information Technology Working Group [41] found that ICT had been used as a means of support for existing structures, rather than to facilitate organisational change (a finding similar to that of King and Kramer [42] in the 1970s). The SMI ICT subgroup state that:

"There is a worry whether senior management in many Departments appreciate the extent to which ICT can support their managerial and policy functions. There is considerable scope for improving this particular use of ICT in the civil service as a whole."

[41], p4). Like D'Arcy, they conclude that senior management must drive the business focused exploitation of ICT. D'Arcy's concludes that:

"The conclusions outlined [...] above indicate that senior management in civil service organisations do not appear to appreciate the potential value of ICT (and ISP) to their organisations. In order to address this problem, it would be very important to understand the reasons why this situation exists."

([21], p121) emphasis added.

In Ireland, although the research into ICT in public administration has been limited, what there has been, is informative and useful. In particular, it shows shortcomings in management awareness of the potential of ICT - a shortcoming noted by Pye in the 1970s and 1980s, and still observed by D'Arcy and others in the late 1990s. It also makes it clear that different departments have had markedly different degrees of success with ICT.

3. Barriers to ICT Development

It is clear from the literature that there are several factors which inhibit development of ICT in public administration. Some of which apply to public administration generally, and some to Irish public administration in particular. Pye reports these barriers as:

- Indifferent (in the sense of uninterested) management, particularly at higher levels;

- Inadequate staff resources for computer development;
- A lack of central direction;
- Insufficient awareness and user training amongst general service managers;
- High staff turnover;
- Lack of a focal point of responsibility for computer development within departments;
- Political factors, including the lack of political will, in the area of public service reform;
- The high percentage of ICT staff required so as to maintain existing systems;
- The slow introduction of more advanced software development tools;
- The high rate of change which created a climate of ‘wait and see’;
- The semi-autonomous way in which departments can govern their own affairs, sometimes without due regard to service wide considerations;
- The high cost of ICT equipment.

He summarises these under three headings:

- Weaknesses in management, co-ordination and central direction;
- Insufficient numbers of skilled computer staff;
- Insufficient initiative at a departmental level.

Against this background, Connolly’s comments on the same phenomenon are worth quoting:

“The public service motivation for investing in ICT continues to be based on improving efficiency and effectiveness, reducing costs and providing better services for the public”

([20] p 2-12). Connolly observes how there is a conflict in this, as in almost every other aspect of civil service expenditure, between the Department of Finance and line departments. Connolly notes that it is difficult to reconcile the Finance culture of minimising expenditure with a leadership role, in encouraging greater exploitation of appropriate technology.

Another recurring theme over this period is the difficulty in retaining skilled staff, a problem identified by Foster *et al* [24] as early as 1971. The civil service grade and pay structures were insufficiently flexible in order to enable the payment of market rates of pay, and until the end of the 1980s. Civil service unions were reluctant to make special claims for ICT staff in administrative grades [19]. High staff turnover was the bane of civil service ICT, and staffing difficulties led to a variety of consequential problems including difficulties in maintaining systems, and long development and delivery times. The inevitable impact of this was a loss of confidence by senior management in ICT, and in the benefits of ICT.

Drawing together these threads and reflecting on what he terms the 'growing pains' of computerisation in the public service over the period of his study, Pye suggests a number of reasons why ICT had limited success in the Irish civil service up to 1991.

- 1) First, he suggests that there is a number of management related issues including:
 - Computers were initially used to meet immediate needs rather than to optimise performance or anticipate future needs.
 - There was (and may still be) a strong belief that computerisation only improved efficiency in certain parts of the administrative process, and that this could be done without necessitating a fundamental revision of the processes concerned.
 - There was a reluctance to accept ICT as a management tool allied with a growing awareness that systems would not succeed without top level management support. The former was caused by a poor understanding on the part of general management of the nature of ICT and the problems involved in ICT systems.
 - The tendency to underestimate the amount of work necessary to achieve success in ICT, and a lack of good communication between general management and ICT specialists, led to frustration with delays and consequent loss of confidence in ICT generally.
- 2) Secondly, on the organisational and structural side there were difficulties in co-ordination of an overall strategy. Difficulties with a centralised service and the constraints inevitably imposed on long term planning by annual budget cycles. This altered in 1991 with the introduction of three year administrative budgets.
- 3) Thirdly, there were continuing staff and skills problems. These included debilitating losses of skilled staff, high maintenance requirements on existing systems, delays in filling vacancies and recruiting, the absence of an adequate grading structure and a reluctance to employ external skills.
- 4) Finally at the political level there was a lack of appreciation by elected representatives of their role in promoting ICT. There were difficulties and delays in securing important decisions at ministerial or cabinet level.

3.1 Systemic Barriers

While Pye's account and analysis is excellent, and his view of the likely future quite prescient, there are several additional critical inhibiting factors, which Pye either overlooked or only partially identified, possibly because of his own background and training in the Department of Finance. Pye's analysis can be combined with that of other Irish commentators ([20], [21], [27], [42], [43], [44]) and the wider literature to identify a series of systemic barriers to ICT development, that would have been faced by any government department in

Ireland during the 1970s and 1980s and which, in large measure, still exist today. These are:

- *The policy/execution divide.* Pye refers to senior management indifference, but this is not accidental. In the civil service, work on policy development is regarded as being of a higher value and importance, than work on the execution of policy. In effect a type of apartheid¹ operated (and in some departments still operates) in the civil service.
- *The administrative/professional divide.* A second form of apartheid within the Irish civil service is the administrative/professional divide. Administrative and professional staff in the civil service have separate organisational and career structures. Furthermore, the work of professional staff is seen as subtly less important than that of administrative staff. The top management of departments is almost invariably selected from the administrative side. Nor is there any easy way for professionals to cross this divide.
- *The isolation of functional specialisms.* Many administrative civil servants were also affected by another form of divide, than between the functional operations of the department and mainstream operations. Functional specialisms included the finance, personnel and training sections. It also extended to quasi professional administrative sections such as management services, operations research and ICT.
- *The role of the Department of Finance.* A further barrier, certainly from the perspective of management in line departments, was (and some would say still is) the Department of Finance. Finance's role was perceived as keeping costs down. This mentality could creep into the thinking of senior management in line departments, leading to good projects being rejected. Rejected simply because there was a substantial front end investment².
- *Aversion to risk.* The civil service was, and in many ways remains, a risk averse organisation ([21], [43], [44]). In such a climate, failure to invest in cutting edge technologies, or more advanced software development tools, as reported by Pye, is not surprising. Clinec *et al* also refer to this problem and its inhibiting effect on the rapid deployment of ICT.
- *Lack of political appetite for reform.* Information Technology is a transforming force. A central message of the informatization and information policy literature, is of a transformation in the nature of public administration wrought, deliberately or otherwise, by ICT ([45], [46]). However, even without considering such longer term effects, for ICT development itself to be effective, requires basic organisational reforms in the service. An obvious example of this is pay and promotion structures

¹ Here used in its literal meaning, i.e. 'separate development'.

² It should be borne in mind that for much of the period under discussion, including from 1980 to the mid 1990s, economic conditions in Ireland were poor and the public finances were in difficulties.

for ICT staff. There is also no political interest in, or will to, reform the civil service. It is not, in blunt terms, an issue which wins votes.

- *Rigidities in the reward system.* A major obstacle to ICT development in the service, is shortage of skilled staff. A key contributor to this is the civil service pay structure. ICT salaries in the civil service are significantly below those available in the private sector, particularly for more senior staff. The problem is compounded by the fact that many ICT staff are members of general, service-wide unions.

These barriers are formidable, especially to civil servants brought up in the traditions of the service [47]. To overcome them, requires not just a vision of the potential of ICT, but a willingness and ability to surmount these barriers.

4. Different Trajectories

Under the Irish constitution, there can be 16 cabinet ministers. This means that (in general) there are 16 departments of state (Ministries). There are also numerous government agencies. Of the departments of state, the three largest in terms of numbers directly employed, are the Departments of Social Community and Family Affairs, the Department of Agriculture and Rural Development, and the Revenue Commissioners (tax authorities). For simplicity, these will be referred to as Social Welfare, Agriculture and the Revenue respectively. Between them, these departments account for close to half of the approximately 28,000 civil servants employed by the state in Ireland.

Each of these departments has used computer systems for at least 25 years. The Revenue were the first to use computers in the mid 1960s. They were followed by Agriculture and Social Welfare in the late 1960s (see table 1 below). In the intervening years, both Revenue and Social Welfare have been successful in their use of ICT. At different stages over the last 35 years, each department would have been at the cutting edge of technology implementation in Ireland (in both public and private sectors). Agriculture, by contrast, has had a history of problems with ICT. During the period from 1977 to the mid 1990s, the IT/IS Division in Agriculture languished and failed to develop, to the extent that by the mid 1990s, a number of their mission critical systems were still running on 1970s technology and some were still using batch processing³. Agriculture is not unique in this respect. In ICT terms, several other departments were similarly underdeveloped, but the scale of the problems in Agriculture make it the most interesting department to study. These three departments are representative of a mixed pattern of ICT success and indifferent achievement throughout the Irish civil service.

Why did these departments follow such different paths? In seeking an explanation for this phenomenon, it is important to ask how similar the three departments are in their tasks, structure and environment. The importance of those barriers to development of ICT as described above, were, *ab initio*, broadly similar

³ There was one exception, a system for monitoring TB testing in cattle, but this was developed by the Veterinary Services Division more or less independently.

in each department with the exception of the administrative/professional barrier. It was and is, a much more significant force in the Department of Agriculture due to the presence of a large cadre of veterinary officers and inspectors. There were analogous differences in Social Welfare and Revenue. The relative success of ICT development in Social Welfare and the Revenue, is in large part attributable to those departments' ability to break down these barriers. It is important to understand why this happened in those departments, but not in the Department of Agriculture. The position is summarised in table 1.

Table 1: Comparison of similarities and differences between the three departments. Points of significant difference are in bold italics.

Factor	Agriculture	Social Welfare	Revenue
Number of Staff	Large	Large	Large
Transaction Volume	Large	Very Large	Large
Funds Managed	Large	Large	Large
Size of Customer Base	Moderate	Large	Large
First Systems Used	Early 1970s	Early 1970s	Mid 1960s
First Internal Computer	1977	1973	1966
First Internal ICT Staff	1970	1974	1966
Number of Locations	High	High	Moderate
Exposure to External Forces	High	Moderate	Moderate
Volatility of Applications	High	Moderate	Moderate
Exposure to Pressure Groups	High	Low	Low
Complexity of Applications	High	Low	High

There are several points of commonality between the three departments namely that each:

- employs a similar number of staff;
- has a similar number of locations;
- manages substantial funds;
- started using computers at the same time;
- employed their first internal computer staff at around the same time (a little earlier in the case of the Revenue).

There are some points of difference which are insufficiently material to affect development paths. Revenue and Social Welfare both have larger customer bases and transaction volumes, but these differences are only relative. By Irish standards, all three departments have large operations. There are, however, three headings in the table, in which Agriculture differs materially from both of the other departments, namely:

- Exposure to external forces;
- Volatility of applications;
- Vulnerability to pressure groups.

To what extent do these explain the difference?

4.1 Exposure to external forces/volatility of applications

Exposure to external forces and volatility of applications are closely linked. While all three departments are subject to various external forces, the nature and pressures induced on the ICT systems by those forces, are materially different. Social Welfare and Revenue are both subject to two principal, external forces: changes in government policy and changes in the level of demand – the latter being much more significant for Social Welfare. The first of these can, to a considerable extent, be influenced by the department. Agriculture has, in contrast, been faced with a much more rapidly changing external environment. Continual changes in scheme rules at EC/EU level meant that corresponding changes had to be made to computer systems. The cumulative effect of this patching resulted in mission critical systems which were inflexible, expensive to maintain, and which ran in an ageing technology environment. Informants in the Department of Agriculture point out the problems of replacing such systems, as many schemes allow retrospective applications. The systems, therefore, have to know not only the current rules, but the rules going back over many years.

However, is this a reason for failing to develop the technology? The Revenue faces a similar problem with taxation, which can also apply retrospectively over many years. This has not stopped the Revenue from upgrading their technology over the past decade, and from investing in new technology. While there is a tendency in Agriculture to see crises as unexpected, in fact only the BSE (bovine spongiform encephalopathy) crisis of March 1996 was really unforeseeable, and completely outside of the department's control. Many EU initiated changes, including reform of the Common Agricultural Policy, were well telegraphed in advance and could have been better anticipated. Nonetheless, while it is true to say that while it was, to an extent, the author of its own ICT misfortunes, the level of systems change faced by the Department of Agriculture over the past thirty years has been notably greater than that faced by Social Welfare and Revenue. On the other hand, in such a volatile environment, the case for making us the most up-to-date technology is all the greater.

4.2 Vulnerability to pressure groups

Another problem referred to by many informants in Department of Agriculture is the department's vulnerability to pressure groups, particularly the farming organisations. Pressure from these groups often determined ICT priorities, and in particular an emphasis on the speed of payment of state and EU funds. However Social Welfare, whilst not facing such pressure groups, were subject to analogous pressures. Failure on a major scheme such as Unemployment Benefit or Pensions would have immediate repercussions, with or without the existence of pressure groups.

In practice therefore, the two material differences in the factors affecting ICT development in the Agriculture department were:

- The existence of a stronger administrative/professional divide in Agriculture;
- The level of externally induced volatility in systems.

While these are contributory factors, they are insufficient to explain the differences in the paths of ICT development between the departments. The first is a cultural barrier which could have been tackled by a determined senior management. The second was exacerbated by the failure to provide adequate organisational and technological resources to ICT – a question of cause and effect, rather than a root cause. The analysis therefore suggests that, while these variables provide some degree of explanation, of the differences in development trajectories, they are insufficient to account for the full extent of those differences. Therefore, an alternative approach is to revisit the general barriers to IS development and ask the question, why were Revenue and Social Welfare more successful than Agriculture, at overcoming these barriers ?

5. The Role of Leadership

One factor that might explain the difference is the nature of leadership in the three organisations. The importance of long term leadership is an under explored theme in IS research. That leadership is critical in realising long term ICT success, is suggested by Mason *et al* [48]. Mason *et al* propose a model of successful leadership, in the form of a leader, a maestro, and a ‘supertech’. The leader emerges from a crisis and recognises that ICT is a key to the solution of that crisis, but he is not an ICT expert. The maestro provides the link between the leader, and through the leader to business management, on the one hand. To the technicians who will deliver the solution on the other. The maestro must not only understand the business imperatives, but also be able to communicate with ICT management in terms that they understand. The maestro therefore needs to have a good grasp of the technological possibilities, if not of the detail of their execution. The supertech provides the necessary technical solutions. The supertech does not need to have good communication skills, the maestro provides these and shelters no ICT managers from the nuts and bolts of the technology. When this does not happen, management can lose confidence, in part because they do not understand what is being said to them (which is precisely what happened during the early years in the Department of Agriculture). The supertech may be collective, i.e. there may be several such people, but the leader and maestro are solo roles. Using Mason *et al*'s model, the leadership of the three departments over a thirty year period was examined. The following paragraphs summarise the findings of this research.

5.1 *The Revenue Commissioners*

ICT in Revenue was, for much of the period under discussion, driven by Sean Bedford, a near legendary figure and a visionary who not only saw the potential of ICT early on, but adopted an iconoclastic approach to existing rules and procedures when it came to realising his vision. Bedford had, in the words of one informant, a “can-do” approach to problems and was intolerant of red tape. These

were both unusual qualities in the civil service of that time [43], [44]. Later in his career Bedford went on to become Collector General, a senior position on the administrative side of the Revenue. This close relationship between knowledge of the taxation system and ICT was a further key factor in the development of the Revenue's systems. The staff who worked on those systems understood the tax laws, they were not just following a script. One informant describes Bedford *modus operandi* in dealing with the Department of Finance. He would tell the Department of Finance that if they did not approve a particular expenditure request, that it would cost the government a multiple of the cost in lost tax Revenue. The department of Finance found it difficult to counter such arguments, as it did not have access to the requisite data. Working in ICT within Revenue was, and remains, highly regarded and offers a good career path for civil servants. Staff can, and do, move in and out of ICT into other areas. As a result, the process of informatization progressed rapidly. Today virtually every member of staff in the Revenue has their own PC or computer terminal.

5.2 Social Welfare

Social Welfare was also characterised by strong IS leadership, although this emerged somewhat later and, unlike in Revenue, after a crisis. In this case, a major problem in 1979/80 with the Sickness Benefit system, led to a sweeping change of senior management in the department. The new head of the department James Downey and his successor, Ed McCumiskey looked to ICT to solve many of the department's problems and to meet a growing backlog of needs. McCumiskey in particular had no time for the policy/execution divide and felt strongly that good management was as important as policy development skills. The head of ICT, Rory O'Shea, was, like Bedford, a person who was not tolerant of rules that stood in the way of departmental objectives. O'Shea used a variety of techniques to bypass the constraints imposed by the Department of Finance. Like several other highly able colleagues in the department, he had no time for the internal class divisions within the civil service. He rapidly established ICT as a prestigious place to work within the department. The former head of the department is a former head of Information Systems Division. The initial small group expanded, and the system identified and fostered the development of talented individuals. The centrality of the role of ICT in the department is reflected in the number of policy initiatives that originated in or with the involvement of the Information Systems Division over the period from 1980 to date. ICT has also changed the nature of how the department operates, breaking up the traditional hierarchy and creating what is, in effect, a networked organisation.

5.3 Agriculture

Over the period from 1970 to 1993, Agriculture, while it had many highly successful leaders in terms of agricultural policy, and many technically competent ICT staff, never produced a senior manager with both awareness of the potential of ICT, *and* the political power/skill to drive it forward. This combined with lack of strong leadership within ICT, meant that ICT remained isolated from the mainstream of departmental activities. Staff who went into ICT section rarely emerged from it except to leave the department. For some senior managers, ICT

was an overhead expense and of little value. The ICT staff were regarded as technicians and nothing more. The result was that during the 1970s and 1980s, there was virtually no development in the department's information technology. Volumes grew and staff numbers increased, but in a twenty year period that saw the emergence of mini computers, then PCs, then networks, the department remained wedded to batch mainframe technology, only moving to on-line mainframe technology in the mid 1980s (with the small exception to this noted above). When CAP reform hit the department in 1992/93, the department's computer systems were ill equipped to handle the consequent changes. During much of the 1990s, the computer systems (and the department) lurched from one crisis to the next. This culminated in explicit and public criticism of the department's computer system, by a sub committee of the Irish Parliament in 1998. Short of professional and other staff, and in particular managerial expertise, the department was unable to address the underlying problems until relatively recently. It is only in the past four years that efforts to remedy these problems have started to yield concrete results. One of the reasons is that in 1993/94 there was a change of responsibility for IT at top management level. For the first time in the history of the department, this gave ICT an effective voice at top management level. This was cemented by the appointment of a full time IS Director in 1999. In 2001, the Department of Agriculture still had approximately half the number of ICT staff employed in Social Welfare and the Revenue. It is likely to take the department the best part of a decade to catch up.

6. Conclusion

What emerges from the research is a picture of two departments, where strong minded individuals, or groups of individuals, broke away from the existing cultural norms and values and drove ICT investment. In the case of Revenue, it was initially the work of one powerful personality, but eventually a group of highly capable staff gathered around him. In Social Welfare, a new form of leadership emerged as a result of a crisis. In both departments, informatization advanced rapidly and progressively transformed the departments and the nature of their operations. In Agriculture, the dominant cultural barriers were never broken down and there was no individual on the ICT side, senior and strong enough to change the prevailing ethos. This department of Social Welfare matches Mason *et al's* model remarkably well. The Revenue does not provide such a good fit, although some of the elements of Mason *et al's* model can be mapped into the Revenue. Agriculture provides a negative confirmation of the theory, i.e. that in the absence of such leadership, informatization fails to happen. In summary, these three cases provide reasonable support for Mason *et al's* model, though they suggest that a crisis is not a pre-requisite for leadership of this type to emerge, and that Mason *et al's* model may be one of a number of possible models.

While there are several factors that affect the speed of development of informatization in the public sector, leadership is one of the most critical, arguably the most critical. The experience in Ireland is paralleled in Margetts (1999) research in the UK where the leadership of Stephen Matheson played a significant

part in the success of the Computerisation of 'Pay As You Earn' system in the UK Inland Revenue.

It may also be surmised that, while a single charismatic leader can achieve a great deal, the critical requirement is for the correct leadership structure, with the correct mix of top management commitment and interest, technical leadership and the ability to bridge these two. This is the message of Mason *et al* and this research supports this model. For informatization to happen, there needs to be a close interrelationship between ICT and general management within public sector organisations. This means not just increasing the communication between ICT and general management, but also dismantling the barriers that inhibit informatization. Specifically:

- there needs to be awareness and understanding by senior management of the potential of ICT. Real understanding is often missing;
- there must be an interchange of staff between ICT and non ICT operations, at least at managerial level. This needs to be done in a controlled way, not simply by putting ill-prepared managers into areas about which they know little;
- Public administrators must recognise the importance of management skills. This is, of course, one of the messages of New Public Management (NPM), but one can accept this part of the NPM ideology without taking the whole package [49], [50], [51]);
- ICT must be represented at the most senior levels in organisations. One of the major problems in Agriculture was that the most senior ICT person was at a relatively junior level. ICT did not have an effective line of communication into top management;
- Talented individuals must be identified and developed, in particular, those individuals who can bridge the gap between ICT and senior management.

This is not a complete list. Attitudes to risk need to change. Staffing and pay structures need reform. Internal walls within and between sub sections of departments need to be broken down. All of this can be achieved without strong leadership, but in the absence of such leadership it will be slower, and in the worst case it may not happen at all.

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Participatory e-governance – a new solution to an old problem?

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The article deals with the possibilities, problems and development of Internet-based citizen participation in Finnish municipalities. Some observations of promising municipal governance solutions, through which Finland has tried to encourage citizens to utilise teleinformatics and Internet-based participation, will be presented. The most common problem found in these examples is the apparent lack of coordination between new and established forms of democratic governance.

1. Introduction

The relationship between citizens and society's decision-making and democracy encompasses different views and elements. According to Cairns [1], there are two important points of view on the importance of the benefits to be derived from this relationship with respect to the democratic purpose of local governments. Firstly, it encourages citizens to participate in the running of local matters and questions; secondly, it promotes the diversity of national democratic life, especially when it is acting to counterbalance the central government.

In discussions concerning the realisation of local democracy, the lack of possibilities for local citizens to participate in decision-making at the local level is seen as a standard problem. In practice, this is demonstrated through citizens lack of interest in local political decision-making. In considering the participative activity of citizens in the whole of Europe, it can be said that the yardsticks measuring citizen participation and local democratic vitality reveal concerns common to all countries. These are: a decrease in voting activity, low interest in confidential posts, and the concentration of decision-making power (also in the way that decision-making power does not represent different groups of local citizens). However, in the European tradition, a participating citizen is considered a precondition of a functioning democracy. In «the ideal model of citizen participation», the enlightened, strong and participating citizen effects democracy and controls its acts. If development is towards a kind of communal administration which interests the citizen less and less and also arouses less and less citizen responsibility, there is a danger that the grounds for municipal autonomy, in other words, the participating and active citizen, will disappear. [2] [3]

As decision-making becomes more and more complex, it has also become estranged from local citizens, the target of such decision-making. From the point

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of view of the local citizen, elected officials are often quite «distant»; they are far from local citizens and take care of affairs in a way the latter do not understand. If decision-makers are «faceless» and unknown persons, this can increase suspicion towards them. If there is lack of correct information, different images, preconceptions, and public opinion will create the picture of public decision-makers. If we wish to correct this lack of trust, the administration must get «faces», in other words, local citizens must be listened to, not just heard. [4] [5] [6]

According to one opinion, the current representativeness does not leave citizens enough room for their own active action, meaning that participation is far removed from the decision-makers.

Still, in the relationship between elected officials and local citizens, presence and possibilities of rapprochement are important matters. To maintain a credible democracy, it is essential to improve when and where local citizens are able to approach and meet decision-makers. If the participation of local citizens in policy-making and implementation increases, it may reduce their alienation from the political process. [4] [5] [6]

Some Finnish municipalities have tried to give a face to municipal decision-making, for instance by applying principles of parliamentarianism to local political decision-making, and by directly inviting local citizens to participate in teamwork-type action (see Mattila [7]). The most important question in strengthening local democracy is how to create the participation and influence which will respond to the needs of local citizens, expectations and possibilities in all the different states of their everyday lives. Internet-based participation (based on teleinformatics) opens new possibilities in developing these new forms, for instance in the way that local citizens have direct contact with decision-makers by using the Internet.

However, the use of the Internet today still poses many problems: for example, it is often looked on more as a data bank and a place for gathering information than as a forum for interaction and discussion. This is because users of the Internet are, at least up till now, people who are themselves connected to the Internet and have the ability to utilise it effectively. There will always be members of a community who will never use the Internet and it will take a long time to get to the point where almost all members are users. On the other hand, the participation of those citizens who have the right equipment and the ability to use it, may not be very active, because they often do not have the time or the will to visit their municipal homepage to get new and interesting information.

Hall [8] has described five determinants in the use of the web that will enable real strategic transformation in the interaction between citizens and the organisation of local government itself. These determinants are: 1) the medium is based on an ICT network which provides wide access on a worldwide basis. 2) It distributes information oriented to community affairs, whether directly by providing contact information for councillors, or indirectly by promoting investment in the local area. 3) There is loose rather than tight editorial control of

the local government sites. 4) All local government websites must be run on a public, non-profitmaking basis. 5) All sites must be 'financed by taxes rather than by fees, subscriptions or commercial advertising'.

The most important thing about using new communication equipment is that no one should remain an outsider, everyone must get the chance to participate in community communication with some kind of equipment – even by phone, to which almost all citizens have access. One must think about the means to reach all community members and in that way turn all its members into a community. It is also important to communicate with each other. Only this kind of communication promotes the cohesion of a locality. [2] [9]

2. Promising Finnish solutions to municipal governance issues

Two important projects will now be discussed, they are the Osallisuus Project and the UUTIVA project through which Finland has encouraged citizens to utilise teleinformatics and Internet-based participation. Then, three «frontliners of e-participation» are examined; the towns of Hämeenlinna and Lahti, and the municipality of Kempele. These municipalities have contributed very much to the development of Internet-based citizen participation.

2.1. Osallisuus (Participation and Involvement) project

In 1997, the Finnish Ministry of Interior set up the so-called Osallisuus project. It is an ongoing project for the years 2000-2002. The project sprang from concern about the credibility of the democratic system and from the idea of profound change in the culture of municipal administration. The low voting turn-out at local level indicates that citizen interest in the influence of representative democracy has diminished. In the targets which were set, it was also hoped the project would define the notion of community and develop concrete practices, ways of action, models and forms to boost the many-sided realisation of citizen participation. If we compare the points emphasised in the Finnish Osallisuus project to those stressed in projects in other Nordic countries, we note similarities with the Danish model; the target is to increase the direct participation of citizens and the opportunities for influencing municipal decision-making, and to build a dialogue between representative decision-makers and citizens. [10] [2] [11]

The targets of the Osallisuus project are implemented in the semi-projects carried out by municipalities taking part in the project. Municipalities started developing projects in the frame of the Osallisuus project. The emphasis areas of these projects were, for instance, energising the inhabitants of some municipal neighbourhoods to join in common action; developing Internet-based information and feedback channels to municipal administration; and developing the working methods of rural officials and their relations with rural communities. In several municipalities, it was decided to make changes to certain forms of communication and interaction. Often the changes affected different types of information, such as Internet pages, and regular information sessions, coffee-houses for young people, and the consistency of regional cooperation groups. [10] [11]

In almost every project, several kinds of participatory methods were in use (for example information sessions and voluntary work, the joint planning of functions and implementation groups, cooperation groups among residents and officials acting in the area, citizen initiatives and feedback channels, etc.) with emphasis on the forms based on data change and action. From those practices which were meant to become permanent, it is worth mentioning the introduction of interactive Internet pages. There was not much innovation in participatory forms, but in many projects locally functional interactive forms and certain prototypes of new types of participation were developed. As an example, Internet-based public discussion forums about the development of a specific neighbourhood (official answers to residents' questions, etc.) can be mentioned. In this context, it is also worth mentioning the innovative and unique development of an Internet-based «idea-hatchery» for youth. [11]

2.2. UUTIVA Project (*New Teleinformatics and Possibilities for Citizen Influence*)

According to the administration's publicity director, every citizen has the right to get official and reliable information on administrative matters and this right has a contributory influence on public discussion and improves the influence possibilities of citizens and communities. When citizens get the information they need, their chances of influencing decision-making may be greatly improved. Teleinformatics offers new possibilities for getting information, giving feedback and planning earlier than before. The Finnish government has also noticed this reaction and apparently citizens can exercise real influence on the administration and strengthen the latter's publicity and sincerity by using teleinformatics. In 1988, the Finnish government made a decision to give citizens wider opportunities to take part in administrative decision-making. According to that decision, utilising ICTs (Information and Communication Technology) equipment is the method which enables new forms of decision-making. [12] [13] [14]

To clarify the citizen's scope for influencing decision-making by utilising teleinformatics, the sc. UUTIVA Plan (*New Teleinformatics and Possibilities for Citizen Influence*) was set up. The plan was wound up at the end of 2000. At the end of 1999, the UUTIVA Project which backs up the Plan was started, with the aim of using teleinformatics to let citizens retrieve information from state-level administrative departments and so increase their participation in government work. Another task of the UUTIVA plan is to clarify the effects of new teleinformatics from a democratic point of view. It tries to go beyond the government's principled decision and genuinely research and develop methods aiming to change decision-making processes so that citizens would be in real interaction with official machinery, in other words with access to a certain kind of empowerment. As part of the UUTIVA plan, the Ministry of Finance opened (at www.otakantaa.fi) a discussion forum where all interested citizens can discuss current administrative developments, the effects of new teleinformatics on participation and influence, and the development of quality public services and public service electronic transactions. Additionally in the same UUTIVA framework an account of Finland's Internet pages and those of other countries was

provided. The ways in which citizens and companies can get information and give feedback concerning the administration are examined. [12] [13] [14]

The UUTIVA plan also started a pilot portal-plan, which helps to promote participation in practice. Its mission was to design portal contents and functions, as well as carry out an experimental version of the project and make an outline of user research from the material provided. The central target group of the experimental-portal was directed towards citizens. In the experimental version of the portal, several different ways of approaching the information on public administration and its services were offered. As an example, it is possible to search for information with the help of a specific word or subject. Also described in the experimental portal are ways of influencing social questions, of getting acquainted with electronic transactions, giving feedback to, and questioning the administration. Current administrative matters were introduced on the front page with the help of news updated daily and wider stories which affect the everyday life of citizens. In the planning of the experimental portal, special attention was paid to clarity and ease of use. 70 citizens and 35 officials tested the experimental portal. Testers thought that the idea of a Suomi-portal was a good one and they said there was a need for that kind of service. Also the contents and functionality illustrated in the experiment was, according to most testers, a success; suggestions for improvement mainly concerned the intelligibility of menus and the visual appearance of the service. Citizen- and official-testers were quite unanimous as to the kind of total service the portal should offer. The most important aspects were: the evaluation of information by public administration and its services, its electronic transaction services, its contact data, and a channel between the administration's service and the current service providers. Besides these demands, the citizens underlined the need to get answers to their own questions through the portal. On grounds of the feedback which was received from the experimental portal, a public administration portal was created, whose first version was completed in 2000. [12] [15]

2.3. The City of Hämeenlinna

In the city of Hämeenlinna the sc. Hämeenlinna model has been in use for some years. From its contents it can be described as the thinking-and-action tools of Hämeenlinna city. It contains, for instance, the development of customer participation, service contracts, and customer cards for giving feedback. Because of improved citizen influence and participation possibilities, the city gets more direct feedback on services and on those processes which can help improve them. In Hämeenlinna they talk about sc. «Big» and «Little» democracies.

«Big» democracy means the democracy based on representativeness, whereas «Little» democracy is where users and other citizens can have direct contact with decision-makers. Representativeness as such is not called into question, but its nature has to be continuous and based on feedback. Special attention has been paid to activating youth, in other words, their possibility to participate and influence.

The concrete, Internet-based actions stated in the framework of the Osallisuus project can be considered the founding of the sc. youth-web, and the opportunity to present their own ideas and thoughts by e-mail to Nuorisofoorumi (Youth forum) which addresses the messages received. Another Internet-based citizen initiative worth mentioning is, for example, the opportunity to send feedback about urban services to city www pages. [16] [17] [18]

With the help of the model, it has been possible to improve services and, especially, interaction with citizens. The development of the sc. Democracy commitment and the foundation of an agent's office for the inhabitants also belong to the model. The Democracy commitment is meant to include the channels which citizens can use to participate in and influence planning and developing processes. Here, influence and participation based on the Internet form the core goal.. In the evaluation which was made on the effects of the model's execution, it was noticed, for example, that the city's development orientations have been positive and that citizens are taken into consideration more than in the past. [16]

2.4. The City of Lahti

In the City of Lahti the possibilities for participation and influence have improved. For instance, on the city's Internet pages there is a feedback form, which the inhabitants can use to make known their stand on any matter under consideration in the city's decision-making bodies. The feedback can be directed to the body considering the matter, and the sender will always receive an answer if requested, either by e-mail or in some other form. [19]

Moreover, the city has nominated a quality-file commission, which has put forward ways of promoting the participation and influence of the urban residents. Awareness of matters in which participation and influence are possible is a precondition for citizen participation and involvement. The commission outlines several factors in favour of using the Internet as a participatory channel: there is the economy of offering and updating the information, internet use is becoming more and more widespread, the service can be used outside office time, and finally there is the administration's general target of increasing electronic transactions. [19]

The commission proposes that the city's Internet pages should become more effective as regards information, discussion, and feedback. Also, the agendas and records of urban councils, of government and boards are to be made available on the city homepages. For example, in the preparatory stage of decision-making, suggestions and outlines of general interest can be published on the city's Internet pages. All kinds of plans that are now in the preliminary stage are examples of material which can be published on the Internet and equipped with feedback and discussion links directed to the general public. When it comes to decision-making and implementation, it is also possible to publish an evaluation report drawn up by the inspection board, for example, on the city's Internet pages. The councillors' contact information and links to the decision-makers' homepages are to be made available on the Internet. In the libraries, city residents are regularly advised (especially with the help of the city homepages) to use the Internet as a channel to

search for information, to influence and participate. A teledemocracy service will be developed for youth, which could include electronic voting and a suggestion and feedback system. [19]

2.5. The municipality of Kempele

In the municipality of Kempele special attention has been paid to using the Internet to inform users about current municipal affairs. In Kempele's information instructions [21], the starting point is taken from paragraph 29 of the Municipal Law, according to which the municipality has to actively inform inhabitants about the matters under consideration, the plans concerning them, how all these issues and decisions have been handled and their effects. Inhabitants must also be informed about how to present questions and opinions to those who prepare urban business and to the decision-makers as well. Where information principles and targets are concerned, emphasis is placed on the city's, openness, speed, and equality.

Kempele's information instructions, also state that in a representative democracy, informing the residents is almost the only way to ensure that urban residents can follow and control municipal decision-making; one of the municipal targets is inciting participative and critical discussion on the part of the its inhabitants. If the latter are knowledgeable about municipal administration, decision-making and planning, their activity and desire to participate in municipal affairs is expected to increase. The inhabitants will also be better informed about their rights and duties as inhabitants of the municipality and especially the municipal services on offer [20] [21]

The press, radio, TV, and Internet are considered to be the important indirect information media for the transmission of information and instructions. The inhabitants will be informed about the decisions that are taken in the municipality through the minutes of administrative bodies which are transmitted to the public library and can be consulted by all.. In addition, these minutes will be posted on the Kempele homepages (at <http://kempele.fi>) as soon as possible after revision, in keeping with the decisions of each body. 'Direct informing' means that information is directed straight to the inhabitants. As far as possible, municipal notices will be published on the municipal notice board, as well as on the «electronic notice board» on the municipal www pages. [20] [21]

Electronic information nets have the advantage of being accessible regardless of time and place. On the municipal www pages, information and guidance about municipal services is available. Computers available to the public are located at least at the municipal library and on the «information market». Questions received through the Internet are delivered to the official in charge of that particular field and every effort is made to answer genuine questions without delay. It has yet to be decided when the municipality will offer electronic transaction services. [20] [21]

3. Conclusions

Utilising ICT (Information and Communication Technology) equipment is a method which enables new forms of decision-making and also promotes citizen participation in the administration's decision-making process. As a target, we should aim to enable interaction between citizens and administrations in the form of real exchanges at every stage of the decision-making process, from planning to the follow-up of implementation. In this matter, ICTs surely have a lot to offer, especially when such forms of participation are sufficiently developed to meet citizen needs. Hämeenlinna, Lahti and Kempele, all of which are presented as examples of 'frontliner' Finnish e-participation, have, without prejudice to existing valid forms of participation, started to develop new forms of citizen involvement. One important aspect of these new developments has been the formation of Internet-based feedback and influence channels for citizens. [11]

Of course, some problems will occur in developing new types of participation. If we look at the matter from the point of view of the reform of municipal political decision-making, a very important area that needs developing is the enhancement of representative democracy and citizens' new participation possibilities in practice. In other words, the question is how these new forms of participation can be successfully integrated to form a functional entirety with traditional municipal decision-making.

These problems were also observed in the Osallisuus project. Already in the first stage of this project, it was noticed that active action and influencing by citizens clashed with different types of representative democracy; in making plans and decisions, decision-makers had to take into consideration the opinions of various urban groups, as well as points of view held by other groups. Such situations will become more and more probable in proportion to the number of projects that stir up interaction between 'little' and big democracies. In the future, it is important to try and think about the types of discussion forums that are needed in order to avoid or at least control inevitable collisions. Then, it will also be possible to stop the inhabitants from feeling that their participation (osallisuus) is only mere talk. [11]

In conclusion, it might be advisable to translate Hall's [8] opinion about the web's importance into municipal decision-making. He thinks that the measure of success of the web will be based on whether or not clients and citizens under local authorities believe that new, significantly different benefits have accrued through the implementation of teleinformatic channels. According to Hall, the question of whether or not the web will be marginal or revolutionary cannot be answered yet, although he thinks that the Internet and the www have the potential to be as revolutionary as the printing press was in the past.

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The Influence of ICT on the Organisation and Functioning of the Public Sector in Slovenia

*Mirko Vintar, Mitja Dečman, Mateja Kunstelj & Anamarija Leben**

During the last decade there have been heated debates concerning literature relating to the possible influences of ICT. Particularly their influences on the organisational structures and overall functioning of the public sector, with special emphasis given to ICT networks. Internet, as the medium of a new electronic business and information society in general had two extreme positions. According to one, the implementation of ICTs and ICT networks does not, to a considerable extent, influence either the organisational structures or networks in the public sector. According to the other, their implementation is going to bring about radical changes in the organisation and functioning of the public sector. In this document we report on the results of the empirical survey which was carried out during 2000/2001 in Slovenia. Its aim is to discover the answers to some of the questions, relating to that particular issue which has been indicated above. We tried to put this question into a wider context of possible changes within the public sector, induced by rapid implementation of ICTs and the development of e-services. We compared the results of our study with reports of other researchers. Reports that were done in the field of public administration, as well as in the business field, in Slovenia and throughout the world.

1. Introduction

Industrial society is changing into an information society as a consequence of the extremely rapid development, increased investments and implementation of information and communication technology (ICT) within our society. Various activities are being integrated, coordinated, managed and organised in new ways. The implementation of modern ICT has brought, and is still bringing, changes to those environments in which ICT is implemented. Either these changes can be planned and carried out in a controlled manner, which usually contributes to a better use of ICT, and to control over those changes, or these kinds of planning are not implemented and changes will occur anyway. In both cases, they influence working processes, culture and social circumstances in the environment, and bring a different managerial viewpoint. In the private, as well as in the public sector, the type of work that employees do can be changed, new production levels, effectiveness and restructuring of organisation are required [17].

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In the following article we try to explore the implementation of modern ICT in the public sector, mainly from two points of view:

- 1) how does the influence of ICT implementation on organisation appear in general and
- 2) what role does modern ICT have in public sector reforms?

The influences of ICT on organisations, in the 80's and 90's have given rise to various and sometimes contradictory views. Firstly, we wish to set out two of them that represent two opposite poles or opinions, considering the influence of ICT on organisational change, mainly on structures of organisations. The first thesis [12; 13] claims that ICT as such does not affect the structure of an organisation in which it is implemented, although organisational changes can occur because of other grounds such as management goals, development strategies, pressures from the outside environment, etc. This thesis was developed on the basis of extensive research in the 70s and 80s. With the rapid development of Internet and the concept of e-government at the end of the 90s, new authors [18; 6] began claiming that the implementation of ICT, especially Internet technologies, change the organisational structure a great deal. The decentralised architecture of the Internet enables new ways of working (working in groups, partnership, inter-organisational connectivity) so that organisation need not be looked upon as a strong hierarchy, but rather as a loose conglomerate of procedures and activities. Our opinion is that both views are correct in their context. In the 70s and 80s, ICT represented only a tool that could ease the work at particular working posts and did not influence organisational structure in itself. In the 90s, especially at the beginning of the new millennium, modern technologies have changed the way in which the organisation is seen. From the functional point of view (organisation as a hierarchy of functional units) to the process view (organisation as an environment that enables the execution of processes which result in a certain product or service for a customer). We tried to substantiate our opinion with empirical research carried out at the end of the year 2000, and at the beginning of the year 2001. This article is the result of that research.

In addition, our research focuses on reforms which were carried out in the public sector, where certain principles which have evolved, should be considered. These include decentralisation, deconcentration, territoriality, greater transparency, openness and accountability. As these principles occurred, ICT did not have a great effect on organisation and life in general, especially as compared to its influence of today [9]. This raises the question, "Are these principles and their use in the public sector reforms still necessary, or is there a need for corrections and adaptations to the new situation?". Deconcentration should enable transfer of service delivery and execution to the local level, e.g. from ministries to local agencies or local administrative districts. This approach brings the services closer to the citizens [22]. These local entities should manage processes or services as a whole. However, is that still necessary with the use of ICT and modern networks? Likewise, decentralisation enables the transfer of decision-making and management to lower levels, to which it gives greater power and

democratic freedom of decision-making. It also demands from these lower levels higher qualifications, faster reactions and flexibility. In the world of ICT and networks like the Internet, the flow of information, required abilities of employees and the cost of work force is very different from that in the world of Weber's bureaucracy and vertical hierarchy [17]. How does ICT ease decentralisation and allow better access to information? How does better communication due to the use of ICT, change the way in which local and central entities work? How important is the territorial (domicile) principle in the world of ICT, Internet and virtual space where time and place are hardly detected? Either, all the other principles are dependent on ICT, or ICT accelerates confirms, denies or changes them. With the results of empirical research we try to find the answers to these questions.

2. Background

Many theoretical discussions have been proposed, about the influences of ICT on organisations, but there are fewer empirical studies on this issue. Those that have been done were mostly carried out in the private sector. The authors of these studies, in contrast to studies which deal with public sector organisations, mainly ascertain a hard link between ICT implementation and organisational change [2; 3; 4; 5; 17; 21]. Studies from the public sector show some significant changes, but not on the same scale as in private organisations. The causes may be in:

- greater dependence on legislation, regulates exactly the government's organisation and therefore prevents faster adaptation to new conditions;
- a lack of competition and therefore no perceived need to change;
- locked-in customers, who have no other choice in government matters (government monopoly).

Practically all authors of theoretical discussion state that when implementing the new ICT (information), and in order to obtain the best results, it is quite essential to bear in mind the importance of interdependence between people and organisations.

Projects of ICT implementation or modernisation, with no corresponding plans of organisational changes, are subject to much greater risk, and often do not achieve all of their set goals. Thus, besides strategies and ICT, the majority of authors place organisational factors as one of the key elements of redesigning business (for example [1; 5; 7; 16; 21]). Introduction and management of those changes is not an easy task, primarily as the result of resistance to change. There are many reasons for this, some of which are:

- among employees the wish to retain something of value;
- a lack of understanding of the changes, and their consequences;
- a belief that changes are not important for the organisation;
- a low tolerance to change;

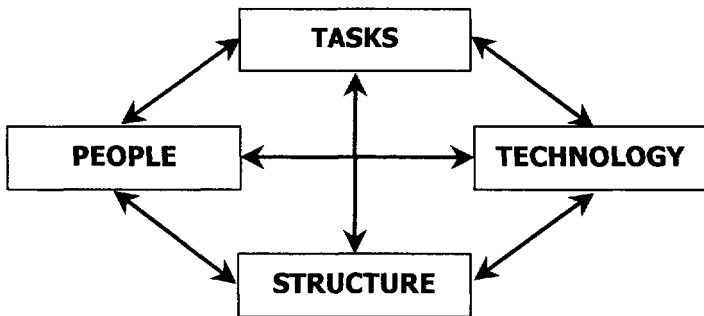
- an over commitment to regulation and enforcement of precedents and rules [16].

Almost four decades ago, Leavitt found out that there are not only technological issues to take into account in the process of informatisation [14]. He presents his socio-technical model of the organisation as interrelationships between four organisational variables, namely, tasks, people, structure and technology. Leavitt's diamond is shown in Figure 1. He warns us to consider any kind of technological changes together with all the other above-mentioned variables, which comprise the socio-technical model of organisation. Otherwise there are no possibilities to achieve any significant change. Influences between organisational variables are bi-directional. ICT can be the source of change or a subsequent result of any other organisational variable change.

To take full advantage of modern ICT, and to use it efficiently and effectively, implementation of ICT therefore requires:

- changes in organisational design;
- changes in ways of communication and working, e.g. business processes;
- additional skills and knowledge to be shown, as new needs for education and training for work.

Figure 1: Leavitt's diamond



From all these we can conclude that ICT implementation influences organisations to change the way in which work is organised, and how it is performed.

Authors classify possible organisational changes, linked with ICT implementation in different ways, but in all we can detect the variables already defined by Leavitt.

Teng and others [21] define three dimensions of possible organisational changes:

- structural dimension;
- managerial dimension;

- people dimension.
- Senevirante classifies the impact of ICT on organisations in [17]:
- impacts on structure and process;
- impacts on the individual attitudes and behaviour;
- impacts on workflow and work.
- Davenport groups them as [5]:
- changes in organisational structure;
- changes in organisational culture.

According to the latter classification, we present major possible organisational changes in Table 1 and describe them in more detail in the following.

Table 1: Organisational changes brought about by IT [adapted from 21]

INDUSTRIAL AGE ORGANISATION	INFORMATION AGE ORGANISATION
<i>STRUCTURAL DIMENSION</i>	
hierarchical organisation	networked organisation
based on functions / products	based on cross-functional teams / business processes
rigid bureaucracy	flexible adhocracy
organisational integration through Hierarchy	organisational integration through information
management by internal objectives	management by external objectives
function-wide sub-optimisation	organisation-wide optimisation
structural empowerment	informational empowerment
<i>CULTURAL DIMENSION</i>	
fragmented task performed by individuals	holistic process accomplished by teams
functional specialists	case managers and process generalists
expertise as functional speciality	knowledge as an organisation resource

2.1. Changes in organisational structure

Organisational structure refers to organisational subunits, and the way in which they are related to the overall organisation [19]. It may be defined as established patterns of relationships between the component parts of an organisation, which indicates communication and control as well as authority patterns [4].

According to most authors, the implementation of new ICT enables more extensive and efficient cooperation and communication within existent hierarchical structures, and at the same time access to all necessary information resources, to all employees. However, in this case ICT is used only for automation, and for speeding up the existent tasks and processes. Therefore, it does not take full advantage of modern ICT. The efficient use of ICT requires the adaptation of the existent functional organisation formed at the time of industrial revolution. It blurs and often completely hides key processes, which lead to

efficiency, effectiveness and customer satisfaction (external as well as internal). Namely, within particular functional units (departments) employees are focused on their part of the whole process, rather than on the production and delivery of products and services which are the final results of the process.

In order to solve problems related to hierarchical organisation, the reduction of hierarchical levels, decentralisation and the transformation of classical hierarchical structures to matrix structures and networked organisations, has been proposed. Their basic units represent cross-functional teams, which are focused on business processes flowing across borders of functional units or even organisations. Each business process has its owner, who is responsible for its execution from the beginning to the end, in accordance with strategic directions and objectives of the organisation, rather than one functional unit as characteristic of hierarchical organisations.

The organisation of work around business processes (and not functions) requires new management approaches. In classical hierarchical organisations, a set of management principles have been gradually inveterated. They are founded on vertical chains of order, control, supervision of work, specialisation, rules and procedures. However, in the past, because of the limited possibilities of communication and cooperation without ICT, this was the only possible or suitable way. There are two great weaknesses of such management methods [21]. First is the problem of sub-optimisation, which originates from the decomposition of goals of an organisation, into goals of individual functional units. The consequence is that each functional unit devotes all attention to its own tasks and goals, with no respect to the final result of the process and objectives of the organisation as a whole. This leads to confusion and misunderstanding between units. The second problem is the hierarchy of authority. Higher levels have greater power, authority and responsibility than the lower levels. This gradually leads to a division between 'thinkers' and 'doers', who have to get approval from a superior at each exception or decision-making.

Modern ICT enables fast and easy access to all information which employees may need so as to work. At the same time, employees on higher hierarchical levels have, with the support of ICT, a greater degree of control (in some cases this could also be a weakness). Together with the decentralisation of decision-making and authority, ICT enables the execution of processes. It enables employees and managers at lower levels by providing more power, responsibility and authority so as to make decisions, to take certain actions, to solve problems and to have more control over the job. In the literature, this trend is labelled "informational empowerment". The consequences of these changes are faster response and problem solving, lower costs, better quality of products and services, greater satisfaction for customers, more participation in the improvement and development of products and services and finally greater satisfaction at work.

2.2. Changes in organisational culture

There is no successful implementation of organisational change without people, who build the culture of an organisation. Organisational culture is a set of major

understandings (for example common beliefs, values, approaches) and assumptions shared by all employees of an organisation [19].

The classical hierarchical organisations view the operations through the prism of conveyor belt principles, where employees repeatedly execute highly specialised tasks. In the transformation, into a networked structure, there are some evident changes, which lead to more people-friendly organisations. Offering an environment in which employees can supplement and use all their knowledge and skills, participate in decision-making and directly communicate with other employees. These can lead to the establishment of teams and teamwork. This style of work requires cross-functional skills and perspectives, possibly more knowledge and skilled employees. The probability that the final product or service will meet the requirements of the organisation is much greater. However, it may happen that because of ICT use, employees become more alienated, which in no way helps to increase efficiency and satisfaction at work.

The further advantage of teamwork is better quality of work. Most people prefer social environments, as is the case with teams. Social gains are particularly important in information intensive organisations [5], such as public sector. Social interactions between team members are not always possible, as lack of cooperation culture may lead to conflicts and misunderstandings. Therefore, great attention must be paid in selecting group members.

2.3. Managing technological change

The use of ICT changes the way in which data is exchanged within, as well as between organisations. In this way, new ways of communication and cooperation emerge. Continuous development of ICT affects working processes, the manner of work and characteristics of working posts. In such changing environment, managers must ensure that ICT is efficiently used, and positively accepted by employees. In the past, leadership usually avoided ICT issues as the domain of ICT experts. Today the importance of ICT within the management of organisations is such a high priority that it simply cannot be ignored. Managers in the public sector should consider three areas of concern [10]:

- 1) Control over technology and the policy of ICT use. In the past, when ICT was centralised, this task was easier and mainly in the domain of IT staff. Today, in the time of decentralisation and extensive use of ICT, managers are getting increasingly important roles. As an example we can take the problem of control over productivity. This problem is linked to a lack of knowledge along with more complex ICT, as well as to supervision of the use of Internet (surfing the Web for personal purposes).
- 2) Control over the efficient use of technology. This is important in the implementation and modernisation of ICT used in an organisation. Managers must for example choose between the implementation of new technology and keeping existent technology. The first choice is riskier, as many unpredicted consequences can arise. There is also a need for new education and training. Existent technology may be more stable, but may

also be outdated and less efficient and therefore a possible obstacle in the working process.

- 3) Reconciliation of requirements and the possibilities of ICT with demands and abilities of employees. An example is a staff that is highly skilled and knowledgeable, but has no suitable ICT to use. In contrast, the most modern and complex ICT can cause stress and fear, due to insufficient knowledge.

The importance of ICT within the management of the organisation was also studied by the Harvard Policy Group, which prepared a report on how IT can reshape work and public sector strategies [8]. They claim that the need to focus on strategy and structure is not new in itself, but the ways in which both are shaped by computer networking is very new – and very powerful. They recommend that leaders must adapt to a network world and find ways in which to keep abreast of new developments. They summarized their findings in seven guidelines for leaders, in order to succeed in using ICT so as to reshape work and public sector strategies:

- develop a personal network of information, advice and support;
- use the technology in personal routines;
- develop support in a network world – the advocacy role;
- identify how information technology can be used to add value – the analytical role;
- build capacity as a learning organisation – the managerial role;
- pursue investments that scale up; infrastructure, standards and cross-boundary opportunities;
- reorganise work with fewer, and/or remote, and/or asynchronous ‘hand offs’.

In sum, they recommend to develop network-based strategies and structures.

3. Empirical Research – Survey of Slovenian Public Administration

3.1. Research objectives

In order to determine the correlation between findings of other authors and our practice, a research about the present state and influence on informatisation in public administration was conducted. It was performed in Slovenia at the end of the year 2000 and at the beginning of the year 2001. The research focused on different areas, as follows:

- What kind of ICT and to what extent is it currently used in public administration?
- Which are the effects so far, of ICT implementation on organisation ?
- What kind of knowledge for effective informatisation is needed?

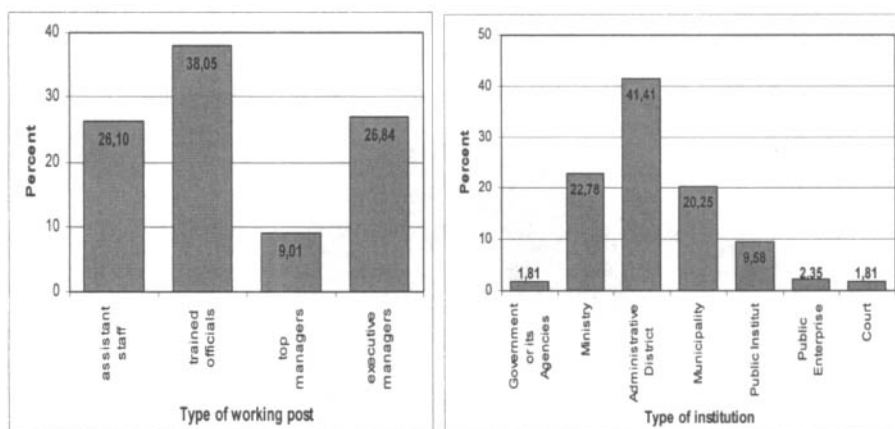
- Who is and who should be responsible for the process of informatisation?

In this chapter the results of part of the research, focused on the effects of implementing ICT in public administration, is presented.

3.2. Research method

Research was conducted in the form of a questionnaire, sent by post, 555 out of 3270 question-forms were returned. 173 questions were included in one question-form. On average, fifty-one answers were missing on each question-form returned; however, in the statistical analyses the missing answers were not included. In this research, different types of institutions in the field of public administration were included both at the local and central level (municipalities, administrative districts, public institutes, public enterprises, courts and Government or its agencies). In addition, different types of working posts were taken into account (assistant administrative and technical staff, trained officials, top managers - like mayor, director of institute, head of administrative district, chief of office or agency - and executive managers). The structure of persons questioned, regarding the type of institution and the type of working post, is shown in Figure 2.

Figure 2: Type of institution and the type of working post



Regarding the theoretical views, presented in the introduction of this article, the question of the effects of implementing ICT in public administration was divided into the three following segments:

- the organisational changes;
- changes at the individual working post;
- effects for the organisation as a whole.

Concerning those enquiries made, the effects were mostly of an organisational (structural and cultural) nature and a few of the questions were focused on efficiency. The latter were included in the third segment of questions.

Those surveyed were asked, in their opinion, to give the answer to which changes or effects had occurred and what was the level of change. In the statistical analysis, the numerical values were set to these levels, as shown in Table 2.

Table 2: Numerical values of change levels

Numerical value	The level of change
1	Better, bigger, longer, higher, more demanding, more complex, on the higher level
0	No change
-1	Worse, smaller, shorter, lower, less demanding, less complex, on the lower level

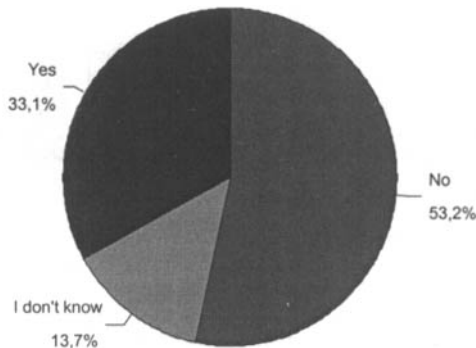
3.3. Research results

3.3.1. Organisational changes

The results show that more than 50% of persons questioned believe that during and after the implementation of ICT no organisational changes occurred (Figure 3).

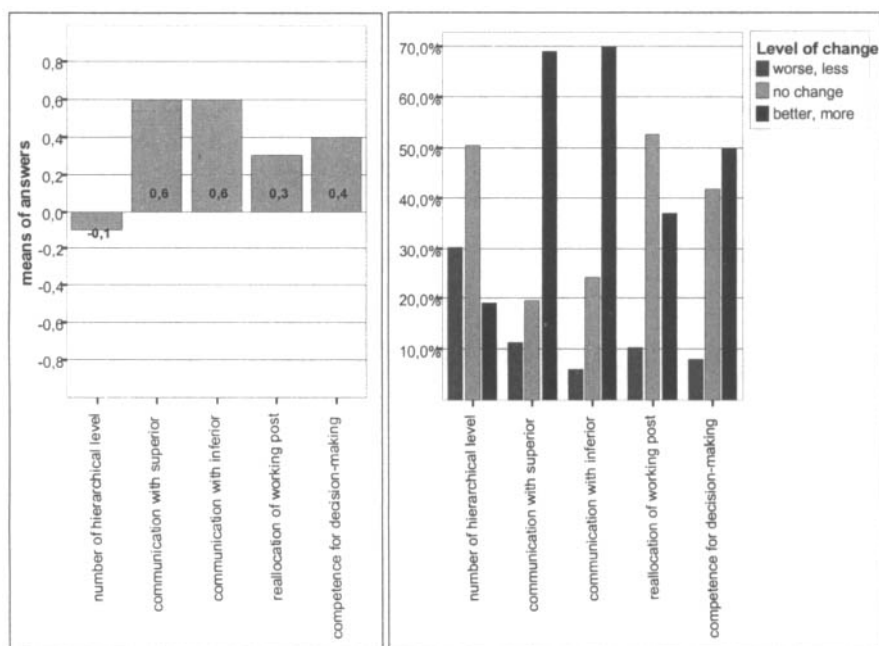
Those who believe that these changes have occurred, were asked to define the kind and level of those changes. The average values of the answers (Figure 4, Graph 1) show that in the opinion of those questioned, the number of hierarchical levels have remained almost unchanged. The communication with superiors and subordinates has improved significantly; however, competencies for decision-making at the same working posts have increased slightly.

Figure 3 : "Have any organisational changes occurred due to the implementation of ICT?"



A closer look at the results in percentages (Graph 2) shows that the changes are most significant between communication with superior and subordinates, as more than 70% of those who answered the question estimate that communication has improved. Concerning the number of hierarchical levels and rearrangement of working posts to higher or lower hierarchical level, more than 50% of the answers show that there was no change. It is interesting that more than 40% of the people who answered estimate that their working post was rearranged to a higher level, after the implementation of ICT.

Figure 4: Organisational changes because of ICT implementation



The results reveal another interesting detail. The answers to those questions in which there was no explicit use of the phrase "organisational changes" shows that these changes may have occurred anyway. The following questions were asked, "What are the changes at working post because of ICT implementation?", and, "What are the effects of this implementation on the organisation (institution) as a whole?". These questions were answered also by those who replied negatively to the first question (see Figure 3).

3.3.2. Changes at the individual working post

Comparison of average values of the answers shows (Figure 5, Graph 1), that the time needed to complete a task has reduced greatly, due to the use of ICT. Tasks are slightly less demanding, and the workers' workload has reduced. Those people questioned estimate that the satisfaction of both employees and customers has significantly increased. They also estimate that work is more pleasant with the use of ICT. The results in percentages (Figure 5, Graph 2) show that more than 85% of people questioned believe that the time needed to complete a task has reduced, and about 50% estimate that the tasks are less demanding and that workers' overload has decreased. About 65% of the respondents believe that the working post is more pleasant and that customer satisfaction has increased. The biggest improvement is the satisfaction of employees - more than 85% estimate that they are more satisfied with their work.

The analysis of answers regarding the age and education of those people questioned, revealed some differences. Those people, involved in our research,

who are older than 49 years (9.6% of respondents) estimate that tasks are more demanding and that workers' overload has increased (Figure 6, Graph 1). Similar is the opinion of those with a master's or Phd degree - the post-graduate education (Figure 6, Graph 2). This group represents 2.9% of all people questioned. It is interesting that the majority of employees in administrative districts (41.4% of people questioned) estimate that tasks are more demanding with the use of ICT, in opposition to the employees from other institutions.

Figure 5: Changes at the individual working post because of ICT implementation

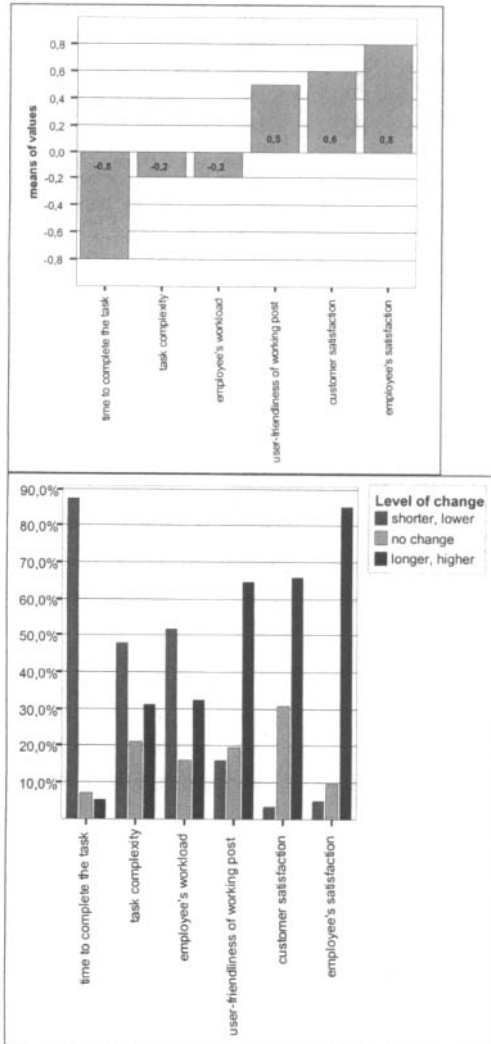
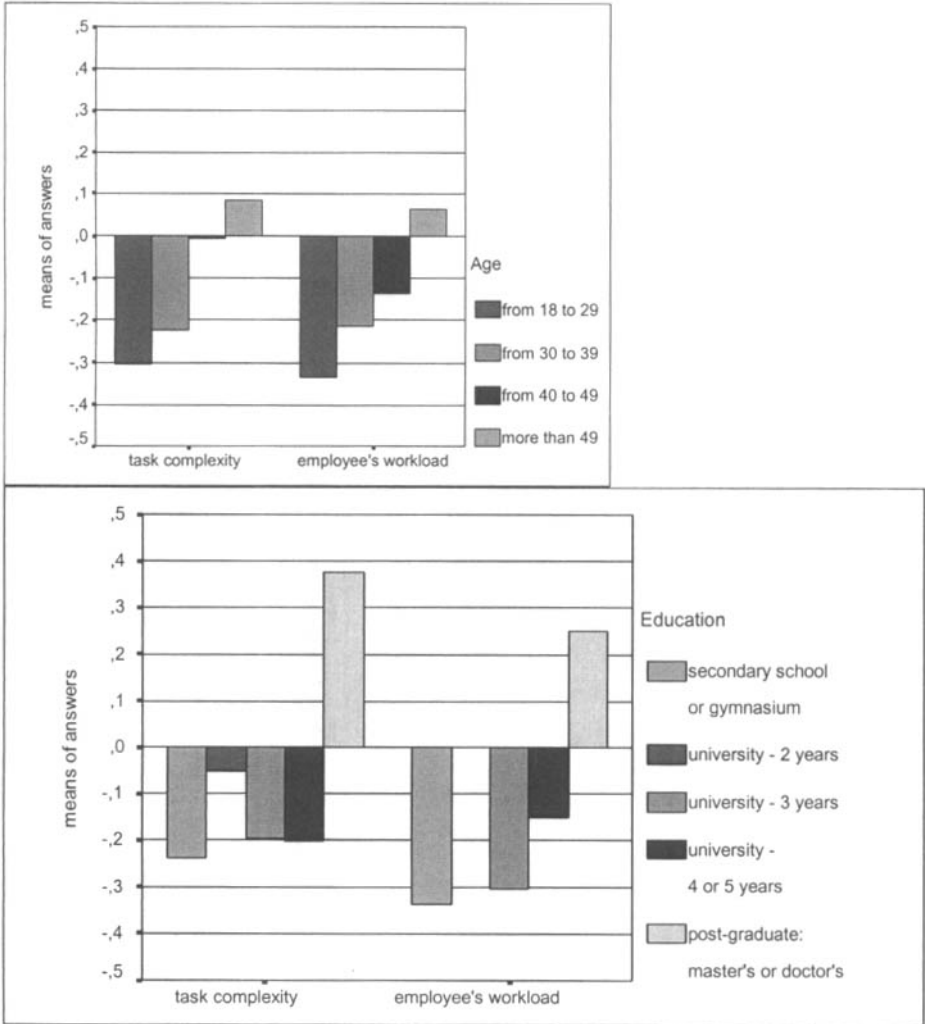


Figure 6: Changes at the individual working post concerning the age and education of those people questioned

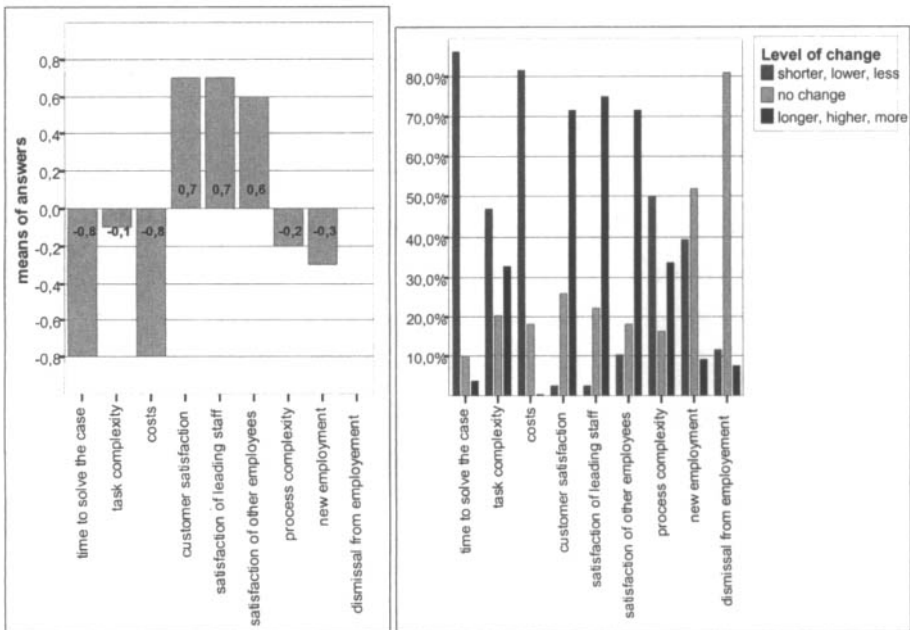


3.3.3. Effect on the organisation as a whole

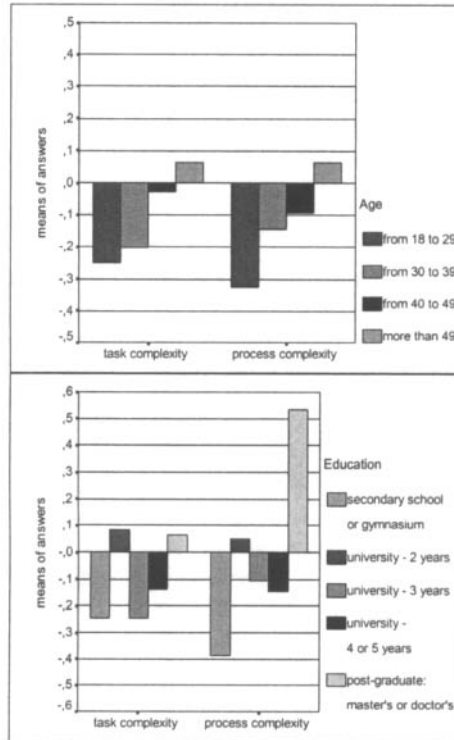
The analysis of average values of those replies referring to the consequences for the whole organisation shows (Figure 7, Graph 1) that the time needed to complete the case has essentially reduced and that costs are lower. Moreover, customer satisfaction, as well as the satisfaction of leading staff and other employees, has increased largely. On average the execution of tasks is slightly less demanding. The complexity of working processes has also decreased, but not significantly. Dismissal from employment as an effect of ICT implementation does not exist (it is neither higher nor lower), but there is less new employment. A detailed analysis of the results (Figure 7, Graph 2) shows a similar picture to the changes in the individual's working post. More than 85% of those questioned estimate that the time needed to complete the case has shortened, but less

(about 80%) estimate that the costs are lower. There are similar opinions about satisfaction. With all three questions focused on satisfaction the percentage of those who think that satisfaction is greater, ranges from 70 to 75. Also regarding dismissal from employment, the opinions of the people questioned were pretty much the same – more than 80% believe that there are no changes. Considering new employment, majority of them (52%) estimate that it does not occur because of ICT implementation. However, almost 40% think that new employment has decreased. In contrast, the respondents demonstrate more dissimilarity in assessing the complexity of tasks, where 47% of them believe that tasks are less demanding, while 33% think that tasks are more demanding. The assessment of process complexity is similar.

Figure 7: Effects of ICT implementation on an organisation as a whole



This set of questions also indicates differences between answers regarding the age (Figure 8, Graph 1) and the education (Figure 8, Graph 2) of those questioned. Almost 43% of those over 49 years of age estimate that performing tasks is more demanding, and 44% think that the complexity of processes is higher. We noticed even bigger differences depending on educational level. More than half (56%) of those surveyed, and having the highest level of education (master's and Phd degree) think that performing tasks is more demanding. The percentage of those who estimate that processes are more complex is even higher (73%). Of those with higher education, 44% (18,2% of those questioned) estimate that performing tasks is more demanding, and 42% of them report the belief that processes are more complex.

Figure 8: Effects on the organisation regarding the age and education of those questioned

3.3.4. Summary of research results

From comparison of the above-mentioned results with the introductory views it can be seen that those people questioned, mainly do not perceive the influence of ICT on organisational structure. They think that the organisational structure within their place of work did not essentially change, but there are principal improvements in communication between different hierarchical levels. At the same time, employees at lower levels obtain more competence in decision-making. All these factors indicate that ICT is used only for automation of existent processes, and consequently not all the advantages of modern ICT have been used to advantage.

Those questioned in this study perceive organisational change, indirectly through change in their working posts and change in the whole organisation. The consequences refer mainly to cultural aspects of the organisation, such as increased satisfaction of employees and customers as well as the friendliness of the working post.

The results relating to the process aspect of organisation are also interesting. Results indicate that the respondents think, that following ICT implementation there were no essential changes in the complexity of working processes and that tasks demand more or less to the same degree. Out of this assessment, employees

with the highest education think that after ICT implementation, working processes became more complex and tasks more demanding. Considering the fact that those employees questioned, and those who have the highest education are all managers, it can be concluded that they are aware of the importance of appropriate change management (see Chapter 2.3). The others do not appear to feel any of those changes at their working posts. The fact that managers are aware of the complexity of working processes and tasks, indicates that their attention is focused on a process view of the organisation.

3.4. Comparative Analysis of Results

The conclusion of our research can be compared to findings of other researches that are dealing with similar issues. Reports coming from the private sector have to be considered as well, since the private sector is a good example or precursor of changes that might be applicable to the public sector. In our case, these are changes in the field of organisational structure redesign because of the ICT influence.

One study was done in 1999 by The Faculty of Economics at University of Ljubljana and included 152 organisations [11]. The research itself did not directly investigate the changes in organisational structures, but it focused on the implementation of business process reengineering (BPR). In our opinion, BPR by itself includes organisational change. The results have shown that Slovene organisations react differently to ICT implementation within their business. Some believe that the implementation of ICT itself improves business processes. Many successful organisations think that BPR is still not necessary, while some with financial difficulty cannot afford such projects. In general, Slovene companies do implement BPR before they start implementing ICT, and so rely upon maximal benefit. Of those questioned 43% have already implemented BPR and another 21% are planning to do so in the near future (5 years). Because BPR should include a detailed plan that tries to get the most benefit out of ICT implementation, organisational changes are also studied and planned.

Some studies and research dealing with examples of organisations, those who are successfully redesigning their business with the help of ICT, stress a demand for a tight connection with the organisation's business strategies. For example, an organisation with a more conservative business strategy can use a more centralised IT [20]. Others with a more aggressive strategy, that wish to use ICT to its full extent, need an organisational structure and business strategy that reflects the many possibilities that ICT offers [15]. Similarly, Currie claims [4] that organisational changes can improve the level of usage and efficiency of ICT, but big investments in ICT that are not supported with structural and strategic initiatives, are not likely to bring real improvements.

In addition, there are many studies and surveys referring to different aspects of organisational change. Teng and Davenport [5; 21] quote mainly individual examples where organisations redesign their businesses with the help of ICT and by that, their structure as well. Currie studies the position of the IT department (activities) in the structure of 184 public and private sector organisations in UK

[4]. Preliminary findings of her survey show that some 70% of them confirmed that they had been restructured in the past five years. IT was seen to play a part in the restructuring process, in about half of the sample organisations. The survey data show that 70% of all organisations retained a divisional structure of IT (usually in the form of a separate IT division) and did not support the view that organisations are quickly moving towards decentralised, flatter structures for their IT services. Babcock and al. have done research as to how employees accept and adopt ICT [2]. They questioned executives (high level administrative managers) of central and local governmental organisations in the state of Arizona. They found out that managers think that ICT enables greater availability of good information, needed for decision-making and management, and improves the quality of decision-making. Brynjolfsson and Hitt investigated influence of organisational design on demand for ICT and productivity of ICT investments in about 380 American companies [3]. Among other things, they discovered that in companies with a high level of ICT usage, tendencies to a team-based organisation arise and employees educate themselves more. Employees on lower levels have more power in decision-making. They found a strong connection between ICT usage and decentralisation. In decentralised organisations, the efficiency of ICT usage is greater. They also concluded that organisational design is or will be adopted according to ICT. On the basis of the study of many different authors, Senevirante ascertains that in contrast to the private sector, ICT has not influenced the organisational design in the public sector yet, although other organisational changes can be noticed [17].

4. Conclusions

We believe that ICT will change organisations more and more. Due to their dynamic character implement, companies in the private sector change relatively quickly, but the progress of organisational changes in the public sector is very slow. Based on our research and judging by the opinion of other authors, these influences cause change on three levels:

- 1) Micro level: most employees are aware of changes on the micro level i.e. on their working post or working group. These changes can be the outcome of the redesign of working processes or the implementation of ICT itself.
- 2) Macro level: this level comprehends hierarchies and structures within the organisation, where according to the results of our survey, changes evolve after having used ICT for several years. The results show small changes, but they have appeared and we believe that they will grow in future. This can be concluded, even out of the Slovene e-government strategy, that plans many changes on macro level due to the implementation of ICT in the public sector. Among others, these include the decentralisation of rigid administrative systems, heterarchical structures instead of classical bureaucratic structures (Weber's type), and outsourcing, that causes new information to flow and cross-organisational interactions. This process is

slower in the public sector, as compared to the private sector, which is more flexible and among other things less limited by law.

- 3) Inter-organisational level: because of slow response and great inertia when confronted to changes, the public sector probably will not be able to respond quickly enough to the strong influences of ICT. In contrast, the dynamic organisational structures of the private sector are able to do so. With the support of ICT and networks such as the Internet, it is possible to create temporal or permanent virtual network structures, that are connected on the level of processes. By this different virtual network structures on an inter-organisational level, rather than changing the formal structures of the macro level, can be established. On this inter-organisational level, the processes are carried out and managed by people employed in different formal organisations. These kinds of ideas are already implemented in the private sector.

We learned that some principles of public sector reforms are gaining importance because of the influencing ICT. Transparency is better, as ICT enables the information, in a faster and simpler way, to reach those (citizens) who need and want to have an overall view of the services and work of the public sector. Because of better control achieved when using ICT, responsibility is greater, as there are fewer chances to hide mistakes. On the other hand, some principles are losing their importance. The use of ICT enables direct communication in a virtual, non-territorial world, which makes the territorial principle obsolete and unnecessary. The use of ICT brings public sector services closer to the customers, irrespective of time and space. Therefore, the deconcentration is losing its value as well.

The success and use of ICT implementation depends on how well the public sector is going to handle the policies, management and organisational changes. The better they master them, the better the public sector will be. In the mean time, and with the help of virtual network structures, the above-mentioned obstacles can be removed and maximum benefit of ICT implementation can be assured this very day.

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Modernizing Public Services: the possibilities and challenges of electronic services in the Finnish public sector

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E-services are becoming an integrated part of the strategies and everyday routines of public sector organizations. Networks, and the increasing need for co-operation and new forms of citizen participation, will challenge the traditional way of governing, at all levels of public administration. However, there has been no broad discussion related to these processes, in spite of the growing enthusiasm for developing e-services. E-services are an important means of developing new ways, in order to meet customer and citizens' demands for flexibility, quality, responsiveness, and individuality. E-services are also expected to enhance cost-effectiveness and transparency in public services. Effective management is a central means of striving towards a quality service culture [1]. The aims of our review are: 1) to describe how institutional reforms and initiatives facilitate the development of public e-services; 2) to identify the challenges that the development of e-services give to the public sector management and 3) to discuss how the service culture will change along with the use of e-services. The article is descriptive and it is based on Finnish cases, related to the development of e-services from the 1990's to the present.

1. Introduction

The public sector in Finland went through a relatively rapid process of transformation in the 1990's. This has meant striving towards a new kind of governance, emphasizing lower organizations, service quality, and customer orientation. Citizen and customers' needs, their demands towards the government and public services, have increased. Effective management is a central means of striving towards a new service culture. The developing of the information society has become a fashionable trend, to which many modern governments have reacted. Various programs, enhancing the use of the Internet and electronic services in business, public administration, and politics, have been started. Indeed, at least in Finland, both the government and the public sector, have been very active players in promoting the information society.

1.1. Modern governance

According to Considine and Lewis [2] modern governance consists of four stages or paradigms. These are: 1) procedural bureaucracy, 2) corporate bureaucracy, 3) market bureaucracy, and 4) network bureaucracy (Table 1). These types form a progressive model of the welfare state's development.

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Table 1. Governance types [3].

	Procedural Bureaucracy	Corporate Bureaucracy	Market Bureaucracy	Network Bureaucracy
Source of Rationality	Law	Management	Competition	Culture
Form of Control	Rules	Plans	Contracts	Co-Production
Primary Virtue	Reliable	Goal-driven	Cost-driven	Flexible
Service Delivery Focus	Universal Treatments	Target Groups	Price	Clients
Service values	Legitimacy	Equality	(Cost-) Effectiveness	Customer-/ Community- orientation

Governance types are built on each other, so that one does not wholly replace the other, but instead, they complement one another. For example, there are still many aspects and principles left in the Finnish public sector that can be traced back to the procedural bureaucratic model of governance. Thus, the latter governance types are built on the former, representing the modernization of the welfare state.

In respect to development of the Finnish welfare state, the procedural bureaucratic governance stage reflects the first phase of modernizing state bureaucracy ('rechtstaat'). In this phase, the public service sector was narrow, and steered by central norms. The second type - corporate bureaucracy - reflects the post World War II era expansion of the welfare state, where centralized public services and planning were essential elements. This was a goal-driven model, which emphasized equity and universalism. The corporate model has since transformed into a market driven bureaucracy. This somewhat liberalist oriented development has been implemented through deregularizing, outsourcing and privatizing the public sector. The prevailing market, bureaucratic model emphasizes contractualism, market-type mechanisms, as well as competition in many publicly funded services. In management, this development has meant a more strategic and cost-effective orientation, which has had a tremendous influence on public sector employees, especially those in management positions. The latest phase of modern governance is the network bureaucracy, a "post market bureaucratic" model, that is characterized by low organizations and the strong cultural identity of the civic society.

1.2. Setting

The aim of this document is to describe the paradigmatic change of the Finnish public sector, especially in relation to e-governance, which can be seen as a part of the more in-depth development of the network bureaucracy. The issues related to government programs and reforms, as well as the anticipated changes of this process in the management and service culture in the public sector, are of special interest. A special effort is placed on describing those cases, and some research findings, related to this development in the Finnish public sector. The aims of this document can be stated with two specific questions: 1) what are the basic features of the paradigmatic change of network bureaucracy, that favour and restrict the development of e-services? and 2) what are the implications of this development on the management and service culture?

1.3. Central concepts

The central concepts of this paper are networking, e-government and e-services, e-management, and service culture.

Networking

Networking is a significant element of development within the information society. Network relationships are seen as a competence factor in the public sector. Network is understood as a net-like structure consisting of independent actors, or substructures, that interact and co-operate with each other towards a shared goal. The consistencies of networks vary. Some networks are formed only for a certain purpose, and cease to exist after that goal has been reached (or when the resources run out), like project networks - however, some do last longer. Networks are sometimes born (somewhat 'ad hoc') out of the common interests of the partners, but some are designed so as to form an organization. In this sense, the formality of those networks vary; there can be both highly formal, but also very informal, networks.

Networking refers to activities that form meaningful relationships among the members of a network. This activity can be based on the interests of the members, or it can be based on formal hierarchical implementation such as reforms, as is the case, for example, of many public sector re-organizations.

Successful networking consists of different members' abilities for working together, and the effective use of expertise and entrepreneurial spirit. A citizen as a customer, and as an active responsible partner, will have a crucial role in this development process.

E-government and e-services

E-government means the production, provision and use of public services and related interaction through information networks, in such a way as to complement, replace, or improve traditional transaction. E-services are services which are provided to citizens, enterprises, organizations, and other administrative units through information networks. These services may include possibilities to search for and check information, interactive services or opportunities for taking part in the preparation of issues, as well as participating in the decision-making process [4].

E-Management

The concepts of coordination, control, decision-making, goal setting, and leadership have been, and still are, of special interest to management. One of the most well-known definitions of management was made by Luther Gulick who - elaborating on Fayol's earlier definition - included seven functions in the concept of management. They were formulated in the famous POSDCORB -model and consist of: planning, organizing, staffing, directing, coordinating, reporting, and budgeting [5].

In addition to these mostly intra-organizational aspects of management, the strategic and value-oriented aspects are emphasized in e-management. These

extra-organizational - or rather, environmental - aspects of leadership are not new *per se*, but may be more important now, rather than earlier, because of globalization. According to Selznick [6] the institutional environment of organizations is a central element in defining the processes of leadership. Adaptation to environmental pressures has made it possible for organizations to maintain legitimacy, and was a key to organizational survival in a turbulent environment. Predicting environmental changes in strategies is thus a key function of leadership.

This is also the case in e-management. The question is how to manage the networks of people and organizations? Manage, so that the effectiveness and quality of those outcomes, along with the commitment of the employees, can be maximized and costs minimized. In this document, management is defined as activities that seek to:

- 1) Create a framework for organized activity by setting strategic goals, focuses and targets, rather than just focusing on operational supervision;
- 2) Coordinate and facilitate change in organizational activities, rather than establishing highly formal structures;
- 3) Empower people in organizations through delegation, and the decentralization of authority rather than maintaining hierarchies in decision-making;
- 4) Encourage the autonomy and self-leadership of teams, rather than controlling [7].

In this document, organizational structures, technology, culture, and management are viewed as integral parts of those service processes in the public sector.

Service culture

Service culture can be seen as an established custom – the way in which things are done. Both producers and customers define the service culture: A producer creates the services, and a customer uses them. At the same time, service culture is influenced by national, regional, and local elements and in this case, by information communication technology.

Two different dimensions can be separated from a service culture: an internal and an external. Internal service culture is defined by the organization. It includes, for example, management culture and service standards. Employees play an important role in creating it [8]. External service culture is defined by customers: how they experience, and how they use, those services.

2. Developing electronic services in the public sector in Finland

The last phase of profound reforms¹ in Finnish public administration has been taking place since the end of the 1980's. The most important reforms have concerned structures of government, the use of market mechanisms, steering, personnel policies, public services, information management, and evaluation [10].

In Finland, the development of the information society is seen as a central issue and a challenge. In both the reform of economy, and public management, at all levels of government since the early 1990s. During the deep economic recession, there was an urgent need to find new solutions, so as to retain public welfare services. At that time there was a strong confidence in knowledge, and in using modern information technology solutions. The Finnish National strategy for the information society was published in 1995 under the title *Finland's way to Information Society – the National Strategy and its Implementation*², and was re-appointed in 1999.

Since the latter half of the 1990's, strong efforts have been made, in order to build an electronic infrastructure, and to launch different programs and projects, also involving interaction on an international level, like the project *e-Europe* in 1999. In Prime Minister Lipponen's Second Government Programme (from 1999 on) [12] the development of information society, has had a central role. The focus of these efforts has been on increasing the efficiency and effectiveness of public services. The Government launched several projects - included in *Government Project Portfolio* - so as to support and promote e-government and e-services. In principal, the ministers' council gave their decision on electronic transactions, the development of services, and the reduction of data gathering, in 1998 [13].

Case 1. The Act on Electronic Service in the Administration (1318/1999) was enforced at the beginning of 2000. The Act makes it possible to electronically initiate, handle, and serve notice on administrative issues. It gives an electronic signature, the same legal effects in administration as those of a traditional signature. The Act contains provisions on the rights, duties, and responsibilities of the authority and administration in electronic communication.

However, the e-government is not a completely new phenomenon within the public sector in Finland. The first step towards the new service culture was already taken in the 1960s when intra- governmental (between state authorities) data exchange was introduced. The first noteworthy, public e-service was the Citizen's guide. That portal is continuously updated. The latest national portal on public service information and its services, will be opened in the spring of 2002 (www.suomi.fi, and its English version www.publicservices.finland.fi)

¹ According to Pollitt and Bouckaert [9] public management reform consists of deliberate changes to the structures and processes of public sector organizations with the objective of getting them to run better.

² "In the information society, knowledge is the basis of education and culture and the most important production factor. Information and communications technology (ICT) significantly promotes interaction and exchange between individuals, business enterprises and other organizations, the utilization of information, and the provision of services and access to them" [11].

Case 2. The Citizen's guide, that to be used on the Internet, includes all the essential information which citizens need, in different life situations. This electronic guide also provides useful information to companies and communities. More than a hundred authorities produce the information provided in this guide. (<http://www.opas.vn.fi/english/index.html>)

3. Modernizing public services

Conscious efforts, so as to shift traditional bureaucracy towards the modern network bureaucracy with e-governance emphasis, have been made to public management reforms and programs. It has meant changes concerned with structure, tasks, and roles of the administration. Instead of formal bureaucratic organization, there is a willingness to create flexible, lean, and responsible organizations, which have the capabilities to co-operate and create synergy. The relationship between the administration and citizens is going to experience profound changes. The authority-centred administration will be turned into the empowerment of citizens, with interactive services.

Table 2. shows our summarized, but rather limited, perspective on public sector modernization in the information age. Modernization as a concept suggests a society heading towards a better state, development, and progress. 'Modern' society, as compared with 'traditional', implies a rational approach, effectiveness, efficiency, and improvement [14].

Table 2. Traditional public administration and modern e-governance [15] [16].

Criteria	Traditional public administration	Modern e-governance
Structure of government	Formal, hierarchical structure in bureaucratic organization	Loose-tight structures, informal relations networks
Span of control	The top-down control principle	The network management principle
Role of government	Paternal	Enabling public service, interactive
Role of citizen	Constituent, subject of government	Customer, active partner
Service values	Availability judged by government authority, uniformity, equity	Availability judged by customer, smooth operations, quality

In information society development, the public sector has at least three different kinds of roles. The government, as enabler, creates possibilities for e-government and removes obstacles. The government, as reformer, can lay a foundation for development by making qualified, customer-oriented e-services. The Government, as co-ordinator, can supervise the development process and the co-operative partners [17]. In our contribution, especially the two latter roles will receive focus.

Considering the effects of Information Society development from the societal viewpoint, it is necessary to notice some factors. Those opportunities which it offers should be equally available for everyone. Heavy migration to growth centres causes trouble in contemporary Finland. The exclusion of regions should be prevented, through growing co-operation between different authorities, and the pooling of resources in the development of services and know-how. Modern information technology, and an information network, could help to ensure the vitality of regions and promote innovations. Open work premises and

environments, which offer tools and supportive services for teleworking, could be made locally available for different kinds of undertakings [18].

*Case 3. SEVERI project (Seudullisten tietoverkkojen tukiprojekti) was launched in 2001 for the support of sub-regional on-line services. The aim of the project is to advance developing regional e-services, in such way, that supports regional development, availability of services, and local democracy.
(<http://www.intermin.fi/juhta/projektit/localportals.htm>)*

In transforming to modern e-governance and e-government, public organization as a service producer, has to consider what kind of services it will provide on the Internet, and what kind of challenges it will give to the organization's working capacity, and to the expertise of managers and staff.

Instead of asking: "How can we apply the Internet to existing public services?", we should ask: "How should we provide public services, now that we have the Internet?" In order to develop new e-governance, it is necessary to change traditional ways of thinking and, also to improve the managerial and technical capabilities of the different participants [19].

When developing public e-services, there are some principles (five A's) from the customers' viewpoint, that must be taken into consideration. *Availability* and *accessibility* mean that those who need the service can get it. *Affordability* means that the service cannot be too expensive, so as to prevent use, especially when it concerns someone to whom the service may be most beneficial. *Awareness* means that the user is aware of the net service and *appropriateness* means that he/she knows how to use it in order to serve his/her own purpose.

Case 4. JUNA (The development project of public network communication) is one of the Government projects for e-Government during 1999-2002. It promotes the provision and development of electronic public services. The project covers both the central and local levels of public administration. The main objective of the project is to increase the number of electronic services available, and to develop the expertise needed, in order to produce good-quality e-services [20].

Case 5. To improve citizens' possibilities, so as to affect decision-making which concerns them, by using the Internet and enhancing openness and transparency in government. The Ministry of Finance launched a project called "New information technology and citizen's possibilities to influence" (UUTIVA) in November 1999. One of the most visible parts of this project was a discussion forum on the Net.

Case 6. Citizen Network Form Service. The aim of the service is to make it possible to fill in, sign and send forms through the network (<http://lomake.vn.fi>). The service is free to all citizens. One can print or load hundreds of forms provided by different authorities at this site. However, at present, the forms cannot be returned electronically, but in future, it should be possible.

E-government and e-services offer lots of benefits to service producers and users, but working alone is often difficult. There is a growing need for co-operation and networking. Different partnerships and co-operation between the public and private sectors, in information technology operations, create new solutions. Successful networking will prove that the whole is greater, than the sum of its parts.

Case 7. The VALTIPA network is a network of information service³ professionals in the Ministries, Parliament, and National Archives. It was initiated in 1993. Altogether there are 200 information service professionals in the network. The idea of this network is to co-operate, in order to ensure that the Government and Parliament have immediate and reliable access to all the information they need, in a suitable form. There are several reasons to create the network, such as the growing need for international information, and the increasing amount of electronic data. The network has several goals, such as to develop the standards and working methods for information services, developing electronic document transfer, and organizing easy access to common information.

There are some examples of service clusters and technology solutions in social and health services.

Case 8. The Network of Excellence Centres constitutes a nationally important multiprofessional and multilateral accumulation of information technology know-how. The Network develops national welfare cluster operations, with the aim of using information technology and telematics in order to advance the social and health care service system, and to promote citizens' independent living. (www.oskenet.fi) Also, it aims to produce seamless service, where the client will be an active partner, and where the present organizational and information barriers are made invisible.

Case 9. The Ministry of Social Welfare and Health funds several local and regional ICT-projects. The largest of them is the Satakunta Macro Pilot (www.makropilotti.fi). It links the information systems of regional service providers (private and public) and, at the same time, provides web-based services for health professionals and citizens. The purpose of the Macro Pilot is to implement seamless welfare and health care services. It uses several ICT applications (e.g. regional virtual patient records, social security card, identification and encryption, e-signature, and secure web consultation) to support the seamless service principle.

What do ordinary citizens think of e-services? How do they perceive the ongoing development? In the following, some findings related to the customer/citizen point of view towards e-services are reviewed.

Case 10. In August-October 2000, Taloustutkimus Oy conducted interviews (n=1051) related to the opinions and attitudes of Finns, towards the availability and use of electronic public services. A similar study had been made in 1999. It was found that those public service websites most often visited by those respondents, who had used the Internet during the last three months, were provided by the municipalities in which they lived. Other frequently visited www-sites, were related to public educational services and to labour administration. The www-sites of Ministries and Parliament, were among the most frequently used sites. The most often used e-services seem to relate quite solidly to citizens' everyday lives and needs. Of course, those services most useful, also seem to be those most often used [21].

Case 11. In the same report, the provision of public services through Internet was considered to be more important than in the previous year. A total of 65% of all respondents considered the importance of further development for public www-services. However, when asked how public services should be developed, the traditional service offices were primarily favoured, and only 19% of the respondents preferred Internet services. Also, respondents were asked where they obtained the public application forms, those needed in administrative affairs, only 3% of respondents downloaded them from Internet www-sites, while 83% of respondents obtained their forms from service offices,

³ Information services include library, archives and document management services.

or joint service offices. When asked about the respondents' use of e-mail in administrative affairs, only 12% of those respondents had used e-mail in administrative affairs. However, e-mail was considered to be a useful way of dealing with authorities: 71% of those respondents who had used e-mail, implied that they had gained advantage from the use of e-mail [22].

Several factors are seen to affect the use of e-services. The respondents also mentioned several barriers, which were: 1) the overall reluctance to use the ICT, 2) the lack of knowledge related to availability of e-services, 3) the lack of trust in the security of e-services, and 4) the need for information and personal advice related to the services [23]. In this sense, the barriers often seem to relate to the technical aspects, and user-friendliness of the e-service applications, as well as the lack of information and training, for citizens to use ICT in public services. However, a somewhat minor proportion of the respondents did consider that the availability, or the costs, of the equipment posed a problem. This seems to implicate that the basic infrastructure of e-services does enable increased use of the e-services. Thus, enhancing customer awareness, in relation to availability and possibilities of e-services, would be a good place to continue development efforts.

4. The change of service culture in the public sector

The ability of public agencies in order to serve, will be enhanced by increasing the alternative ways of producing services – that is, e-services. A service society needs new ways of organizing (public) services, new forms of financing them, as well as new types of steering. In the development of public services, as we have previously mentioned, the emphasis will be on customer-orientation, freedom of choice, and availability of services. More than ever, the special characteristics of each service, and the needs of customers, must be taken, earlier, into account. Instead of the New Public Management, the term “the New Public Service” can be used - a set of ideas about the role of public administration within the governance system, that places citizens at the centre [24].

Development of information technology makes it possible for public administration to reorganize services, and to develop joint services between different authorities (Case 2 “Citizen’s guide). By using e-services, customers can decrease problems, those relating to opening hours and location: the citizens can use e-services, those offered by information networks, around the clock, regardless of their location. They can also visit different authorities at the same time. Of course, this will increase society's dependence on information communication technology (ICT) systems.

The change in public service production (i.e. the production of e-services) leads to a new service culture. Most characteristics of that culture are customer-orientated. Besides customer-orientation, characteristics of the new service culture are responsiveness, individualism, a new kind of equality, flexibility, invisibility/impersonality, activity, and quality. This development implies that “face to face” services are changing to “me-and-the-net” -services. This means

that customers are dealing with computers and the Net, as opposed to dealing with people.

From the producer's perspective, the new service culture is determined by new information and communication technology, new know-how, and new ways of working. The new culture asks a lot of its organization and personnel. Organization has to invest in the development of e-services, and to educate its personnel. From the user's perspective, the new culture is determined by the technology in use, user skills, and e-government applications. People are culturally "stuck" with e-services when technical possibilities get better, and people learn how to use different kinds of applications.

Case 12. In 1999, 85% of all governmental agencies and offices had their own web site, and 51 offices already provided the possibility to download electronic forms on the Internet. In addition, 10 offices provided interactive services. Out of 452 Finnish local authorities, 399 had their own web site. However, most of them contained only contact information and service descriptions. Many public service sites also included a query and feedback facility, which functioned either by means of e-mail, or an electronic form. (<http://www.intermin.fi/suom/juna/english/development/index.html>).

Finland seems to be moving towards a sort of network bureaucratic model, which means that all public services, both local and national, can be taken care of in one service office (one-stop shop). Services can be produced by local or national networks. (<http://nykyaika.lasipalatsi.fi/arki/>). At the same time, the service role of the public sector is changing from a producer to a purchaser of services.

At present, the production of welfare services is arranged on the basis of local needs. Municipal self-government can best guarantee that local viewpoints and extensive participation of citizens, in the decision making-process, are taken into account. In the future, more market orientation seems to be taking place and services are purchased from private producers. This development requires a lot of work from public administration, in order to prevent "electronic discrimination". At this stage of the development of e-government, discrimination is not a big problem, because the e-government is established alongside normal "face to face" - services. At the same time, the new service culture is forming beside the "old culture".

Case 13. During 2000, 30 % of Finns used public e-services including finding information from www-sites. A typical user of e-services is young, urban and educated. He or she is often a professional, many are in managing positions, entrepreneurs or students. These people are usually very capable in the use of Internet. (<http://www.intermin.fi/juhta/julkaisut/index.html>)

One of the biggest problems related to the information society, is to guarantee equal opportunities to all citizens, regardless of their age or education. Authorities have already tried to solve some problems by increasing the number of "client computers" in public buildings, such as libraries.

5. The management of e-services - e-management?

In management, the traditional issue of organizational effectiveness is central. The focus of most management theories and theorists, has been on the effective and successful running of work processes and organizations. The approaches to management vary. Some schools and theorists have focused on individually managing the organizations or activities, and some on those structures/functions which define the character of management. The former approach has been typical for management studies, especially in the field of business management. The focus of these studies has been on leadership traits and styles, the behaviour of individuals, as managers and leaders, as well as on the roles they take and the values which they possess [25] [26] [27] [28].

The latter structural/functional approach has been more common in the field of public management/administration studies. Organization structures and size, open versus closed systems, and public/private comparisons are some of those issues raised, within this approach. Some approaches also seek to combine the individual and organizational aspects into a synthesized approach. Contingency models and the institutional perspective are examples of this kind of approach [29] [30] [31].

All in all, it is hard to separate organization and management views, as each includes the other. This is especially true in the case of the public sector as compared to private organizations, which - in spite of the deregulative efforts and new managerialist ethos - in many ways, is still more regulated by legislative norms and principles.

As stated earlier, the management of networks is based on a different view of management, than the traditional hierarchical public management. The change in the way in which services are produced, sets new demands on public managers, as well as to those organizations which produce them. According to the JUNA project report [32] the most common managerial problems related to the development of e-services were:

- Low commitment of top management
- A lack of, or out-of-date, updated strategic framework/tools for development
- Lack of resources, training and knowledge
- Resistance towards change, and the unwillingness or inability to change existing structures and processes
- Building e-services upon traditional service processes, or routines
- Seeking ready-made concepts and existing knowledge, instead of developing new solutions
- Low responsiveness and customer orientation.

The afore-mentioned problems possess a challenge to the development of networked service organizations. These challenges can, roughly, be divided into two interconnected categories, namely *managerial* and *organizational*. The former

category consists of challenges related to management questions, especially the formulation of strategies, decision-making and coordination. The latter category can be split into structural and procedural subcategories. The structural relates to the formal structure of organizations, and the procedural relates to the flow of processes through (or within) the formal structure of the organization. The procedural problems, or challenges, seem to relate more to informal aspects of the organizations.

Organizational aspects affecting the management of e-services

Changes in technology set new demands in the ways of organizing public services⁴. According to D. Quinn Mills [33] from the managerial point of view, three basic types of organizational structures can be found. These are: 1) the Pyramid, 2) the Matrix, and 3) the Lattice. The traditional hierarchical "pyramid" - type of formal organizational structure⁵ no longer works in heavily decentralized and networked organizations. This is mostly due to the multiplicity of objectives and participants that require organizational and managerial flexibility. In order to gain this kind of flexibility, organizational designs and management settings should be able to facilitate these goals in an effective way. According to Mills [35] such an organizational design could be the "lattice" model (see Table 3.).

⁴ Consider for example the ways that the introduction of Fordist mass production changed the industrial organizations. The introduction of ICT has already changed the organizations and processes in different sectors of industrial life and public sector.

⁵ The organizational designs could be described as management settings, reflecting the formal side of organization. In fact, the "pyramid" model can be attached to the Weberian bureaucratic model as well as to the Taylorian model, the "matrix" design refers to the lower design applied by many private enterprises and especially in project organizations and the "lattice" model refers to the new organizational design enabling flexibility and simplicity at the same time [34]. In this sense the "lattice" model resembles the "organic" organization.

Table 3. The management characteristics in different organizational settings [36].

	Pyramid	Matrix	Lattice
Why was it developed?	To coordinate many people with limited expertise in pursuit of a single objective	To integrate dual objectives (technical and business) into a single project	To ensure flexibility, simplicity, and lower costs than earlier approaches could deliver
Management Levels	Many	Several	Few
Span of Control	Limited (5-10)	Partial authority	Very broad (50+)
Reporting Relationships	To single supervisor	Split between at least two supervisors	Direct reporting relationships without close supervision; semi-autonomous teams and self-leading individuals
Communication	Guarded data flows on "a need to know" -basis	Limited; focus is on data needed to resolve conflict	Open; connectivity permits people to search for relevant data
Performance Appraisal	Supervisor	Project and function	Peers, customers, and team
Focus of Management	Coordination/control	Cooperation/negotiation	Collaboration/ flexibility
Decision-making	Issues referred upwards in the chain of command, so far as each higher level will accept them	Issues referred to function/project interface; unresolved issues pass to top management	Issues expected to be resolved by those closest to them
Leadership	Boss/bosses appoint leaders	Project and functional managers appoint jointly	Leadership rotates within work teams
Goal-setting	By managers for direct reports	Established at a level above function/project interface	Largely self-established within a framework established by higher executives

The lattice model is built on cultural values, based on semi-autonomous teams, and open to connectivity and collaboration. In this model, the span of control is very broad, but there are only a few management levels. The lattice model is based on independent project teams establishing their own, within a given framework. In this model there is no traditional supervision, but the reporting relationships are very direct. This model draws from both culture and formal authority. The lattice model builds on people. A central means of ensuring employee loyalty, is by providing both teams and individuals with a meaningful access to information. Incentives are a very important means of ensuring employee commitment. The focus of the model is not on the formal structure of the activities, but instead on the dynamic process [37].

The challenges to management of e-services

The challenges of managing e-services relate to: 1) the centrality of culture and values as a basis for rationality, 2) the emphasis on the collaborative nature of work processes, especially in the question related to control and coordination, 3) the need for enhanced flexibility, and 4) the increased demand for customer orientation and responsiveness in public services. These challenges culminate in the architecture of e-services. In this sense, networking is a central way of working, as well as a means of organizing processes.

The use of information and communications technology (ICT) has acted as a catalyst for the modernization of administration. This process is described in the next figure (Fig. 1.). In traditional public administration, the use of ICT is mainly

attached to the formal structures, and functions, of public administration. In the traditional public administration, the role of ICT, in both the intra- and extra-organizational sense, is mainly supportive and customer-orientation is weak. The focus of the use of ICT is on those intra-organizational aspects in this model.

Figure 1. A comparison of the role of ICT in the traditional public administration model and in the modern governance model.

	Traditional Public Administration	Modern e-governance
Intra-organizational	Computer-aided administration: * registers, data-bases	Knowledge management: * shared information systems * strategic management
Extra-organizational	Computer-aided public services: * statistics, financial information	E-services * customer oriented electronic services

In the modern governance model, ICT has a significant role. Knowledge management is a central component of the intra-organizational use of ICT. In the extra-organizational sense, the focus is laid on the development of e-services. The customer-oriented use of ICT is a central means of serving the public, and enhancing the effectiveness of service processes. Thus, the structural-formal orientation of the traditional model is changing into a more process- and service-oriented model of governance, along with the increased use of ICT applications in the public sector.

New management culture and work processes are supposed to break down the traditionally formal structures. The informal processes become more important, than the structure and formal hierarchical relations. The relationships of those participants are transforming in an inexperienced manner, as collaborative relations, that can be more or less organized as they take place. The importance of shared goals, values and culture becomes more important than supervisory and controlling functions. However, coordination is still needed in working teams. This will be a matter of self-management. The role of top management will focus on the creation of strategies, the maintenance of culture and values, and the facilitation of information and change processes in organizations.

Customer/community orientation will also be a central factor in decision-making. This especially concerns public services. Flexibility and responsiveness are needed in order to meet with customer demands. Better responsiveness is accomplished, through surveying the demands and preferences of customers. However, in public service, there are also basic service functions that must be guaranteed in all circumstances. This differentiates the public sphere from private service organizations.

The roles of citizens vary, in the network bureaucratic model. E.g. they may emerge example, as customer, client, or participative citizen roles, and thus produce varying needs and demands for public services. This is a challenge for

public services. The question is how to provide and manage these differentiated and high quality services, in a cost-effective way. The answer may - at least in certain services - be e-services. For example, in information services, applications, education, and planning, there are several possibilities so as to develop e-services. The number of applications is growing, but the willingness to develop new e-services is still a central factor, in meeting with citizens' demands for service provision and choice, rather than technological constraints.

6. Concluding notes

In relation to the civic society and the roles of citizens, the public sector's modernization process has a form of individualization. As a consequence, citizen's roles have become more important. On the other hand, a fragmentation and blurring of the civic society has emerged: there are no more clear interest groups, but instead a growing number of different - more or less individual - demands and needs. Citizen's roles have changed from being an object (in procedural bureaucratic governance type), and user (corporate bureaucratic governance type), through a customer (market bureaucratic type), into a self-conscious subject and participant with several, varied roles in relation to the public sector.

Our view is that e-services are becoming an integrated part of the strategies and everyday routines of public sector organizations. Thus, e-services have a central role in modernizing the public sector. Networks, and the increasing need for co-operation and new forms of citizen participation will challenge the traditional way of governing, at all levels of public administration. However, there has been no broad discussion related to these processes, in spite of the growing enthusiasm in developing e-services.

Political steering and strategic guidelines for e-services are needed, so as to clarify the future development of an e-society. There is a danger that instead of e-governance we will get e-bureaucracy. Inside administration, there is a danger that different attitudes, as well as insufficient and unbalanced resources, prevent and retard the transformation of services to the network.

The change in the service culture requires broad interaction between different participants, like authorities in municipalities and regions, also in the private sector. In addition, information society development increases multinational interaction. It is important to notice that the most significant factor, is the connection between different sectors and units, not the limits. This is because the purpose of networking is to connect people, not technical solutions. In the information network, people get closer together and distances will be shortened.

The perfect shift of the service culture is not possible, unless citizens are able to use e-services. The question is: when the customer needs public services, is he able and willing to use information networks? For the moment, this new service culture is developing beside "the old culture".

E-services require a somewhat different way of organizing processes, other than the traditional public administration. This concerns both the organization's formal structures and a new kind of management orientation. Flexibility is the key element in organizing and managing public services, in a more turbulent and changing environment. Management orientation that is more strategic and environmentally oriented, but still capable of coordinating multiple service processes may be needed, so as to build a framework for responsive public services. As a consequence, new organizational forms may also be required, in order to meet these challenges in public services.

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Taking Citizens Seriously: applying Hirschman's model to various practices of customer-oriented E-Governance

Hein van Duivenboden & Miriam Lips *

For several decades now, government organisations all over the world perceive customer-orientation as an important organisational problem. Various management concepts have already been developed to be able to implement customer-orientation within government organisations. Particularly during the last decade, however, government organisations have perceived ways to implement customer orientation by means of Information and Communication Technologies (ICTs). Particularly, new ICTs, such as the Internet, are perceived as having the potential to offer better or even new possibilities for implementing customer-orientation. As a result, nowadays often under the flag of the concept of 'e-government', various applications of customer-orientation supported by ICT can be found in government. The designing process of e-government in most cases takes place within government organisations. The customer him/herself, i.e. the citizen, is hardly involved in this process. Therefore in this paper, we will analyse changes in the relationship between government and citizen not so much from an organisational point of view, but from the perspective of the target group of this design process: the customer/citizen themselves. To do so, we will make use of Albert Hirschman's model (1970) of exit, voice, and loyalty. By looking at various practices of customer-oriented e-governance developed worldwide so far, we will examine if, and if so, how applications of ICT-mediated customer-orientation have changed relationships between citizens and service-providing government organisations in terms of action perspectives for citizens.

"The explosive entry of technology into every aspect of life has changed how people live, how they work, how companies do business – and how governments serve their people. For the first time since the creation of the modern welfare state, there is now a real opportunity to 'reinvent' government." (Silcock, 2001)

1. Introduction

For several decades now, government organisations all over the world have perceived customer-orientation as an important organisational problem.¹ Various management concepts have already been developed to implement customer-orientation within government organisations. Particularly during the last decade,

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¹ In this paper, the use of the term 'customer' refers to citizens. Other customers of government organisations, such as colleague-government agencies, private sector organisations, special interest groups or social movements are left out of consideration.

however, government organisations have sought ways to implement customer orientation by means of Information and Communication Technologies (ICTs). The systematic development and further improvement of policy implementation processes with the help of ICTs shows great promise of transforming public service delivery processes into innovative and customer-oriented processes, in terms of rationalisation as well as renewal. More specifically, characteristics of new ICTs – the Internet and other network technologies, such as calculation, transaction, transparency and communication capabilities, are considered to have the potential to offer new possibilities for implementing customer orientation (Van Duivenboden, 1999: 310-327; Bekkers, 2000: 149). As a result, nowadays often under the flag of the concept of ‘e-government’, various applications of customer orientation supported by ICT can be found in government.

The designing process of e-government in most cases takes place within government organisations themselves. The customer himself, i.e. the citizen, is hardly involved in this process (Hoogwout, 2001). Therefore, in this paper we would like to analyse organisational change as a result of the implementation of e-government not so much from an organisational point of view, but from the perspective of the target group of this design process: the citizen/customer themselves. On the basis of Hirschman’s model – a model about the individual’s responses to service delivery, we will examine if, and if so, how the relationship between government organisations and citizens will change as a result of the application of ICT-mediated customer-orientation.

2. Customer-orientation in government organisations

Historical overview

Customer-orientation in government organisations is a development that results from increasing attention to policy implementation in public administration. For years, the dominant focus of government (service-delivery) organisations has been supply-oriented. The basic idea was that society could be ‘served’ most effectively through solid political decisions taken by elected officials and detailed policy plans prepared by specialised and experienced professionals. The quality of the policy design was perceived to be directly related to the (intended) policy effects in society. In other words, policy implementation and, with it, the attention to the environment of government organisations was for years of minor importance in public administration.

During the 1970s a shift in focus can be seen in the increasing awareness of the value of (attention to) a carefully designed policy implementation process for policy outcomes.² At the same time, the movement based on managerialism gained ground in the public sector. These developments brought the functioning of public bureaucracies and their relationship with citizens into the spotlight of public administration.

² See for instance Pressman and Wildavsky’s work ‘Implementation’, 1979.

In the 1980s, the idea of citizens as customers emerged in particular under the flag of the New Public Management (NPM) movement in public administration. According to NPM ideologists, government needed to be reshaped in order to function better in modern times: in other words, government had to become more responsive to social developments and therefore had to take a more entrepreneurial position in society. According to Bellamy & Taylor (1998, p.47), what distinguishes the new public management from earlier forms of managerialism is a new emphasis on the management and delivery of public services, and how these services are accessed and used. Consequently, one of the main principles of government organisations was to become more entrepreneurial, thus meeting the needs of the customer, rather than the needs of the bureaucracy. User-friendliness, transparency, and holism were therefore thought of as important policy goals (Lips & Frissen, 1997).

During the 1990s, especially with the increasing use of the Internet, many governments gradually came to perceive ICTs as an important means to implement the NPM's range of ideas whereby the customer is the central focus. From various national government strategies to improve the functioning of government with the help of ICT, which were mostly published for the first time during the second half of that decade, we may conclude that ICTs are acknowledged as offering opportunities partly to further modernise public service delivery, partly to fundamentally restructure public service delivery and, with that, the whole of the bureaucratic organisation behind the service counter (see for instance Lenk & Traummüller, 2001: 66-68; Silcock, 2001: 89).

Public service delivery today

Besides, with the introduction of ICT as an instrument to (further) shape the turning away of government organisations from a supply orientation towards a demand orientation, government organisations are confronted with a large number of new, often multidisciplinary questions. In practice so far, a distinction is often made between questions that primarily concern the organisation of the 'front office' of government organisations, where most contacts with customers take place, and questions that especially focus on the organisation of the 'back office' of the organisation. To be able to realise the organisation's turn-about process towards a demand orientation, a strategic vision is needed which connects both foci of attention and related questions. In this respect, we can see that many government organisations are currently developing so-called 'e-government' visions in which these different organisational questions are accommodated.

Initially, many national governments introduced e-government as a counterpart or part of electronic commerce or e-business³ and often equated it with the delivery of governmental services online (see for instance Kubicek & Hagen, 2001: 177, Bekkers, 2001). This focus on front office-related visions of e-government is also translated in the seemingly strict time targets for transformation into e-government organisations: often, these time targets are

³ For example, this is the case in European countries and the USA respectively.

committed to the percentage to which service delivery at the front office is handled electronically.⁴

In practice, to establish an adequate service level at the front office constrains high standards of quality in communication and data exchange in the back office of e-government. This communication and data exchange is not restricted to internal processes (intra-organisational). Often, data and information are to be obtained from databases of third parties, such as other government agencies within the policy chain (inter-organisational). For example, social security agencies cannot assess an applicant's benefit payments without verifying personal data with the data stored in the municipal (name and address) register or the registers of the Tax Authorities and the Industrial Insurance Board (Van Duivenboden, 1999). This implies that focusing on the needs and demands of citizens instead of on the regulations and organisational structure of government organisations calls for the involvement of the entire chain of organisations in a policy field, i.e. the social security policy field. In other words: customer-oriented service delivery demands transformation of the processes and organisational design of the back offices of all parties involved.

Ambitions of customer-oriented approaches

Nowadays, the motives of government organisations in favour of implementing customer-orientation may vary. For example, developments such as efficiency operations, the implementation of performance-based steering, contracting out, professionalisation, or the introduction of competition may have been the base of an organisation's decision to reorganise working processes with a central focus on the desires and needs of customers. Besamusca- Janssen (1997) distinguishes four general ambitions that indicate the importance of customer-orientation in public sector organisations:

- 1) improvement of the effectiveness of public service delivery;
- 2) improvement of the organisation's internal efficiency;
- 3) improvement of the organisation's image; and
- 4) new challenges for public managers and civil servants.

3. Citizens, customers and participants

If we look at Besamusca-Janssen's four ambitions stated above, is it not striking that the customer himself is not entirely absent at this stage? However, perhaps this is not surprising when we take into account that the customer of a government organisation generally speaking is in a position quite different from that of a private enterprise customer. For instance, in many situations citizens are not customers of government organisations on a voluntary basis. Their relationship with government concerns certain rights and duties, which have been laid down in laws, rules and policy statements. Furthermore, in the public sector,

⁴ For example, in the Netherlands at least 25% of all public services have to be provided electronically before the end of 2002.

organisations with the same supply of products and services are often not mutually competitive as in the private sector. In many cases, citizens are not allowed to go anywhere else and are therefore dependent on the service delivery of a specific organisation. For example, there is no such thing as shopping around for the most favourable tax assessment, student grants, social security payment, rent subsidy or building permit.

However, as in the private sector, the citizen is a customer in the sense that he pays for (most of) the services delivered to him either directly, e.g. the legal dues paid for renewal of passports or drivers' licences or indirectly, e.g. the taxes paid for road construction and maintenance. On the other hand, in the public sector a citizen is often a participant in political decision-making (actively or passively) instead of a customer that is provided with services or physical goods. This citizen participates in planning procedures, for example with regard to zoning plans, social debates, elections or referenda. As with regard to the position of citizens as customers, government organisations tend to improve services that are relevant to citizens in their role as participants. They do that by giving audience to specific (e.g. locally determined), needs of citizens and through improvements in the organisational design of policy and business processes – that is, shifting from a supply-oriented to a demand-oriented focus. These developments confront us with questions such as: what possibilities do government agencies offer citizens in their role as participants in decision-making processes? Can the citizen make use of these possibilities in a user-friendly manner? And do the existing public steering forms offer sufficient room for citizens to actually take part in planning processes and politico-administrative decision-making?

In practice, most of the time citizens are not aware of the different roles they fulfil in their relationship with government organisations. Hence, in order to gear public service delivery to the needs and demands of citizens, government shouldn't consider citizens who present themselves at their windows as being either customer or participant. When the Dutch Tax Authorities transformed their organisational structure from a supply-oriented division (based on the structure of the tax laws) to a division based on the needs of the specific target groups (private persons, companies and customs) they took an important step towards customer-orientation. However, a private person sometimes has to deal with the (tax) department of customs or, if he also runs a business, with the (tax) department for companies. Furthermore, this same person might be interested in having options to complain about tax assessments (regardless of type) or to have a say in the development of a new tax system. In other words, if this citizen is to be taken seriously he can best be regarded as a 'whole person', a customer (in many ways) and participant (in many ways) at the same time.

4. Hirschman's model of exit, voice and loyalty

A critical success factor in the employment of customer-orientation in the relationship between organisations and their customers, is the satisfaction of customers with the services provided. In 1970, the economist Albert O.

Hirschman published an influential study on individual expressions of dissatisfaction with organisations or, what he calls, responses of individuals to a decline in service delivery of firms, organisations, and states. In Hirschman's opinion, there are generally two alternative ways for individuals to react to deterioration in service provision:

- *exit*: if the customer is no longer satisfied with the provided services, he or she can switch to another, competing organisation;
- *voice*: the customer can articulate his interest and, as such, agitate for change from 'within' the organisation. As Hirschman notes: 'voice is defined as any attempt at all to change, rather than to escape from, an objectionable state of affairs, whether through individual or collective petition to the management directly in charge, through appeal to a higher authority with the intention of forcing a change in management, or through various types of actions and protests, including those that are meant to mobilise public opinion.' (1970, p.30). Whenever the exit option is not available, dissatisfied customers have the voice option to react. Besides, customers may perceive the voice option not as a residual opportunity, but as an alternative to the exit option. Customers will often take the decision to exit in the light of the prospects for the effective use of voice (idem, p.37). For instance, once a customer has exited, he or she has lost the opportunity to use voice, but not vice versa. Therefore, in some cases, exit will be a reaction of last resort after voice has failed (idem). Besides, the strength of voice in terms of number and organisation can influence an individual's decision for one of the two options. Hirschman indicates that voice plays a more important role with respect to organisations of which an individual is a member, than with respect to firms whose products he or she buys (p.40). Also, for voice to function properly it is necessary that individuals possess reserves of political influence that they can bring into play when they are sufficiently aroused.

Consequently, in general a customer may not exercise the exit option for several reasons. For instance, a customer may believe that voice may change the situation. But a customer may also have a sense of loyalty to the organisation. According to Hirschman, the presence of loyalty explains the coexistence of exit and voice. He distinguishes two principal determinants of the readiness to resort to voice when exit is possible: 1) the extent to which customers (members) are willing to trade off the certainty of exit against the uncertainties of an improvement in the deteriorated product; and 2) the estimate customers have of their ability to influence the organisation (p.77). In his view, the first mentioned determinant is clearly related to the phenomenon of loyalty.

- *Loyalty*: customers staying with an organisation out of loyalty, stay in a less rational, though far from wholly irrational, fashion (p.38). According to Hirschman, many loyalists will actively participate in actions designed to change an organisation's policies and practices, but some may simply refuse to exit and suffer in silence. Consequently, loyalty restricts and retards the exit option and increases the inclination to decide for the voice

option. Loyalty may be connected with the ideological point of view that exiting from a certain service delivery process would be wrong. Also, it may influence the balance between voice and exit by raising the costs of exit: the higher the costs of entry, the lower the disposition to exit.

Hirschman generally points out that different organisations are differentially sensitive to exit and voice and the optimal mix of exit and voice will therefore differ from one type of organisation to another (p.74).

5. Hirschman's model applied in the public sector

The capacity to exit is the essential possibility of a consumer in a situation of market competition. Hirschman even comes to the conclusion that the capacity to exit generally drives out the voice option, particularly in a business environment. In other organisations however, such as in government, Hirschman indicates that exit is not (wholly) possible and therefore voice is the principal way for an individual to register his dissatisfaction. Particularly in the situation of exclusively public goods citizens do not have an exit option. As the provision of these goods is restricted to a specific, often national territory, the only escape for citizens is to leave the country. In the case of semi-public goods, such as transport, education or health services, exit to a certain extent is possible for citizens. For example, citizens have the option to choose an alternative means of transport, transfer to another school, or visit another doctor. In some cases, however, whether or not a citizen has an exit option is dependent on income (for example in the Dutch health sector people have the option to choose more expensive medicines).

Besides, Hirschman indicates that exit from a public good does not mean that the citizen gives up voice: he or she still has a vote and may, through the political process, express dissatisfaction with the service from which he or she has been constrained to exit. In this case, to exit means to resign under protest and, in general, to accuse and fight the organisation from without instead of working for change from within. In other words, the alternative is now not so much between voice and exit as between voice from within and voice from without (after exit) (p.104). The exit decision then hinges on a totally new question: at what point is one more effective fighting mistaken policies from without than continuing the attempt to change these policies from within (p.105)?

Particularly in public sector organisations, the loyalty of citizens may be connected with an ideological point of view. Unlike private sector organisations there is no direct incentive in the public sector to improve the quality of service delivery when citizens have chosen to exit. Quite the reverse, Hirschman indicates that in many cases in the public sector additional deterioration would occur if the citizen decided to get out of the service delivery process. For example, when a number of dissatisfied parents decide to transfer their children to another school, it is more likely that the ill-performing school will continue with a bad image or even be closed in the end, rather than use the children's departure as an incentive (financial or otherwise) to improve the school's standards and win back the children. It is the awareness of this mechanism in public sector organisations,

together with restricted or even no alternatives, that might make citizens decide to stay with an organisation in spite of their dissatisfaction.

	Private Sector Customer	Public Sector Customer
Exit Option	Common Practice	Generally not available, except for Semi-Public Services (Education, Health)
Voice Option	Usually driven out by Exit Option	Mainly used for Principal Reasons
Loyalty Consideration	Depends on various Reasons: Price, Quality, Speed, Establishment of Customer Relation	Depends on ideological Standpoint or Awareness of Public Sector Mechanisms

Hirschman's Model: Private Sector Customer versus Public Sector Customer

6. Customer-oriented e-governance

With the rise of new ICTs and Internet technology in particular, government organisations have various new possibilities to redesign their working processes with the needs of the customer as the central focus. These new possibilities originate from the unique qualities of the Internet, such as its network character, worldwide coverage, openness, decentralised character, innumerable cross-communication opportunities, mass-customisation, multi-media support, and the availability of distributed knowledge. Already, many government organisations have acknowledged these possibilities and are redesigning their organisations by means of ICTs. Particularly under the flag of e-government very many reorganisation projects have already been started.

So far, however, the meaning of e-government and its implications are anything but clear (see for instance Prins, 2001). According to a recently published research report of the Gartner Group, the arrival of e-government will imply the transformation of public sector internal and external relationships through internet-enabled operations, information and communication technology to optimise service delivery, constituency participation and governance (Gartner Group, 2000). From this, we may conclude that the implications of ICT applications to support customer-orientation in government organisations will usually be of a fundamental nature. Government organisations which already make use of new ICTs, often experience the need to rethink the aggregate design of their internal and external information relationships (Van Duivenboden en Veldhuizen, 2001). New ways of data collection, storage and linkage (matching, profiling) can also help to find and attract new customers and/or track and trace behavioural patterns. ICT can facilitate the transformation of the existing vertical, top-down organised organisational structure – a process of restructuring the back office of (greater) government, for which the need is more and more appreciated:

"One of the basic reasons for inefficiency in the public sector is that, whereas departments are vertically aligned, the majority of services that they deliver require complex collaboration between civil servants across departments." (Silcock, 2001: 89)

In various policy documents on e-government worldwide, several trends in change dimensions can be acknowledged in the redesign of public service delivery.⁵ With the help of ICT, governments are generally trying to improve the convenience of public service provision to citizens:

- *from supply-oriented to demand-oriented public service delivery:* (focusing on the needs and demands of citizens instead of policy makers)
- *from collective to tailor-made public service delivery:* (gearing services to the needs and demands of specific individuals instead of groups of customers or citizens)
- *from fragmented to integrated public service delivery:* (implementing single-window policies geared to the question patterns of citizens instead of being based on existing laws, regulations and organisational structures)
- *from functional to holistic public service delivery:* (transforming the organisational design of service delivery to coherent policy issues instead of limiting oneself to the judicial or politico-administrative borders of government organisations)
- *from specialised to general public service delivery:* (offering citizens logical and coherent 'hyperlinks' to all relevant issues whenever they contacts a government agency for a specific service. For instance, when applying for a social security benefit the citizen is also provided with information on training facilities (in order to return to the labour market) and/or on regulations for rent subsidies)
- *from reactive to proactive public service delivery:* (taking into account the future demands and needs of citizens up to the point where they are automatically informed or provided with services)
- *from passive customer participation ("consumption") to active customer participation ("prosumption") in public service delivery:* (taking into account the 'merger' of different citizen roles: the participant role in the 'production' of policy tends to merge with the customer role, which has to do with giving citizens (customers) more influence on policy programmes, and letting them fulfil the roles of co-producer or co-director of policy programmes)
- *from one service counter to «multi-channeling» in public service delivery:* (offering citizens a variety of channels or windows – digital or physical – in order to let him choose the most suitable one when expedient).

Hoogwout observes a remarkable general agreement on the main design concepts in reorganising public service delivery supported by ICT. Although there are differences of opinion on the implementation of these concepts in practice, the

⁵ Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 1999 en 2000a (the Netherlands); The National Audit Office, 1999 (the United Kingdom); Raad en Europese Commissie, 2000 (European Union), The White House, 1999 (United States of America) and IDA, 2000 (Singapore).

concepts itself are nowhere subject to discussion, neither in policy debates nor in scientific literature (Hoogwout, 2001).

So far in the process of designing e-government, we observe two major parallel developments in practice. On the one hand, we see the development of new electronic information, communication, and transaction channels between governments and (target groups of) customers. On the other hand, we can point to the reconstruction of existing physical organisations by means of, or influenced by, new ICT. All over the world, government customers are nowadays served through various electronic service counters, such as those presented in the next paragraph.

7. Applying Hirschman's model in a new media age

In many countries electronic service delivery is rapidly growing. For example, in the Netherlands, electronic service delivery to citizens had grown to 18% on average by the end of 2000 – about 40% for national agencies and 12% for local authorities (Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2000b). But, with the application of the Internet in public service delivery, citizens still have no exit option or only a restricted one vis-à-vis the service-providing government organisation. Therefore, as in 1970 when Hirschman published his study, citizens can only escape from dissatisfaction with public service provision by leaving the country. However, citizens nowadays do have an exit option from the available public service delivery channels. Increasingly, this exit option is proving less dependent on income than expected (due to the stimulation of many governments around the world towards free or low cost Internet access), but more reliant on skills and motivation to make use of a particular delivery channel (see Commissie Toekomst Overheidscommunicatie, 2001). Up to now, one of the main goals of most e-government policy programmes, i.e. improved public service delivery, appears in practice to offering customers improved access to public services in a more simple and convenient way. Or, as the Dutch Tax Office strikingly expresses in its slogan 'we cannot make it more pleasant, but we can make it easier'.

Example: In Singapore, citizens may visit the so-called e-citizen service portal (www.ecitizen.gov.sg) a one-stop shop integrated website for all government services (information, communication, and transactions) structured in service packages around events in the life of an ordinary Singaporean citizen. For instance, one can apply for a birth abstract online, look for a job, and get information on starting a business or on retirement. In addition, the Singaporean government has a website which gives customers access to all government departments and policy sectors in a more customer-friendly way.

At the moment we may perceive the development of various 'access models' of public services, such as the well-know 'life cycle' model of the Singapore government mentioned above and the example from Australia described below.

Example: In Australia, the Government of the State of Victoria set itself the target of providing all suitable services online to the public by the end of 2001. To provide easy access for customers (both citizens and businesses) to these services at a single electronic

service counter, the so-called "Multi-service Express" website has been established (<http://www.vic.gov.au/onlineservices.cfm>). Through this website, customers are helped to quickly find the public service they are looking for, without having to know which government department or agency is responsible. Besides, they are able to do transactions immediately online with the government. Services provided on this website are currently classified according to service type (for example, current service types include Apply for Licence/Permit, Book a Service, Calculators, Change Address With, Government Tenders/Submissions, Grant Application, Monitoring Progress, Obtain Information/Action, Pay Bills or Fines, and Order Products), life and everyday events (for example, Becoming a Parent, Becoming an Adult, Buying a Motor Vehicle, Buying Government Books and Publications, Buying Land and Property, Changing Contact Details, Cleaning up the Environment, and Coping with Addiction), and organisational type (for example, government departments, distinct business units within government departments, statutory bodies, and logical groupings). The Victorian government only wants to include services on the website, which are of a 'doing/transactional nature'. This implies that strict information provision is not deemed suitable for inclusion. Examples of services which are of a "doing/transactional nature" include filling out and submitting forms online, ordering publications online, paying bills online, booking a service online, searching a database to retrieve information, and so forth.

This initiative of the Victoria State Government is an example of the general development of online public service delivery from information provision at first to more and more online transaction. Particularly in the areas mentioned above, in comparison with the former so-called online yellow pages, the added value for customers has been widely acknowledged. Consequently, customer loyalty to online use of public services may increase if this development lasts. However, this hypothesis has not yet been proven in practice.

Although a single point of access to public services online might also increase the satisfaction of citizens compared to providing these services through various physical public service counters, an important difference between the two alternatives of public service distribution is the loss of clarity for customers in many such online environments to which organisations can be held responsible for the delivered services. Or, in Hirschman's terms, the voice-option for customers wanting to bring about a 'change from within' is weak in many cases in an online environment, as it is not at all clear what 'within' actually means with regard to the service consumed is. Also, the citizen will not be able in most cases to express his dissatisfaction with the service by means of voting during elections. Often, there is no specific political leader accountable for online provided services. Consequently, the only option apparently open to citizens who want to express their dissatisfaction in this instance is to exit online public service provision and choose an existing channel they deem more agreeable.

Example: On the website of the Dutch Tax Office (www.belastingdienst.nl/jongeren) young people can voluntarily submit their personal profile, on which the Tax Office will directly provide the individual customer with the desired, tailor-made information. The reply is structured around the life events of the customer. It will come up with information on the applicant's job opportunities and working career, car ownership, reimbursement of student loans, living together, house ownership and the taking out of loans.. Based on the personal profiles provided by the young citizens, the Tax Office is able to qualify collective issues, which may help the organisation to achieve its goals (Van Daelen & Janssen, 2001).

In the case of the Dutch Tax Office, the voice-option for customers on the one hand is increased as customers are given the opportunity to be better informed about their rights and duties. On the other hand, however, it is not at all clear to customers what the Tax Office might do with the information referred to the Office. Hence, we may conclude that in this case the voice-option for customers is also more restricted, and this may strengthen the position of the organisation towards its customers.

Example: In France, depending on income and social circumstances, different rates of child benefits and childcare allowances, and student accommodation grants can be claimed by around 10 million French families. All these claims are handled by the French Family Allowance Office, (the Caisse Allocation Familiale or CAF). In 2001, the CAF launched an Internet service which enables families to find out the total amount of any benefits due by giving them direct password-protected access to their own file. They will also be able to calculate the impact on their income of applying for different types of benefits by means of an online simulation tool. Before 2001, this service could only be provided through personal visits to a CAF branch office, where staff can access the relevant information from the organisation's central database. By opening the database to the general public, CAF staff will be freed from these relatively routine tasks to devote more time to other, more specialised aspects of customer service. Besides, this service reduces the waiting time to access customers' files within the CAF branch offices. The service is available 24 hours a day – an essential feature for CAF's branch offices in France's overseas departments in the French West Indies, Guyana and Reunion Island (see

[http://houns54.clearlake.ibm.com/solutions/government/govpub.nsf/Files/internetmakes/\\$File/internetmakes.pdf](http://houns54.clearlake.ibm.com/solutions/government/govpub.nsf/Files/internetmakes/$File/internetmakes.pdf).

In comparison with the example of the Dutch Tax Office, the customer in France has a stronger voice option towards the government organisation since both parties can access the database used for public service provision. As a result, customers are able to monitor the organisation's performance.

Example: The Dutch private sector umbrella organisation for the motorcar industry (RDC) retrieves information on all privately owned vehicles on a permanent basis, including the names and addresses of the vehicle owners, from the registers of the Dutch Road Traffic Agency. With this information, local service stations are able to warn citizens pro-actively whenever their cars are due for their compulsory yearly test. Citizens are notified of an explicit exit option to this kind of service delivery: they can object to the use of their personal data by the umbrella organisation, in which case the warning service will be legally terminated where they are concerned while the commercial information provision will come to an end at the same time.

In this case a relatively new service is added to the package of services in the field of motorcar and road maintenance legislation, and it is of a pro-active kind. This service seems to increase the loyalty of customers in the sense that it tends to increase the number of compulsory road tests being conducted (on time). Because the test is mandatory, there is no exit option other than to leave the country or to dispose of the vehicle. However, based on the ICT of the Road Traffic Agency and its co-producing partner organisations (i.e. the umbrella organisation and local stations), the customer is informed through a new channel based on data exchange in the policy chain and in more than one instance he is informed by several local

stations, commercially interested in performing the yearly test. This implies an exit option, not towards the service delivery itself (which is mandatory) but with regard to the organisation that performs (or used to perform) the test and with regard to the channel of communication (does he formally object to this service or not?).

Example: The Dutch Housing Department offers citizens the possibility to calculate their possible right to rent subsidy, and the exact amount if applicable (<http://www.minvrom.nl>). Furthermore, in 2000 the first 120,000 cases of automatic continuation of rent subsidy payments were established on the basis of information already available at the department or partner organisations in the policy chain. Thus, there is no need for the applicant to fill in forms year after year so long as neither his situation nor the legislation has changed (Agterhorst & Thaens, 2000; Mettau, 2001).

The Housing Department (and its yearly forms to be filled in!) seems to be disappearing along with the development of the automatic-continuation system based on the data this 'e-government organisation' already possesses. As Hirschman has stated, the voice option towards the department tends to decrease while the organisation becomes more and more virtual. Over time, the average customer will be less aware of the existence of a specific back office organisation that is accountable for the assessment of rent subsidies. At the same time, exit options will also decrease because of the automatic-continuation mechanism: the situation will continue without any personal contact with the organisation. The system can lead to an increase in loyalty to the service itself but not to the organisation.

Example: The UK Department for Education and Skill has a website that can be used by different customer groups (adult learners, employers, higher education students, job seekers, parents, school governors, teachers, and young people) as a gateway to information and services. Among other possibilities, this information service allows parents to compare inter-school performance (for instance the national test results of students over a four-year period, absence from school and failure ratings, and grade averages) with other schools in their area. Also, parents can see how each school's results have changed over the past four years (<http://www.dfes.gov.uk/performance/tables/>).

This UK department really facilitates the use of exit options and therefore the decrease of loyalty to specific service delivery organisations, i.e. schools: if parents are aware of the existence of a better school in the near neighbourhood, they may be expected to choose the exit option more quickly. This will automatically decrease organisational loyalty but will perhaps lead to an increase of voice (from within, by pointing at low ratings) and of loyalty to the service itself (instead of students giving up school careers for working experience, they will now realise that there are good alternatives in the educational field).

Example: The Australian Workplace Agreement online service (<http://www.awaonline.gov.au/>), hosted by the Australian Federal Office of the Employment Advocate, offers customers a chance to create a Workplace Agreement (AWA) with guidance. The customer (for example, an employer, an HR professional, a business adviser, a bargaining agent or an employee) selects a template from a large bank of AWA templates based on agreements approved by the Office of the Employment Advocate and on feedback from industry groups and employers, and modifies it to suit the customer's preferences by

adding or deleting clauses and inputting information. The completed version can be reviewed and stored online, printed or downloaded and submitted online. A large database of previous AWAs and other helpful information is hosted on the site. AWA online helps customers to make better workplace agreements, but does not guarantee their approval by the parties involved.

'AWA online' seems to be a clear example of the enhancement of both the exit option and the voice option from within, along with organisational loyalty, at least for the time being. Online advice on how to deal with the design of workplace agreements, available to all parties involved, can result in 'best practice agreements' geared to specific working conditions, while better and easier ways to access information on alternatives and options will probably contribute to the conclusion of agreements that will give the parties optimal satisfaction with regard to each one's interests and options, that are now more transparent, thanks to discussions and exchanges.. In other words, the chances are that the quality of negotiation processes will improve (by use of the voice option). If parties can not come to an agreement, they can go to another potential employer (use of the exit option), knowing that they will be better informed and prepared this time, while employers can use this experience in labour negotiations with new candidates.

Example: Citizens of the City of Amsterdam are offered a free information service, which, based on their personal profile, provides them regularly by e-mail with new municipal information of interest to them (for example, policy agenda items, licences, street construction works). Developed by the City's Project Agency 'On the Way to the Glass City', citizens can register for this service on the Internet (www.amsterdammail.nl) and can change their profile, based on a personal choice of topics of interest, street names, and zip-codes, whenever they want.

Example: In the USA in the State of Arizona, citizens can follow legislative decisions online, tracking bills through a customised, free bill-tracking system called ALIS. The state's legislative Web site www.azleg.state.az.us contains complete information on all state legislation. This includes a bill database for proposed legislation, searchable by sponsor, title, number and keyword, complete e-mail access to all members of the legislature, maps showing electoral districts and full election disclosure.

Example: The Dutch City of Eindhoven provides citizens with the possibility of online registration of change of address (www.eindhoven.nl) and online insight into the options for dates and booking times for the city's wedding room. Furthermore, Eindhoven offers citizens an online facility for complaints and questions on environmental matters (such as reporting environmental pollution).

In all three cases (Amsterdam, Arizona and Eindhoven) the voice option seems to be strengthened in the political process as well as in the process of policy implementation or public service delivery. After all, profile-based information services, bill tracking (with possibilities for direct contact with political authorities) and online complaint systems can all be expected to further increase the participant role of citizens. Also, it might increase loyalty or at least solidarity with the government organisation while the complex of political and public work of a comprehensive nature is becoming more and more transparent (e.g. the amount of topics to be dealt with by individual members of the legislature).

In some instances, also outside the public sector, we can find initiatives for improving public service delivery through new ICT:

Example: www.YouGov.com is a non-government media website developed by private sector partners, which focuses on the accountable provision of services to citizens by UK government organisations. The website has a team of journalists working round the clock, who will monitor news and opinion from broadcast, print and the internet in order to provide the most comprehensive UK political news service available on the web. Users will be able to vote on every issue brought up. Besides, a major feature of the site is a 'People's Parliament' where citizens are able to vote on the same issues on which the UK parliament is voting. The results of the public vote are e-mailed to Members of Parliament prior to their voting, and final results are posted back to citizens. Other services on the site include the ability to create e-petitions, to buy books and political memorabilia, and an interactive service called 'GovDoctorTM' to allow citizens to identify their Members of Parliament, councillors and council service managers, with the facility to e-mail them directly and to evaluate their performance.

Example: As from September 2001, citizens living in certain parts of the Netherlands (inhabitants of 15 local communities at the start of this website) may submit their complaints and suggestions on their living environment to a single service counter on the Internet (www.burgerklacht.nl). Developed and maintained by a Dutch consultancy firm, the site offers citizens 24 hours a day/ 7 days a week direct access with their complaint to the right municipal department.

Both examples (yougov.com and burgerklacht.nl) illustrate models of electronic service delivery that can firmly increase the voice option related to the service delivery of government agencies and departments. The difference with the other examples mentioned, such as the French Family Allowance Office, the UK Education Department or the City of Eindhoven, specifically concerns voice options from without the organisation that is responsible for the public services provided.

8. General observations

In this paper on the basis of Hirschman's model of exit, voice and loyalty we have analysed organisational change as a result of the implementation of e-government initiatives from the citizen's perspective. We've seen that the relationship between government bodies and citizens is changing in various ways as a result of the application of ICT-mediated customer-orientation.

One of the key notions that can be derived from the set of thirteen examples given above is that, although the options of exit, voice and the loyalty position seem to grow in number, in most cases this is caused by a growth of channels instead of by an increase in the transparency or the number of contacts with the government organisation responsible for the specific service. Often, government organisations practising forms of electronic service delivery seem to become less visible for citizens (e.g. the cases of Singapore, Victoria, the Dutch Tax Office or the Housing Department). As a result, it is more difficult for citizens to contribute to change from within the organisation. Due to the growing co-operation between government and private sector organisations regardless of existing organisational

borders, the services and policy implementation are becoming more customer-oriented, but at the same time, the division of responsibilities and competencies is becoming less transparent. From the perspective of the citizen, this is not a very positive conclusion.

However, we may well ask whether in a digital society it still matters if customers are always aware of the specific responsibilities of service delivery organisations. This can be regarded as a second general observation or consideration from the citizen's point of view. After all, citizens no longer have to content themselves exclusively with physical monopolistic channels for service delivery but can choose whether and when they make use of an electronic or physical window. They do have a stronger exit possibility, even in cases of merely public goods, where they can choose how they inform themselves, communicate or handle transactions (e.g. the case of Victoria). After all, more channels are available today than at any place or time and even more are on their way. In other words, it seems there is a shift from 'organisational' exit options that mattered into 'channel' exit options that matter. Just as well, as there seems to be a shift from the importance of 'organisational' loyalty options to the importance of 'service delivery' loyalty options, for example the case of the Dutch Housing Department or the UK Education Department. In itself, new forms of (electronic) service delivery arise with the introduction of more Internet applications, e.g. the warning service of the Road Traffic Agency.

Our final general observation refers to the voice options, which are a *de facto* stimulator of the role of the citizen as a participant in policy and implementation processes. If we leave aside the cases where electronic service delivery results in fuzzy responsibility structures (as mentioned above), new delivery applications seem to increase voice options both within the organisation (articulating interests rather than escape from the then organisation or service) and from outside the organisation (after exit options or before even trying to 'prosume' or 'consume' the services). Better information provision systems that contribute to the knowledge position of the customer, for example the case of the Dutch Tax Office or the City of Amsterdam, increase the possibility to actively participate in policy debates or the (sometimes unconscious) provision of needs and demands by the citizens themselves — the case of the Dutch Tax Office and the French Family Allowance. Other cases of a strengthening of the 'inside voice option', mostly on the basis of increased transparency, are shown by the examples of AWA online, Amsterdam, Arizona and Eindhoven. The few initiatives taken from outside public sector organisations (yougov.com and burgerklacht.nl) point at the potential importance of Internet applications for strengthening the voice option from outside government organisations themselves.

To conclude, we think the rise of customer-oriented e-government initiatives is promising because it takes the citizen more seriously by gearing policy processes and public services more carefully to the needs and demands of the citizen. However, it seems that there is yet a long way to go on the road to approaching citizens as 'whole persons', that is to acknowledging that citizens must at least be able to fulfil both roles (customer and participant) at the same time. To that end,

governments must take notice of the side effects of moving into e-government, where the issue of responsibilities and accountabilities is concerned. (the existing structure doesn't seem to fit into the new government frame) and, the closely related issue of becoming less transparent when it comes to the handling of personal data — the case of the Dutch Tax Office.

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MPs in the Network Society: agenda-setters or puppets on a string?

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This Chapter looks at how, and to what extent, different types of information and communication technology (ICT) have become a part of the daily work routines of MPs in the Danish Parliament ('Folketinget'), and what this means for the MPs political role. The results of a survey and a number of in-depth interviews with selected MPs show that the daily work routines of MPs have undergone profound changes strongly related to the use of ICT's. ICT has become an indispensable daily tool for almost all MPs, and a surprisingly high number work 'hands-on'. On the input side the daily news received by the MP is now received rather independently of conventional media, at least in form. Many MPs watch news and listen to radio over the Internet, and many tap news from news agencies and foreign broadcasters. On the output side MPs are very conscious about the way in which a personal homepage and mailing lists allow them to manage their own information output, thereby avoiding the 'editorial filters' in other media. But working actively with a personal homepage and mailing lists means that the MP has to become an 'information agent' him/herself; actively creating 'personal' information/news, a change in role of which at least some MPs are conscious. All in all the use of ICT seems to have increased the autonomy and number of choices for the individual MP. Thus, the delegate role of MPs has been strengthened, and MPs are (still) more agenda-setters than puppets on a string.

1. Introduction

The purpose of this Chapter is to see how, and to what extent different types of information and communication technology (ICT) have become part of the daily work routines of MPs in the Danish Parliament (Folketinget), and what this means for their political role, and for the political processes in which they are involved. The Chapter will focus on whether the information input or 'information package' received by the individual MP has changed both in terms of form and content, and whether the information output, i.e. the communication from the single MP to his/her political environment, has changed due to the increased use of ICT.

The point of departure for the Chapter lies in our type of parliamentary democracies in which MPs are supposed to strike a balance between two roles: *the delegate role* and *the representative role*. The delegate role is stressed by the Westminster-type of parliamentary democracy, where it is assumed that the most important function of citizens/voters is to elect a number of delegates to the parliament, based very much on the personal virtue and moral integrity of the delegate. Once elected, the delegate is bound only by inner conviction, and is

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assumed to act 'in the best interest of the country'¹. The delegate role is associated with the law-making function of the MP. In the representative role the MP is seen as a spokesperson for the electorate, possibly representing certain social groups or interests. Parliaments organised in political parties with a strict party discipline can be said to stress this role.

The basic research question posed in this Chapter is whether the 'digitalisation' of MPs has strengthened the delegate role of Danish MPs; i.e. their autonomy and role as a 'political elite' able to determine the main or most important items on the political agenda, or whether the 'digitalisation' has rather strengthened their representative role; their role as spokespersons for societal interests and, related to that, the possibilities for their party and all kinds of organised interests, media, concerned citizens, etc. to influence and eventually manipulate the MP².

This Chapter and the underlying research is a part of two research projects. Firstly, it is a part of a comparative European research project under the auspices of a European research network on 'Government and Democracy in the Information Age' (COST Action A14). As a part of this project identical surveys on the use of ICTs by MPs have been conducted in 8 European countries (Portugal, Austria, Germany, Switzerland, the Netherlands, Denmark, Norway & Scotland). Secondly, the research is a part of a project on 'IT, Power and Democracy' under the Danish Power Study; a major study on power and democracy in Denmark initiated and financed by the Danish Parliament.

2. Results

No matter whether it is recognised or not by the MPs themselves their daily work routines and time use have undergone profound changes strongly related to the use of ICTs. ICT has become an indispensable daily tool for almost all MPs, and a surprisingly high number work 'hands-on', answering for example their e-mails personally.

Concerning the information input to MPs, a significant share of it consists of the daily news which is now being received rather independently of conventional media, at least in form. Many people watch news broadcasts and listen to radio over the Internet, and also take the opportunity to look at the news from news agencies and foreign news broadcasters (CNN, BBC and others). Concerning received e-mail most of the messages seem to be related to the ongoing daily work of the MP, and only a relatively small amount seems to come from lobbying organisations or from critical or active citizens.

¹ In paragraph 56 in the Danish Constitution it is stated that MPs must only be bound by their personal convictions.

² Several observers [2] assume that the (increased) use of ICTs by MPs will tend to strengthen the 'delegate' role. Hence, our expectation is that this outcome will also feature among the results of our analysis.

Organised debates and chats with citizens on the Internet constitute other channels for information input. Only 27% of MPs have participated in such activities.

Looking at the information output of MPs two ICT tools figure very prominently therein — the personal homepage and the mailing lists. Around 50% of MPs have some sort of homepage and, at least for those who have a personal homepage (28%), it is seen as a very important instrument for disseminating their views. The MPs are very conscious of the way in which a homepage allows them to manage their own information output, thereby avoiding the 'editorial filters' at work in other media. However, working actively with a personal homepage means that the MP has to become his/her own 'information agent', active in creating 'personal' information/news.

Concerning mailing lists this ICT tool is not very developed in Denmark even though some MPs/parties already send newsletters regularly via mailing lists to persons who have signed up. However, some of the MPs/parties are preparing to use this functionality on a massive scale, and are actively gathering e-mail addresses and mobile phone numbers in databases in order to use them especially for campaign purposes. Other MPs with a more 'grass-roots' orientation emphasise the interactive possibilities, and try especially to use e-mail groups as a way of keeping up a continuing dialogue with their background group(s).

Looking at how MPs imagine the future development and use of ICT in politics there are great similarities in the views of different MPs. Most want to develop their personal homepage with the addition, for example, of pictures and sound. Many would like to be able to mail 'tailor-made' newsletters to 'sympathetic voters', and many also want to further develop and participate in newsgroups, debate forums and chats on various virtual platforms. While these considerations on the future are not very imaginative, they reflect an increased knowledge of the opportunities ICT offers, and an increased confidence in its potential in political and democratic processes.

Trying to answer the basic research question put forward above, we think one should focus on the increased autonomy and number of choices ICT have given MPs. This holds true when it comes to deciding on the form and source of information input and also when it comes to deciding how the MPs want to disseminate their political ideas. In both cases the possibilities of circumventing conventional media and their 'editorial filters' have improved, and so have the possibilities for a more direct contact with voters, party members, etc. Many MPs have grasped this situation, and are now, in an active and informed way, trying to use ICTs to strengthen and enlarge their contacts. Thus, the delegate role of the MPs has been strengthened, and MPs are (still) more agenda-setters than puppets on a string.

However, most MPs still seem to lack more explicit considerations on the strategic use of ICT in relation to voters, party members, the press, etc. Thus, many MPs seem unclear as to the balance they want to strike between an elitist

type of one-way information to voters, and a more deliberative, two-way dialogue type, i.e. a choice between a 'demo-elitist' and a 'neo-republican' strategy [1].

3. Method and data

The method used to analyse the use of ICT by MPs is a combination of quantitative and qualitative data. The questionnaire used in the comparative European project basically taps the actual uses of ICT by MPs, and only to a minor extent attitudes and strategies connected with this use or with ICT in general. In the Danish part of the project we therefore felt a need to supplement the questionnaire data with a number of in-depth interviews with MPs covering these other aspects.

The survey in principle includes all Danish MPs (179). It was conducted in two stages in April 2001, and the questionnaire was sent to all MPs by ordinary mail, and also by e-mail to the MPs whose e-mail addresses were available³. In order to ensure that the survey was properly presented in Parliament the chairpersons of all the parliamentary groups were contacted by mail, were given the background to the project, and asked to introduce the survey to their group. Following this contact, one small parliamentary group refused to participate due to a general animosity towards the Power Study. Out of 174 questionnaires 93 were returned of which 89 constituted valid responses. This is a response rate of 51,1% (or 49,7% of *all* members of Parliament). A higher response rate would clearly have been more satisfactory, but all previous experience with surveys among MPs indicate that we should be quite satisfied. Nonetheless, the relatively low response rate questions the representativeness of our data. Thus, we would for example expect our data to show an over-representation of younger men, which is normally the case when analysing questions related to ICT. This, however is not the case. The actual proportion of men and women in the Danish Parliament is 38% women and 62% men. In our data the distribution is 37 % women and 63% men. The actual age distribution in Parliament shows that 59% of the members are 50 years or more with 41% between the ages of 18 and 49. Our data shows that 58% are 50 years or more, while, 42% are under 50. Thus, in terms of gender and age our data are very representative. They are also representative in terms of political parties. The actual distribution of MPs among the two biggest parties, the Social Democrats and the Liberal Party ('Venstre'), is 35% and 24% respectively, while our data show 34% and 26%⁴. Also, our data might well be biased in terms of an over-representation of 'nerds' or MPs enthusiastic about ICT and using it quite a lot. This is a likely bias in the data, but unfortunately not something that can be checked. However, we think it should be weighted against the representativeness in terms of gender, age and party which makes a very heavy bias towards the 'nerds' unlikely. Another bias in the data which we think exists but cannot confirm

³ Interestingly, the number of e-mail addresses of MPs available on the parliamentary website has been reduced substantially between November 2000 when we analysed the website, and the start-up of the survey. Now only addresses of around 40 MPs appear on the website. This reduction is probably due to the 'overload' problems discussed below.

⁴ The data refer to the former parliamentary session, which is when our survey was done.

as all respondents are anonymous, is that some of the best known MPs - for example ministers - may not have answered the questionnaire for lack of time. However, unless their 'ICT-behaviour' deviates considerably from the rest of the MPs, which we think is unlikely, this bias is not consequential for our analysis and results.

Concerning the qualitative in-depth interviews with selected MPs, we had originally planned around 10 interviews covering a range of experiences and views on ICT. Accordingly, we made appointments with both members of the government (two-party coalition) and the major opposition parties, MPs from bigger and smaller parties, older and younger MPs as well as IT-spokespersons and 'ordinary' MPs. However, we had great difficulty in landing all the interviews as planned. Some were cancelled several times, and in some cases we had to find new interviewees. Also, we had difficulty in getting to interview well-known MPs/ministers. Nonetheless less we ended up with 7 completed interviews covering both government and opposition parties (3 government, 2 opposition, 2 neutral), as well as bigger and smaller parties. Three of the interviews were with IT-spokespersons (men and women), while the rest were with 'ordinary' MPs. The interviews were conducted in May and June 2001.

Even though we wanted the interviews to be broadly representative, representativeness in any strict sense was never our goal. Rather, they were, as is normal with qualitative interviews, more a means to uncover the explanations actors give for their actions, their image and motivations, implicit and explicit strategies, etc. Thus, the interviews should not be judged according to representativeness, but rather in terms of whether they generate new insights into a problem and/or produce new theoretical or analytical concepts. In this respect we feel that we have been lucky. The interviews have given us an enhanced understanding of the rationality behind the individual uses of ICT, use patterns, etc. In this way they supplement the survey data in a very useful way.

4. The analysis

Before focusing in more detail on the form and content of the information input and output of the individual MP, it is useful to take a look at some fundamental aspects of the daily use of ICT by MPs in the Danish Parliament. If we look at Table 1 we see that only around 3% of all MPs do not use any kind of ICT in their parliamentary work. A large majority use ICT regularly to a greater or lesser extent. The most frequently used applications are: e-mail, Internet, personal homepage and the Parliament's intranet, while such applications as newsgroups, discussion groups and chats are less frequently used.

Table 1. What kind of information and communication technologies (ICTs) do you use regularly in your parliamentary work? (percentage answering "very often" or "regularly").

	%	N
E-mail	92	82
Personal homepage	40	36
Internet	78	69
Newsgroups/discussion groups	11	10
Chats	7	6
Intranet	42	37
None	3	3
<i>Total N</i>		<i>89</i>

On asking MPs how often they are on-line, 83% answer 'daily', and how much time they spend on-line in an average week, 47% answer 'more than 10 hours', while another 34% spend between 2 and 10 hours. Looking at who responds to incoming e-mails, 43% say they answer all e-mails, and 63% say they do so personally. Only 6% leave it to their secretary, while another 25% say that 'both I and my secretary' or 'I and one of my personal staff'.

In our view these figures are quite astonishing as they show firstly that ICT has become an indispensable daily tool for MPs at least in Denmark, and also, and maybe more surprisingly, that MPs are working 'hands-on' to a very high degree, not leaving much of the work to others. They have, apparently to a minimal degree only, developed routines to let secretaries or others ease their workload. This is clear also from our interviews. Thus, in one interview the interviewer asks:

I: "So you have no form of screening systems (for e-mails)?"

MP: "No, and when you get around 50 mails daily it can be quite difficult" "the chain mails are very annoying. So sooner or later it becomes relevant to find out how we can introduce some form of screening". (JK)

4.1. News from a choice of menus and ICT as a daily work tool

Looking in greater detail at the form and content of the MPs daily information input, we can start by asking how they view the importance of the different media for political communication in general:

Table 2. How important do you find the media listed below for political communication? (percentage answering "very important").

	%	N
TV	82	73
Newspapers	55	49
Radio	49	44
Internet	11	10
Journals	3	3

These figures seem to confirm the role of conventional media in political communication; i.e. both the input and output side of information for the MPs. However, our interviews also seem to show that profound changes have taken place in the way in which these media are being used. The following are typical citations:

"I seldom watch the news on TV because I have meetings, etc. But then I pick it up on the Net Both DR and TV2 (two different public TV channels)..... I also use Ritzau and Reuters (news agencies) every day. I use Ritzau 15-20 times a day" (BM).

"I use the media a lot, for example www.polinfo.dk or www.berlingske.dk and keep up to date in this way. I often look at their databases. They are extremely useful. I have 10 bookmarks, places on my browser, that I always leaf through. Then I have seen it all - the most important news" (KEH).

All interviews without exception show the same picture. The days when MPs leafed through a stack of newspapers or turned on the news on radio and TV at certain times to get informed seems to be vanishing. Now many MPs pick up the news selectively and from a broader range of sources (" I use foreign news services a lot"), and when it is convenient. The Internet has been instrumental in bringing about this change, and apart from the possibility of watching or hearing the news asynchronously, two further advantages of using the Internet for 'news picking' are stressed by the MPs. Firstly, there are *databases* often connected to the Internet news services which allow you to look up older articles on a certain topic, and in this way to follow and check up on debates. Secondly, the *links* provided by some of the news services, let you dive deeper into a topic, check sources, etc.

Thus, concerning the daily news consumed by individual MPs, which is a big and important part of their daily 'information package', this reception has become less dependent on the conventional media, at least in form. The picture emerging is one of MPs as knowledgeable and reflective people able to zap through the 'news jungle' picking out the news they think useful⁵. A possible negative effect of this increased freedom to choose the source and time of information is that MPs might only search for and see the news they define as interesting beforehand. This might prevent them from getting news that would surprise or challenge their world view, thus blocking a broader orientation:

"If you use search engines on the Net, you only get the news you ask for" "A worst case scenario is that people become parochial and closed in on themselves and their own interests In which case, we will have a more fragmented society". (KJ)

Whether this is a threat to be taken seriously or not remains to be seen. However, for MPs it is probably minimal, as they have many other sources of information.

⁵ This may well be explained by the high educational level of most MPs. Thus, 57% of MPs finished high school (12 years) compared to an average of 18% in the population (18 years and older) in general. 34% of MPs have academic qualifications as compared to 4% in the population in general [3].

Let's take a more specific look at the MPs use of ICT, especially on the input side:

Table 3. " Referring to your parliamentary work, if you use ICTs personally, what are- the main areas of usage?" (percentage answering "very often" or "regularly").

	%	N
Searching for general information (on Internet)	60	53
Targeted search for issues or persons (on Internet)	57	51
Internal communication (with other MPs, party members, staff, (via e-mail)	78	69
External communication with voters (via e-mail)	65	58
External communication with others (the media, organisations, etc., via e-mail)	57	51
Political campaigning	26	23

This Table does not rank the use of different ICT applications. Nonetheless it indicates the important role Internet searches as well as 'internal communication' play in the use of ICT by MPs.

If we then concentrate on the reception of e-mails and their content (Table 4), these would seem to confirm that ICT is becoming a daily work tool for MPs, and that this sort of communication is a 'substitute' for letters or phone conversations⁶. Our interviews point in the same direction. Looking exactly at how many e-mails MPs receive a week, we see that 36% of MPs receive 100 e-mails or more a week.

Table 4. "What is the main subject of these e-mails? Please state how often the content relates to one or more of the categories below" (percentage answering "very often").

	%	N
Referring to national political issues in general	43	38
Referring to issues concerning your party	36	32
Referring to local/regional politics in your electoral district	5	4
Referring to the national political issues in which you are specialised	48	43
Press and media contacts	16	14
Advertisements	3	3
Political lobbying from interest organisation	7	6
Questions/feedback/criticism from citizens	21	19
Orders for information brochures, etc.	5	4
Insults/bad language	5	4

⁶ "Writing an e-mail instead of a letter is not necessarily a revolution but it is so much easier to get in contact with people and so much faster". (LJ)

What is noticeable in Table 4 is that the categories with the highest score are those related to the political issues in which the MP is specialised and national political issues in general, and that lobbying from organisations, contacts from press and media and questions from citizens score relatively low. This indicates, as noted above, that many of the mails are related to the ongoing daily work of the MP, and that a relatively smaller number can be seen as an attempt to influence the MP directly.

Another way in which the MP can be influenced is through the exchange of ideas going on in virtual debates. In the survey we asked whether the MP has taken part in organised debates or chats with citizens on the Internet. 73% either answered no, or did not answer the question. The rest, 27%, answered in the affirmative.

This leads us to the final question in this Section: Have the changes in the 'information input' to the individual MP mentioned above (news, e-mails, debates) influenced decision-making in parliament. What we would like to know, of course, is whether the changes in the information input to MPs brought about by the digitalisation of (part of) the information flow have led to decisions (laws) that are better informed than in the past. This question cannot be answered with the available data, and in order to produce just a tentative answer one would probably have to study a specific decision-making process looking at how different types of information 'enter' at different stages, the 'openness' or 'closed nature' of the process, etc. In our data we have only a very weak indication of a positive effect of digitalised information on the policy-making process. Thus, we asked whether the majority of e-mails received by the MPs are stimulating for their parliamentary work, in so far as they give ideas and enhance motivation. 19% replied 'very often', 34% said 'regularly'. 43% answered 'not often' or 'rarely'. This indicates a small positive effect.

4.2. *Circumventing conventional media*

Turning the attention towards the information output of MPs two ICT functionalities figure very prominently in the interviews. One is the *personal homepage*, the other is '*direct e-mail*' or maybe more correctly *mailing lists* or *list servers*.

Concerning personal homepages 28% of MPs report a homepage with a personal domain name. Another 17% have a homepage linked to their party's homepage, while 5% have a homepage on a different website. The rest, around 50%, either have no homepage (46%) or have not answered the question. Even though visits to the personal homepages of MPs seem to be relatively few, and vary a lot from one MP to the next, most of the MPs who have a personal homepage believe it is a very important instrument for disseminating their opinions, and expect a lot from it, especially in the future (see below). Thus, 13% of the MPs who have a personal homepage find it 'absolutely necessary', 32% find it 'very useful', while another 32% find it 'useful now and then'.

There are several reasons why MPs attach importance to their personal homepage. However, the main reason is undoubtedly because it gives the MPs a

chance to present their views as they choose. They are very conscious of the way in which a homepage allows them to manage their own information output and avoid the 'editorial filters' present in other media. Just listen to these MPs:

"We are very conscious of the fact, that (the homepage) is a place where we can talk directly to people, whereas, in other cases, statements, etc. are being edited beyond recognition" (LJ).

"Our communication with the voters has become much more direct. We have circumvented the filter which journalists very often constitute, and communicate much more on our own terms with voters via homepages, e-mail services, and newsletters, which the users can browse through as they like" (KJ).

"I see my homepage as my personal information highway to a lot of people" (JK).

"We are becoming information agents ourselves. Our homepages are becoming information centres" (KEH).

The last quotation relates directly to a change in the role of MPs, to which many of them can relate. Becoming an 'information agent' means that the MP has to be much more active creating information and news than in the past. ("We can no longer sit down and wait till one of the TV networks comes around with a camera" (KJ)). This also means changes in the way MPs use their time because creating information themselves is time-consuming. But many seem to think it is worth the effort, and one of the MPs interviewed even thinks that it is beneficial for his work on the floor in Parliament.

The MPs who have homepages typically introduce themselves to their readers, using their CVs and then give their political views and visions; they put out press releases, talks, articles, and newsletters on the homepage. Some also arrange debates on their homepage most of them related to their political field of specialisation. The MPs who have personal homepages tend to put *everything* they publish on the page. There seems to be two reasons for this 'all-out' strategy. Firstly, it allows the MPs to document their parliamentary work. Secondly, it creates an openness around their own work and the work in Parliament:

"The philosophy is to consider ICTs as a way to document your (parliamentary, JH) work" "everything gets posted (on the homepage, JH)" " but it also creates openness, so that people can click on and see what our work really entails" (JK).

While the individual MPs who have personal homepages (with personal domains) have more or less explicit strategies on how to use their homepage, only one of the parties in Parliament, namely the Social Democratic Party, has an explicit strategy for the MPs' personal homepages and the party's homepage, and for the relation between the two. The strategy is that all Social Democratic MPs can use a standard homepage which is generated 'automatically'. The individual MP can then, if they wish, expand it, add new features, etc. (Some have additional personal homepages with their own domain This is not considered a problem). The party homepage is then dedicated to political news, newsletters, articles, some information from MPs and MEPs, permanent debates on various topics, information about the party, a members service, and a special service for

pupils/students. From the fall of 2000, when the new homepage strategy was implemented, campaign themes were added to the party homepage. These are current political themes running for a month at a time connected with short chats (one hour) with prominent and well-known Social Democrats. This functional division of work between MP homepages and the party homepage, plus the offensive party homepage strategy seem to have worked very well⁷:

"We wanted to see if was an effective way to send a political agenda through the (conventional, JH) media. And now after we have had an evaluation, I can say for sure that it has had a visible effect" (LJ).

Another ICT functionality to which at least some MPs pay a lot of attention is the possibility of using mailing lists ('direct e-mail') to get in contact with certain segments of the voters, or all segments of the party members. Compared to other countries this functionality is not very developed in Denmark. However, MPs and their parties are preparing to use this functionality on a large scale. Some MPs and their parties already regularly send out newsletters via mailing lists to persons who have signed up, and at least the two major parties in Parliament (Social Democrats and the Liberal Party) are actively gathering e-mail addresses and mobile phone numbers in databases in order to use them for campaign purposes.

Both personal homepages and direct e-mails are still to a very large extent used as 'advertising boards', meaning that the flow of information is strictly one way, and that the interactive possibilities of the Internet are not used very much. However, some MPs stress exactly these interactive possibilities, and consider e-mail (groups) in particular to be a very good way to keep in contact with or have a continuing dialogue with what they call their 'background groups':

"I can work with my background groups in this way. It has always been a problem to get them involved on a regular basis" (KEH).

"I think we will see more politicians using active citizens as background groups. The active citizens can be both from within the parties but also from outside. One can use them to test (political) ideas, and you can spread you message quicker in that way. In this way the opinion makers in the local communities get a briefing directly from the politicians" (KJ).

This way of thinking about ICT seem to be connected with parties having a grass roots orientation, which tends to emphasise the deliberative aspects of democracy associated with a 'neo-republican democracy model' [1].

4.3. Perspectives for the future

In the questionnaire we have two questions on how MPs see the future development and use of ICT in politics. One is an open question in which the MPs

⁷ This may well be explained by the high educational level of most MPs. Thus, 57% of MPs finished high school (12 years) compared to an average of 18% in the population (18 years and older) in general. 34% of MPs have academic qualifications as compared to 4% in the population in general [3].

are asked to write a few lines on how they expect to use ICT in their future political work. The second question consists of a number of statements about the possible 'effects' of ICT on politics and democracy in the future.

Around half the MPs who answered the questionnaire have answered the open question. Their answers are remarkably similar and centre around three functionalities:

- *Further development of personal homepage:* Most want to improve their personal homepage with video clips and sound. Also several want to add a kind of FAQ (frequently asked questions) function to the homepage. This is seen as something which could possibly ease the workload as many 'trivial' e-mail requests can be answered in this way.
- *Electronic newsletter:* Many MPs would like to be able to mail their own 'tailor-made' newsletter to 'sympathetic voters'. For this purpose many are building up different more or less advanced databases with e-mail addresses.
- *Newsgroups, debate forums and chats:* Some want to (further) develop newsgroups, debate forums and chats within the party while others think it more important to make such virtual platforms as open as possible, preferably involving active and interested citizens. In relation to the development of such interactive features, some MPs talk about the possibility of 'virtual hearings' or 'virtual panels'; (representative?) groups of citizens or party members whose opinions about certain ideas or proposals can be heard very quickly, giving the MP an indication of public opinion on the matter.

These ideas from the MPs on how they envision their future use of ICT in their political work are neither very visionary nor innovative. On the other hand they reflect an increased knowledge of the opportunities which ICT offers when compared to earlier studies, and an increased confidence in the potential of ICT in political processes. Concerning democracy the ideas show some ambiguity. While some MPs stress the possibilities for spreading their own political ideas or basically communicating 'top-down', others stress the interactive possibilities, and emphasise the importance of increased dialogue and input 'from below'.

The basically positive attitude of MPs towards the increased use of ICT in political communication is also reflected in answers to different statements on ICT and political/democratic developments. As we see from Table 5, MPs expect ICT to have a positive effect on many aspects of democracy. Only when it comes to asking whether 'ICT's will jeopardise control by the publishing of extreme left/right opinions' and whether 'ICTs will widen the gap between the 'information rich' and the 'information poor' does an overload of negative expectations arise. While these questions are of course only a random sample of attitudes towards the possible 'effects' of ICT on democracy, We nevertheless consider that the general trend of the answers is of importance because expectations for the future shared by a sufficient number of individuals (especially important decision-makers) tend to become self-fulfilling prophecies.

Table 5. Question on how ICT will change the political processes and democracy in Denmark. Percentage difference index (PDI = percentage of positive minus negative answers.

	PDI
1. ICTs will create new democratic practices; for example a possibility for electronic voting at general elections and referenda	+ 17
2. ICTs will make more citizens participate in politics	+ 28
3. ICTs will jeopardise control by the publication of extreme left/right opinions	+ 10
4. ICTs will widen the spectrum of political issues on the public agenda	+ 42
5. ICTs will widen the gap between the "information rich" and the "information poor".	+ 61
6. ICTs will improve the interactive dialogue in the political system, especially between elected representatives and citizen-voters	+ 62
7. ICTs will facilitate the distribution of political information to specific electoral groups	+ 77
8. Even though they have a lot of media attention ICTs will not exert any real influence on politics or political processes	- 38

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L'usage d'Internet entre administrations et administrés français : vers une rupture du lien d'égalité des citoyens devant le service public ?

Renaud de La Brosse *

A l'heure où la révolution numérique née du mariage réussi de l'informatique et des télécommunications promet de bouleverser notre vie quotidienne – avec en filigrane l'idée (pour ne pas dire l'idéologie) de progrès qui en découlerait nécessairement, que véhicule chaque nouvelle avancée technique et technologique – on prend conscience de l'enjeu qu'il y a à ce que tous les citoyens en profitent, sans distinction d'origine socioprofessionnelle, de bagage culturel ou de lieu de résidence. Le risque est pourtant grand de voir apparaître une fracture inégalitaire entre ceux qui sont connectés à l'Internet et ceux qui ne le sont pas. S'il est un domaine dans lequel un tel risque peut s'avérer lourd de conséquences, c'est bien celui des rapports entre les administrations nationales et/ou locales et les citoyens qu'elles sont sensées servir. La révolution numérique en cours et le risque de fracture inégalitaire qui l'accompagne – risque de voir se développer une masse de citoyens de « seconde zone » parce qu'exclus des possibilités offertes par les Nouvelles technologies de l'information et de la communication (NTIC) – est appréhendée différemment par les quinze Etats membres de l'Union Européenne ; les plus sensibilisés (ou les plus volontaristes ?) étant les pays scandinaves, qui ont fait de la démocratisation de l'Internet une priorité absolue chez eux (cet objectif étant du reste l'une des trois priorités affichées par la dernière présidence suédoise de l'U.E)¹. Cette communication se propose de voir quelle a été la politique de la France qui, après avoir accumulé un retard certain en la matière tente d'impulser une politique énergétique². Le cas de la France est d'autant plus intéressant que l'on

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¹ Pour avoir un aperçu des avancées réalisées dans ce domaine de la société de l'information, voir http://europa.eu.int/pol/infos/index_fr.htm

² En témoigne par exemple la décision, prise le 9 juillet dernier, dans le cadre du *Comité interministériel de l'aménagement et du développement du territoire* (CIADT), d'arriver à 100% de couverture nationale pour les téléphones mobiles d'ici 2004 (10 milliards de francs seront ainsi débloqués par l'Etat) et de garantir l'accès de tous au haut débit d'ici 2005 (l'Etat apportant 500 millions de francs sur les 1,4 milliards nécessaires)... Voir <http://www.internet.gouv.fr/francais/frame-home.html>

a affaire à un Etat réputé centralisé et centralisateur³ et où les relations administrations-administrés n'étaient pas réputées laisser beaucoup de place à l'écoute ni d'ailleurs être fondées sur une transmission et un accès rapides aux informations. Sans aller jusqu'à évoquer, comme certains, une administration kafkaïenne, il n'en demeure pas moins que l'idée a longtemps prévalu que le destinataire du service était davantage un administré-sujet qu'un citoyen consommateur...

L'introduction des NTIC et d'Internet en particulier ont-ils facilité les relations entre administrés et administrations français ? La perception par les citoyens de l'Administration a-t-elle évolué ?

On verra qu'existe en France une forte volonté politique de moderniser l'Administration, que c'est même le principal chantier de la réforme de l'Etat voulue par le Premier Ministre actuel et que la traduction politique de cet intérêt a notamment pris la forme d'un « Programme d'action gouvernemental pour la société de l'information » (PAGSI) qui conditionne la modernisation de l'Administration à l'utilisation des NTIC. A terme, si les difficultés humaines (réticences des agents) sont surmontées et les moyens financiers en adéquation avec les objectifs, l'enjeu est une administration plus efficace car à l'écoute des administrés, et donc une transparence accrue de l'Etat. Mais l'Administration centrale n'est pas la seule concernée, les services publics des collectivités territoriales, en dépit d'élus locaux pas toujours au fait des potentialités offertes par Internet ou de projets insuffisamment mûris, ont eux aussi pris le tournant numérique – conçu comme un atout de développement local et comme un outil de renforcement du lien de proximité « privilégié » avec les habitants. Du côté des internautes administrés, les exigences se font de plus en plus fortes et précises : l'accès à l'information doit être rapide, rigoureux et personnalisé. Telles semblent être les conditions du succès de relations efficaces entre pourvoyeurs et destinataires des services. Mais pour parvenir à cet objectif, il reste encore à lever certaines hypothèques : la démocratisation de l'accès à l'Internet suppose la multiplication de points d'accès publics comme une indispensable baisse de coût de la connexion privée à la Toile.

Démocratiser l'Internet : un discours politique consensuel

« Fossé numérique », « Fracture numérique », « l'Internet pour tous »⁴... Autant d'expressions qui témoignent de l'entrée remarquée de l'outil Internet et de ses applications dans le discours politique français ces dernières années : cohabitation oblige, la surenchère à laquelle on assiste parfois entre l'Elysée et Matignon quant à la nécessité de combler les inégalités d'aujourd'hui n'est cependant qu'une version actualisée et modernisée d'un phénomène de société

³ Pour comprendre cette spécificité centralisatrice française dans sa perspective historique, voir Emmanuel Le Roy Ladurie, Histoire de France des régions. La périphérie française, des origines à nos jours, L'Univers historique, Seuil, Paris, mai 2001, 427 p.

⁴ Tel était le thème des dernières « Rencontres parlementaires sur la société de l'information et de l'Internet », Assemblée Nationale, Paris, 10 octobre 2000.

plus large, qui voit se creuser encore davantage les écarts entre les riches et les pauvres ou, pour prendre un langage plus dans « l'air du temps », entre privilégiés et défavorisés. Le débat autour des inégalités, avérées, et de l'urgence qu'il y aurait à démocratiser l'accès et l'utilisation d'Internet au plus grand nombre possible – en fait à tous les citoyens – dépasse le cadre franco-français : c'est tout naturellement aux Etats-Unis, berceau de l'Internet – que cette préoccupation s'est faite jour en premier. Dès 1995 en effet, les inégalités croissantes d'accès au réseau des réseaux (entre riches et pauvres, mais aussi parmi les communautés ethniques défavorisées...) – « *Digital Divide* » - sont pointées du doigt dans un rapport du Département au Commerce américain⁵, constamment réactualisé depuis lors⁶. Cette priorité, peu ou prou tous les Etats industrialisés l'ont faite leur, qu'il s'agisse entre autres des Quinze ou du Japon, où le G8, réuni à Okinawa à l'été 2000, posait le même constat.

Le principal enjeu tient au fait que, dans un environnement international, tout autant que national ou local, où l'information et les réseaux occupent désormais une place centrale, l'accès à et la maîtrise de l'outil Internet sont les conditions modernes d'une insertion réussie⁷ du citoyen lambda au sein de ces différentes sphères territoriales, qui trouvent leur prolongement dans des mondes virtuels complémentaires. Les relations des citoyens avec les autorités politico-administratives, à quelque échelon qu'on les considère, passeront donc de plus en plus par ce que l'on appelle « *l'e-gouvernement* »⁸ et « *l'e-administration* » - qu'il s'agisse d'obtenir des informations, d'entreprendre des démarches ou de communiquer avec des agents de l'Etat. Ces transformations, porteuses en soi de progrès en terme d'efficacité, de rapidité et de transparence, n'ont cependant de sens que dans la mesure où elles profitent à tous, garantissant de la sorte la pérennité du principe d'égalité des citoyens devant le service public.

Les pouvoirs politiques français s'en sont inquiétés à voix haute – à l'image d'un Premier Ministre, Lionel Jospin, qui déclamait le 25 août 1997, lors de l'Université de la Communication à Hourtin (Gironde) : « nous refuserons que le fossé séparant ceux de nos concitoyens qui maîtrisent ces nouveaux outils du reste de la population s'accroisse »⁹ - sans que les actions entreprises soient toujours à la hauteur des défis à relever et des besoins à satisfaire. Une récente étude d'un cabinet de conseil en stratégie, management et technologies de l'information, *Accenture* (ex *Andersen Consulting*), tout en notant les efforts réalisés au cours des derniers mois, n'en concluait-elle pas, par la voix d'un de ses spécialistes du déploiement de technologies nouvelles dans les administrations publiques, que

⁵ Pour une version de ce rapport, aller sur <http://www.ntia.doc.gov/ntiahome/fallingthru.html>.

⁶ Pour la version réactualisée de 1998 : <http://www.ntia.doc.gov/ntiahome/net2/>

⁷ Voir Laure Noualhat, « Tous pour le Net pour tous », mercredi 11 octobre 2000 : <http://www.liberation.fr/multimedia/actu/20001009/20001011merzh.html>.

⁸ Par « *e-gouvernement* », on entend généralement l'application des outils et des techniques Internet par les gouvernements au bénéfice des citoyens et des entreprises.

⁹ Discours disponible sur <http://www.internet.gouv.fr/PM/#anchor52>.

« le chemin à parcourir (restait) très important pour augmenter la valeur ajoutée des sites, puis proposer des portails multi-administrations » ?¹⁰

Les réalisations françaises en faveur d'une « administration électronique citoyenne »

L'effort immense à réaliser pour que chaque citoyen français soit réellement un utilisateur des services administratifs en ligne tient en quelques chiffres. Fin quatrième trimestre 2000, seuls 29% des foyers français étaient équipés d'un PC et 13% étaient dotés d'un accès Internet. Quant aux PC connectés à Internet, ils étaient 5,9% fin 1999 et 16,7% début 2001¹¹. Ces progrès, certes, sont sensibles : mais « considérer (...) que les Français se sont appropriés les outils de la communication et de l'information et que l'on peut à présent s'investir dans une modernisation massive de l'administration française sans autre préoccupation que celle de rendre cette administration <<électronique>> est certainement commettre une erreur »¹². Favoriser le développement d'une administration en ligne contribue à la réforme de l'Etat mais l'on ne saurait véritablement s'en contenter, au risque de marginaliser les franges les plus importantes de la population – par exemple celles vivant en dehors des grands centres urbains ou celles appartenant aux classes d'âge les plus âgées. Le taux de pénétration d'Internet au sein de la population française âgée de plus de 15 ans n'étant que de 39,3% au troisième trimestre 2000 – la France figurant au 10^{ème} rang des pays européens loin derrière la Norvège et la Suède (69,3% et 66,9%)¹³ – c'est un vaste chantier qui attend encore l'ensemble des autorités politico-administratives nationales.

L'amorce d'une réaction gouvernementale sérieuse a eu lieu dans la foulée du discours de Lionel Jospin à Hourtin en août 1997, avec l'adoption par le *Comité interministériel pour la société de l'information* (CISI), le 16 janvier 1998, d'un « Programme d'action gouvernemental pour la société de l'Information » (PAGSI), dont l'une des priorités essentielles était la modernisation de l'administration – celle-ci passant par une systématisation de l'utilisation de l'outil Internet, par une transformation profonde des relations avec les usagers et par un plan ambitieux de formation des agents des administrations aux NTIC.

Un effort particulier a porté sur la nécessité de rendre plus transparente l'action de l'Etat aux yeux des administrés citoyens, grâce à la numérisation des données et à son coût de mise en œuvre réduit avec Internet. C'est ainsi que tous les Ministères se sont dotés de leurs sites en ligne, non seulement dans le but d'offrir aux administrés les informations dont ils ont besoin pour ce qui est de leurs droits et des démarches ou des formalités à entreprendre pour les exercer, mais aussi, de

¹⁰ Communiqué de presse, « D'après la seconde étude annuelle d'Accenture, l'e-gouvernement gagne du terrain, comblant ainsi le fossé entre la théorie et la pratique », Paris, 4 avril 2001.

¹¹ Sources : http://www.journaldunet.com/cc/cc_equi_fr.shtml

¹² Eric Tabary, Internet et la modernisation de l'administration française. Bilan d'étape d'une évolution des relations administratives, mémoire de Maîtrise de Droit Public, sous la direction de Renaud de La Brosse, Université de Reims Champagne-Ardenne, mai 2000, p.11.

¹³ Source : http://www.journaldunet.com/cc/cc_inter_euro2.shtml.

façon plus large, pour présenter l'action gouvernementale. Une étape essentielle a consisté en l'expérimentation en mars 2000 d'un portail transversal fédérant les quelque 500 sites « gouv.fr » des administrations et des personnes publiques¹⁴ : l'originalité réside alors dans la volonté de dépasser le caractère cloisonné et vertical de ces sites – conséquence directe de l'organisation administrative française, pour rendre réellement exploitable aux internautes la mine d'informations théoriquement disponibles sur ces sites... Cette expérience réussie s'est institutionnalisée en octobre suivant : Service-public.fr est devenu officiellement le nouveau portail de l'administration française sur décision du *Comité interministériel à la réforme de l'Etat* (CIRE). Réalisé par la *Documentation Française*, elle-même rattachée aux services du Premier Ministre, Service-public.fr fédère et organise plus de 2600 sites publics français (nationaux ou locaux) ainsi que plusieurs milliers de sites publics internationaux¹⁵. Véritable fenêtre sur l'administration française, Service-public.fr devrait, à terme, selon les vœux de Michel Sapin, ministre de la Fonction Publique et de la réforme de l'Etat, permettre d'effectuer en ligne l'ensemble des démarches administratives – le ministère de l'Economie et des Finances ayant montré l'exemple en offrant la possibilité, à l'occasion du lancement Service-public.fr, de télétransmettre sa déclaration des revenus 1999... La simplification des procédures administratives pour les usagers, via ces services à distance, constitue l'une des pierres angulaires du plan de modernisation de l'administration. C'est pourtant un domaine où la France a pris du retard : alors que 30% environ des formulaires administratifs étaient téléchargeables au printemps 2000¹⁶, et que le Comité interministériel pour la société de l'information s'était fixé pour objectif d'atteindre les 100% fin 2000, on est bien obligé d'admettre que l'on est encore loin du compte à l'été 2001... Le décret gouvernemental n°99-68 du 2 février 1999 relatif à la mise en ligne des documents administratifs, qui rend opposable à l'administration les formulaires téléchargés et qui oblige à la mise en ligne de tout nouveau formulaire administratif créé, est encore loin d'avoir produit tous ses effets. La volonté gouvernementale de réforme peine à se traduire dans le quotidien des relations administrations-usagers. Les limites et les insuffisances du « Programme d'action gouvernemental pour la société de l'Information » (PAGSI) avaient du reste été soulignées dès janvier 1999, lors d'un rapport d'étape réalisé pour le *Comité interministériel pour la société de l'information*¹⁷ (CISI). Le rapport, tirant le bilan d'une année de mise en œuvre, imputait le retard français à trois causes principales que sont d'une part la réussite de minitel, qui a eu pour effet de retarder l'utilisation de l'Internet dans les administrations (en partie pour des questions de prestige national...), le faible niveau des moyens financiers et humains déployés eu égard à l'ampleur des investissements à réaliser en terme de matériel et de formation d'autre part, et, enfin, le manque d'entrain des personnels

¹⁴ Source : « Service-public.gouv.fr : une tentative riche de promesses », <http://www.journaldunet.com/0003/000315serpublic.shtml>.

¹⁵ Source : « Avec Service-public.fr, l'administration fait service gagnant », <http://www.journaldunet.com/0010/001027servicepublic.shtml>.

¹⁶ Tabary, op.cit, p.21.

¹⁷ Source : <http://www.internet.gouv.fr/francais/textesref/cisi190199/accueil.htm>.

des services publics inquiets par les profonds changements dans l'organisation de leur travail qu'induit l'utilisation des NTIC... Ces limites à la mise en place d'un e-gouvernement et d'une administration électronique citoyenne, pour subsister encore aujourd'hui, ne doivent cependant pas occulter les progrès réalisés au cours des deux années passées. Portail de l'administration française, Serice-public.fr met alors à la disposition des citoyens 600 formulaires en ligne¹⁸ ainsi que 13000 correspondants directs (e-mails), ce qui explique un succès rapide, qui vient répondre à des besoins réels, puisque deux mois après son inauguration ce portail affichait déjà une audience de 400000 visiteurs uniques par mois et recevait quelques 1000 e-mails quotidiens. Ainsi que l'avancait Michel Sapin il y a quelques semaines, ce sont quelques 5,6 milliards de francs qui auront été dépensées pour informatiser l'administration, ce qui aura eu pour résultat tangible de faire en sorte qu'aujourd'hui 25% des fonctionnaires sont connectés à la Toile et que 40% sont reliés à un Intranet¹⁹. L'administration électronique progresse mais beaucoup reste encore à faire pour façonner de nouveaux services publics à la fois plus ouverts et plus proches des administrés.

Les chantiers de l'avenir : « de nouvelles méthodes, de nouveaux moyens »

C'est ce constat en demi-teinte qui a conduit le Premier Ministre, Lionel Jospin, à commander en juin 2000 un rapport au député du Tarn Thierry Carcenac, avec pour mission d'étudier « les moyens de faciliter la constitution de systèmes d'information des administrations, simples d'accès pour les usagers, pérennes, sûrs et compatibles entre eux »²⁰. Ce travail, remis officiellement le 19 avril 2001 se veut « le premier bilan et ensemble de recommandations sur les méthodes et les moyens d'utiliser l'administration électronique »²¹ en France. Ce rapport a ceci d'intéressant qu'il se propose de définir les moyens qui permettraient de franchir une étape qualitative supplémentaire vers l'administration électronique au service des citoyens. L'objectif est de dépasser le stade actuel de l'interaction simple sur le web pour à terme : 1) rendre possible la gestion complète en ligne d'une démarche administrative – de la prise de contact de l'utilisateur à l'accomplissement et à l'archivage de celle-ci 2) distribuer l'ensemble des services publics par un guichet unique²², physique ou numérique, pour chaque type d'utilisateurs – ce qui suppose une ouverture des systèmes d'information entre les administrations et donc une « véritable transversalité »²³.

¹⁸ En avril 2001, le nombre des formulaires en ligne grimpe à 900, soit plus de la moitié des formulaires administratifs existants, et concernant les démarches parmi les plus courantes.

¹⁹ Source : http://www.journaldunet.com/dossiers/Net20_2000/sapin.shtml.

²⁰ Voir la Lettre de mission du Premier Ministre, 5 juin 2000.

²¹ In Pour une administration électronique citoyenne. Méthodes et moyens, Rapport au Premier Ministre, 19 avril 2001, p.8.

²² La même démarche est actuellement testée grandeur nature en Grande-Bretagne. Voir <http://www.gateway.gov.uk>

²³ Idem, p.10.

Afin d'accéder à ce stade avancé d'administration électronique citoyenne, six grands chantiers prioritaires –ci-après résumés – devront être menés parallèlement :

- Premier chantier, mener de concert informatisation et réinvention des processus administratifs. L'Etat en réseaux doit dépasser le cadre des structures administratives, qui sont le produit de l'histoire, pour s'organiser en fonction des besoins des citoyens. La logique administrative doit s'inverser : plutôt que de se contenter de répondre aux demandes des usagers, les administrations devraient proposer à chaque usager les prestations auxquelles sa situation individuelle lui donne droit ; de même ce devrait désormais être à l'utilisateur de valider ces propositions et les informations détenues par les administrations ;
- Second chantier, apporter davantage de cohérence dans la gestion des ressources humaines du personnel affecté au traitement de l'information, dont les statuts sont pour le moins disparates. Le rapport insiste sur l'urgence qu'il y a à professionnaliser le métier d'informaticien des administrations et à faciliter la mise en place d'une culture informatique commune en leur sein. Cet objectif ne semble pouvoir être atteint que par le lancement d'un plan d'urgence gouvernemental pour la prise en compte de la fonction informatique de l'Etat ainsi que par une gestion prévisionnelle des emplois, des effectifs et des compétences sur la fonction informatique ;
- Troisième chantier, définir des standards communs de description des données permettant la communication entre systèmes d'informations. Cela afin de rendre disponibles les informations sur un dossier traité à tous les services administratifs concernés, de minimiser les manipulations de données par une saisie unique et de simplifier les procédures et les structures. Thierry Carcenac recommande ainsi, afin de décloisonner des systèmes d'information dont les structures de données sont trop souvent incompatibles entre elles, l'utilisation par les administrations d'un standard existant, le XML (eXtensible Markup Language), dont la particularité est d'offrir un compromis entre le besoin de simplicité et celui de puissance, et de permettre aux sites web de puiser dans différentes sources pour composer des pages d'informations ou de services – c'est-à-dire d'accroître l'interopérabilité et la compatibilité des différents services publics existants ;
- Quatrième chantier, faire en sorte que les logiciels libres – dont le code sources ouvert permet d'en améliorer la pérennité et la sécurité – deviennent des outils de travail naturels pour les administrations. A cette fin, le rapport préconise l'obligation pour l'administration d'utiliser des standards de communication ouverts tant au niveau de la description des données que de leur transport ;
- Cinquième chantier, prendre les mesures nécessaires afin que les intranets de tous les ministères – reliés entre eux depuis mai 2000 par le réseau

AdEr (Administration En Réseau)²⁴ – s'ouvrent aux partenaires des services que sont les collectivités territoriales par le biais d'Internet. Concrètement, ceci signifie qu'un accès à Internet à partir d'AdEr permettrait simultanément la sortie sur Internet depuis AdEr et l'accès sécurisé, depuis Internet, à des contenus placés sur AdEr. Le rapport préconise que cet accès aille de pair avec la création d'une plate-forme interministérielle d'hébergement de contenus et de services, pour une meilleure rationalisation de l'accès aux services publics ;

- Dernier chantier, mieux orchestrer l'action des structures diverses qui interviennent dans la mise en place de l'administration électronique²⁵. La mission Carcenac préconise ainsi que le pilotage global de l'administration électronique soit confié au ministère chargé de la réforme de l'Etat, dont il propose par ailleurs de le rebaptiser en ministère de la Fonction publique, de la Réforme de l'Etat et de l'Administration électronique.

Un exemple d'application : l'« e-ministère » de l'Economie, des Finances et de l'Industrie

Bien entendu ces chantiers et ces propositions ne font qu'esquisser ce que pourraient être les contours futurs de l'administration électronique citoyenne. On peut néanmoins déjà en mesurer l'influence à travers des initiatives récentes prises par certains ministères. Faute de pouvoir ici en entreprendre une description d'ensemble, on se contentera de voir comment, au travers de son projet d'e-ministère²⁶, le ministère de l'Economie, des Finances et de l'Industrie (MINEFI) a intégré l'action gouvernementale, et ses directives, en faveur du développement de la société de l'information en France.

Il est vrai que, de par ses attributions, ce ministère s'est senti particulièrement légitimé à s'adapter et à se transformer pour entrer dans la société de l'information : vecteur de développement de l'économie numérique, il entend également être à la pointe de l'utilisation d'Internet pour simplifier le service

²⁴ Pour plus d'informations sur le projet AdEr, voir : <http://www.ntic.pm.gouv.fr/programmes/ader>.

²⁵ Jusqu'à présent, le pilotage politique du chantier de l'administration électronique est du ressort du *Comité interministériel pour la société de l'information* (CISI) – qui s'intéresse au large thème de la société de l'information, et du *Comité interministériel pour la réforme de l'Etat* (CIRE) – qui s'intéresse aux NTIC sous l'angle étroit de la modernisation de l'administration. A ces deux « organes » politiques viennent se greffer des structures administratives diverses que sont, pour les principales, la *Délégation interministérielle à la réforme de l'Etat* (DIRE), placée sous l'autorité du Premier Ministre et chargée de proposer au gouvernement les mesures nécessaires à la réforme de l'Etat et de les mettre en œuvre, la *Mission interministérielle de soutien technique pour le développement des technologies de l'information et de la communication dans l'administration* (MTIC), qui relève du Premier Ministre, la *Commission pour les simplifications administratives* (COSA), présidée par le Premier Ministre, etc.

²⁶ Pour accéder à la Charte de l'e-ministère, voir <http://www.minefi.gouv.fr/e-ministere/preambule.htm>.

rendu à un public concerné extrêmement large (citoyens et entreprises), pour améliorer l'efficacité, le contrôle et la transparence de la gestion de l'Etat ou bien encore pour enrichir les qualifications de ses agents, voire d'en faire un facteur d'intégration professionnelle pour les personnes handicapées.

L'e-ministère, présenté comme la projection des activités du MINEFI dans la société de l'information, centre son action autour de trois objectifs prioritaires articulés en une série d'engagements et de projets concrets à venir.

La pierre angulaire de l'édifice doit reposer sur la mise sur pied d'une relation nouvelle avec les usagers et les partenaires du ministère. Ceci passe par une politique visant à garantir l'égal accès de tous aux nouveaux services en ligne : pour ce faire des stations d'accès en libre-service permettant d'accéder aux informations et aux sites du MINEFI devraient être disposées dans les principaux espaces d'accueil du ministère – le sort réservé au monde rural reste à cet égard relativement flou alors que l'on sait qu'à peine 10% des collectivités de moins de 2000 habitants disposent d'un accès à Internet, selon un rapport de l'Observatoire des télécommunications dans la ville rédigé en 2001 – à destination notamment de publics réputés défavorisés (personnes âgées, exclus, chômeurs...) et avec une assistance à l'appui. Cette administration entend parallèlement se rapprocher du public et développer son sens de l'écoute. Des engagements précis sont d'ores et déjà annoncés, comme par exemple celui de fournir une réponse précise par e-mail à toute demande, dès lors qu'il ne s'agit pas d'informations nominatives : à partir de début septembre 2001, un délai moyen de 48 heures est garanti pour les questions d'actualité et d'une semaine pour les autres. Dans la même optique, le MINEFI a pris l'engagement de porter à 1000, au lieu de 280 aujourd'hui, les questions les plus fréquemment posées (FAQ) par les usagers sur son site. Ou encore de multiplier les services interactifs et les échanges avec les publics à travers des forums. Des vidéos rendant compte des interventions du ministre devraient elles-aussi être régulièrement diffusées sur le site web du MINEFI... Enfin, une personnalisation de l'offre des services est promise via la création de portails en fonction des publics : la rubrique baptisée « Services » du site www.minefi.gouv.fr sera ainsi subdivisée en autant de portails au contenu plus riche pour des catégories ou des thèmes spécifiques : « les professionnels », « les jeunes », « les élus », « la fiscalité » par exemple. A noter que l'offre des services sera permanente – c'est-à-dire disponible 24H/24, 7 jours sur 7 et concernera les principaux besoins (formulaire, simulations, téléprocédures) – et l'accès à l'information transparent et direct quant aux projets, études, données relevant du ministère.

Un autre objectif consistera à offrir aux personnels de cette administration de nouvelles formes de travail en réseau, indispensables à la construction d'une relation nouvelle avec les usagers et partenaires. Ceci passera donc par un accès généralisé à Internet, aux Intranets et à la messagerie électronique. Des services spécifiques en ligne – en matière de formation et de documentation notamment

devraient également être mis à la disposition des agents : l'objectif est clairement ici de cultiver le réflexe Internet dans le travail quotidien de ces derniers²⁷.

Dernier objectif, enfin, une rationalisation et une amélioration de la gestion publique, les NTIC pouvant se révéler des outils utiles pour la simplification des circuits de la dépense, la rénovation des méthodes de contrôle ou encore la transparence des comptes de l'Etat...

Nombreux sont les ministères, moins avancés que le MINEFI, à travailler actuellement sur les méthodes et moyens d'améliorer leurs services et leurs relations aux usagers : l'essentiel de l'administration électronique citoyenne nationale, on l'aura compris, reste à bâtir, forçant l'observateur à rester dans une position plus descriptive qu'analytique – l'objet même de l'observation étant en grande partie en devenir...

La dimension citoyenne des villes numériques : réalisations et enjeux

« Les définitions des villes numériques sont autant d'accroches publicitaires pour collectivités cherchant à mettre en valeur un choix socio-technologique qui leur est propre... La dimension la plus difficile à mettre en œuvre reste la dimension citoyenne »²⁸.

Ce constat résume bien la problématique de l'utilisation d'Internet qui a été faite par les élus locaux, tentés à la fois par l'ambition de transformer l'action publique – en faisant de l'utilisateur-consommateur un citoyen-acteur dans la Cité, mais aussi de mettre Internet au service du développement local ou encore de l'aménagement du territoire. Si le recours à l'outil Internet tend à se généraliser parmi les communes françaises²⁹, c'est rarement le domaine de l'administration électronique le plus privilégié par les édiles municipaux... Pas plus que celui de la démocratie électronique, bon nombre de maires à la pointe de l'utilisation d'Internet dans ce domaine ayant d'ailleurs connu l'échec lors des élections municipales de mars 2001... Faut-il y voir un lien de cause à effet ?³⁰ Non, sans

²⁷ Ces engagements ne font du reste que suivre des recommandations adressées à l'ensemble des services publics par la DIRE. A ce propos, voir la note Recommandations d'améliorations des sites internet publics, Premier Ministre, Ministère de la Fonction publique et de la réforme de l'Etat, *Délégation interministérielle à la réforme de l'Etat*, 22 décembre 2000, pp.3-4.

²⁸ Dominique Boullier, chercheur à l'Université de technologie de Compiègne. Cité par Le Monde Interactif, mercredi 6 juin 2001, p.II.

²⁹ Il existe ainsi 275 villes ayant reçu le label « Ville Internet », qui est décerné depuis maintenant deux ans par l'association « Ville Internet », créée sous le haut patronage du ministère de la Ville. Les villes « élues » sont ainsi distinguées pour leur capacité à mettre en œuvre un Internet local citoyen à la disposition de tous pour l'intérêt général. Voir Le Monde Interactif, 6/6/01, p.II.

³⁰ On notera que lors de cette campagne électorale, le rôle « avant-gardiste » de certains maires se révélera contre-productif et sujet à polémiques politiciennes. Les adversaires de Michel Hervé, maire de Parthenay, dénigreront par exemple son projet de « Ville numérisée » en le taxant de « joujou du maire ». Phénomène identique à Marly-le-Roy, où les détracteurs du maire, Bernard Longhi, lui reprocheront, à tort ou à raison, de négliger les problèmes concrets pour se consacrer à son projet virtuel MarlyCyberleroy... Il y a fort à parier que de telles polémiques disparaîtront d'elles-mêmes lorsque les élus locaux, quelle que soit leur étiquette

doute, mais cela pose néanmoins la question de l'appropriation de ce nouvel outil par les administrés et les fonctionnaires municipaux ; ce problème, central, a semble-t-il été jusque là négligé par les élus locaux.

Reste qu'un certain nombre d'expériences novatrices et prometteuses ont été menées dans le domaine de la modernisation de l'administration municipale – les champs privilégiés d'expérimentation concernant d'une part les relations inter-administratives entre les communes et les administrations d'Etat, et d'autre part le management municipal.

- Les lois de décentralisation votées en France en 1982 ont rendu nécessaire une coopération étroite entre les services centraux et déconcentrés de l'administration de l'Etat, de même qu'entre les services déconcentrés de l'Etat et l'administration territoriale des collectivités locales – et au premier chef les communes³¹. A cet égard, Internet apparaît comme l'outil indispensable à cette coopération imposée par le nouveau partage des tâches entre Etat et collectivités locales.

Des *Systèmes d'informations territoriaux* (SIT) – véritables réseaux fédérant les services déconcentrés de l'Etat au sein d'une région ou d'un département³² - existent depuis quelques années déjà et permettent des échanges d'informations entre services connectés. Il ne restait qu'à autoriser le raccordement des collectivités locales à ce réseau pour qu'une collaboration s'instaure entre les différentes administrations : c'est chose faite depuis le 24 novembre 1999, sous réserve d'en définir les conditions d'accès avec le préfet ou le sous-préfet concerné. Mais cette faculté n'est que très peu utilisée – le District urbain de Parthenay, pilote en la matière, proposait dès avril 1998 à la sous-préfecture l'expérimentation d'un « contrôle de légalité numérisé »³³ qui, grâce à un financement du projet européen IMAGINE soutenu par la DG XIII de la Commission Européenne, sera opérationnel en février 2000³⁴. Rapide et efficace, un tel système, qui permettrait la transmission des délibérations des conseils municipaux d'un même département par Internet à la préfecture dont ils relèvent, ne se généralisera cependant pas tant qu'un système d'authentification électronique certifié par l'Etat n'aura pas été mis en place. Une autre condition du succès des relations inter-administratives entre collectivités locales et services de l'Etat réside dans l'appropriation d'Internet par les fonctionnaires locaux : c'était là un élément important de la stratégie de Parthenay puisque le District urbain a non seulement favorisé la création d'adresses e-mail en faveurs des acteurs et partenaires institutionnels locaux de la municipalité mais a également offert des

politique, auront réalisé que, selon Didier Happel, consultant chez *Tactis*, « ne pas investir dans la cité numérique (peut être) un manque à gagner énorme pour les citoyens et les PME locales »...

³¹ Pour des raisons de temps et d'espace nous n'aborderons pas dans le cadre de cette étude les cas des Conseils régionaux ni des Conseils généraux.

³² Rapport Carcenac, op.cit., p.91.

³³ Les actes et décisions du Maire et du Conseil municipal étant en France soumis au contrôle formel de leur légalité par le représentant de l'Etat au niveau local.

³⁴ Voir « L'expérience de Parthenay dans le domaine de la modernisation de l'administration », Contribution écrite à la 1^{ère} Conférence européenne sur la qualité dans l'Administration publique, Lisbonne, 10-12 mai 2000.

formations gratuites à l'outil Internet, et à ses applications, aux acteurs de l'administration, y compris aux agents des services déconcentrés de l'Etat (Gendarmerie, sous-préfecture, etc.)³⁵.

- Les NTIC, via leurs applications, sont par ailleurs porteuses d'une réorganisation et d'une modernisation de l'administration des municipalités. Elles permettent l'émergence d'un nouveau management : le travail des agents en réseau accroît leur coopération sur des dossiers communs, augmente l'efficacité interne et favorise la transparence. Tel est le constat qui ressort de l'expérience de Parthenay où, depuis 1996, date du lancement du projet « Ville numérisée », les agents de la collectivité ont été progressivement équipés en matériel informatique, dotés d'adresses e-mail et connectés à l'Internet et à l'Intranet municipal – ce dernier, créé en 1997, sert d'espace privilégié d'échanges pour les intervenants municipaux (personnels et élus). Internet a ainsi permis une révolution organisationnelle, gage de l'appropriation intensive de cet instrument par les agents en interne, « toute information importante, tout document interne et tous les compte-rendus de réunions de services (étant) désormais mis en ligne sur l'Intranet, et accessibles ainsi pour tous les élus et les agents de la municipalité »³⁶. Doter les services et les personnels municipaux en matériels, les former aux applications Internet, leur faire mettre eux-mêmes en ligne les informations les concernant se sont révélées autant de mesures favorisant l'appropriation de ce nouvel outil et de nouvelles méthodes de travail – condition d'un échange direct entre les citoyens-administrés et tel service ou tel employé de l'administration municipale.

Le succès de l'administration numérique, qu'il s'agisse des services centraux et déconcentrés de l'Etat ou bien encore ceux des collectivités territoriales, passe obligatoirement par une démocratisation de l'accès à Internet pour tous les citoyens. Ne pas promouvoir et faciliter l'accès des Français aux NTIC c'est, nous semble-t-il, aller à l'encontre du principe d'égalité de ceux-ci face au service public. Une telle politique ne peut être que volontariste, les mesures à prendre relevant pour certaines de l'Etat et pour d'autres des municipalités, a priori mieux préparées aux fonctions de contact avec le public.

Parmi les municipalités labellisées « Villes Internet », les politiques de démocratisation de l'accès des citoyens aux NTIC ont consisté en l'aménagement d'espaces numérisés (ou de points d'accès public à Internet) essentiellement³⁷. A Issy-les-Moulineaux, ville de 50000 habitants, ce sont ainsi 53 de ces points d'accès gratuits qui sont répartis sur le territoire communal ; à Parthenay (11000 habitants), les habitants ont à leur disposition 11 lieux d'accueil où, avec l'aide

³⁵ Idem, p.5.

³⁶ Ibidem, p.3.

³⁷ On notera que Claude Bartelone, ministre délégué à la Ville, vient d'annoncer, le 10 juillet dernier, un plan de développement de l'Internet dans les quartiers populaires afin de contribuer à combler le fossé numérique. Parmi les mesures annoncées, un budget de 50 millions de francs destinés à financer 1000 Espaces Publics Numériques (EPN) dans les quartiers prioritaires pour rendre accessibles à tous l'usage et la formation aux nouvelles technologies... Voir <http://www.internet.gouv.fr/francais/index.html>

des agents de la collectivité, ils peuvent s'initier à la pratiques des NTIC ; à Marly-le-Roy, plutôt que de multiplier les points d'accès publics à Internet, au nombre de 6 seulement, l'ancien maire a préféré mettre à la disposition des quelque dix-sept mille habitants une adresse e-mail gratuite, grâce au concours de La Poste.

Ces mesures, certes importantes, ne résolvent cependant pas le problème principal constitué par l'acquisition du matériel informatique nécessaire et par le coût de la connexion à l'Internet. C'est encore la ville et le District urbain de Parthenay qui sont allés le plus loin dans l'innovation puisque y a été mise sur pied une opération, avec des partenaires industriels, visant à permettre l'acquisition d'un matériel informatique à prix réduit pour mille foyers, et qu'un accès gratuit à Internet pour tous les citoyens a été proposé – la ville étant son propre fournisseur d'accès à Internet (comme l'y autorise la loi Voynet de juin 1999 sur l'aménagement du territoire) et considérant qu'il ressortait de sa mission de service public de permettre un accès privilégié au réseau.

Cette politique volontariste ne saurait cependant être considérée comme représentative, la situation des municipalités françaises se caractérisant plutôt, encore aujourd'hui, par un déséquilibre « grandes villes/petites communes » - les coûts d'une numérisation de l'administration étant inabordables pour la grande majorité de ces dernières (si l'on pense, par exemple, aux différents postes budgétaires concernés : achat de micro-ordinateurs performants, de matériels de connexion, fourniture d'un accès au réseau et, bien évidemment, la construction d'un site par un service informatique et l'emploi du personnel pour l'animer et le mettre à jour...). A moins d'un cofinancement par le département et la région, ou à défaut par l'Etat au nom de l'égalité de tous devant le service public, un grand nombre de communes parmi les quelque trente-cinq mille que compte la France sont menacées de marginalisation, ou du moins d'un service public au rabais.

Parallèlement aux mesures prises dans un cadre local, des mesures nationales incitatives fortes sont elles aussi indispensables. Outre la question de l'équipement informatique – que certaines associations d'internautes proposent de résoudre par la baisse de la TVA sur les matériels et les abonnements ou encore par l'octroi de prêts à 0% pour l'achat d'ordinateurs et de périphériques... - le défi prioritaire à relever reste celui du coût excessif des communications. C'est d'ailleurs le constat que dresse le député Thierry Carcenac dans son rapport au Premier Ministre : « le frein le plus important à l'émergence d'une société de l'information solidaire reste le coût de la connexion à Internet, du à la taxation des communications locales. Il apparaît donc indispensable de prendre toutes les mesures réglementaires nécessaires afin de faire naître une offre commerciale d'accès à Internet illimité pour un prix forfaitaire incluant les communications locales (...) »³⁸. Le reste est affaire de volonté politique...

³⁸ Op.cit., p.82.

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Neighbourhoods On-line: connecting physical and virtual spaces in Dutch cities

Miriam Lips, Marcel Boogers & Rodney Weterings *

1. Introduction

During the last decade, the changing roles and positions of cities have been widely acknowledged, as a result of global technological and economical developments. Recently, government, and other policy, agenda setting, organizations, e.g. in the Netherlands and UK, particularly stressed opportunities in order to make use of current ICT developments, so as to strengthen social cohesion in urban neighbourhoods. So far, however, little empirical research has been done towards the relationship between ICT developments and urban structures and/or processes. Besides, in scientific literature, concerning the connection between physical and virtual spaces, contradictory changes towards community development are predicted or, in some cases, observed. To try to obtain more empirical insight into the possible development of connections between physical urban areas and virtual spaces, we explored the development of online neighbourhoods in Dutch cities.

In this document, we will present the results of this exploratory research project towards online community development in Dutch city neighbourhoods. To put these empirical results into perspective, we will first give an overall view of both scientific and policy views. Those which concern the impact of global ICT developments on urban functions, structures and processes (paragraph 2). In paragraph 3 of this document, we will present developing theories on community development in connected physical and virtual worlds. The results of our research project which are directed towards the development of online neighbourhoods, in Dutch cities, are presented in paragraph 4. Finally in paragraph 5, we will confront these empirical results together with the scientific and policy views earlier presented in this document, and we will draw some conclusions.

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2. ICTs and glocalization

Scientific observations on ICT developments and glocalization

During the 1990's several scholars indicated the changing roles and positions of cities, in an increasingly globally oriented world. For instance in 1994, Sassen observed, that as a result of technological and economical developments, a new geographic power distribution is arising, in which the local administrative level, and cities in particular, are taking an important position. She warns that both overlooking the spatial dimension of economic globalization, and overemphasizing the information dimensions, have served to distort the role played by major cities in the current phase of economic globalization (1994, p.2).

Among other things, using Sassen's work, Castells also establishes essential changes in the meaning and dynamics of geographic locations, and particularly cities, as a consequence of the relationship between, what he calls, the 'space of flows' and the 'space of places'. Consequently, he observes the rise of a new type of city, the so-called 'informational city' (1989, 1996, 1999), which he defines as '*...an urban system with socio-spatial structure and dynamics determined by a reliance of wealth, power, and culture, on knowledge and information processing in global networks, managed and organized through intensive use of ICTs*' (1999, p.27). Due to the character of the arising information society (i.e. a society organized around networks, based on knowledge, and also shaped by 'flows'), Castells mainly considers the informational city as a process characterized by the structural dominance of the 'space of flows' (1996, p.398). As representatives of the rising 'informational city' he observes the origin of various new urban processes and practices.

On the other hand, Mitchell (2000), presents a more moderate view. In that the new global telecommunication networks will not bring about completely new urban patterns, but that they will change existing networks, within and between cities. He establishes that in the past, junctions of activities were joined in a system, by means of new urban networks. In their turn these junctions originated from former urban networks. Subsequently, the new networks transformed the functioning of the already present systems, took care of a redistribution of activities within these systems, and, finally, expanded them in an unprecedented way. According to Mitchell, particularly the latter aspect leads towards big qualitative changes. Furthermore, he believes that, due to the usually enormous resistance of existent social communities, these transformation processes will often be slow, chaotic, dissimilar, and incomplete. Consequently, like Castells, he expects, worldwide, the origination of a large variety of local specializations and practices.

This joint observation of Castells and Mitchell, towards an originating variety of local processes and practices is a.o. by Robertsion (1994) expressed through the concept of 'glocalization', which is a refinement of the concept of 'globalization'. Robertsion indicates that globalization, apparently, is widely thought of as involving cultural homogenization, i.e. a process involving the increasing domination of one social or regional culture, over all others. However, he

concludes from his research that many scholars that theorized the concept of globalization, particularly made explicit the heterogenizing aspects of the phenomenon of globalization. Frieden explains this idea of globalization applied to an Internet environment as follows (2001, p.16): 'The phrase "Think Globally; Act Locally" typifies the common view that while we have an interest in world events as global citizens, our day-to-day circumstances favour a local orientation. Even as the Internet provides seamless access to sites located anywhere in cyberspace, many of the sites and reasons for access are locally based. Accordingly, interest in new ICT-applications may result largely from individuals' experiences with local networking, and those services which are locally available.' Wellman, however, perceives more simultaneous changes in social arrangements through glocalization in an Internet environment, namely the capacity of the Internet to expand users' social worlds to far away people and at the same time to bind users more deeply to the place where they live (Horrigan et al., 2001, p.2). Although their views differ slightly, on glocalization in an Internet environment, both scholars point at the continuing importance of the existent local physical space for individuals, which may bring us, in accordance with Castells and Mitchell, to expect an originating variety of local processes and practices at the crossroads of virtual and physical spaces.

ICT developments, glocalization and policy opportunities

Recently, governments and other policy agenda setting organizations are paying attention to the possible meaning of ICT developments for urban structures and processes. For instance in the Netherlands, commissioned by the Dutch Minister for Urban Policy and Integration of Ethnic Minorities, the Government Committee 'ICT and the City' published its findings in December 2000. Important conclusions of this Committee were that current ICT-developments offer enormous opportunities for (Dutch) cities, not only from an economic point of view, but particularly also from a perspective on solving urban problems and strengthening social cohesion. By means of a neighbourhood-oriented approach¹, with special attention for opportunities in deprived neighbourhoods, ICT would be a valuable instrument for local administrators so as to solve various urban problems, often in an integral way and on the initiative of the so-called 'begin-users' (instead of end-users) of ICT-applications, i.e. the citizens. Important preconditions for solving urban problems, by means of ICT, were indicated to be the development of an urban e-vision and the appointment of a local political

¹ This neighborhood-oriented approach corresponds with a policy practice that may be acknowledged as a trend in today's Dutch cities. Many cities are, to an increasing extent, organizing public service delivery and policy development regarding queries, needs and relationships which occur in the city, at district and neighborhood levels (Hendriks and Tops, 1998). The scale of the neighborhood and the concreteness of problems that occur on this scale, have revealed it as a popular point of departure for many municipal policies. Whether it concerns questions around quality of life, unemployment, social isolation or spatial development, the neighborhood has become an important 'landscape of action' (Bruner 1986) for both local civil servants and professionals from various social organizations. In this respect neighborhood renewal, particularly in the sense of improving the 'livability' of a neighborhood, currently is an important topic in Dutch urban policy debate.

champion of ICT-initiatives, the removal of (institutional) barriers to the development and implementation of local ICT-initiatives, and the design and coordination of win-win situations of local actors participating in ICT-projects.

In an urban society, where local government would want to take into account the desires and needs of 'begin-users' of ICT-applications, the Committee took the view that the traditional position, and role of local government needed to be changed. No longer would local government alone be in a position to direct the desired social changes. Depending on the local situation, local government would need to determine for each ICT-project its necessary activities, in order to guarantee a successful project implementation. To do so, besides the development of general capabilities e.g. to be flexible and learn fast, local government could, in the Committee's view, adopt various alternative roles for different situations, such as initiator, stimulator, supporter, launching customer, mediator, barrier remover, and coordinator.

At the same time that the Dutch Government Committee on 'ICT and the City' presented its report, the Dutch Council on Social Development (in Dutch: *Raad voor Maatschappelijke Ontwikkeling* or RMO) presented a report with corresponding findings. Likewise, RMO perceived the necessity for (local) government to seize opportunities to use ICT developments for improving social cohesion, and realizing other compelling social goals, for instance in the field of health care, education, policing, and public service delivery. Earlier in 2000 in the UK, the national Social Exclusion Unit presented its 'National Strategy for Neighbourhood Renewal'. Also in this report, the instrumental values of ICTs to solve social problems were widely acknowledged.

No clarity yet on the relationship between virtual and physical spaces

So far, both scientists and policy makers have broadly acknowledged the important meaning of ICT developments, for changes in urban structures and processes. Whereas scientists tended generally to use a more indefinite, constructivist view on outcomes of the relationship between ICT-developments and physical spaces, policy makers particularly stressed the opportunities to use ICT in an instrumental way, to solve social problems and improve social cohesion in local physical spaces. So far, however, little empirical research has been done towards connections of urban physical areas and the 'space of flows' (Graham & Marvin, 1996). Therefore in this document, we will try to obtain more empirical insight into the development of these connections, and the impact they may have on local community building. However, as we will see in the next paragraph, outcomes of ICT impact on community development, in the connected, local, physical and virtual worlds, do not seem to be clear at all, but are still subject to scientific debate.

3. Developing theories on community development in connected, local, physical and virtual worlds

Since the public introduction of the Internet during the 1990s, various scholars have pointed at emerging connections between the physical life in cities, and interactions in virtual spaces on the Internet. In the early days of the public Internet, advocates particularly pointed at originating new forms of online interaction and communication. In their view, the Internet would restore community development by providing a new meeting space for people with common interests (often referred to as 'virtual communities'), overcoming limitations of space and time (Baym, 1998).

By now, however, the first empirical studies in this area present a slightly different view, in the sense that relationships formed in cyberspace mostly continue in physical space and vice versa, leading to both new and intensified forms of community characterized by a mixture of online and offline interactions (Wellman et al., 2001; Horrigan et al., 2001). For instance, based on a 1998 survey of 39,211 visitors to the National Geographic Society website, Wellman et al. concluded that people's interaction online supplements their face-to-face and telephone communication, without increasing or decreasing these communication activities (2001, p.1). Also, they found a correlation between heavy Internet use and increased participation in voluntary organizations and politics, which is further supported by a positive association between offline and online participation in organizations and politics. Based on the findings of a daily tracking survey on Americans' use of the Internet, Horrigan et al. (2001) concluded that most people find local online communities in the off-line world. According to their survey even more Americans have used the Internet in order to contact a group, rather than to have obtained news online, searched for health information, or bought a product (84% of Internet users). 26% of online Americans particularly use the Internet to intensify their connection to their local community, by planning church meetings, organizing neighbourhood gatherings, arranging local sports league operations, coordinating charity activities, and petitioning local politicians.

Consequently, from almost exclusive attention for the development of virtual communities in cyberspace, scientists seem to have currently adopted a perspective in which the integration of online and offline activities is taken into account. Those previously asked questions therefore, may currently be rephrased so as to ask - if, how, and also, what kinds of online communities are developing, as a result of connections between the local physical and the virtual world.

To be able to provide an answer to this question, in this document, acknowledging the fact that people who look for, and exchange information, on the Internet do not necessarily constitute a community, we first of all need to have a better understanding of what the concept of 'community' might imply. Up to now, the meaning of this concept seems difficult to grasp.² Dyson for example

² In 1955, research to the concept of 'community' resulted in 94 different definitions. In 1979, even 125 different definitions were discovered (Van den Boomen, 2000, p.44).

uses a broad definition of this concept, i.e. the unit in which people live, work, and play (1998, p.43). In her opinion, as the Internet supports the very thing that creates a community, i.e. human interaction, it can be a powerful, enabling, technology supporting the development of communities (Idem, p.44). With that, she observes that online communities are already easy to find, and relatively easy to form. Most people even live in several online communities - just as they do in the physical world. However, according to Dyson a major question, in this respect, is what holds these communities together? Some identity, clear community rules, effective supervision to compliance with community rules, a minimal investment of members in their community, and, especially, trust among community members are perceived by Dyson as basic principles, to develop durable online communities (Idem, p.49-50, p.70).

According to Van den Boomen (2000, p.43) however, a community – whether online or offline - consists of at least two elements: a group of people sharing something with each other, and relating norms and values to this. Moreover, Van den Boomen takes the view that members of a community share much more with each other: a history, rituals, rules, norms, and values (2000, p.36). The sharing of information may then be at the beginning of a more structural getting together of people and, with that, the development of a culture. With regard to community development on the Internet, Van den Boomen (2000, p.36-39) distinguishes five organizational patterns of associations, in which members share more than information only. In practice, these various, what she calls ‘cultures’, constantly overlap:

- Cultures of support and self help: connections with companions in (mis-) fortune;
- Cultures of work and knowledge: connections aimed at aid, job offerings and vacancies, work and working (together), and learning;
- Political cultures: connections organized by governments or official institutions, and bottom-up political activism/organizing;
- Cultures of identity: articulating or re-enforcing a shared identity in connections; and
- Cultures of passion: connections aimed at shared hobbies, obsessions, entertainment, play, or passion.

Van den Boomen (2000, p.54) further stresses that many online communities are founded on ‘real life communities’. Like Horrigan et al. (2001) she concludes that a substantial part of these Internet-communities appear to be organized around geographical origins. Van den Boomen observes that, in the course of time, these virtual extensions of geographic communities develop their own dynamics, which may in their turn influence the physical community of origin: for instance, developed knowledge within the virtual world may be implemented and passed through in the physical world (Idem, p.56).

Empirical research in the City of Los Angeles³ supports these observations to a certain extent. Here, research findings indicate that communication resources such as ICTs can be effectively employed so as to enable what the research team has called 'belonging communities', i.e. communities where people develop an attachment to a residential area and act it out in their everyday communication and exchange of behaviours. In this case, the key to community building and belonging, regardless of residents' ethnicity, class, or recency of immigration, turned out to be 'neighbourhood storytelling': to get residents talking to each other about their neighbourhoods (Metamorphosis Project Research Team, 2001a). However, the research team also concluded, from their research, that policymakers and practitioners should not go too "high-tech" in designing community-building strategies. In their opinion, at least for now, the Internet has little to do with either building or undermining the belonging to residential places: so far, the Internet does not seem to be significantly reconstituting cultural and social practices (Metamorphosis Project Research Team, 2001b, p.33). They stress that characteristics of the Internet, as such, may support community development, in the sense that the Internet can be, and in fact is, used for increased contact within existing, primarily private, social relationships. Consequently, in their view there is no need for an active role of (local) government to stimulate Internet use for further community building.

Online strategist Steven Clift (2001⁴), however, concludes exactly the opposite from these same research findings. In his view, the Internet must be used by (local) governments in intentional, strategic ways and right now: or, as Clift puts it: 'the time to build local "public life" on the Internet is now before attitudes and expectations about the Internet (i.e. Internet use for increased contact within existing private social relationships, ML et al.) are cemented against us'. As a possible strategy for governments, for instance, Clift perceives enabling community conversation to be the number one success factor in e-democracy's local forums.

Frieden (2001) adds to this discussion by indicating that, in spite of envisioned benefits from a wired community, such as personal empowerment and improved service delivery, many people remain skeptical and consider the costs of becoming part of a wired community to be greater than the perceived benefits. He argues that, for both individuals and communities, benefits can exceed costs only if both those services offered and used, reach a critical mass. Therefore, not only factors such as affordability and comparative disadvantages, stemming from differences in income, education, and location are of importance. As are, current policy debates, on access to the enormous opportunities of online networking.⁵ Other factors, such as computer literacy, perceptions of value in networking and the extent to which governments have used funding, to promote the online

³ Research conducted under the Metamorphosis Project at the Annenberg School for Communications, University of Southern California, USA.

⁴ Clift, S., Democracy Online Newswire, [DW] Metamorphosis Project - Internet and Globalization of Local Communities, 17th July2001, available at: <http://www.mail-archive.com/do-wire@tc.umn.edu/>.

⁵ As is the case in the USA.

availability of the services they offer, are important as well. Like Clift, Frieden perceives a significant role for local governments to stimulate consumer demand for advanced ICT-networks by becoming sponsors, early adopters, and facilitators of services that enhance one's quality of life. Governments, in his view, therefore should develop active strategies to encourage citizens to have an interest in, and the ability to access, online services. To amplify the attractiveness of available content to citizens, governments can team with other community institutions (for example, employment agencies, libraries, schools, tourism, newspapers) to combine desirable content, and to make that content more accessible to citizens. According to Frieden, expanded and enhanced services or 'must have applications' provide the stimulation for citizens to make sizeable investments of time, money, and effort in order to participate in online communities.

However, several authors put forward the view, that as new ICTs increasingly offer all kinds of activities online (for example, working, shopping, entertaining, socializing, participating), people will become more and more home-centered and, with that, disconnected from their physical social life (see for instance Graham & Marvin, 1996). Virilio (1993) even indicated that citizens would have enough with online contacts facilitated from their living rooms. Consequently, he envisioned the decline of physical, urban, public spaces. Recent research findings, from a survey on the American population, to the way in which the Internet changes peoples' daily lives, seem to support this vision of increasing disconnectedness of physical, social life. As people are using the Internet longer, they spend more time on it. 25% of the respondents indicated that their Internet use was at the expense of their social activities (Nie & Erbring, 2000).

Other recent research findings, however, point out that increased Internet use and greater home-centredness, does not necessarily mean less, interpersonal communication or a reduction of the size of people's social networks. Based on survey and ethnographic data from "Netville", a newly-built suburban neighbourhood of detached, single-family, homes in an outer suburb of Toronto, and equipped with high-speed Internet access, and broadband services through a local network, Hampton (2001, p.301-302) for instance, concludes from his doctoral, research project that, compared to non-wired residents, the wired residents recognized three times as many of their neighbours, talked to those neighbours twice as often, visited them 50% more often, made four times as many local phone calls, and further boosted their local communication through the use of e-mail. These residents further used their neighbourhood network to organize local events (for example, house parties and barbeques), and to mobilize in dealing with community issues (for example, perceived housing deficiencies) (Idem, p.302). Besides, an additional conclusion may be derived from this research project, that the impact of ICTs on social activities may differ between 'old' neighbourhoods, with an existing social infrastructure, and 'new' neighbourhoods where a social infrastructure must be completely constructed.

Furthermore, characteristics of the Internet offer the prospect of a more horizontal, and with that, democratic society. Consequently, citizens would become empowered and emancipated to, for instance, deal more easily with

government. The international circulation, through the Internet, of the struggles of the Zapatistas Indians in Chiapas, Mexico has become one of the most successful examples of the use of the Internet, by social movements (see for instance Castells, 1996). Besides, however, some authors emphasize that technology is not the best starting point for empowering people, but rather to start with the people themselves. Or, as Agre puts it (1998, p.1): 'Simply putting everyone on the Internet will not ensure that they share their thinking with one another'. According to these scientists, existent, social, networks influence the adoption of new ICTs. In other words, if community members already have social connections to one another, they are more likely to benefit from connections through the Internet.

Finally, Kollock & Smith (1999, p.23) point out that new ICT possibilities for online interaction can offer new freedom and empowerment to people, but also the reproduction of traditional institutions. Additionally, governments can play an active role to develop and maintain effective public spheres on the Internet (see for instance Clift), but people can also develop and maintain (more) effective public spheres by themselves. An example of the latter is offered by research findings of Schalken (1999), by which he demonstrates that although government can actively invest to try to improve policy effectiveness a.o. by means of the Internet, citizens may ignore the government's efforts and, in their turn, make use of the Internet in, at least for them, a more effective way.

4. Neighbourhoods online in the Netherlands

In the last paragraph we saw several, often contradictory theoretical and empirical observations, of connections between the local, physical and virtual world. Therefore, we would like to further explore in an empirical way if, how and what kinds of online communities are developing, as a result of connections between urban, physical areas and the 'space of flows'. We will do this by presenting the results of a research project towards emerging connections, between physical neighbourhoods of Dutch cities and virtual spaces on the Internet. In the last paragraph of this contribution, we will relate our empirical findings to those observations described so far.

Research methodology

In order to explore the development of connections between local physical spaces in the Netherlands, and virtual spaces on the Internet, we examined a sample of 50 websites of neighbourhoods of 19 Dutch cities, equally dispersed over the country. We were able to access these neighbourhoods online, by the website of the so-called 'Neighbourhood Is For All-Foundation'⁶, which serves as a portal to more than 100 neighbourhood websites. We also did some own search queries to find online neighbourhoods⁷. Altogether, we obtained a number of 153 websites, of which we took a sample of 50. Three of these websites turned out to

⁶ In Dutch: 'De buurt is van ons allemaal', an organisation that promotes neighborhood renewal processes in Dutch cities.

⁷ Via a bulletin board on the site <http://www.stedenetwerk.nl>

be off line, or under construction. Two other websites appeared to be irrelevant (i.e. not related to neighbourhood issues, e.g. personal home-pages). Accordingly, 45 online neighbourhoods remained to be observed. These websites were visited in May 2002⁸.

Short description of the investigated neighbourhood websites

The investigated neighbourhood websites turned out to vary enormously. First of all, this variety concerns the scale level of the physical space on which the neighbourhood website has been fixed. Some sites focus on districts, others on quarters, neighbourhoods, or residential areas. Like in the Anglo-Saxon countries, the administrative indication of sub-local levels, diverges considerably. The concept of 'neighbourhood website' therefore, in this document, relates to websites which are fixed on these various sub-local areas.

Secondly, the design and contents of websites differed enormously. Like with other kinds of websites, a clear connection between the quality of design, and the quality of the contents, could not be found. Some sites were highly, professionally, designed but provided summary and not always up to date information. Other sites looked disorderly, but provided a huge amount of relevant information, on developments in that specific neighbourhood. Thirdly, topics covered on the site were diverging, such as housing, local traffic, physical planning, education, and safety. All of these topics are themes, which in the current Dutch, urban policy, debate are brought under the policy term of 'livability' (in Dutch: *leefbaarheid*).

Initiative, development and maintenance of the neighbourhood website

Most neighbourhood websites turned out to be initiatives of one or more voluntary organizations in that particular neighbourhood, like quarter councils, tenant associations or neighbourhood federations. Besides, individual citizens, local authorities, and business firms launched websites.

Who launched the neighbourhood website?	
3 rd Sector neighbourhood organizations	24
Local government	8
Individuals	8
Business firms	3
Unknown	2
<i>Total</i>	45

⁸ The examination of the websites was guided by the following main questions: a) Who/what actor launched the website, and when? b) Who/what actors are involved in the development and maintenance of the site? c) Are there any possibilities for interaction (chat, newsgroup, guest book, discussion, e-mail, and so forth)? d) Is there any involvement of, or connection to municipal authorities? e) Does the site contribute to community development? f) And if so: what is the dominant culture of that community and g) what's the relation to real life communities in the neighbourhood? Answers are based upon information on the website. If not available, we tried to contact the web master by email.

In most cases the initiating actors were still responsible for the development and maintenance of the website. On some occasions, however, the continuance of the site has become a joint responsibility of organizations, and local government agencies. As far as is known, nearly all sites started only recently. A significant number of them within the last year (15 websites)⁹.

Interactivity of neighbourhood websites

The investigated neighbourhood websites turned out to have only a modest interactivity level. In most cases online discussions in chat rooms, bulletin boards, guest books, or forums, were not possible at the site. Often, the interactivity of the website was limited to possibilities, to react on the contents of the site and/or to contact people and organizations, involved with the site through e-mail.

Interactivity of neighbourhood websites	
None	9
Only e-mail and/or reaction buttons	23
Online forums	13
<i>Total</i>	<i>45</i>

Online and offline community development

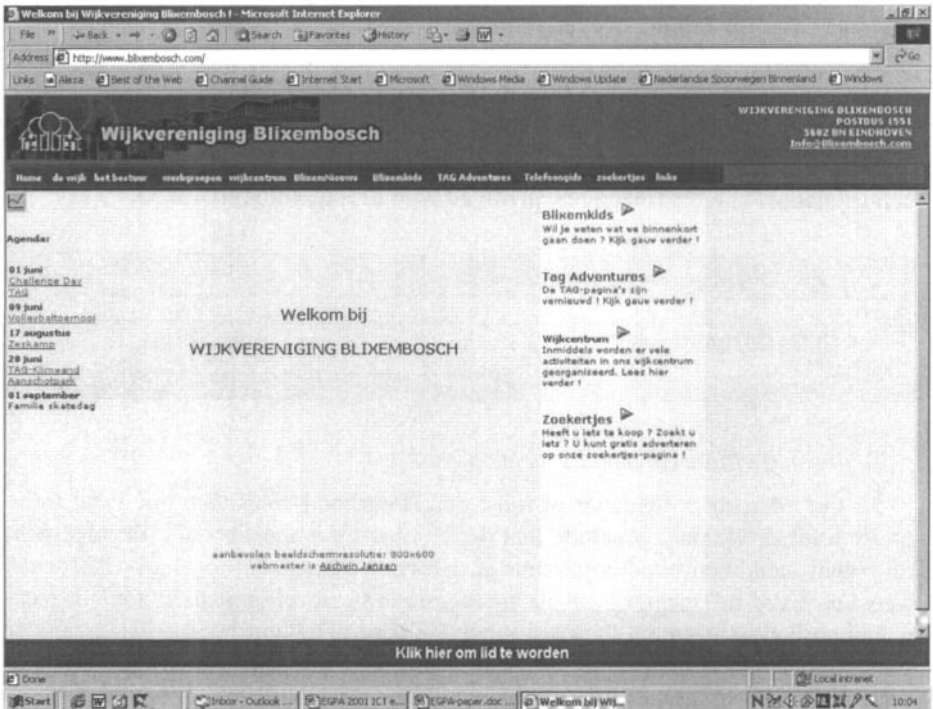
As the interactive character of most neighbourhood websites turned out to be rather limited, we may conclude that there is hardly a question of a development of virtual, neighbourhood communities. However, this does not imply that these websites have no meaning at all for community development in the physical neighbourhoods to which they are related. Those neighbourhood websites under study, appeared to connect physical and virtual spaces in different ways. We came across the following types of websites:

- a) **DIGITAL FOLDERS:** The first type of websites we observed, is limited to information provision. Consequently, these websites have the slightest meaning for community development in the physical neighbourhood. We came across this type in a limited amount of websites. In some cases these websites were used by local governments or real estate developers to advertise on new housing developments. Other examples are websites of welfare organizations, with the character of a digital neighbourhood newsletter.
- b) **PORTALS:** In many cases – those cases where interactivity was limited to the possibility of e-mail - neighbourhood websites functioned as a portal to welfare and local administrative organizations, those present in that specific neighbourhood. In these cases, the neighbourhood website served as an additional communication tool, for existent real-life communities. We came across this type of neighbourhood website fairly often. An example is the website of a residents' interest group in the Blixembosch neighbourhood, of

⁹ Younger than 1 year: 15; between 1 and 3 years: 8; older than 3 years: 2; unknown 20.

the City of Eindhoven. This website offered information on activities of the residents' interest group, and asked residents to react on several developments in their neighbourhood, such as the establishment of a refugee centre, for those people seeking political asylum in the Netherlands.

Figure 1: Portal of the Blixembosch neighbourhood association, City of Eindhoven



- c) HUBS: neighbourhood websites in which several neighbourhood associations are involved, turned out to have a stronger impact on community development. Through compiling information of different neighbourhood associations, together with possibilities to contact them, this type of website may be acknowledged to function as a hub for neighbourhood residents and professionals of, and volunteers to, the affiliated organizations. In many cases, online discussion forums further strengthened the hub-function. This type of neighbourhood website occurred fairly often, in our sample. It also mirrors the current Dutch, urban policy, practice of ongoing neighbourhood renewal processes in which local government, housing agencies, welfare organizations and other actors work closely together. These websites support communication processes, between the various members of the neighbourhood policy network, and express the unity of collective activities. An example can be found at the website of the Wippolder Neighbourhood, City of Delft. Launched and maintained by the Wippolder Neighbourhood Foundation, people can get information

through this website, and are able to contact the neighbourhood association, housing agency, local government, the municipal library, schools, and the police.

Figure 2: Hub of the Wippolder Neighbourhood, City of Delft



d) VIRTUAL NEIGHBOURHOODS: The last type of neighbourhood websites we encountered has no relationship at all with real life communities in a certain neighbourhood. This type of website, which occurred only in a few cases, represents a virtual neighbourhood, i.e. with no substratum in real social life. An example, is the previously mentioned amateur website of the Digital Hoogvliet Foundation. Another example, is the website of the new housing district Leidscherijn, City of Utrecht. At this website, future inhabitants of this district had the chance to meet each other and discuss progress of the construction work.

Typology of neighbourhood websites observed		
a)	Digital folder	7
b)	Portal to real life organization	14
c)	Hub for real life organizations	17
d)	Virtual organization	7
<i>Total</i>		45

Community culture

If we look at the contents and use of the various websites from the distinction of organizational patterns made by Van den Boomen (2000; as described earlier), we may conclude that by far most sites can be dominantly typified as political cultures (33 websites)¹⁰. These websites were mainly used for political discussions on developments in the physical neighbourhood to which they are related. A good example is the website of the Klarendal Neighbourhood, City of Arnhem, where citizens discussed with each other in a chatbox, and a discussion forum on neighbourhood development plans of the city government.

Figure 3: www.klarendal.nl, City of Arnhem



A small amount of those websites analysed can be typified as cultures of identity (10 websites). In most cases, inhabitants of neighbourhoods, squares, and streets informed each other through their website, on joint activities. An example is the website of the Gooresteeg Square, City of Rotterdam, where photos of joint trips, a birthday calendar, and an activity scheme could be found.

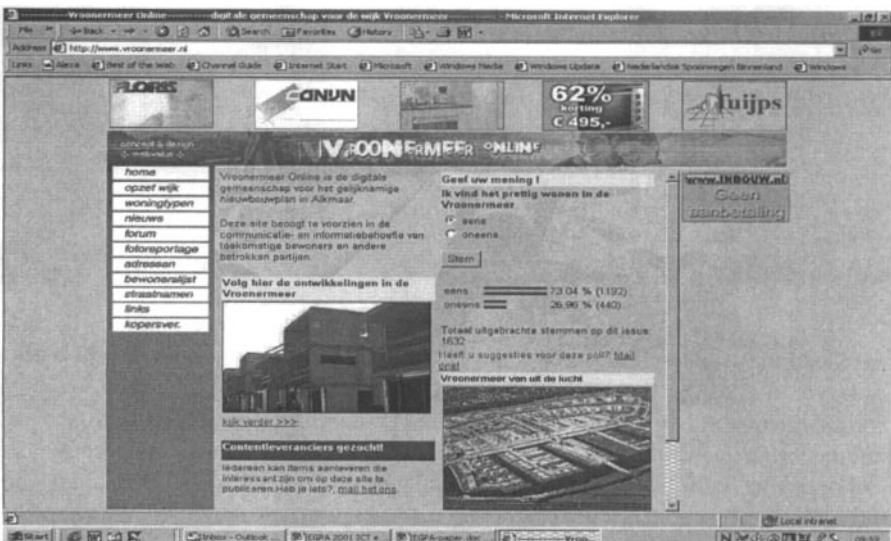
¹⁰ Political culture: 33 out of 45 websites; identity culture: 10; self-help culture: 5. As combination of these cultures were observed, the numbers can not be added.

Figure 4: digital scrapbook of the Goorsteeg Square residents, City of Rotterdam



Finally, several websites (5) can be typified as cultures of self-help. Inhabitants exchanged experiences with their housing association, or real estate developer, or looked for help with finding a babysitter. An example can be found at the website of the new housing district Vroonermeer, City of Alkmaar. At the site, inhabitants looked for experiences with building firms, and try to find supporters for a joint purchase of tools.

Figure 5: new housing district Vroonermeer, City of Alkmaar



Involvement of local government

Considering the enormous strategic attention for neighbourhoods, and neighbourhood developments, by government in the Netherlands, it may be striking that local government turned out to be completely absent, at a significant number of those websites under study. An example where the presence of local government could be expected, is the website of the Neighbourhood Residents' Assembly of the Lunetten Neighbourhood, City of Utrecht. At this site information was provided and discussions were taking place related to the future of the neighbourhood. Although the results of this discussion were announced, to be used as a starting point for discussion with local government, municipal authorities were absent on this website. Besides this example, a number of sites was used for the exchange of information between individual citizens, and their resident organizations. Also in these cases, there was no involvement of local government at all.

Local government involvement with neighbourhood websites	
• No involvement at all	16
• Passive (only links and information):	14
• Involved together with others	6
• Exclusive local government involvement	9
<i>Total</i>	<i>45</i>

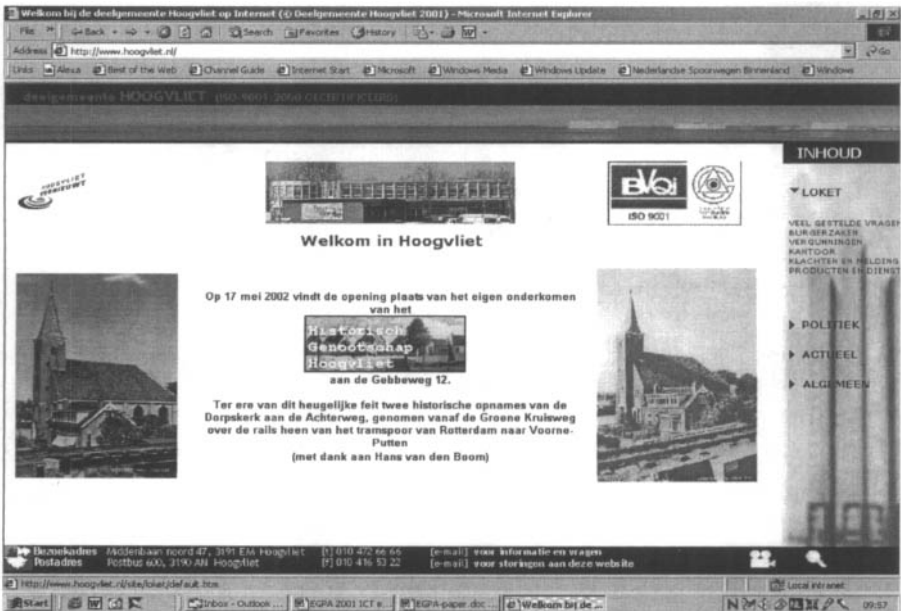
Figure 6: Lunetten quarter, City of Utrecht



In those cases where local government turned out to be involved, involvement is passive most of the time. Here, we may find links to, and information of, local government offices. In some cases, local government has an active involvement, in the maintenance of the website. Besides, some websites that are owned by local government have virtual offices, where residents can apply for social services and building licences.

The Rotterdam district Hoogvliet offers an interesting comparison, of a site that is maintained by local government and another site that is maintained by citizens. The official website (www.hoogvliet.nl), is maintained by local government itself. It provides administrative information that is relevant to residents. Furthermore, the site provides access to a digital one stop shop, where people can apply for all kinds of licences. This site welcomes about 25 visitors each day.

Figure 7: The 'official' website of the Hoogvliet District, City of Rotterdam



Next to the municipal Hoogvliet-website, there is an alternative website, which is maintained by some inhabitants of Hoogvliet, organized in the Digital Hoogvliet foundation. The site has more interactive possibilities, like bulletin boards and a 'wall of complaint'. Although the lay-out of this amateur-site is not as 'glitzy' as the lay out of the official Hoogvliet website, the site attracts far more visitors: approximately 500 per day.

Figure 8: The website of the Digital Hoogvliet Foundation

5. Analysis and conclusions

From this exploratory, empirical research material, we may first of all conclude with Castells and Mitchell, that an enormous variety of local processes and practices is developing on the Internet. This variation online could, for instance, be perceived with regard to the scale level of the connected physical space, the design and contents of websites, the initiating actor, the presence and involvement of actors, and the type of connection between virtual and physical space. However, from a perspective of various stages of website development, acknowledged so far in various empirical studies (i.e. information, communication, and transaction), the modest interactivity, level of most investigated neighbourhood websites may point to the fact that the development of neighbourhood websites is only in its infancy. The variation we came across in this research project, therefore, may be more limited in the (near) future, due to, for instance, social learning processes on effective design, and use of websites for local practice, but an opposite development may, of course, happen as well. It is clear that further research will be needed here.

Besides so far, we may confirm Mitchell's view that the Internet is not bringing about completely new, urban patterns, but it is likely to change existing networks within cities. From our research we may conclude that neighbourhood websites reconfirm geographic interaction patterns, and empower existing neighbourhood networks. Both the digital folders, portals and hubs found in this study appeared to represent various, real life, local, organizations. Virtual neighbourhoods, with no relationship at all with real life communities in a certain neighbourhood, on the

other hand, appeared fairly limited. However, in most cases these virtual neighbourhoods turned out to represent housing districts still to be built. Having the Netville-case in mind (see also paragraph 3), it is likely that, in the long term, these virtual neighbourhoods will confirm geographic interaction patterns as well. As such, also the general conclusion from several, recently undertaken, empirical studies (see for instance Wellman et al., 2001; Horrigan et al., 2001) that relationships formed in cyberspace mostly continue in physical space, and vice versa, seem to be confirmed in this study.

Another conclusion which may be drawn from the fact that the investigated neighbourhood websites are only modestly interactive, is that neighbourhood websites so far have a limited meaning for community development. In the previous paragraph we showed that the investigated neighbourhood websites appeared to connect physical and virtual spaces in different ways, and therefore may differ in their impact on community development in those physical neighbourhoods to which they are related. For instance, neighbourhood websites turned out to make policy networks of local government, and third sector organizations, to be more transparent and more accessible to citizens in different ways.

However, if we go back to the definitions of the concept of 'community' provided by Dyson and Van den Boomen in paragraph 3, we may conclude that communities in accordance with Van den Boomen's definition, are not really to be found in this study. In case of applying Dyson's definition, we may recognize much more of the neighbourhood websites under study as virtual spaces, supporting the development of communities. These findings however may be the result of the short existence of at least half of the websites under study and, consequently, the limited period of time for building a community in a more limited sense. Also, in this respect, we believe that further research in the (near) future will be needed. Additionally, Dyson's question of what holds communities together, will be an important focus for future research in this area.

According to Van den Boomen, sharing information may be at the beginning of a more structural, getting together of people and, with that, the development of a culture. In this study we found that by far most websites can be typified as political cultures. We perceive this finding all the more remarkable when we relate it to the finding that local government is completely absent at a significant number of the websites under study, or only passively involved. Neighbourhood websites in the Netherlands, in most cases, seem to arise spontaneously, without any support of local government, but often through voluntary organizations. They are primarily owned by, and for, the people. In spite of extensive policy attention of governments towards neighbourhood development. One of the most striking examples, in this respect, are the simultaneous websites in the Hoogvliet District, with an enormous discrepancy in numbers of visitors (25 to 500 a day). Besides, whereas policy makers seem to have in mind that governments are able to deliberately steer developments towards improved social cohesion at the local level by making use of ICT, these findings show the possibility that governments in this area have, in fact, already been put offside. With that, we may conclude

that the use of an instrumental perspective by policy makers, on the relationship between ICT-developments and physical spaces, may in fact lead to ineffective, policy outcomes (compared to Schalken, see paragraph 4). However, to avoid the development that attitudes and expectations about the use of Internet in building local public life are cemented against government (compared to Clift, see paragraph 3), the results of this study particularly, also seem to demonstrate that governments will need to (continue to) use the Internet in intentional, strategic ways, right now.

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Lights, Camera, Action!: networks discourse and diffusion in the closed circuit television policy arena

C. William R. Webster *

1. Introduction

This paper considers the evolution and development of networks in the network society. Specifically it examines the development of networks in the closed circuit television (CCTV) policy arena both in terms of technological networks (information and communication technologies) and actor and institutional networks (social and policy networks). It is argued that the evolution of these networks are inherently intertwined, that they are evolving over time, and that their simultaneous evolution has ensured the widespread diffusion of CCTV systems across the UK.

A governance approach is used to identify and explore the networks of actors and organisations involved in the development of CCTV policy and service delivery. This approach highlights the processes through which government seeks to steer, direct, lead and co-ordinate actors both within and beyond government in order to realise its aim of providing CCTV. Consequently, the evolution of network activity is central to our understanding of the uptake of technology. What is of interest here are the core relationships between the role of the state and the diffusion of ideas necessary for technological diffusion. It is argued that the dissemination of ideas shapes perception of and belief in the technology, and is therefore crucial for the successful spread of the technology. In fact, without the successful spread of ideas the introduction of the technology is unlikely to take place. Appropriate discourse, in this instance initiated and perpetuated by governance networks, is therefore a pre-condition of diffusion.

The paper considers the extent to which new information and communication technology (ICT) networks, in the form of CCTV systems, are influencing the structure, function, organisation and management of public agencies. Highlighted is the changing role of local authorities in local policing and security, and the changing relationships between local authorities, the police and citizens that this implies. Never before have local authorities engaged in the widespread visual surveillance of citizens. This new electronic surveillance role is creating new relationships, new structures of governance and new areas of functional activity.

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The case of CCTV provides a contemporary account of UK governance. It illustrates the nature of modern government and the extent to which governments are able to govern through new networked relationships. By further exploring these relationships it is possible to have a better understanding of how CCTV systems have diffused so successfully across the UK and to understand the processes, tools and relationships of governing within and beyond government. Such an approach leads us to reconsider forms of influence and power which are central to governing networks.

The paper is organised around five main parts. The following section [2] presents an account of the governance approach to understanding policy development and service delivery. This is followed by [3] an account of the diffusion of CCTV systems by local authorities in the UK and [4] an account of the governing networks in the CCTV policy arena. Section 5 explores the extent to which key actors are able to exert influence in networks and shape the diffusion process. Section 6 offers some concluding comments.

2. Networks in the Information Age

Networks are central to the information age. They are the ICT infrastructure that transfers information between ICT applications and the networks of individual actors and institutions that develop and deliver information age policies and services. Both types of network have become increasingly significant for conceptualising important social transformations at the start of the 21st century. On the one hand technological networks underpin the emerging 'information society' whilst on the other hand human or 'social' networks have become the central plank of governance theories.

The 'governance' concept «has become the defining narrative of British Government at the start of the new century, challenging the commonplace notion of Britain as a unitary state with a strong executive» [Rhodes, 2000, p.6]. At its simplest, the concept refers to ways of governing, be they organised social systems or the state machine. It places emphasis not only on the actions of government but also on the range of institutions and practices involved in the process of governing. Such processes are characterised by the increased importance of networks in shaping and delivering public policy. These networks represent a profound shift in governance from the traditional mode of governance through state hierarchy and more recent neo-liberal market-based forms of self-regulating governance. Here it is argued that the old mechanisms of control through hierarchy have been superseded by the rise of markets in the 1980s and 1990s and by the increasing importance of networks and partnership from the mid-1990s onwards. In this period the public sphere has become more fragmented as a result of the splitting-up of large state bureaucracies, the introduction of market mechanisms, the privatisation of state functions and the proliferation of quangos. This 'hollowing out of the state' [Rhodes, 1994] has limited the capacity of governments to govern. In response to the fragmented state, governments have sought to find new ways of ensuring co-ordination and control through the

development of networks, making greater use of partnerships, public participation and joined-up government, all of which indicate an important shift of emphasis in modern governance systems. Networks have emerged as the dominant mode of governance – as a direct alternative to markets and hierarchies. This new mode of governance is characterised by new «formations such as from hierarchies and markets to networks, from a view of state power based on formal authority to one of the role of the state in co-ordinating, steering and influencing; from an interest in the actions of the state to an interest in the interplay of plural actors in both the shaping of policy (through policy networks) and the delivery of service (through partnerships)» [Newman, 2001, p.23].

Governance therefore signifies a change in the meaning of government, «referring to a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed» [Rhodes, 1997, p.46, original emphasis]. Typically the term is used to describe certain types of changes: changes in the way government seeks to govern [Pierre and Peters, 2000; Rhodes, 1997]; changes in the ways of co-ordinating economic activity that transcends the limitations of both hierarchy and markets [Smith, 1999; Rhodes, 1997]; changes in the role of the state in steering within complex social systems [Kooiman, 1993; Kickert et al, 1997]; and, changes in the role of local government from service delivery to community governance [Clarke and Stoker, 1999].

In 'Modernising Governance' Newman [2001] identifies a series of core shifts from traditional modes of governance to a new network-based form of governance. Table 1 details the profound nature of these shifts. The increasing social complexity represented by these shifts means that the process of governing has become more difficult because the state no longer has a monopoly of the resources necessary to govern and must, therefore, rely on independent institutions and actors, from within and beyond government, for effective public policy and services. The task of steering, managing and controlling are no longer the preserve of government but are carried out through a wide variety of agencies in the public, private and voluntary sectors, acting in conjunction or combination with each other. In essence, governance and network theories seek to capture changes in the way the state adapts to changes in its capacity to direct and influence events, «Governing in modern society is predominantly a process of coordination and influencing social, political and administrative interactions, meaning that new forms of interactive government are necessary» [Kooiman and van Vliet, 1993, p.64].

Table 1. - Governance Shifts

*A move away from hierarchy and competition as alternative models for delivering services towards networks and partnerships traversing public, private and voluntary sectors.
A recognition of the blurring of boundaries and responsibilities for tackling social and economic issues.*

The recognition and incorporation of policy networks into the process of governing.

The replacement of traditional models of command and control by 'governing at a distance'.

The development of more reflexive and responsive policy tools.

The role of government shifting to a focus on providing leadership, building partnerships, steering and co-ordinating, and providing system-wide integration and regulation.

1. A move away from hierarchy and competition as alternative models for delivering services towards networks and partnerships traversing public, private and voluntary sectors.
2. A recognition of the blurring of boundaries and responsibilities for tackling social and economic issues.
3. The recognition and incorporation of policy networks into the process of governing.
4. The replacement of traditional models of command and control by 'governing at a distance'.
5. The development of more reflexive and responsive policy tools.
6. The role of government shifting to a focus on providing leadership, building partnerships, steering and coordinating, and providing system wide integration and regulation.
7. The emergence of 'negotiated self-governance' in communities, cities and regions, based on new practices of co-ordinating activities through networks and partnerships.
8. The opening-up of decision-making to greater participation by the public.
9. Innovations in democratic practice as a response to the problem of the complexity and fragmentation of authority, and the challenges this presents to traditional democratic models.
10. A broadening of focus by government beyond institutional concerns to encompass the involvement of civil society in the process of governance.

[Source: Adapted from Newman, 2001, p.24]

Governments must therefore adapt by developing new strategies for influencing and shaping the actions of others, «Governance recognises the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use new tools and techniques to steer and guide» [Stoker, 1998 p.18]. In adapting to change, governments have increasingly come to rely on influencing a multiplicity of institutions and actors. New strategies based on informal influence, enabling and regulating have become important. This does not necessarily mean a reduced role for the state. Far from it: instead, traditional forms of control continue alongside these new forms of governance. Networks represent significant challenges for the state in its attempt to exercise control over both its external environment and its internal polity. New systems of governance should therefore be perceived as a reconfiguration of state power, with the role of the state adapting to its new environment, but where the state continues to play a leading role, albeit through new mechanisms, in the process of governing. Central to ideas of governance are issues about the nature of power, authority and the capacity of the state to govern new networks in complex polities.

Different governance theorists dispute the nature of the role of government in the process of governing networks. While they agree that the state is central they place different emphasis on the extent of its influence. Kooiman [2000] stresses the decline in state power and the reduced capacity of the state to manage economies and society. Consequently governments are concerned with creating the right conditions for governing and managing networks. The work of Pierre and Peters [Pierre, 2000; Pierre and Peters, 2000] suggests an alternative position, where, rather than a decline in state power, we are witnessing a reconfiguration of that power, «Contemporary governance also sees formal authority being supplemented by an increasing reliance on informal activity...The emergence of governance should therefore not, *prima facie*, be taken as proof of the decline of the state but rather of the state's ability to adapt to external changes» [Pierre, 2000, p.3].

Hirst [2000] goes further to argue that rather than being 'hollowed out' the state has become merged with non-state and non-public bodies – public agencies, quangos and private companies – through which power and control are exercised. Jessop [1998] too questions how far state power has become 'decentered'. He argues that new forms of governance interact with, rather than displace, the regulatory activities of the state. He argues that the state retains its capacity to decide how, when and where to use different co-ordinating mechanisms. It also decides how far and in what ways to provide material and symbolic support for proposals emerging from the complex pattern of policy networks. Thus the state not only co-ordinates networks and steers policy but it plays a much more directive role. It sets parameters of action through funding regimes and retains a monopoly over certain forms of power, for example legislation.

From these different strands of governance it is clear that governance is a contested term. It is both a descriptive and a normative term referring to the way in which networks are or should be governed. Rhodes [1997] identifies seven different meanings of 'governance'. Here it is used as a 'narrative of change' [Rhodes, 2000], a descriptive tool which can be used to unravel the evolution and importance of new networks and partnerships in the co-ordination and delivery of public services.

The emergence of networks and governance as the dominant form of analysis has coincided with the increased use of new ICTs and the emergence of the 'information society'. Evolving relations embodied in new networked systems of governance are developing alongside new sets of relationships at the heart of the information age. The information policy perspective developed by Taylor, Bellamy and Williams [Bellamy and Taylor 1998; Taylor and Williams, 1990 & 1991] identifies five main profoundly changing technologically mediated sets of relationships at the heart of the information polity. These are listed in Table 2. Here it is argued that the introduction of new ICTs is becoming a central feature of modern public services and democracy and that the introduction of these applications is creating new sets of relationships between policy-makers, service providers, consumers and citizens.

Table 2. - Core Information Polity Relationships***Internal relationships at the heart of government.***

- The relationship of government organisations to the consumers of their services.
- The relationship of government to citizens of the state.
- The relationship between governments and the providers of ICT infrastructure, equipment and services.
- The relationship between existing information systems, patterns of communication, and technical infrastructure of the polity's 'appreciative system'.

New ICTs allow for the development of electronic government service and democracy, both for the enhanced provision of existing services and the development of entirely new services based on the technological capabilities of new ICTs [Taylor and Webster, 1996]. The information polity perspective goes further to argue that the forces of continuity within each of these core relationships are powerful. Whilst new ICTs present challenges to traditional organisational arrangements within the machinery of government, there are also overriding powerful interests which shape and resist change. Thus the delivery of electronic services such as CCTV are constrained by the organisational forces within which it is enmeshed.

The importance of institutional forces to the development of new ICT-based services mirrors the importance of the state in shaping the emergent governance networks. This raises the question of whether the new relationships conceptualised in both the information polity perspective and the governance approach are interwoven or conflicting forces. This paper seeks to address this issue by exploring the evolving networks and relationships associated with the development and provision of a new information age service, in this instance CCTV surveillance systems.

3. Evolution of Networks: The Diffusion of CCTV

It is often argued that the UK is the most heavily surveyed country in Europe and this especially seems to be the case for video surveillance. Since the 1990s a 'surveillance revolution' has swept across the UK as CCTV surveillance cameras have been installed in a wide variety of public places [Webster 1999a & 1996]. These systems have proved to be very successful and are consequently very popular amongst local policy-makers, politicians, residents and community leaders. Moreover, this rapid diffusion of systems has occurred despite legitimate concerns about the efficacy of these systems [Ditton et al, 1999; Short and Ditton, 1995 & 1996] and their potential effects on human behaviour and civil liberties [STOA, 1998; Webster, 1998a].

'CCTV' is a widely used generic term to denote the use of video surveillance cameras and systems in public places where camera technology is linked in 'real time' via ICT networks to a control room containing monitoring and storage

equipment. Of particular interest here are those systems which are located in public places and are operated, promoted and financed (in whole or in part) by agencies of the state, including the democratic institutions of local governance. Whilst these systems may come under the generic title of CCTV they differ considerably in function, scope and technological configuration. They can be broadly categorised into three distinct types as listed in Table 3.

Table 3. - Types of CCTV System

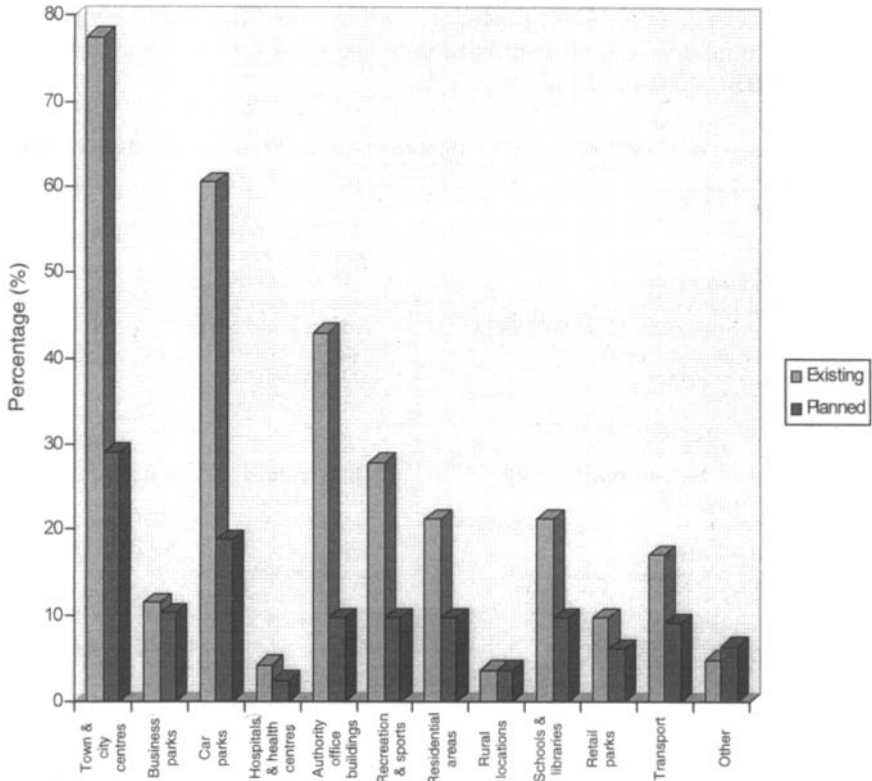
Proactive	Live monitoring and surveillance from a dedicated control centre with recording, storage and playback facilities. Enables an immediate response.
Reactive	Secure recording, storage and playback facilities. Provides access to footage of incidents after the event has occurred.
Non-active	No monitoring, storage or playback capabilities. Acts as a visual deterrent. 'Dummy' cameras and an illusion of surveillance.

Since the 1990s it has become commonly accepted that CCTV is now a central part of daily life in towns and cities across the UK [Norris and Armstrong, 1999; Graham 1996; Graham et al 1996; Goodwin et al 1998; Bulos and Sarno 1994; Fyfe and Bannister 1994]. Fyfe and Bannister go so far as to state that CCTV cameras are becoming as commonplace «as telephone boxes or traffic lights» [1996, p.3]. Diffusion beyond towns and cities has occurred in a wide variety of public locations including schools, hospitals, sports centres, railway and bus stations, and car parks. Not only have we seen an unprecedented speed of installation but also a remarkable diversity of implementation across a variety of public places [Webster 2001, 1999a & 1996]. In addition to these 'public' systems there are a myriad of systems located in banks, shops, garages and other 'private' locations.

There are two main sources of information about the diffusion of CCTV systems in the UK, Home Office data from the 'CCTV Initiative' and data from the 'First (and to date only) National Survey of CCTV Systems' conducted in 1999. The Home Office data lists regional distribution by Home Office expenditure and location of systems (summarised in Webster 1998a) whereas the national survey provides a snapshot of all existing and planned systems installed by local authorities, regardless of funding arrangements. Data from the first comprehensive national survey of CCTV in 'public places' [Webster 1999a] provides insights into the extent and location of local authority uptake. This research shows that 86.1 per cent of local authorities had installed CCTV systems in public places and a further 20 per cent indicated that their authority intended to install CCTV into public places. 64.2 per cent stated that their authority intended to extend their existing systems. This data clearly shows that the vast majority of

local authorities in the UK have installed CCTV systems into their public spaces and that further systems, including extensions to existing systems, are being planned. The survey also provides data on the location of existing and planned CCTV systems. Table 4 illustrates the distribution of CCTV by type of location for all those local authorities who indicated that they had installed CCTV. The chart shows that local authorities have installed CCTV into a wide variety of public locations. While 77.6 per cent of local authorities have installed CCTV into town and city centres and 60.6 per cent into public car parks, between 20 and 30 per cent of authorities had installed CCTV into recreation facilities, sports and leisure facilities, residential areas and schools and libraries. Table 1 also illustrates that approximately 10 per cent of local authorities were planning to introduce CCTV into residential areas, recreational areas and schools and libraries.

A closer examination of the data shows that the location of CCTV systems is also closely related to certain attributes of the sample variables. Urban authorities are more likely than rural authorities to have introduced CCTV in town and city centres, car parks, residential areas, schools and libraries, and sports and recreational facilities. London and Metropolitan authorities and those controlled by Labour are most likely to have introduced CCTV in residential areas and in schools and libraries. Survey data suggests that in 1999 there were approximately 1,300 surveillance systems incorporating some 21,000 cameras at a total capital cost of £180 million.

Table 4. - The Location of Existing and Planned Local Authority CCTV Systems

3.1. The CCTV Initiative

The main source of funding for CCTV in the UK is the Home Office's 'CCTV Initiative'. The initiative launched in 1999 is an extension of the Crime Reduction Programme (CRP) which was announced in 1998 and is managed jointly by the Home Office, the Department of Environment, Transport and the Regions and the National Assembly for Wales. A summary of the initiative is presented in Table 5. It replaces the Home Office's 'CCTV Challenge Competition' which between 1994 and 1999 distributed over £50 million to 700 new schemes across the UK [Webster 1998a]. Under the CRP £153 million is available for CCTV in England and Wales (a further £17 million is available for Scotland and Northern Ireland) between 1999 and 2002. The initiative was launched on 16 March 1999 by the Home Secretary Jack Straw to help local crime and disorder reduction partnerships combat crime and disorder and to support the regeneration of local estates with high crime rates. The first round of the initiative received 745 outline bids of which 377 were short-listed for further consideration. In August 2001 £79 million of funding was announced for a further 250 systems. This tranche of

funding has been hailed as the biggest single investment in CCTV (see Home Office 2001 for details of awards). In 2000 the Scottish Executive awarded £1.865 million to thirty-four schemes as part of the 'Make Our Communities Safer' Challenge Competition 2000-1 administered by the Crime Prevention Unit. A further £1.6 million is to be distributed to projects in 2001 (see Scottish Executive 2000 and BBC 2001 for details of awards).

Table 5. - The Home Office 'CCTV Initiative' (Crime Prevention Unit) 1999-2002

Features:	Tackling crime & reducing the FOC (Fear of Crime) in:
<ul style="list-style-type: none"> - Defined applications process - Limited funds £153 million - Deadline for applications, December 2001 - Bid for up to 100% of capital costs - Running costs ineligible - Rural areas - Small Community shopping areas 	<ul style="list-style-type: none"> - Housing estates - Car parks - Town & city centres - Crime 'hotspots' - Transport facilities
Potential systems must demonstrate they:	Bids for funds need to outline:
<ul style="list-style-type: none"> - Are part of a partnership - Are part of a broader crime reduction strategy - Have set crime targets - Will evaluate performance against targets - Have a code of practice - Have public support 	<ul style="list-style-type: none"> - Long-term resourcing - Mechanisms for data collection - Links with other initiatives - Consultation procedures - Operational requirements - Technical requirements - A project implementation timetable

The second round of the CCTV Initiative was announced in March 2000. In contrast to the first round and previous CCTV Challenge Competitions this is a rolling programme of funding, running until December 2001. The application prospectus [Home Office, 2000] is explicit in stating that the CCTV initiative will support schemes in residential areas, community shopping areas, rural areas, in other potential 'hot-spots' including community facilities, schools, hospitals and railway and bus stations, and car parks including those servicing hospitals, residential areas, education establishments, leisure complexes and local amenities. The initiative will fund up to one hundred per cent of the capital costs of CCTV including cameras, lighting and other fixtures, transmission infrastructures, command and control systems, IT systems, and data storage and retrieval systems. Running costs are not eligible for funding. Proposals for funding must be from crime and disorder partnerships and be consistent with the local crime and disorder audits established under the Crime and Disorder Act 1998 (the Crime and Disorder Act only applies in England and Wales, although bids for the Scottish equivalent are also dependent on the formation of partnerships between local police and local authorities).

3.2. Public Support and Political Rhetoric

One of the most notable features of the CCTV revolution is the extent to which the general public supports such systems. This is partly explained by the belief

that the cameras work in preventing, detecting and deterring crime. CCTV has been promoted against this belief and marketed to the general public primarily as a 'state-of-the-art' technological tool to combat crime. The view that CCTV actually reduces crime has been widely and successfully disseminated across society and accordingly there is widespread support for CCTV amongst politicians, policy-makers and the general public [Webster 1999b]. Scottish Office Home Affairs Minister Henry McLeish when announcing the results of the 1998-9 Scottish Office's 'CCTV Challenge Competition' said; «We are giving CCTV our strongest support because there can be no doubt that CCTV works...(and)...most crucially for me, CCTV helps reduce the fear of crime on the streets» [McLeish 1998, p.11]. Consequently, the deterministic view that crime reduction is inevitable following CCTV installation has cascaded down into the general consciousness of the population. Public perception surveys, such as those conducted by the Home Office [Honest and Charman 1992; Brown 1995] and for prospective operators (see for example Goodwin et al 1998; Ross and Hood 1998) show clearly that the public views CCTV as a highly effective tool to reduce crime and the fear of crime. The view that 'CCTV works' is backed up by the continued demand from both public bodies and citizens for more systems; «This continuing demand demonstrates again that partnerships regard CCTV as a valuable asset to strengthen their ability to reduce crime and the fear of crime, increase detection rates, and bring wider benefits, including aiding the development of communities in need of regeneration» [Home Office 2000, p.1]. The overwhelming support for CCTV is unquestionable and it is noticeable how little debate there has been across society on the use and impacts of such sophisticated surveillance systems. The belief that society needs these systems has overridden any dissenting voices who question their effectiveness and impacts.

Debates about CCTV have been led and shaped by political rhetoric which has wholeheartedly supported the technology. Consequently, public discourse has focused on the success and benefits of the cameras and not on the more complex issues associated with extending the state's surveillance capabilities [Webster 1999b]. Statements made when announcing the most recent tranche of government funding by the Home Office Minister John Denham highlight the extent of support for CCTV at the governmental level; «CCTV has repeatedly proved its effectiveness in the fight against crime and the fear of crime...knowing that there is an extra set of eyes watching over their communities helps to reassure people that they will be safe» [Denham, 21.08.01]. Absent from the debate is any discussion about the appropriate use of CCTV, the implications of using such technology in the community, the impact on the civil liberties of the surveyed community, and the changing relations between citizens and the state arising from the use of CCTV [Webster 1998b].

3.3. Eras of Evolution

A careful examination of CCTV diffusion is revealing and a number of distinct patterns are observable. Elsewhere I have identified the emergence of three particular trends: the migration from private to public places, from metropolitan to other locations and from simple to complex systems [Webster, 1998a]. The

importance of these trends is that they signify an evolution over time as the technology develops and diffuses in society. Alternatively these trends can be captured by three broad evolutionary stages or 'eras': eras of [1] innovation, [2] uptake and [3] sophistication. In these three eras it is possible to identify the evolution not just of the technology but also of the policy networks and regulatory systems that surround the technology. Table 6 offers a summary of network activity in each of the three evolutionary periods.

The first era, the era of innovation, in the early to the mid-1990s witnessed the initial diffusion of CCTV systems in selected town and city centres and car parks. In this period there was very little formal regulation governing the use of CCTV and limited technical information about the configuration of systems. The application of CCTV in this era can be seen as an attempt to find innovative solutions, based on new ICTs, to long-standing social problems, typically to assist in the 'fight against crime'. Following the innovative era, came an era of uptake in the mid- to late 1990s (and continuing) in which the widespread diffusion of CCTV has taken place in a range of public places. Features of this era include voluntary self-regulation (in absence of any formal regulation), the availability of central government funds (the CCTV Initiative/Challenge Competition) and the greater awareness of and discourse about the technology. In this era it is apparent that networks are forming around the technology consisting initially of service providers, the police, politicians and policy-makers. These networks are responsible for disseminating a positive message about the use and impact of the technology.

Table 6. - CCTV Networks: Evolving Patterns of Diffusion

	Infrastructure Networks	Policy Networks
Era of Innovation Early to mid- 1990s	Initial applications Town & city centres Car parks	Unregulated: - no legislation - no codes of practice Limited awareness of CCTV Few technical standards Single organisational systems Weak networks
Era of Uptake mid- to late 1990s	Widespread uptake Public places	Voluntary self-regulation via - codes of practice Pro CCTV discourse Limited debate Home Office funding Formation of partnerships Network building
Era of Sophistication Late 1990s onwards	Continued uptake Systems integration & expansion Computerisation of systems Further innovations	Co- regulation: - non specific legislation - entrenched code of practice - agreed- purpose / working practices / technical standards Discourse reinforced Provision via partnerships Tightly knit policy networks

From the late 1990s onwards an era of sophistication can be observed in which uptake continues alongside the integration, expansion and computerisation of systems [Webster, 1996; Norris and Armstrong 1999]. Of particular note are the development of 'recognition' systems which make CCTV more 'intelligent' and less dependent upon human operation. Computerised CCTV systems are thus now able to recognise number plates, individual faces and movement. Whilst the technology becomes more sophisticated so too are the networks developing. Legislation now exists, codes of practice are entrenched in Home Office funding mechanisms and there are generally agreed working practices and technical standards. These regulatory mechanisms have emerged from within the network systems and are the result of negotiation between the various actors in the system. This co-regulation is symbolic of the well-established policy networks encompassing joined-up service delivery and provision via partnerships.

The three eras show the evolution of systems, regulation and networks of governance over time. Moreover, categorising diffusion in this way suggests that there is a time lag, similar to a policy-implementation lag, between the initial use of the technology and the development of agreed regulation and technical standards. Also, that the emergence of formalised regulation mirrors the gradual development of networks. So in the era of innovation there were few systems and hence no policy networks and very little regulation and legislation existed,

whereas, as we move through the eras so the policy networks become greater in number, more established and regulation and legislation emerges.

The formal regulation of CCTV consists of non-specific legislation and codes of best practice. Legislation, codes and sources of best practice are detailed in Tables 7 and 8. Since 1998 the provision of CCTV has been subject to three separate pieces of legislation: The Data Protection Act [1998], the Human Rights Act [1998] and the Crime and Disorder Act [1998]. Additionally, a range of formal sources of best practice exists. A notable feature of the regulatory environment surrounding CCTV is the extent to which the state machine co-ordinates provision and use. Thus not only is the state involved in drawing up legislation, but also in generating sources of best practice guidance and advice. In particular the Home Office features prominently here and is responsible for a number of publications directly and indirectly via the Police Scientific Research Branch and the Crime Reduction Programme.

From this discussion it is clear that the emergence of new CCTV infrastructure has coincided with the emergence of new networks of governance based around a new technology. Because CCTV is a new local authority service area these networks and the relationships embodied within them are themselves new. The speed of network development and technological uptake in this instance suggests a highly co-ordinated mutually beneficial self-governing stable network. Such a view is reinforced by the status of regulation which appears to be the result of a negotiated order, both for legislation and codes of practice. This degree of self-regulating control suggests a limited role for the state. It is thus important to consider the role and actions of the various actors, and state actors especially in these policy networks.

Table 7. - CCTV Networks: The Legislative Position

The Data Protection Act [1998]	Service providers obliged to: <ul style="list-style-type: none"> - notify systems - comply with 'data protection principles' - adhere to Code of Practice [2000]
The Human Rights Act [1998]	Article 8, the right to privacy
The Crime and Disorder Act [1998]	Requires local authorities and police forces to: <ul style="list-style-type: none"> - create crime and disorder partnerships - create crime and disorder strategies - consult communities - share information

Table 8. - CCTV Networks: Sources of Best Practice

Data Protection Commissioners Framework Code of Practice [2000]	Operating principles
Police Scientific Development Branch [PSDB] guidance documents	Advice on siting and configuration of technical apparatus
British Standards Institute BSI 7958/1999 guidance documents	Administrative procedures
Home Office 'CCTV Initiative' Application Prospectus	Funding guidance [see Table 5.]
CCTV User Group 'Operations Model Code of Practice and procedural manual'	Agreed working practices
Home Office Research Group Publications [e.g. Brown, 1995; Home Office, 1994]	Illustrates the effectiveness of CCTV

4. Evolution of Networks: Actors and Institutions

Governance approaches to understanding state and public sector activity point to the formation of networks as the primary mechanism through which policies are made and services delivered. By definition networks consist of a number of components (actors, institutions, rules, norms etc) each with different functions in the networking process. In the CCTV policy environment a number of bodies are active, to a greater or lesser degree, in networked activity. They include politicians (both national and local), central government departments (especially the Home Office), local authorities, police forces, the media, the CCTV industry and a wide range of other bodies. Whilst each of these bodies is engaged in a network that is responsible for delivering CCTV each has its own reason and purposes for engaging in network activity.

There is a clear demarcation of bodies involved in the formation and setting of policy and those engaged in the provision of service. This distinction however is not clear-cut. The setting of policy at the national level necessarily involves government departments and Westminster politicians. Here we see the development of policy statements and documents (for example Home Office 1994), the provision of funding (the Home Office's CCTV Initiative) and rhetoric designed to generate support for the policy. Here the development of policy is determined by political will and public support.

At the service delivery level different aspects of the network are active. Typically CCTV is provided and operated by local authorities or occasionally police forces, or through partnerships in which local authorities and police forces are the main partners. As networks have developed the partnership approach has become more prominent. Alongside local authorities and the police the partners can include: local community and residents bodies, citizens groups, health boards, the Crown Prosecution Service and transport bodies. These partnerships are

responsible for the operation, maintenance and funding of individual systems, consulting citizens, and for evaluating and demonstrating effectiveness. Since 1998 the use of partnerships in the delivery of CCTV has become entrenched in the Crime and Disorder Act and Home Office funding mechanisms (see Tables 5 and 7). These make the creation of partnerships a statutory obligation and a requirement if funding is to be gained although this does not preclude local authorities or police forces from acting alone.

The diffusion of CCTV and its human and institutional networks is creating new relationships between actors and institutions in policy-making and service delivery processes. The networks have become all pervasive and embedded in institutional structures. The formation of partnerships between organisations which previously acted independently is a prime example of 'joined-up' government. Furthermore, the emergence of regulatory mechanisms from within these networks demonstrates the extent to which networks are accepted by government.

Networks can be seen as multi-centered and multi-levelled steering and co-ordinating arrangements, and also flexible organisational structures. They are responsible not just for the provision of policy and service but also for creating the necessary conditions for policy and service to succeed – and for networks to flourish.

5. Evolution of Networks: Shaping the Process

The extent to which networks are self-governing or controlled by the state was raised earlier as a core concern of governance theorists. So whilst networks shape the provision of CCTV they themselves are being shaped and manipulated by actors in order to achieve certain ends. Although the emergence of partnerships and co-regulation seem to suggest the growth of independent self-governing networks such developments have been carefully steered and co-ordinated by the state. Evolving network relationships have crucially been shaped by powerful institutional interests in order to secure the desired diffusion of the technology. This has been achieved through a number of formal and informal mechanisms, what Hood [1995] calls the 'tools of government'.

Processes and mechanisms used to shape the formation of networks and the subsequent diffusion of CCTV include:

- shaping discourse via political rhetoric to create a common language in favour of the technology,
- creating governance structures necessary for delivering the technology, for example the obligation to form partnerships,
- steering working practices by publishing codes of best practice,
- shaping the diffusion of systems through selective funding,

- ensuring compliance with best practice by enabling networks to develop self-governing principles,
- controlling use through the application of legislation, and
- co-ordinating network activity by providing guidance, advice, support and funding.

One of the key driving forces behind these processes is the Home Office and the Home Office's CCTV Initiative. This initiative is the main funding mechanism for CCTV. It has thus been used as an important tool in shaping networks and diffusion. It governs the purpose, use and location of systems, it creates new relationships by requiring the formation of partnerships and is the source of much positive rhetoric about the usefulness and effectiveness of CCTV. Through the mechanisms and tools discussed here the state has encouraged the emergence of new networks responsible for delivering CCTV.

In the case of CCTV the extent to which the policy process has been governed or managed highlights how those with alternative or dissenting views have been marginalised within networks [Webster, 1999b]. This is surprising considering the potential to use the technology as a 'big brother' tool of social control [STOA, 1998]. At the very least CCTV results in the increased surveillance of citizens and hence a certain loss of privacy. The ease with which concerns about the technology have been brushed aside pertinently highlight the role of the state in creating an environment malleable to the diffusion of the technology. This has primarily been achieved through the shaping and control of discourse and networks.

6. Conclusion

Using governance as a narrative of change suggests that developments in the organisation and management of governance structures in the latter part of the 20th century and the early part of the 21st century have tended to replace traditional hierarchy with a variety of more horizontal networks through which governmental agencies have become dependent on others for the development of policy and the delivery of services. These networks encompass relations between different layers of government and between public, private and voluntary organisations. In 'governing networks' government, from a central position of authority, is evolving into governance via a dispersed set of actors and institutions. These new dispersed networks are providing challenges for the strategic co-ordination, planning and management of services, in short, government's capacity to govern. The development of networks and partnerships and a means of co-ordination and control reflect the attempts of the state to steer these new governance relationships.

This paper argues that although policy is developed and services delivered through more decentralised governance mechanisms the ability of the state, that is the government, to control the policy process has not diminished with the rise of the networked polity. Instead, it is argued that government remains the dominant

actor in policy-making and service delivery and through its ability to govern networks it is able to ensure desired outcomes. In the case of CCTV the government has 'hot-wired' the policy process in order to secure the diffusion of surveillance technology. This has been achieved via a variety of formal and informal shaping mechanisms. The emergence of CCTV networks represents the emergence of a new service area and a whole new set of relationships. Although new, they are also the subject of existing organisational settings and arrangements. It is these institutional forces that are shaping the development of networks.

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Selection of Papers of the Permanent Study Groups

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Quality of Public Service Delivery and Trust in Government

*Geert Bouckaert & Steven Van de Walle **

The need for modernisation in the public sector is often motivated by referring to the low levels of citizens' trust in government. The negative image which citizens have of their government, and of their public administration, is said to be a consequence of the way in which these administrations function. Better quality public services are supposed to lead to satisfied users, which will, in turn, increase trust in the government. But this relation is not as obvious as it may seem. This article outlines the conditions in which this micro-performance hypothesis, on trust in government, may be valid.

Citizens' distrust in government is often related to the bad performance of government [6;45;54]. This partially explains the attention given to quality and reform initiatives in government¹. The relation between performance and trust has, however, not been tested as extensively as many sociological explanations for trust/distrust in government - e.g. the present boom in social capital research. Nevertheless, an implicit hypothesis, such as an improvement in the government's performance, which would lead to more trust in government, underlies many modernisation efforts. The creation of this discourse - i.e. better performance leads to a more favourable image of government - has led to the fact, that modernisation efforts are not only focusing on quality service delivery, as such, anymore. They also consider the user's point of view, and citizens' attitudes, as a factor to take into account.

This performance approach towards trust in government consists of two parts: macro and micro-performance: Macro-performance theory explains variations in trust across countries, and over time, as due to variations in unemployment rates, economic growth, inflation etc. [3;30;33;36;38;41]. Micro-performance theory relates the variations in trust to changes in - the quality of, or the perception of - government service delivery, and functioning of, the public administration [24;29;32;43;53].

In this chapter, we will focus on the micro-performance approach, i.e. how the functioning of government administrations influence trust in government, and the citizens' images of government. We want to give an overall view of the relevant

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¹ E.g. Copernicus in Belgium, reinventing government in the USA, la Relève in Canada, ...

research necessary for investigation into this quality-satisfaction-trust relation [10]. Schematically, the hypothesis can be depicted as follows:

Figure 1. Quality-satisfaction-trust



We can do research at three levels, which are however not strictly defined. Micro, meso and macro can respectively stand for a specific service - e.g. issuing scholarships, policy - educational policy - , and the government, as a whole. Alternatively, we can define the levels as the specific service, the agency providing the service, or the intermediate level of government, and government as a whole. At the macro level, government is considered to be a homogeneous entity, a catch-all approach to government. Most research is to be found in zone 9, and at the intersection of zones 1 and 2 and of zones 5 and 6.

In zones 1 and 2, and in research on their interrelatedness, the main focus is on total quality management, customer service, and customer satisfaction surveys [9]. New modes of service delivery, e.g. client participation, are more specifically dealt with in zone 2. Economics, marketing, and psychology, are the disciplines used to study this. Public management recently discovered this research subject. There exists a lot of research in political science on the relation between zones 5 and 6: does satisfaction with government policy, in certain areas, also lead to more trust? Sometimes this satisfaction is also related to zone 9 - trust in government as a whole. The research located in zone 9 used to be mainly political and sociological, dealing with issues as party preferences, value-change, social capital etc. Administration and service delivery is hardly ever a topic in this body of research. The absence of research on the relation between zones 1, 2 and 9 can, thus, be partly attributed to different traditions of research - political science and economics vs. public administration.

With regard to the other cells in the matrix, existing research mainly focuses on specific topics, e.g. quality of, and attitudes towards, certain policies, but encompassing theories, and empirical research, is hardly available.

The challenge for research is, thus, to look into the relation between zone 1/2 - service quality and satisfaction with it - and zone 9, trust in government. Note that we speak about a relation, not about a causal relation. When political and popular discourse states that an improved performance in public services will lead to more trust in government, then trust is a dependent variable. We can, however, also approach trust as an independent variable. This can be done in two different ways: existing levels of trust influence evaluations of performance - 'it comes from government, so it must be bad', and trust is a precondition for performance, since it lowers transaction costs and boosts the morale.

The bulk of this article will deal with those conditions which determine ; when government performance can have an influence on trust in government. When dealing with this issue, we will also, briefly, go into the way in which existing levels of trust may influence evaluations of performance. In the last part we will discuss some consequences of low levels of trust for the government's performance, and we will end by indicating a number of research questions, for future research on the issue.

1. Note on terminology: what is trust?

Recent years have know a massive proliferation in the concept of trust, both in public administration, and in the social sciences. Trust is used as a concept in order to explain an entire series of relations: trust vs. contracts in interorganisational relations, interpersonal trust, trust as an asset, in order to reduce monitoring costs, trust in government, This has lead to a fashionable use of the concept which does not contribute to its clarity. We therefore want to clarify our approach: even though we realise that our use of the term is also adding to the unbridled proliferation, what we are interested in is not trust, as such, but general attitudes towards government, the image which citizens have of their government, the perceptions of government, government performance, and the like. When we use trust, it is to these attitudes that we refer , and not necessarily to trust as such - in the philosophical sense, since trust has, through intensive use, obtained this meaning.

Levels of trust are normally measured by surveys. There is, however, no single and undisputed indicator for trust. A number of surveys, among others the Belgian General Election Study, and the European Value Studies, inquire about trust in a direct way², by actually asking for 'trust'. The American National Election Study, on the other hand, uses a five-item construction of political, trust-political, distrust/cynicism. It consists of the following items:

- How much of the time do you think that the government in Washington can be trusted to do the right thing? – just about always, most of the time, or only some of the time?
- Would you say that the government is pretty much run by a few big interests looking out for themselves, or that it is run for the benefit of all people?
- Do you think that those in government waste a lot of money which we pay in taxes, that they waste some of it, or that they don't waste very much of it?

² European Value Study 99: "Please look at this card and tell me, for each item listed, how much confidence you have in them, is it a great deal, quite a lot, not very much or none at all?" (Q58) - Belgian general election study 95: Could you tell me, for each of these institutions, whether you trust them a lot or a little (Q130_1-Q130_13)

- Do you feel that almost all of those people running the government are smart people who usually know what they are doing, or do you think that quite a few of them don't seem to know what they are doing?
- Do you think that quite a few of those people running the government are a little crooked, not very many are crooked, or that hardly any are crooked ?
- Even though the NES five-item construction is summarised into a single 'trust' indicator, we cannot say that it covers the same content as a one-item trust question.
- The Swedish Society, Opinion and Media Institute survey (SOM), which is in use since 1986 uses questions such as:
- 'How much trust do you have in the way in which Parliament is conducting its work?'
- 'How much trust do you have in the way in which the political parties are conducting their work?'

Here also, the trust question contains a cognitive element, since it not only inquires into an affective 'trust', but also into an evaluation of how work is done. The focus in the American National Election Studies (NES) on 'the people running the government' encourages respondents to confuse trust in the regime, with trust in political incumbents [39]. The single item trust question, on the other hand, captures the emotional and affective content of the attitude. The Eurobarometer question 'On the whole, are you very satisfied, fairly satisfied, not very satisfied, with the way democracy works in...' combines a cognitive evaluation with support for the system [33]. Answers on this question are influenced by a short-term evaluation of policy, and is, as such, a bad indicator for satisfaction with democracy [28]. Using a single item trust question, by adding an affective element to the cognitive evaluations, does not give any indication of possible reasons for trust/distrust. Perhaps a combination of affective and cognitive measures of both specific, and diffuse, support is the best way to deal with the rather mixed and intangible attitude of citizens, towards the political system. This suggests that to have a good view of the level of trust, quantitative survey data alone are not sufficient. The fact that a diverse number of indicators is used for 'trust', suggests that it is not just trust, as such, that one wants to measure, but instead a general - positive or negative - attitude towards government.

2. Evaluations of government performance

Though intuitively appealing, a relation between the quality and the performance of public services, and trust in government, is not so obvious. Of course, no one will deny that the low quality of public services gives rise to a lot of discontent about these services, and perhaps about government as well. But this does not mean that an increase in service quality will lead to a linear, and direct

increase, in the public's trust in government. Nor can we say that this relation is a clear causal relation. In order to assess the impact of public service modernisation on the public trust, numerous questions must first be answered: Is low trust, due to a malfunctioning of public services, a recent phenomenon? What is the present level of, and what are the evolutions in, the levels of government performance? Which other factors contribute to trust in government?

2.1. Is there a problem of trust/distrust?

Politicians refer to a crisis of democracy, due to constantly declining trust in government. It is, however, not sure whether empirical facts support this conclusion. The scientific diagnosis on the syndrome shows a certain evolution [42]: in the 60's and 70's, there was a 'crisis' and the cause was a government overload. The 80's described the 70's 'crisis' not as a trend, but as a mere 'fluctuation'; and democratisation in a number of countries softened the fears for the end of democracy. 'Malaise, disengagement, ennui, flight from politics and *Politikverdrossenheit*' became the key words of research in the 90's. Nye states that there is a lot of attention for performance theories, but that these are not able to explain the trend of decreasing political support [44]. This shows there have been worries about distrust in government for decades, or even longer, which brought Dahrendorf to conclude that

"It appears that democracy is always in crisis. Twenty-five years before the present volume, in 1975, the Trilateral Commission published a report on its Kyoto Conference entitled The Crisis of Democracy. [...] Thirty-five years before that, Harold Laski described the democratic crisis vividly in his Reflections on the Revolution of Our Time. In fact, the topic is of classical parentage. Tocqueville's ambivalence toward what he called democracy was coupled with the hope that it would not last. And Aristotle, of course, the father of all such theories, regarded democracy as intrinsically unstable and therefore preferred a polity that mixes democratic and oligarchic elements. So what is new today?" [13]

American authors constantly refer to the results of the National Election Studies (NES), which show that up to 70% of the respondents trusted government in the 60's, while this has declined to 30-40% in the 90's. Comparing these to recent results, they point at the dramatic decline of trust. Hibbing and Theiss-Morse however do not refer to the NES but to Gallup polls in the late 40's. These showed only 15-20% of the population thought Congress was doing a good job [26]. When one compares present numbers to these levels, trust did not really decline. So the question remains: did trust in government really disappear? Dalton observes a declining trend in most countries, except for Norway and the Netherlands, albeit that measuring only started at a later date in the latter [14]. Deschouwer analysed the Eurobarometer data, satisfaction with the way in which democracy functions, but did not find any trends, just fluctuations. At the same time the differences between countries remained stable, leading him to conclude that we should look for explanations in structural and historical factors [17]. Newton and Norris, on the other hand, working on World Values Studies data find a decline in trust for all public institutions, with rare exceptions [41]. Levels of satisfaction with democracy, tend to fluctuate very strongly in all of the countries, but still a similar direction can be discerned in it [30].

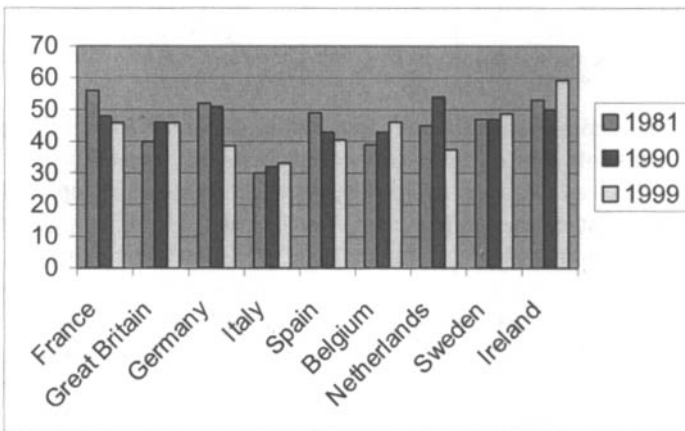
Since citizens' attitudes towards government are mainly based on subjective evaluations, we have to take great care when dealing with the numbers. Firstly, there seems to be quite some fluctuation in the numbers, and the results depend on context -both methodological and societal. Secondly, it is not necessarily the numbers that are important, but rather their reception. It might well be that the objective level of trust, as measured in the surveys, has not changed, but that there is an increased sensitivity for the issue. After all, a problem is only a problem, if defined as such. It might well be that the increased attention, which is given to trust in government, creates awareness of reasons for distrust.

2.2. Trust in public administrations

Despite the trends described above, not so much empirical information is available on citizens' perceptions of their government, and of their administration, more specifically. The reason for this, is that polling started rather late in Europe, and that surveys have mainly focused on political aspects. When we look at the levels of trust in the civil service, in a number of EU countries, as measured by the European Value Studies - one of the few surveys that allows for long-term, cross-national comparison - we see different evolutions, depending on the country under study [25].

In general, the EU average seems to drop insignificantly. Upward trends can be found in Belgium and Italy. Trust in the civil service is reducing in Spain, France, Germany. In the other countries trends are not so clear.

Figure 2. Trust in the civil service



One of the most plausible explanations for these trends, would be the evolutions in the performance of these civil services. Testing this hypothesis however is difficult: which aspects of the civil service performance should we take into account? How to deal with changing public sensibilities? How to deal with differences in media attention and coverage?

The second step in the reasoning which we've described in the introduction, is even more difficult to make: *how to relate these levels of trust in the civil service with those of trust in government?* First of all, very few data on 'government', as a

generic term are available. Second, 'government' can have different connotations. In English, there is just one term *government*, which is used both for the individual members of the government, = ministers, and for "the system by which a state or community is governed" [1]. In German, a distinction between *Regierung* and *Staat* is made, as is the case in Dutch: *regering* vs *overheid* or *staat*. In French, *gouvernement* can again be used to signify both concepts, though *les autorités* can be used for the latter. It, thus, becomes difficult to use one single term referring to 'government', when trying to calculate the impact of public administration evaluations on the evaluations of government.

Mcallister used the 1990-1991 World Value Studies data in order to calculate the correlation between confidence in Parliament, and in the civil service. He found that this correlation was in some cases up to .80, while in other cases it was just .39. For Belgium, the data indicated a .46 correlation [37]. Clearly, this is not what we plan to investigate, since it is not at all obvious that we can use *Parliament* as a proxy for *government*. Nevertheless, this research suggests, that the impact of civil service's evaluations, on the government's evaluations, can differ. It is not clear what determines these differences: the levels of performance, visibility of the civil service, the use of different evaluation criteria etc.

3. Government performance and trust in government

What we will do here, is to outline the conditions under which public administration's performance, or rather its perception and evaluation, of public administration, will influence the government's evaluations as a whole. The main question should be: when does the functioning of government services have an impact on trust, and how strong is this impact? We will discuss those 'preconditions,' for performance to have an impact on trust in government, as a whole, one by one.

1. When people think about government, they make a distinction between politics and administration, and between the different public services. Their concept of 'government' does not refer to a monolithic, undifferentiated 'government'. Furthermore, the composition of the term 'government' is similar, if not equal, for all citizens, which also implies that the administration takes up a significant place in their concept of 'government'.
2. All citizens see the services involved in quality improvement projects as 'government' services
3. Performance matters to citizens, and is, as such, the main criterion to evaluate the government in general.
4. There is a causal relation, leading from performance, to satisfaction with this service, to trust in government. It is not the existing level of trust in government, or the general image which one has of government, that

determines ‘how’ a public service will be evaluated. Perceptions of service quality are based on facts, and not on pre-established stereotypes.

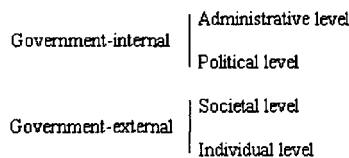
3.1. Administration’s place in the citizens’ concept of government

All citizens encounter government administrations, on a regular basis. Apart from the question, of whether during these encounters they have the impression that they are contacting government, a question which will be answered in the next paragraph, we also want to know how important government administrations are in the general image which citizens have of government. Even though citizens have frequent contacts with government administrations, these administrations are probably not the first thing that citizens think about when they hear the word ‘government’ - e.g. when they participate in a survey on trust in ‘government’. Governments are not only, and exclusively, administrations. Therefore efforts to modernise those administrations will only touch upon a certain part of this government. A relation between the quality of public services, and trust in government, can only exist when government is mainly thought of, in administrative terms. This shows that the micro-performance approach gives, at best, only a limited and partial explanation for the existing levels of trust in government.

Theoretically, we can not reduce the existence of distrust to the bad performance of public administrations. Despite all negative rhetoric about public services, the cognitive relation which citizens make between public administration performance, and trust in government, seems to be weak. A poll in the US asked respondents who, according to them, ‘is responsible for what’s wrong with government today’: Just 6% mentioned government employees, while political parties and elected officials each received about a quarter of the votes. Special interests and the media were assigned prime responsibility, and, somewhat strange, the public itself was seen as the culprit, by 14 % of the respondents [12]. Blaming distrust on a bad functioning of the administration is difficult to maintain when respondents, in Canada, think more often about politicians (67%), than about civil servants (16%), when they rate government. It has to be said, however, that the public has difficulties to distinguish the political, from the public service [18].

To make this even more complicated, we have to take into account that levels of trust in government are also influenced by tendencies in society at large, and by individual characteristics. A complete research on the causes of distrust will have to deal with government-internal, and government-external, factors:

Figure 3. Government-internal and –external factors of trust



The challenge, therefore, is to assess the impact of the administrative level on trust in government. Information on this relative impact of the administrative level is not only important so as to get hold of the causes of distrust, but also to allow us to make meaningful international, and cross-cultural, comparisons. We have no reason to suppose that this relative impact of the administration, on the general image of government, is the same, or even similar, in all countries and cultures. A lot depends on political traditions and certain historical events. Administrations' prestige and size, political-administrative relations, and/or interweaving, are just a few of those factors which determine administration's place in the citizens' concept of government.

A similar problem occurs when we want to compare data on trust over time. There is no reason why these images should not differ between countries and over time. In transition countries Parliament could, for instance, take an important place because of its symbolisation of democracy. In a similar way, one could say that the justice system had an important influence on trust, in the Belgian government, in the mid 90's, because of a series of scandals that had a deep impact on society. Another question could be whether it is the institutions, as such, which have an impact, or that they only symbolise the criteria used for judging government. In certain periods, or areas, more or less importance is given to efficiency, legitimacy, participation etc. When the pendulum swings to participation, perhaps Parliament weighs stronger, whilst the head of State, and the administration, weigh stronger on the citizens' concept of government, when importance is given to efficiency.

3.2. *Is it government or not?*

Even though the British railway system has been privatised, the government is expected to solve the problems when they arise. Even though citizens complain that the government had grown too big, they expect government to take action when new problems arise. Attention for public-private partnerships, empowerment and decentralisation has not made things any more comprehensible to citizens, even though these measures may have contributed to efficiency, and to service delivery quality.

Even though government is often blamed for not giving enough information, and for not 'marketing' what it is doing, information is not the only reason that government is blamed for, or gets credit for, the things it didn't do. Van Slyke, in his research on satisfaction with social and health services, found that users had a higher satisfaction when they thought the service was being offered by a non-profit organisation. Even more so, dissatisfied users thought the service with which they were dealing was a government service, even when this was not the case [58]. Furthermore, the public has difficulties to distinguish public and private sector [18], and a lot of *errors of attribution* therefore occur [29;55].

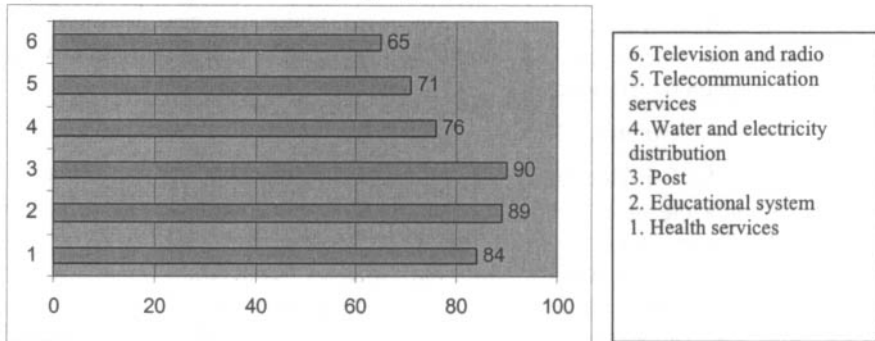
Government services seem to have a number of characteristics in citizens' minds, which are used to determine whether a service, or agency, is part of the government. 'Not functioning properly' seems to be one of these characteristics...

This leads to the fact that well-functioning services sometimes fail to be recognised by citizens, as being government services.

It is not always clear what people see as 'government'. Are schools, the post-office, or the railways, a part of government? A survey in the UK asked citizens which organisations they considered as public services. 55 % mentioned Councils, 51% public transport, 29 % police, while only 13% spontaneously mentioned central government [49]. This could mean that central government is thought of in political terms, and not really seen as a service provider. Research by the European Commission, in its Continuous Tracking Survey, showed a number of important differences between European countries [20]. Differences in their judgement of the status of telecommunications, radio and television, public transport etc. can be explained by a different history of privatisation, political influence, and the market's structure. What is surprising, however, is that there are - be it small - cross-country differences between judgements of police, justice etc. as public services. 94 % of the Dutch consider the judicial system as a public service, as compared to 85% of the French. Figure 4 gives some data on Belgian service providers:

Figure 4. What do citizens consider as government?

Do you consider ... as public services? (Belgium, % yes)



Such a question is important, in order to discover what kind of services are considered as part of government, and can, thus, be supposed to have an influence on the level of trust in government. If a large part of a population does not consider e.g. the post office as a public service, as is, for instance, the case in the Netherlands, then one could conclude that the evaluation in the functioning of, and the general attitude towards, this post-office does not have an influence on trust in government. However, such a conclusion could be false, because there is no proof that only government-related factors constitute the opinion 'trust in government'. In the USA, a listing of high impact agencies was developed, containing those government agencies that are supposed to have most impact, both by frequency of contact and visibility, on citizens. If this impact were decisive, for the formation of trust in government, it would be possible for each institution, separately, to calculate what influences it has on trust.

3.3. Performance as an evaluation criterion.

Lewis and Weigert see trust as a combination of rationality and emotionality [35]. Both Easton [21], and Almond and Verba [2] have made similar distinctions [14]. Other grounds for evaluating government are possible: Klingemann distinguishes three: moral, emotional/expressive and rational/instrumental [31]. This means that performance is not the only criterion with which to evaluate government. Citizens can use a multitude of criteria, and it remains to be investigated which - if not all - criteria are used on which occasion, and how, or whether, citizens choose between these criteria. The key to investigate this is the conceptual distinction that public administration makes between clients and citizens.

The New Public Management literature started to approach the users of public services, as clients [48], and the public sector, reform, initiatives favour the business-like government, including the treatment of users as clients [40]. Most quality management programmes take a top-down approach, and only speak about customers, technical elements of quality), while neglecting democratic elements, subjective factors, involvement) [22]. Deakin himself is even more critical about the client-supplier relationship:

“The weakness of consumer-based models of action, like the (so-called) Citizen’s Charter, is that they exclude in another way, by admitting only half the concerns of citizens as legitimate (those affecting them in their capacity as individual users of services) but do not recognise the accountability of service providers to the community at large” [15].

Citizens have substantial rights, including the right to speak about service quality, in general. Consumers have procedural rights, and are entitled the right to be heard by the administration, to receive redress etc., be it only in specific, concrete cases. But does this difference in roles - citizen vs client - also mean that other criteria are used so as to evaluate government? Ringeling distinguishes 4 criteria which people can use for judging government [51]:

- Instrumental: effectiveness, efficiency
- Bureaucratic: legality, justice, possibilities for discretion in policy
- Contingency: representativity, receptiveness
- Symbols/values: political order, distribution of values

This indicates that there are criteria, other than performance-related ones, which can be used for evaluating governments, and administrations. These criteria often contradict each other: more efficiency which can mean less representativity and vice versa. A number of authors did research on what type of criteria citizens used in order to judge government, and whether this has an influence on the perception, and evaluation, of performance. In his research on local governance, for instance, Rose categorised Norwegian respondents into three categories: citizen/voters, taxpayers and consumers, and found that, depending on the category into which they were placed, these people used other criteria to judge: citizen/voters emphasise democratic aspects, while taxpayers, for instance, emphasised

efficiency and - local - autonomy [52;53]{Rose & Pettersen 1999 #195}. This could lead to the conclusion that efficiency considerations only influence trust, when efficiency is seen as an important feature of government.

We observed that citizen roles, and the related criteria used for judgement, do play an important role. Therefore, it could be important to know what determines the fact of 'why' a certain criterion is used, and by whom. Firstly, the time factor is important: Recently, both efficiency and participation became more important. The attention for performance is rather recent, while perhaps an anti-communist attitude, or constituency service, and case work, were indicators for success in the past.

Secondly, cultural and national differences determine the choice of criteria. European research partly illustrates this point: when European citizens are asked 'What are the principal characteristics of public services?', we can notice, at least some, differentiation among European countries [20]³. The existence of cross-national differences, in the criteria used for judging government actions, is demonstrated by Bouckaert's comparison of public service and citizen charters: In the British Charter, the relation between a citizen and the State is similar to that between a client and the service deliverer, and is, thus, entirely rooted in market ideology. The French and Belgian Charters, on the other hand, give more attention to values as neutrality and legitimacy, and treat the common good as a basic condition, in order to start speaking about client-supplier relations. Basic rights are a central concept in the French Charter, whilst the Belgian concept also speaks about basic *duties* [8]. If citizens see good performance as being taken for granted, or as totally lacking, then perhaps performance no longer serves as a criterion. In this case, only those experiences which are totally opposed to the expectations, will influence the attitude towards government.

Thirdly, the context in which citizens are asked to give an evaluation may influence the choice of criteria. E.g. when asked about trust in government, in the context of a negatively evaluated service encounter, performance-based evaluations of government may become more important.

Fourthly, socio-demographic factors might have an influence. According to Rose, consumers are young, highly educated, female, have a high income, vote left or centre, and work in the public sector. Taxpayers are older, less educated, vote right, and work in the private sector. Citizen/voters do not have clearly distinguishable characteristics, but tend to live in small villages and vote right [52].

The assessment of performance is always value-laden, e.g. which explains the importance given to efficiency, since the start of the reinvention movement in the USA [23]. If governments want to restore trust, they cannot only improve performance, but they can also try to manipulate the criteria for success [11]. The conception of service charters can, for instance, be an attempt to promote performance as a ground for judgement, possibly to the detriment of other criteria.

³ The characteristics among which the respondents could choose were: accessible for all, provided by the state, works for the general interest, not intended to make profit.

3.4. A causal relation?

The modernisation discourse makes an implicit relation, between the performance and quality of public services, and the trust in government. This relation is conceptualised in a very direct, linear and mechanistic way. A central concept, in this approach, is the contact frequency with certain services: recent users have a somewhat, more favourable attitude towards the public service [47]. We, however, also see that even those people, who have never used certain services, have an opinion on the service quality. These opinions then fit into the general image which they have of the government, and of its functioning. Those users, who have actually used a service, give it a higher rating, than those who have not [18]. This process is comparable to the research we have quoted earlier, which estimated that citizens based their ratings of services on the nature of the service provider - public vs. Private - and not only on the actual service delivery. Psychological theories state that perceptions often become theory - instead of data - driven [5]: once people have a negative attitude towards public services, they will simply fail to perceive positive aspects of their service delivery. Service users suppose that new encounters will be in line with previous encounters, and a change of this attitude requires a certain threshold of quality. There is not only a threshold of quality - service quality has to differ considerably, in order to have an impact on the evaluation, but there is also a threshold of time: a single experience has another impact, than that of a series of continued, similar experiences. Very often, these two thresholds will reinforce each other: an extremely good service encounter, in a situation where experiences have always been negative, will probably not be described as the normal situation. Instead, this encounter will be perceived as an exception. Only a continued experience, with quality, will eventually lead to a change of opinion.

Theory-driven evaluations explain 'why' the general image which citizens have of government might influence evaluations of the quality of public services. Attitudes such as, 'government can do no wrong' - as is often the case in times of crisis, or in situations where nationalism is very strong -, or 'government never does anything good', do influence the evaluations of what this government actually does. This means that the level of trust in government should not only be approached as being dependent on what government does - cf. citizens do not trust a government that does not function well. Trust in government should simultaneously be studied as an independent variable. Studying trust as a dependent, and as an independent variable, is simultaneously necessary in order to have a complete analysis of 'how' citizens see their public services. This allows for distinguishing between service satisfaction, as an evaluation of the quality of service delivery, and service satisfaction as part of a ritualistic negativism on public services, and a fashionable 'bureaucrat bashing'.

A study of service encounters is, therefore, not sufficient, since service evaluations, and attitudes of trust, are not only *individual* evaluations and attitudes. These evaluations are influenced by collective attitudes, and by factors that are external to government, e.g. evolutions in society.

4. Consequences of trust, 'What are the uses and consequences of trust?' i.e. 'What is the problem?'

In discussions about satisfaction with public services, and trust in government, one aspect is often forgotten. That is: Are trust and satisfaction necessary? Is it really important for citizens to have a favourable image of government, in order for government to function properly? And, is a negative attitude towards government also translated into certain behaviour? One can hardly expect a convict to be satisfied with his situation as a prisoner, or a taxpayer with the fact that he/she has to pay taxes. In discussions about the uses of customer satisfaction surveys in government, this is one of the arguments that is most frequently mentioned: Is it realistic to expect a forced user to be satisfied? and, in most cases, it is added that we should not use terms, such as, 'customer' or 'client' when speaking about the users of government services. Both arguments are, of course, valid, even though they deal with a different level of satisfaction. What we are interested in, is the satisfaction with service *delivery* aspects. By doing this, we suppose that a user/client/customer is able to distinguish between the content, and the form, of a service. Being subjected to a traffic fine does allow for an independent evaluation of the police agent's friendliness. One could argue against this that, 'I have never heard of anyone being satisfied to receive a fine'. According to us, this is because of the general nature of such a satisfaction question. If such a general question is asked, it is logical that the respondent first refers to the fine-receiving experience. If, however, the question was more detailed, the respondent would be able to give an evaluation of 'friendliness', and similar other quality evaluations. Returning to our starting point, one could then wonder whether satisfaction really matters, since it very often does not refer to the core of the issue.

As for the question on whether trust is necessary, we have to return to a more philosophical explanation. The present opinion seems to be, that trust in government is necessary. A lack of trust is supposed to deprive government of a number of possible action-paths. A lack of trust can only mean that something is wrong with government. This is only one side of the coin. In a classic liberal tradition, it was considered stupid, or even dangerous, to trust government. A distrusting attitude was necessary, because it allowed for a vigilant attitude. Parry describes as follows :

"The phrase 'credibility gap' has become a commonplace of political discussion. Yet to an older school of thought it might have seemed inappropriate to credit the politician in the first instance" [46].

Concluding from this statement that trust in government is not necessary, would, however, be wrong. While trust in government, as such, is not indispensable, a minimum of trust in government procedures remains necessary. Distrust in politicians is, for instance, not a problem, as long as citizens believe in the procedure of elections.

Broadly speaking, we could say that citizens have two possibilities so as to express their discontent: exit and voice [27]. There are only limited capabilities for exit in a government context: citizens can move because of the tax pressures

[56], they can abstain from voting, ... Possibilities for voice are more widespread - complaints, letters, demonstrations, The increased use of customer satisfaction surveys is one way for intercepting, or even channelling this voice.

Negative images towards government, and increased use of exit and voice, however, may make it more difficult for government to perform its tasks, which can then in turn lead to even more negative images, because people will become less inclined to obey the law [57]{Kramer & Tyler 1996 #30}. The amount of loyalty determines whether, and which, responses citizens will develop: exit and voice.

"To the extent people can trust government, they are more likely to comply willingly, to give their behavioral consent" [34].

Distrust is therefore likely to increase transaction costs in society, since there will be more occasions in which trustworthiness has to be checked and controlled [4]. Furthermore, because of the decrease in legitimacy, political elites' manoeuvring space becomes smaller, making innovation more difficult [16]. We will just discuss two of the most frequently mentioned consequences of distrust in government, and the public administration more specifically:

Paying taxes: Distrust is supposed to lead to a loss of legitimacy of government, which makes it difficult for the government to oblige people to respect the law, and to pay taxes. A decrease in the willingness to pay taxes may be due to a general distrust in government, but can also, and we refer to the performance hypothesis, be due to the observation that government agencies waste money due to inefficiency. Glaser and Hildreth use the term tax-performance continuity in order to indicate a (dis)continuity between citizens' assessment of government performance, and a willingness to pay for this performance. They conclude that if the only reason for people to ask for more and better performance, is to be able to cut taxes, then there will always be a discontinuity between the willingness to pay taxes, and perceptions of performance [24]. Kobi found that the amount of people complaining that they pay more in taxes, than for what they receive in return from government, in Switzerland, has not increased, but instead remained constant. If there was a connection with trust in government, then the number of people complaining about taxes would have to increase jointly with distrust. Complaints on general tax pressures, however, seem to have increased [16].

Working for government: Related to the point mentioned above, is the willingness to work for government. A number of questionnaires have asked respondents whether they would want their children to work for government [50] [7]. A negative image of the government is believed to have an impact on the recruitment capabilities of government, and consequently on the quality of public employees [19]. Low levels of trust also contribute to demotivation of civil servants, and to a loss of pride, which in turn leads to a decreasing of service quality.

5. Further research

In this chapter we gave a number of indications that, in order to establish the relation between government performance and trust in government, it is not sufficient just to compare data on performance and data on trust. A large number of contextual factors have to be taken into account. We suggest a number of possible research subjects which can contribute to our knowledge on the quality-satisfaction-trust relation.

What is the relative impact of public administration's image on the government's image as a whole? Do citizens conceptually distinguish between the public administration and politics? Does public administration have a separate identity from the citizen's point of view, and if so, is it, then, a generalised identity = the public administration, or can we only speak about the identity of specific public agencies, e.g. the police, public transport, the civil registry....

What determines the evaluations of government services' functioning? What are the key elements that determine public administration's general image?

Are encounters with a specific service really as important as market research wants us to believe, or is this image generated by other factors, at least as important, such as an extrapolation from evaluations of the way in which politics function, or such as an adoption of a general opinion in society)?

What are the conditions and circumstances for government service's evaluations to have an impact on government's evaluations, as a whole? Is this impact always the same, or is it dependent on context? Certain events may spur interest in certain agencies, or certain aspects of service delivery may become more important. Respect for privacy as a service quality, which was hardly an issue in the past, is one example. The impact of a food safety agency's functioning on the evaluation of government, whereas these agencies were hardly known, or didn't even exist, in the past, is another topical illustration. It may also be the case that public administration's evaluations, at the local level, are based on criteria other than public administration's evaluations, at the central level - e.g. efficiency is demanded from central government agencies, while the degree of identification with local government attenuates the demand for efficiency.

How can we measure citizens' trust in government, and how can a single indicator be developed? In the first part of this chapter we have mentioned that there is a proliferation in the use of the concept of trust. At the same time a large number of indicators are being used in order to measure trust, all of which approach the concept in one way or another, but which, in most cases, approach different aspects of the concept. Furthermore, these indicators are mainly used to measure trust in the State's political subdivisions, while we are, in fact, interested in the image which citizens have of their public administration. There is, thus, a need for the development of a set of indicators. Indicators of the citizens' image of public administration, which allows for cross-national comparisons.

6. Conclusions

Research on trust in government has, this far, mainly focused on political aspects, which means that there exists hardly any data on citizens' attitudes towards public administrations. Public administration's researchers have only recently discovered the topic of trust. Claiming that an improved performance in the public sector will lead to a higher trust in government, sounds very plausible. This approach, however, tends to over-estimate the importance of public administration's performance. The micro performance approach is emphasising encounters with public administration, while this is only one aspect in the creation of this public administration's image. Research on the relation between quality, satisfaction, and trust, should, thus, not only focus on service encounters. It should frame these encounters in the context of a series, of internal and external government factors, that influence the trust in government. This means that a number of preconditions must be fulfilled, if we wish to conclude that public administration's performance has a strong impact on trust in government. Firstly, public services, and administrations, are just one aspect of government. Secondly, performance is just one possible approach in order to evaluate government. Furthermore, it is not always clear to citizens which agencies and services are considered as being part of government. Finally, the question of causality remains central, not only for research-related reasons, but even more so in order to overcome distorted perceptions of government performance.

All this suggest that a public administration/management approach to studying the relation between government performance, and citizens' trust in government, is insufficient. Instead a multi-disciplinary approach involving, not only public administrations, but also political culture, social communication and social psychology is necessary.

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Trust and Satisfaction: a case study of the micro-performance theory

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We test the tentative hypothesis that increasing quality of public service delivery leads to increasing trust in government and governmental institutions in a sample of 1,000 Flemish respondents. The public service under study is the Department of Education, and more specifically the administration dealing with the distribution of scholarships (Dienst Studietoelagen). The clients in this case were mainly parents applying for their child(ren). We found no evidence of a positive association, between satisfaction with this particular service delivery, and trust in government. On the other hand, trust in micro administrations and trust in macro government are associated, but dissimilar concepts. To some extent, this supports the validity of the micro performance theory.

1. Introduction

The quality of public service delivery has been the subject of much research during the last two decades {Hoogland DeHoog, Lowery, et al. 1990 #95128}; {Glaser & Hildreth 1999 #95032}; {Swindell & Kelly 2000 #95376}). Modernisation of the public sector machinery takes a central position among the general strategies to restore trust {Bok 2001 #112}; {Sims 2001 #95458}; Roth *et al.*, 1990; Haque, 1998). The underlying idea is that an increase in the quality of public service leads to increasing satisfaction among citizens, which in turn would lead to increased trust in government. We call this the micro performance theory. However, many steps within this reasoning are neither theoretically, nor empirically, ultimately, supported. Therefore, the hypothesis of a link between quality, perception, expectations and satisfaction, with service delivery and governments, and finally trust in the public sector and government, remains questionable.

In the literature, it is often reported that citizens' attitude towards their administrations and government is one of distrust (e.g., Nye *et al.*, 1997). Empirical evidence, however, suggests that in Flanders trust in government is recovering rapidly. Although in 1997, more than 50% of Flemish respondents

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distrusted government, in 2000 distrusting citizens no longer outnumbered those citizens who did trust, and they amounted to less than a quarter of the population. On the other hand, evidence of a rise in the level of satisfaction with policy, is absent in the Flemish population. That is, in both 1995 and 1999, about 60% of the Flemish people were reported to be dissatisfied with the way in which the government dealt with the political subjects that they consider to be the most important (Meersseman *et al.*, 2001). The conclusion is, therefore, justified that trust in government and satisfaction with governance are dissimilar concepts. One way of differentiating between the two is by defining satisfaction as an attitude that is directed towards the past, and concerns experience (certainty), whereas trust is directed towards the future, and concerns uncertainty. Apparently Flemish respondents, by their increasing level of trust, express a belief that in the future they will be more satisfied with governance.

Table 1.1 --- Trust and Satisfaction (Observed Percentages)

	Satisfaction	Trust DS	Trust adm.	Trust Fl. gov.	Trust nat. gov.
Very much	14.6%	10.2%	3.6%	4.8%	8.7%
Much	51.7%	46.6%	22.0%	24.4%	21.1%
Not much/little	21.9%	35.6%	44.9%	45.0%	45.6%
Little	6.7%	5.7%	23.1%	19.1%	21.1%
Very little	5.1%	1.9%	6.4%	6.8%	3.3%

The Belgian administrations and governments have gone through many reforms since 1997. Following the tragic events of 1996, when the police were blamed by the Belgian public for the untimely arrest of Marc Dutroux. He was accused of molesting and killing several young girls, reforms were announced for the judicial system and the police organisations. State reforms have been announced, the last one in 2000 (so-called Lambermont agreements) that give more power to the regions (Flanders, Wallonia and Brussels) that constitute the federal state of Belgium. As in many countries in Western Europe, modernisation of public administrations, e.g., the "Copernicus plan" that aims to place focus on the client-citizen, instead of on the administrations, are high on the political agenda.

In this chapter, we study the quality-satisfaction-trust relationship, on the basis of empirical data, obtained in corroboration with the Flemish administration, more specifically, the Department of Education. The public service under study is the administration that distributes student scholarships (in Dutch: Dienst Studietoelagen). Depending on the income of both parents, students in Flanders can apply for a scholarship that (partly) covers the costs of higher (non) university education. A sample of 1,000 applicants of this public service (in most cases, the parents; in some, the student) were questioned in August 2001 about their experience with the process and output of this particular service delivery. The survey was meant to provide insight, solely into the quality-satisfaction relationship, but a small battery of questions, dealing with the reported trust of the respondent in government and governmental institutions, was added to the questionnaire. More precisely, respondents were asked to report on a five point

scale ("very little", "little", "not little, not much", "much", "very much") the level of trust in the following four institutions: the personnel for the administration of student scholarships, public administrations in general, the Flemish government, and the National government. The results are displayed in Table 1.1. Obviously, a lot of trust is placed in the personnel for the administration of scholarships, and less trust is placed in governmental institutions, that are further removed from the citizen.

The remainder of this chapter is set up as follows. In the next section, we operationalise the micro performance theory, in function of the data that were gathered, and discuss the indicators of satisfaction that were used in this study, in order to test the micro performance theory. Thereafter, we give a brief description of the statistical models that are applied so as to study the relationship of satisfaction and trust. Subsequently, the main results of the study are presented. A discussion of these results is given in the final section.

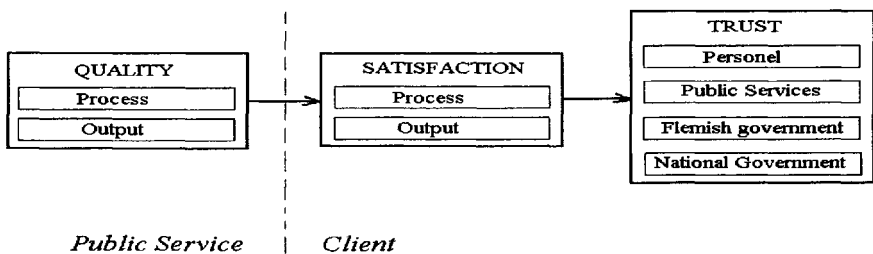
Table 1.2 --- Nonparametric Correlations (Kendall's tau-b)

	Satisfaction	Trust DS	Trust adm.	Trust Fl. gov.	Trust nat. gov.
Satisfaction	1				
Trust DS	.11*	1			
Trust adm.	.05	.35*	1		
Trust Fl. gov.	.09*	.38*	.56*	1	
Trust nat. gov.	.07*	.32*	.57*	.68*	1

* p < .01

2. Operationalising the Micro-Performance Theory

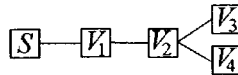
Any (public) service consists of two components: process and output. The output is the ultimate goal of the client for consulting the particular administration, in this case, an amount of money in the form of a scholarship. The process is the way in which the output is obtained, and concerns features such as friendliness of personnel, accessibility of the public service, and so on. A client survey usually attempts to make separate measurements of satisfaction with both components. The next figure gives a representation of the micro performance theory.



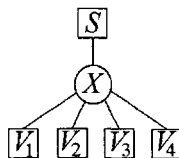
The quality of the service is a predicate, applying to the two components process and output, and is controlled by the administration. The reported level of satisfaction with both process and output are, on the other hand, predicates that are

controlled by the client, and that are only in part determined by the (objective) quality of the service. For instance, clients can have too high, or too low, expectations of the output. Either way, within the micro performance theory, the level of satisfaction will affect the level of trust in the governmental institutions on the right hand side.

In this study, we have an overall measure of satisfaction with the service delivery, that is, process and output together. The associations of this measure of satisfaction, and the reported levels of trust in the four governmental institutions mentioned in the introduction, are subject of study. The micro performance theory postulates relationships of these variables, but is unclear in a precise definition of the structure of those relationships. Let S denote the overall satisfaction measure, and let V_1 , V_2 , V_3 and V_4 denote trust in the administration of scholarships, trust in government administrations in general, trust in Flemish government and trust in National government respectively. One operationalisation of the micro performance theory can be represented by the model

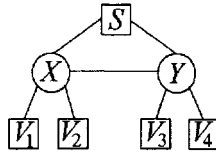


which assumes that satisfaction influences the level of trust in the administration of scholarships (AOS), which influences the level of trust in administrations in general, which in turn leads to (dis)trust in Flemish and National government. Path models can be denoted conveniently by a notation, developed by Goodman (1970). In this notation, the above model is written as $(SV_1, V_1V_2, V_2V_3, V_3V_4)$. We may extend the above model in several ways. One extension is by assuming that satisfaction influences the level of trust in administrations in general (V_2) in a direct way. In Goodman-notation, the model is written as $(SV_1, SV_2, V_1V_2, V_2V_3, V_2V_4)$. Yet, in a more advanced approach we postulate a latent variable X , called general trust in government. Two operationalisations may be considered. Firstly, we assume that trust in government is so general that it concerns the micro-administrations (i.e. AOS and administrations in general) and the macro governments (Flemish and National government). That is, it is postulated that respondents view "government" as one unseparable institution and require the fit of the model given by



which may also be written as $(SX, XV_1, XV_2, XV_3, XV_4)$. Here, the satisfaction measure is thought to influence the level of general trust in government, which has

a measurement part in variables V_1 through V_4 . Alternatively, we may differentiate between trust at the micro level (X), and trust at macro level (Y), and require the model given by



or $(SX, SY, XV_1, XV_2, XY, YV_3, YV_4)$. Of course, if the micro performance theory holds, there should be considerable association between S and the respective trust measures, that is, the associations including S must be unequal to zero. Non-parametric correlation measures of these associations are given in Table 1.2. Before going to the results of the causal models, we will briefly discuss the mathematical form of these models in the next section.

Table 1.3: Chi-square statistics and BIC of selected models

		df	LRX ²	Δdf	ΔLRX ²	BIC*
Loglinear models						
0.	S, V ₁ , V ₂ , V ₃ , V ₄	232	2,003	-	-	400.6
1.	[0] + SV ₁	228	1,989	4	14.23	414.0
2.	[1] + SV ₂ , SV ₃ , SV ₄	216	1,963	16	39.99	471.0
3.	[0] + SV ₁ , V ₁ V ₂ , V ₂ V ₃ , V ₂ V ₄	216	646.5	16	1,357	-845.6
4.	[3] + SV ₂	212	641.1	20	1,362	-823.4
Nominal latent class models						
5.	[0] + XV ₁ , XV ₂ , XV ₃ , XV ₄	214	286.1	18	1,717	-1,192
6.	[5] + SX	210	274.0	22	1,729	-1,177
7.	[0] + XV ₁ , XV ₂ , YV ₃ , YV ₄	212	965.0	20	1,038	-499.4
8.	[7] + XY	208	243.7	24	1,759	-1,193
9.	[8] + SX	204	231.2	28	1,772	-1,178
10.	[9] + SY	200	230.8	32	1,772	-1,151
11.	[5] + V ₁ V ₂	210	239.7	22	1,763	-1,211
12.	[6] + V ₁ V ₂	206	228.5	26	1,775	-1,194
* BIC = LRX ² - dflog(N)						

3. Method

Path models are useful instruments that allow to investigate associations, those having a complex structure. Of the two major types of path models, LISREL (Jöreskog & Sörbom, 1979) and latent class analysis (Lazarsfeld, 1950; see Basilevski, 1994: 607), we choose the latter because of the measurement scales of the involved variables. Previous research suggests, that if the analysed variables are ordinal, latent class models lead to better interpretable results than the LISREL approach (Kampen, 2001).

The latent class model is in effect a log-linear model where one or more of the involved categorical variables are unobserved (Hagenaars, 1990). The log-linear

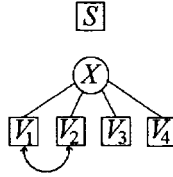
parameters of all involved variables are estimated by the EM-algorithm (Vermunt, 1997). In the latent class analysis, we have two choices of types of models to fit: nominal latent class and ordinal (RC-type) latent class models (see Kampen, 2001: 90-101). By imposing RC-type restrictions we take the ordinal nature of the variables into account. The nominal latent class model puts less constraints on the indicator variables in the model, and is, therefore, very sensitive in detecting associations. The ordinal latent class model is more parsimonious and is therefore more robust. Also, when the relationships among variables are indeed ordinal the model has more power than the nominal model. In the ordinal latent class model, the associations are parameterised by a multiplicative function of scores of ordinal variables. These scores can be fixed (e.g., simply the ranking of the ordinal variable), and they can be estimated from the data.

The choice of the "best" model quantifying the associations will be made on the basis of the chi-square statistic LRX^2 and the BIC; see Long (1996) for a discussion of these measures. These measures allow us to evaluate the models in terms of parsimony and correctness-of-fit. The results of the analyses are given in the next section.

4. Results

It was found that about 30% of the respondents produced a sl flat score on the trust measures, that is, they report the same level of trust in all four institutions. Within the group of flat scoring respondents, 52% are in the neutral middle category. A large amount of people (9.9%), have non-varying responses on the satisfaction measure and the four trust measures. This observed, lack of variability in the data may be due to boredom on the side of the respondents, or inadequacy of the five-point scale for allowing to make "precise" statements on the level of trust and satisfaction. Exploration of the data further reveals that in the five dimensional cross-table there are 2,806 (or 89.9%) cells with zero frequency. The sparseness of the data causes problems in interpretation of the correctness-of-fit statistics, and in estimation of certain parameters of the models, and we therefore choose to reduce the number of categories of the involved, ordinal variables in the analyses to three ($\{1,2\}=1$; $3=2$; $\{4,5\}=3$).

Table 1.3 presents the correctness-of-fit statistics of the models discussed in earlier sections of this chapter. For the sake of space the listed results are represented in an abbreviated notation. For instance, model [6] is written in the table as [5]+SX and corresponds to the model in Goodman notation given by (SX, XV_1 , XV_2 , XV_3 , XV_4). It is readily seen that the independence model [0] has insignificant model fit, indicating that the variables in the analysis have associations. However, although expanding the "empty" model with interactions leads to significant improvements in terms of model fit, it is only when the latent variable is introduced into the model that the model fit is statistically significant at $\alpha=1\%$. The path model corresponding to the best fitting model ($LRX^2=239.7$, $df=210$, $p=.078$, $BIC=-1,211$) is



or model [11] in Table 1.3. Finally, it was found that none of the RC-type latent class models yielded significant model fit.

5. Discussion

Three sources of evidence suggest that the satisfaction measure S is independent from the trust levels, V_1 through to V_4 . The first is on the basis of the BIC, which gives preference to Model [11]. Second, adding the interaction of S and the (micro level) trust indicator X leads to a gain of model fit equal to $\Delta LRX^2=12$ at the expense of four added parameters - which is insignificant. Third, adding interactions of S and the trust measures as done in model [2] yields no significant gain in model fit. Only the level of satisfaction in AOS, and trust in the person of AOS, appears to have some influence, a conclusion based on the slight increase of model fit, when the interaction SV_1 is added to the empty model (see Table 1.3, model [1]). This increase of model fit, however, is border significant ($p=.017$) and is not reproduced in the more advanced models (that have statistically significant, overall, model fit).

On the other hand, the results support the idea that trust in micro administrations, and trust in macro government, are dissimilar concepts. The fact that the relationship V_1V_2 must be included in the model indicates that these variables measure a somewhat different dimension, than the indicators of trust at the macro level V_3 and V_4 . However, the large discrepancy between the model fit of the two dimensional model [7] excluding, and the two dimensional model [10] including the interactions SX , SY and XY suggests that two indicators are too small a number in order to measure adequately, the two dimensions.

The well-known saying 'that one swallow does not make a summer', indeed indicates the conclusion, that the micro performance theory is invalid and cannot be justified by the data studied in this document. However, the lack of association of satisfaction and trust, as found in these data, forces us to reconsider certain aspects of the micro performance theory. It may, for instance, be proposed that there are administrations with strong impact (e.g., the police) and agencies with weak impact (e.g., the AOS). Another possibility is that the overall satisfaction measure is too greatly influenced by factors concerning output, rather than process, of the service delivery. All in all, more evidence is needed in order to make reliable statements about the relationship of public service delivery and trust in government, at the macro level.

Acknowledgement

The authors are grateful to the Ministry of the Flemish Community, and in particular to the Stuurgroep Klantenbevragingen and the Department of Education, for providing the data analysed in this chapter.

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Labour relations in the Belgian, French, German and Dutch public services

Koen Nomden *

1. Introduction

Over the last few years there has been a growing interest of research into public service, labour relations. This is a recognition of the fact that public service, labour relations are an interesting object of study. At the same time, it is a confirmation of the specificities of labour relations within public services, in comparison to other economy sectors. Certain paradoxes exist with regard to public service, labour relations. Traditionally, in many countries, public servants do not have the same collective bargaining rights. They have much more, limited possibilities than private sector employees, when it comes to undertaking industrial action, in particular the right to strike. The more limited, collective, bargaining rights for public servants, especially military staff, police forces, and staff working in State administration, are backed by international law provisions. The European Social Charter, the Convention for Fundamental Rights and Freedoms, and the International Labour Conventions nr. 87, 98 and 151¹ are those most important. In almost any country, in spite of this limited applicability of collective bargaining, trade union density is higher in public services than in the private sector. Moreover in many countries, the State is seen as a model employer.

The basis for different treatment of public servants, in comparison to private employees, is due to the fact that in many countries governments exercise a unilateral, employment relationship of authority with them. Instead of maintaining a bilaterally agreed, contractual employment relationship. This employment relationship can partly be explained by the authority functions of certain groups of government staff, more notably the military and police forces. Also, it has its historical roots in the fact that public service has developed from a situation in which it was serving the personal interests of the ruler. Today, the State fulfils a dual role, both as political authority and as public employer. In most countries, especially in continental Europe, the legal system that is applied to public servants still reflects the authority relationship of government towards public servants. Public (administrative) law-systems mostly provide for the unilateral appointment of civil servants and, at least in legal terms, the unilateral determination of terms and conditions. Moreover, in these countries public service employment

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¹ The ILO Labour Relations (Public Service) Convention, 1978 (no 151) has not been ratified by either France or Germany.

conditions are different from those applied in the private sector, especially concerning wages, social security and pensions.

Bach argues that there seems to have been a more general move towards the recognition of collective bargaining rights for larger groups of employees, which is in marked contrast to the experience of the private sector (Bach 1999: 12). Moreover, the pattern of less strike prone public services in comparison to the private sector has altered markedly and the public sector has become far more important as an arena of conflict (Bach 1999: 13).

Bach puts forward two propositions with regard to patterns of reform in six European countries. First, he argues that macro-economic integration within the EU and micro-economic concerns about efficiency and service quality are producing greater similarity in the structure and outcome of public service employment regulation in Europe. His second proposition is that the restructuring process in each country may partially erode the separation between public and private sector employment relations. He rejects a strong version of the convergence thesis (the first proposition) and he concludes that the support for growing convergence between the public and private sectors is clearly present (Bach 1999: 18-19).

The paper explores the similarities and differences that can be observed in the public service labour relations in Belgium, France, Germany and the Netherlands. Its main focus is on labour relations in central government administration. In the next sections, the legal basis of public service employment relations will be presented first. Subsequent sections deal with those actors in collective bargaining processes, they are government employers and public service trade unions. The next subsection deals with the outcomes, scope and level of collective bargaining. The concluding section will point out the main differences and similarities encountered in labour relations, within the four countries.

2. Legal basis of public service employment relations in Belgium, France, Germany and the Netherlands

Most countries where the authority relationship between government and civil servants is emphasised, operate a career civil service system. Career systems are mostly closed civil service systems, which share the characteristics of typical internal labour markets such as the existence of job specific skills and the access only at a few entry positions (Wise 1996). Career systems are further characterised by permanent tenure, and special protected status for civil servants. In non-career systems labour relations, terms and conditions are more similar to the private sector. Career systems are generally public law based systems, but non-career systems are not necessarily based on private (labour) law. Within the EU career civil service systems are found in Belgium, Germany, Spain, Greece, France, Ireland, Luxembourg, Austria and Portugal. The other six member states do not apply a career system as defined by Bossaert et al: Denmark, Italy, the Netherlands, Finland, Sweden and the United Kingdom (Bossaert et al. 2001). The distinction between career systems and non-career systems needs to be attenuated

in three respects. First, in countries with a career system, this system only applies to permanent, established civil servants, but not to contract staff. So, the career system in Germany only applies to the professional civil servants, but not to public employees and workers, who form the majority of staff. Second, also in non-career civil service countries, similar career systems often exist in certain occupations like diplomacy, the police and custom services. Thirdly, in several countries there exists a separate employment system for top officials, who have not necessarily achieved their position through an internal civil service career.

2.1. Belgium

Access to the Belgian civil service is only possible after the successful passing of a competitive examination organised by the federal selection and recruitment office (SELOR). As in France and Germany, tenure is guaranteed, remuneration is based on seniority, social security provisions are distinct from those applied in the private sector and civil servants enjoy a stand alone special pension scheme (Bossaert et al. 2001).

In Belgium the civil service regulations basically take the form of royal decrees, whereas the number of parliamentary acts on the civil service is very limited. There exists no general civil service act. The Belgian federal civil service is basically ruled by the Camu statute, a royal decree from 1937, which has been slightly modified on several occasions since then, but the basic principles of which, have never been put into question. It contains detailed provisions about recruitment, selection, staff evaluation and promotion. A royal decree on pay provides for the salary scales that are applied in the civil service. The Camu statute presented the Weberian model of a neutral, apolitical and merit-based civil service (Brans and Hondeghem, 1999). However, the (informal) reality was often different from the (formal) rules and within the system political criteria have played a preponderant role in promotions of university graduated civil servants (Hondeghem 1990). Moreover, in spite of the preference for statutory employment and the limitative cases where private law based contract staff can be recruited, the phenomenon of contract staff in the Belgian federal administration is an ongoing reality.

Belgium is unique in having a nation-wide applicable and rather detailed trade union statute providing for procedures in public service, labour relations. The statute consists of a 1974 framework law that “organises relations between public authorities and the unions of officials” and a 1984 royal decree implementing the framework law. Furthermore successive ministers in charge of the public service have issued circulars which have clarified the interpretation of the “trade union statute” (Janvier and Humblet 1998: 19). The statute is applicable to ministries and public institutions at federal, regional and local government level. It is not applicable to the police, the military, the autonomous public enterprises and the French-speaking broadcasting agency.

The trade union statute provides for the working of a multitude of negotiation and consultation committees. The negotiation committees are subdivided into

general committees, sector committees and special committees. The general committees are:

- the committee for all public services (Committee A)
- the committee for federal, community and regional public services (Committee B)
- the committee for provincial and local public services (Committee C)

Committee A is a body that discusses matters of common interest for all public services. The A-committee performs the same tasks in the public service for matters that are dealt with in the bipartite National Labour Council, and the Higher Council for Prevention and Protection at Work for the private sector. Every two years negotiations take place in the A-committee on intersectoral social planning.

There are 11 sector committees at the level of the federal government, mostly covering a certain policy area that includes a ministry and public institutions supervised by that ministry. Furthermore there are 7 sector committees on the regional level. Of these committees 5 concern each of the regional authorities and 2 concern the education sector of the French Community and the Flemish Community respectively.

The sector committees deal with matters that are of special interest to the sectors. The sector committees have become especially significant in the course of the state reform that has transformed Belgium in successive stages (1970, 1980, 1988/9, 1993, 2001) from a decentralised unitary state into a fully-fledged federal state. The reform of 1988/9 granted the possibility for community and regional government to adopt their own terms and conditions, albeit within a framework of general principles adopted by royal decree. The B-committee has, as a consequence, developed into a committee where only matters of common interest to the federal administration are negotiated, and has become a sort of "sector committee for the federal administration" (source: interviews). The special committees refer to local government administrations. Each local government has its own negotiation committee.

The organisation of consultation committees is closely linked to the organisation of the negotiation committees. Within each sector committee, and special committee, there exists a higher consultation committee. Furthermore, one can find intermediate consultation committees and basic consultation committees.

2.2. The Netherlands

The Dutch public service is organised in twelve sectors, of which the central government is one. The Dutch civil service system possesses the typical characteristics of a non-career system. Generally, staff is not recruited for a career, but only for a specific position. With the exception of specific services like the judiciary, the foreign service and the fiscal authorities, normally each position can

legally be filled by internal and external candidates. In practice, most civil servants make their entire career, and increase in hierarchy, by hopping from one position to another. The Dutch civil service system is still a public law-based system. The terms and conditions of Dutch civil servants are, to a large extent, harmonised with the private sector, as a consequence of the government policy of "normalisation" of labour relations and employment conditions.

The legal basis for Dutch civil service law is found in the 1929 Civil Service Act (*Ambtenarenwet*). Civil service law is distinct from general labour law on three main issues. First, civil servants do not have a contract of employment, but are employed on the basis of a (unilateral) public appointment. Second, they are subject to specific disciplinary legislation, the procedural law of which was moved from the Civil Service Act to the General Administrative Law Act (*Algemene wet bestuursrecht*) when the latter came into force in 1992. Third, they can only be dismissed for specific reasons, specified in the General Civil Service Regulation (*Algemeen rijksambtenarenreglement*). The pay scales belonging to each grade are specified in the Remuneration Decree for Civil Servants (*Bezoldingsbeluif Rijksambtenaren*).

In the course of the normalisation process, labour relations between the government and the trade unions have been profoundly changed. They have transformed from a system of unilateral determination of terms and conditions by government, towards a bilateral system, in use since 1989, in which government and the trade unions have to agree on changes of individual rights and obligations. The obligation to agreement has been laid down, with regard to the State sector, in article 105 of the General Civil Service Regulation. As a parallel to these developments the right to strike for civil servants was recognised in the course of the 1980s, basically as a consequence of case law, and an advice- and arbitration committee was founded in 1984. The transformation of the labour relations system was finalised in 1993 when a system of highly centralised bargaining was abandoned in favour of a system in which the main terms and conditions were bargained at the sectoral level. Originally the negotiations were conducted in eight sectors: civil service, police, judiciary, defence, education and science, provinces, municipalities and water control corporations. Recently the biggest sector in terms of staff, education and science, was split up into five sub-sectors: primary and secondary education, higher vocational training institutes, universities, research institutes and academic hospitals. As a consequence the number of sectors has increased to twelve.

Since the sectorisation, only matters of common interest to all sectors have been coordinated and negotiated on a central level in the Council for Government Personnel Policy (*Raad voor het Overheidspersoneelsbeleid*, ROP). The ROP is a bipartite body consisting of 20 members and an independent chairman. It is composed of one representative from each of the 12 government employers, and two representatives from each of the four public service federations.

Labour relations in the Dutch public service have been shaped further, by the existence of works' councils in government organisations, as a consequence of the application of the Works Council Act since 1995, with the exception of the sectors

of defense, judiciary and those sectors belonging to the field of education. The works' councils, which have both assent and advisory powers, are composed of staff members, on the basis of staff elections. Every staff member can stand as a candidate, and there is no exclusive trade union representation.

2.3. France

The current French civil service system is based on four civil service laws. Together these form the general civil service statute. The statute consists of a basic law providing for the rights and obligations of all civil servants, as well as of three laws that relate to the three civil service groups. These laws concern the French State civil servants (*la Fonction publique de l'Etat*), the public servants working in regional and local government (*la fonction publique territoriale*) and the public servants working in the public hospitals, in particular nursing staff (*la fonction publique hospitalière*). Further civil service law consists mostly of government decrees. The principle of the French public service is that staff members have a civil service status. However, as in Belgium, the French authorities also employ contract staff (*agents non titulaires*). A difference in comparison to Belgium is that contract staff in the French public service are public, and not private, law based agents.

A particular characteristic of the French State civil service is that all civil servants, but not the contract staff members, are recruited within a civil service *corps*. Each *corps* has its own statute that determines most terms and conditions. The statutes of each *corps* provide rules on the grades that exist in the *corps*, the career structure of the *corps* members and the salary points that belong to each of the grades. The basic salary of French civil servants is paid according to the grade. There exists a separation in principle, between the grade and the job.

Labour relations are, on the one hand, organised within a highly institutionalised system of joint commissions and, on the other hand, within a rather informal and politicised collective bargaining system in which pay is negotiated. Pay negotiations have been conducted ever since 1968 when the *protocole Oudinot* was agreed between trade unions and government in the aftermath of the May-crisis of that year (Salon 1999: 5). The practice of collective bargaining, also referred to as the *politique contractuelle*, was codified in the 1983 Act on the Rights and Obligations of Civil Servants. Its article 8 specifies that civil service unions are entitled to conduct negotiations, on the national level, with the government, before the evolution of civil service pay is adopted by government. No further rules exist, as to how often they should be conducted, and to what is their scope.

With regard to the institutionalised employment relations, three institutions are of particular importance. On top of the institutional mechanisms is the Higher Council of the State Civil Service (*Conseil supérieur de la Fonction publique de l'Etat*). The Higher Council is a joint committee that serves as an advisory body with regard to legislative and regulatory matters that concern all state civil servants, staff members of the interministerial *corps* or staff members of several *corps*. One of the interministerial *corps* is the *corps* of civil administrators

(*administrateurs civils*), to which the ENA provides direct access. Moreover the Higher Council is the supreme appeal board in disciplinary matters, matters concerning career progression and dismissal for professional insufficiency. It is chaired by the Prime Minister, and is composed of an administrative section of 20 members, of a trade union section comprising 20 representatives, from the seven most representative trade union federations.

Each *corps* has its own administrative joint commission (*commission administrative paritaire*) and in exceptional cases there can be one joint commission for several small *corps*. The administrative joint commissions are consulted with regard to decisions concerning individual *corps* members, such as promotions from one grade to the other within the *corps*. They are also consulted with regard to "titularisation" measures, bringing previously contractual staff members within the *corps*. In a restricted composition the administrative joint commission is meeting as the disciplinary council (*conseil de discipline*) with regard to disciplinary measures touching the *corps* members.

Furthermore, one distinguishes the technical joint committees (*comités techniques paritaires*) and the committees for hygiene and safety (*comités paritaires d'hygiène et de sécurité*) that are organised, per service. The technical joint committees are consultative bodies that are competent for organisational matters, as well as for statutory matters that relate to all staff members of the service, independent of their *corps* or legal status. The committees for hygiene and safety deal with health and safety matters within the organisation.

All joint committees are composed of an equal number of representatives from the administration (e.g. personnel directors) and from the staff. The staff representatives of the joint administrative commissions are elected by members of the *corps*. In these commissions only established civil servants of the relevant *corps* can represent the staff. The trade unions are free to choose their representatives from other joint committees.

The staff election results also serve as the basis for the composition of the Higher Council, of the composition of the technical joint committees, and the committees for hygiene and safety. Contract staff members, as they are not integrated into a *corps*, do not participate in staff elections, and are clearly under-represented in the French, central administration, labour relations system. According to Belloubet-Frier, contract staff in government are the only group of staff in the French labour market who are excluded from the minimal legal statute (Belloubet-Frier 1990: 851).

2.4. Germany

In Germany there are, at present, three major areas of public service employment. These areas are the federal government, the *Länder* and the municipalities. Each of these sectors employs three separate categories of public servants: *Beamte* (civil servants covered by public law provisions), *Angestellte* (salaried employees covered by private sector law) and *Arbeiter* (wage earners covered by private sector law). The 15 ministries at the Federal level only employ

a limited number of staff, whereas the *Länder* and the local authorities employ the vast majority of staff and are mainly responsible for service delivery.

The special status of the *Beamte* finds its base in the German constitution. Civil service law, which applies only to *Beamte*, is made up of parliamentary acts and government regulations. Examples of the former are, the Federal Civil Service Act (*Bundesbeamtenengesetz*), the Civil Service Framework Act that provides the principles of the civil service acts of the *Länder* (*Beamtenrechtsrahmengesetz*), and the Act on Civil Service Pay (*Bundesbesoldungsgesetz*). The *Beamte* enjoy tenure and do not pay social security contributions.

The dualism within the German public service, between private law employed, salaried employees, and wage earners and public law based civil servants, is reflected in the existence of two subsystems of labour relations (Keller 1999). The terms and conditions of salaried employees and wage earners are negotiated between the trade unions representing staff and the public employers. They are laid down in collective agreements. For the salaried workers these concern basically the federal collective agreement for salaried workers (*Bundesangestelltentarifvertrag*, BAT) that is applicable in the old *Länder* and the BAT-Ost, applicable to salaried workers in the former East-German *Länder*. The BAT and the BAT-Ost are applicable to all salaried employees, whether they are working on the federal level, in one of the *Länder* or in local government. The legal base of the BAT is found in the 1969 Act on Collective Agreements (*Tarifvertragsgesetz*).

Civil servants, on the contrary, are explicitly excluded from collective bargaining. Their pay and other conditions are unilaterally determined. However, civil service laws contain provisions (article 94 of the Federal Civil Service Act, article 58 of the Civil Service Framework Act) that oblige the government to consult with trade union organisations, before adopting unilateral measures.

On the level of organisations employment relations are shaped by the existence of staff councils (*Personalräte*). The staff councils are based on the Federal Staff Representation Act (*Bundespersönalvertretungsgesetz*). They perform the same role in co-determination in public services, as do works councils in the private sector. They have both advisory and assent powers. The staff councils are elected by all staff members and they represent the interests of both the established civil servants, and the contract staff. Normally each of the three staff categories (civil servants, salaried employees, wage earners) vote for separate lists of candidates. Traditionally staff councils focus on individual cases and personnel issues, such as promotions (Keller 1999).

3. Government employers

Governments perform the dual role of political authority and public employer. A characteristic of public service employment is that management authority is divided between a number of parties, at different levels within the state, with potentially conflicting interests (Bach and Della Rocca 2000). In those four countries under consideration, the separation of the political authority function,

and that of the employer function, is less pronounced. Germany and the Netherlands have the most, Belgium and France the least, outspoken separation of functions.

On the employers' side, the negotiations on the German BAT, are carried out by the employers' bargaining committee, that is led by the federal Minister of the Interior. Other parties in the negotiation process on the employers' side are the Bargaining Association of the German *Länder* (*Tarifgemeinschaft deutscher Länder*), and the Federation of the Local Government Employers Association (*Vereinigung der kommunalen Arbeitgeberverbände*). The bargaining association of the German *Länder* was formed in 1949 in order to achieve uniformity of working conditions in all *Länder*. The public employers from all three government levels have always bargained together, arguing that it is in their own interests to stick together, instead of searching advantages outside their coalition (Keller 1999). The German public employer associations have similar internal structures as their private sector counterparts, but are totally independent from them. In the bargaining structure the federal Minister of the Interior occupies a focal position, in the negotiation and determination of income for all public servants. He is leading both the negotiations for the BAT and responsible for the preparation of legislation concerning pay and other terms and conditions of civil servants (Keller 1999).

The structure of consultations between the German government and the trade unions, with regard to civil servants, is entirely different to the structure which concerns the contract staff. In its consultations with civil service staff representatives the government, represented by the federal Minister of the Interior, is acting much more as political authority, than as government employer.

In the Netherlands there is one government employer, in each of the twelve sectors of the public service. The Minister of the Interior and Kingdom Relations, is the employer of those civil servants working for central government. For their internal coordination, and for the preparation of their common activities, the Dutch government employers have created the Association of Sector Employers in Government (*Verbond Sectorwerkgevers Overheid, VSO*). The Dutch Ministry of the Interior and Kingdom Affairs, in particular its Directorate-General for Management and Personnel Policy (DGMP) holds the VSO-secretariat.

In sectoral negotiations of the State Sector, the Minister of the Interior and Kingdom Affairs, chairs the government delegation. He is assisted by senior officials from the Directorate for Personnel Management which is one of the Directorates within the DGMP. The other Directorate, is the Directorate for Employment Affairs in Government, hosting the VSO-secretariat, which is responsible for the coordination of legislation and policy of the entire public service.

In Belgium the committee structure of the trade union statute is rather determining for whoever is representing government, and in which committee. With regard to the national committees the trade union statute's provisions are that the Prime Minister chairs the meetings of the A-committee (the entire public

service), whereas the ministers for the civil service, as well as the Minister of the Interior, are deputy chairmen. The Minister for the Civil Service is chairing committee B (the Minister for the Budget is deputy chairman), and the Minister of the Interior, chairs the C committee.

However, the committees' chairman is allowed to send a mandated delegate. In practice, the current Prime Minister does not very often chair the committee A meetings, but is mostly represented by the Minister for the Civil Service, who also assumes his role as chairman of the B-committee (source: interviews). In the A-committee both the federal, all the community, and regional governments, represent the government employer. This means that all six Belgian governments need to achieve agreement amongst themselves in the A-committee negotiations. The sector committees in the area of the Federal government are chaired by the relevant minister. In case ministers send a mandated delegate, this mostly concerns the head of their ministerial cabinet (source: interviews). All Belgian ministers and state secretaries dispose of such a group of personal staff, who are not only advising the minister, but who are also very much involved in public policy-making.

The government delegations can count 15 members maximum in the general committees, and 7 members in the sector committees. Besides cabinet members who will be included in the negotiation committees, civil servants may also participate in meetings, and perform a role of "technician". This is the situation as it exists at the moment. The Federal administration is currently in a process of profound reorganisation (the Copernicus-reform) that in particular touches upon the role of the ministerial cabinets. These will be split between a small group of political advisers who will be located close to the minister, and a policy preparation cell that will be located within each Federal administrative service. The policy preparation cell should operate under the responsibility of the management committee's chairman, of the relevant Federal government service. It is not clear whether in the post-Copernicus situation the heads of the new Federal administrative services will become more preponderant in negotiations, compared to the current, mostly limited, role played by most secretary-generals.

The chairman of a sector committee, is also chairman of the corresponding higher consultation committee. However, in the consultation committees and to a large extent, the government representation is assured by civil service managers. Within Federal government the chairmen of the basic consultation committees, and of the intermediate consultation committees, are designed by the competent minister. Moreover, it is possible to add expert staff to the government delegation in the committees.

In the French pay negotiations, the government is represented by the Minister for the Civil Service. The government delegation is further composed of members of his ministerial cabinet. Representatives from the local and regional government sector as well as representatives from the hospital sector also sit at the negotiation table but are not perceived as being very influential (source: interviews). Civil servants from the Directorate-General for Administration and the Civil Service

(DGAFP), which is part of the Ministry for the Civil Service and State Reform who participate in the negotiations, mainly provide technical assistance.

With regard to the institutionalised social dialogue, the Higher Council of the State Civil Service is chaired by the Prime Minister, who is however, not part of one of the two sections (the administration section and the union section). Within the Higher Council, following a government decree of 16th July 1984, the employers side is represented by ten directors of personnel management in central administration ministries, Council of State and Court of Auditors representatives, a general inspector, an engineer, the director-general for administration and the civil service, as well as the director in charge of the budget, of the Minister for the Budget. The employer representatives in the other committees are civil service managers.

4. Trade union organisations in public administration

Public service trade unions are mostly incorporated within cross-sectoral trade union confederations, but autonomous public service unions exist as well. Of the four countries under consideration, Belgium almost fully represents the first case, whereas the Netherlands gets close to that situation. France has a tradition of autonomous unions in the public service (Siwek-Pouydesseau 2001), whereas in Germany the dual labour relations system is reflected in the existence of the autonomous Civil Servants' Federation.

What further distinguishes Belgium and the Netherlands from France and Germany is that they are both neo-corporatist states and consociational democracies (Scholten 1987; Van den Brande 1987). The neo-corporatism is also partly reflected in the existing public service labour relations, especially in Belgium, where on all levels the representation of staff in labour relations is a monopoly of the representative unions.

With regard to the trade union structure Belgium and the Netherlands show quite some similarities. The structure of Belgian unionism reflects the major dividing lines of the Belgian society, which are language, religion and class (Vilrocx and Van Leemput 1998: 319). It reflects also the pillarised Belgian society where political parties, trade unions and, for instance, public health insurance organisations belong to ideological groups. The three main pillars in the Belgian society, the Catholic pillar, the socialist pillar and the liberal pillar, each have their own trade union confederation. Religion and class divisions especially, are reflected in the unions' organisations. Language plays a minor dividing role in Belgian trade unionism, than in certain other parts of society. In contrast to political parties that all split up into a Flemish and a Francophone party, trade unions have kept their national structures. The three main Belgian public service unions are:

- CCOD/CCSP, the Christian (Catholic) Union for Public Services affiliated to the General Christian Trade Union Confederation ACV/CSC

- ACOD/CGSP, the General (socialist) Union for Public Services, affiliated to the General Belgian Trade Union Confederation ABVV/FGTB
- VSOA/SLFP, the Free (liberal) Union of the Civil Service, affiliated to the General Confederation of Liberal Trade Unions.
- The CCOD/CCSP is the main public service trade union in the Flemish part of Belgium, whereas the ACOD/CGSP is strongest among the French speaking public servants.

In public service in the Netherlands, four trade union federations are mentioned as being representative in both the Council for Government Personnel Policy, and in the sectoral negotiations for the State:

- the General Federation of Public Service Staff (ACOP)
- the Christian Federation of Public Service and Education Staff (CCOOP)
- the Civil Servants Centre (AC)
- the Federation of Senior Officials in Government, Education, Business and Institutions (CMHF).

Of the four federations the ACOP is by far the biggest, followed by the CCOOP and the AC. The CHMF is the smallest federation. The ACOP basically regroups the civil service union ABVA/KABO, and an education union. These unions are affiliated to the Federation of Dutch Trade Unions (*Federatie Nederlandse Vakverenigingen*, FNV). The unions within the CCOP are affiliated to the Christian (protestant) Dutch Trade Union Confederation (*Christelijke Nationale Vakbeweging*, CNV). Its civil service trade union is the Christian Federation of Public Service Staff (*Christelijke Federatie van Overheidspersoneel*, CFO). The CMHF is affiliated to the MHP, which is the confederation for senior staff. Pay negotiations within the State sector have since 1993 been conducted between the Dutch Minister of the Interior and the civil service unions, represented within the Sector Negotiation Committee for the State (*Sectoroverleg Rijk*, SOR).

To a lesser extent than in Belgium, the Dutch trade union landscape reflects the past of the Netherlands as a pillarised society, during which the politics of accommodation consisted of a consensus-like way of governing the elite of the different ideological groups (Lijphart 1975). Usually one distinguishes the Protestant (calvinist) pillar, the Catholic pillar, the socialist pillar and the liberal pillar. The FNV and its affiliated unions represent both the socialist and Catholic pillars, since the Dutch Association of Trade Unions (NVV) merged with the Catholic Association of Trade Unions in 1976. The CNV represents the protestant pillar. The liberal pillar is, contrary to Belgium, not represented by a separate trade union confederation.

Both in Belgium and in the Netherlands, the public service trade unions are used to cooperate and to coordinate with each other, without there existing a lot of rivalry between them (source: interviews). In the Netherlands the public service

trade unions have adopted a very pragmatic approach, in line with the consensus-oriented approach that is taken by trade unions in the private sector that belong to the same national trade union confederations (Visser 1998).

In France full trade union rights for civil servants have only existed since 1946, when the first general civil service statute was adopted. This was much later than private sector workers, who have been allowed to unionise since 1884. Although public service trade unionism was repressed, it was in practical terms recognised in 1924, and subsequently legalised and even constitutionalised after the second world war (Chrestien 1997). In France trade unions have anarcho-sindicalist origins and the French labour movement is characterised by trade union pluralism, fragmentation and inter-union rivalry (Goetschy 1998: 360). These aspects are also valid for public service unions. Within the state public service there are seven unions seated in the Higher Council of the State Public Service. These are:

- *Confédération Générale du Travail* (CGT)
- *Force ouvrière* (FO)
- *Confédération Française des Démocratique des Travailleurs* (CFDT)
- *Confédération Française des Travailleurs Chrétiens* (CFTC)
- *Confédération Générale des Cadres* (CGC)
- *Union Nationale des Syndicats Autonomes* (UNSA)
- *Fédération Syndicale Unitaire* (FSU)

Of the seven federations, five are representative on a cross-sectoral level and partners in multi-industry bargaining: CGT, FO, CFDT, CFTC, CGC. The UNSA is aiming to be representative as well, but is for the moment predominantly active in the public sector (Goetschy 1998: 365). The FSU is only active in the field of national education. Each of the cross-sectoral confederations as well as UNSA, but not the FSU, have a civil service federation that is active within the national government services. The main federations concerned are the UGFF-CGT (*Union Générale des Fédérations de Fonctionnaires*), the FGF-FO (*Fédération Générale des Fonctionnaires*), the FGAF-UNSA (*Fédération Générale Autonome des Fonctionnaires*) and the UFFA-CFDT (*Union des Fédérations CFDT des Fonctions Publiques et Assimilés*).

In comparison to the other countries the French trade union sector is very much divided. This division is a historical legacy. The oldest French trade union movement is the CGT, founded in 1895. After a 1922 split in two trade union confederations, the CGT unified again in 1936, in the same year as the election into power of the left-wing oriented Popular Front. After the second world war the unified French trade union movement split up again. The most famous split is between the CGT and CGT-*Force Ouvrière*, or simply FO in 1947. Furthermore the autonomous trade union movement split from the CGT as well during the

same period. The FGAG belonged to the autonomous movements, as well as the *Fédération de l'Éducation Nationale*, FEN. The FGAF and the FEN currently form the main components of the UNSA. The creation of UNSA, once again, has been the consequence of a split, between the FEN and the more militant FSU in 1992/1993s. Besides the general trade union movement, christian syndicalism has developed since 1897, when the SECI was founded, in 1922 succeeded by the CFTC. A major split in the christian trade union occurred in 1964, when the CFDT split off from the CFTC.

All German employees have had the right to join trade unions since the end of the First World War. After the hiatus of the third Reich, these rights were restored. The German constitution guarantees the right to positive and negative freedom of association and therefore compulsory membership clauses are forbidden (Keller 1999). In the public service, the German trade union landscape is very much determined by the existence of the dual labour relations system, in which one group of public servants has full collective bargaining rights, and another group is excluded from collective bargaining.

Contrary to the French, Belgian and Dutch cases, the German public service employees are predominantly organised within the framework of a single union, the *Vereinte Dienstleistungsgewerkschaft: Ver.di*. This federation was established in March 2001, as the result of a merger between both public and private sector trade unions in the service sector. *Ver.di* negotiates nation-wide collective agreements for salaried employees, and for wage earners, in the public services. It is affiliated to the German Trade Union Confederation (*Deutscher Gewerkschaftsbund, DGB*). The DGB unites more than 8 million trade union members and is the biggest trade union confederation in the European Union.

The German civil servants, who lack collective bargaining rights, do have the right to join trade unions. The main civil service union is the German Civil Servants Federation (*Deutscher Beamtenbund, DBB*). The DBB consists of the civil servants federation (*DBB Beamtenbund*) and of the DBB union representing contract staff in government (*DBB Tarifunion*). The DBB has 50 member trade unions, most of which are affiliated to both the *DBB Beamtenbund* and the *DBB Tarifunion*, organising 1,2 million members, of which 870.000 civil servants.

Both the DBB and the DGB discuss with the federal government concerning civil servants' terms and conditions. In these discussions the federal instances of the DGB represent those civil servants that are members of the trade unions affiliated to the DGB, such as *Ver.di* and the Union for Education and Sciences (*Gewerkschaft Erziehung und Wissenschaft*). An important ideological difference between the DGB and the DBB concerns the right for civil servants to strike. The DBB is in favour of maintaining the prohibition for civil servants to strike, whereas the DGB wants to recognise the right for civil servants to strike.

5. Trade union representativeness

Belgium and France have adopted precise rules in order to determine trade union representativeness in the public service. The neo-corporatism in the

Belgian, public service, labour relations is most clearly expressed by the requirement that representative public service unions, on the national level, must be affiliated to a trade union confederation that is represented in the bipartite National Labour Council. It is in this Council that nation-wide intersectoral collective agreements are concluded, between employers and trade unions under private law. Within the public service, the A-committee is fulfilling the same functions as the National Labour Council in the private sector. Further criteria for determining the national representativeness of public service trade unions are that these must have their activities organised on the national level, and represent the interests of all categories of public service staff.

Based on these criteria the ACOD/CGSP, the CCOD/CCSG and the VSOA/SLFP are representative at the national level. Due to a modification of the trade union statute, all unions that are representative on the national level will automatically be represented in each of the sector committees. The VSOA/SLFP, as smallest trade union, has benefitted from this measure. Representativeness in a sector committee, requires a trade union to have 10 per cent of the total staff of that sector, as members. The National Union of Public Services (NUOD) is representative in the sector committee for Finance.

Only representative trade unions can have seats in the negotiation and consultation committees. Those trade unions who are representative, are free to assign their delegates. No system of staff election exists within the Belgian public service, in order to determine the number of seats for each of the trade unions in the committees.

One of the paradoxes of the French unions, is that their legitimacy does not so much derive from union membership, which is very low in an internationally comparative perspective, but from a high participation rate in staff elections. This amounted to 75.1 per cent in the last elections for the State sector, whereas in local and regional government and in the hospital sector, the equivalent figures were 69.5 and 64.1 per cent respectively. The strength of the different unions in the state sector is as follows according to the latest election results (Ministère de la Fonction publique 2000):

- FSU: 19.0 %, 3 seats
- CGT: 16.2 %, 4 seats
- UNSA: 14.6 %, 4 seats
- CFDT: 14.4 %, 4 seats
- FO: 14.1%, 3 seats
- CGC: 2.7%, 1 seat
- CFTC: 2.3%, 1 seat
- Others: 16.8%.

The other 16 per cent of votes went to a variety of unions, some of which are influential in certain *corps* or in certain ministries, such as unions belonging to the *Groupe des Dix*, in particular the SNUI (*Syndicat national des Impôts*), as well as the unions belonging to SUD (*Solidaires, Unitaires, Démocratiques*). The important position of the FSU and the UNSA can be explained by the fact that the national education sector comprises more than 50 per cent of the State civilian staff. The number of seats in the Higher Council of the State Civil Service, does not entirely represent the strength of each union in the state sector. The five cross-sectoral confederations, who are representative on the national level in the private sector, have a granted seat in each of the Higher Councils. This explains why the CGC and the CFTC each have a seat, whereas the biggest union in the State sector, the FSU, has less seats than some of the other unions.

Representativeness in the French public service is especially important, with regard to the participation in wage negotiations. Trade union confederations must either have at least one seat in each of the Higher Councils of the public service, 10 per cent of the total votes in the staff elections of the joint administrative commissions, or at least 2 per cent of the electoral votes in each of the three public services (State, regional and local government, hospital sector) for being admitted to the wage negotiations. The FSU does not satisfy these criteria, but is still admitted to the wage round.

In Germany under labour law, trade unions are representative if they have enough financial power, and are able to organise collective action. With regard to the civil service, the Federal Civil Service Act determines that only trade union confederations are allowed to consultations, and not individual trade unions. In the Netherlands, the General Civil Service Regulation mentions explicitly the names of those unions that are allowed to the collective bargaining process. Other confederations can be allowed to the process, under the condition that they are recognised as being representative, but quantitative criteria in this regard are lacking.

6. Scope, level and outcomes of collective bargaining

6.1. Scope and level of bargaining

The scope of bargaining refers to the topics that are subject to bargaining, whereas the level of bargaining refers to the fact, whether bargaining is organised on a central or decentralised scale.

Nowadays, in all four countries negotiations take place on a broad range of topics, covering almost all terms and conditions of employment. However, negotiations about across-the-board pay increases remain the core focus of conflict, between employers and trade unions.

In France, pay negotiations only take place at the national level. The system used for determining the basic salary of civil servants is the same for the five million public servants. Within the French system, each position within a grade equals a certain number of points on the wage index (*la grille indiciaire*). The

basic annual salary of a civil servant can be calculated by multiplying the index number of the grade of that civil servant, with the monetary value of one index point. Essentially, pay negotiations concern negotiations on the increase in the monetary value of the point, implying the 'across-the-board' salary increase.

The French Act, on the Rights and Obligations of Civil Servants, only refers to negotiations about the general, national, wage development. However, since 1989 negotiations have covered several other topics, such as continuous training, absorption of precarious employment, adaptation of wage structures, health and safety, and pre-retirement. Negotiations on the introduction of the 35 hours working week failed in February 2000. Some agreements were concluded for the entire public service (such as those on the absorption of precarious employment), whereas those on continuous training and on health and safety, only concerned the State civil service. Certain statutory rights and obligations of civil servants are only subject to the consultation procedures of the joint committees, and not to negotiation.

Earlier this year a white paper on the "social dialogue" was presented by an independent committee on the request of the Minister for the Civil Service (Fournier, 2002). It proposes to adapt the formulation of the Act on the Rights and Obligations of Civil Servants, such as to enlarge the scope of negotiations to domains other than 'across-the-board' pay increases. It further proposes to introduce an obligation for the government to enter into negotiations, to specify the criteria as to when an agreement between the government and the trade unions is supposed to be reached, and finally to make those agreements legally binding between the government and the trade unions.

In Germany the collective agreements for salaried employees and the agreements for wage earners, are negotiated on the national level between *Ver.di* and the different public employers. The German BAT contains rather detailed terms and conditions, for example on working time, years of service, pay, social payments, travel costs, holidays and the termination of employment. The contracts of employment that are concluded on the basis of the BAT are founded on the German Civil Code. German labour law belongs to the policy areas where legislation is concurrent between the federal government and the *Länder*. The federal government has extensively made use of its powers in this matter and has to a very large extent adopted a unified labour law in the Federal Republic (Linde 1996: 7).

The BAT is a framework agreement that is supplemented with a series of other collective agreements. Examples of these are collective agreements on pay scales, holiday allowances, pay supplements (ministerial allowances in federal government and in the *Länder*) and on part-time employment for older staff members. Some of these agreements are concluded for all three government levels, but some are concluded for the federal and *Länder* level, on the one hand, and for local government on the other. In all cases their applicability is nationwide, e.g. no differences exist between the *Länder* or between local governments.

The pay determination of civil servants is also very much centralised. The Federal Remuneration Act (*Bundesbesoldungsgesetz*) contains precise provisions on the pay scales belonging to different civil service grades, as well as on all kinds of supplements. These grades, and their pay, are applicable at the federal level, in the *Länder*, as well as in local government.

In Belgium, a certain number of those issues which are of common interest to all public servants is negotiated at the national level. In 2001, the government and trade unions agreed on those topics that would be the exclusive competence of the A-committee. Among these are social security matters, the trade union statute, federal labour legislation that also applies to civil servants, matters that for the private sector are negotiated in the National Labour Council, and the Higher Council for the Prevention and Protection within the Workplace, federal interventions with regard to career breaks and certain “minimum rights” such as pensions, wage indexation, child benefits, minimum holidays, minimum pay and minimum maternity leave.

A complication on the side of the public employers in the A-committee is that the points of view of six governments (the federal governments and the governments of the communities and the regions) have to be reconciled. As the financial situations of these governments are not very equal, this can sometimes lead to difficulties to agree within the employer delegation (source: interviews).

In contrast to the other countries, Belgium has a system of automatic wage indexation. An automatic 2 per cent increase of public service salaries is triggered by each 2 per cent rise in the cost of living. This system of automatic indexation is considered by all three public service trade union federations as an essential *acquis* (source: interviews). When discussing general 'across-the-board' salary increases trade unions and the governments discuss therefore “real” general wage increases.

In the Netherlands, the main negotiations with regard to the terms and conditions of employment take place in each of the twelve sectors of the public service. The 2001 protocol concluded by the Council for Government Personnel Policy (ROP) determines which topics are subject to collective bargaining on the sectoral level. These are the general wage developments, modifications in the general duration of employment, modifications in the above minimum rights with regard to unemployment and sickness benefits, as well as other terms and conditions that the negotiating partners want to bargain. The protocol provides for the possibility of a further decentralisation of negotiations within each of the sectors. In this case the ROP has an advisory function. The sectoral negotiations that have developed since 1993 have led to some, but no revolutionary differences, in terms and conditions between the sectors.

6.2 Outcomes of collective bargaining

In general, one can distinguish four different situations with regard to the outcome of collective bargaining:

- the outcome is a binding collective agreement
- the outcome is legally binding for government, but becomes only effective after incorporation in legal texts.
- the outcome is politically, but not legally binding, for the government
- the outcome is not binding

The dual system of employment relations in the German public service is reflected in the two extreme cases of the outcome of collective bargaining. On the one hand, true collective agreements are concluded for the majority of public servants, that is the salaried workers and the wage earners. On the other hand, civil servants are, according to German law, denied any collective bargaining rights, as they have a relationship of service and loyalty (*Dienst- und Treueverhältniss*) vis-à-vis the German authorities. The unions representing civil servants discuss with government, but these discussions never result in the signature of agreements. The lack of collective bargaining rights of civil servants has its corollary in the prohibition to undertake any industrial action (Battis 1999: 140).

From a legal point of view, and in spite of the differences of the two labour relations systems, social reality is that both systems are quite close to each other. The concrete terms and conditions of civil servants, on the one hand, and public employees, on the other, get more and more synchronized. Keller argues that this process of "equalization" has been speeded up by the strategies that the trade unions followed in the 1960s and 1970s. This strategy was based on the principle of favourableness (*Günstigkeitsprinzip*) that was focused on transposing any favourable condition for one status group to the other (Keller 1993: 27). It is also government policy to strive for equal treatment between both status groups.

The second situation of binding agreements, that need to be transposed into law before they become effective, has been the situation in all sectors of the Dutch public service since 1989. The obligation to agreement implies that, in case no agreement is reached, developments in terms and conditions of civil servants will be frozen and therefore no 'across-the-board' salary increases will be adopted. It requires the majority of the recognized trade unions to agree with government. Alternatively if the votes get stuck the Minister of the Interior casts the decisive vote with regard to the State sector. Each union has one vote, independent of its size. The 1984 created Advice and Arbitration Committee's role is to mediate, in cases of conflict, between the government and trade unions. It was often asked for advice until the beginning of the 1990s, when the Dutch government was confronted with high budget deficits. It has hardly been involved in binding arbitration.

In Belgium and in France, collective bargaining takes the form of both negotiation and consultation. In both countries, negotiation can lead to agreements that are laid down in protocols. These protocols are politically, but not legally, binding for government. In cases where negotiations get stuck, the government can act unilaterally. No rules exist, either in Belgium or in France, that specify in which cases an agreement is supposed to be reached. So far, the French

government has only signed agreements with trade unions representing the majority of staff in the staff elections (source: interviews). In Belgium, negotiations and consultations are a legal precondition so as to validate government measures. Non-respect of those procedures can lead to the annulment of government acts by the Council of State.

7. Conclusion

This document provides an overall view of existing labour relations in the public services of Belgium, France, Germany and the Netherlands. For reasons of comparability it has focused on central government administration. The document has demonstrated the large variety, in existing systems of public service labour relations, in four neighbouring countries at the heart of the European Union.

The variety concerns, in the first instance, the basic characteristics of the labour relations system. The Belgian public service, labour relations are shaped by the trade union statute containing detailed, procedural rules. An essential element of the German system is the co-existence of a system of labour relations for civil servants, on the one hand, and for contract staff on the other. France has a highly formalised system of staff participation, combined with a rather informal system of pay negotiations. The Dutch system has been transformed from a highly centralised pay determination system, towards a sectorised system in which no changes in terms and conditions are possible, without the assent of the staff unions.

With regard to the public employers, Germany (for contract staff), and the Netherlands, are the two countries where efforts have been made to separate the government employer function, from the state, as public authority. With regard to trade unions, Belgium and the Netherlands are part of a neo-corporatist system of labour relations that also exists in society at large. In France, a lot of rivalry exists between the trade unions, that mostly have anarcho-syndicalist origins. In France, as well the importance of autonomous public service trade unions is striking. Germany has to deal with two major trade union movements, on the one hand, the *ver.di* which is part of the trade union confederation DGB, and on the other hand, the autonomous civil servants association (DBB).

The similarities and differences between the countries can be attributed to at least two different institutional factors. The first factor is the civil service system. Germany has a dual civil service system that is reflected in a dual system of public service, labour relations. France has a common reference for the basic salary in the entire public service, *la grille indiciaire*, which makes that pay negotiations are taking place at the central level.

The second factor consists of the labour relations system as organised in society at large. In Belgium and the Netherlands neo-corporatism is a characteristic of private sector, labour relations. The public service, labour relations in these two countries are largely reflected by neo-corporatist elements, especially at the level of trade unions.

A central trend that is present in public service, labour relations of the four countries under consideration, is a gradual recognition of bargaining rights, that has been acquired during the last few decades. In the Netherlands, there has been an explicit policy of normalisation of labour relations, focusing on real bargaining instead of unilateral determination of terms and conditions. The Belgian trade union statute that entered into force in 1985 can be considered from the same perspective. In France, real negotiations started after 1968 as an informal process, but gradually their scope has enlarged in comparison to the initial topic of pay negotiations. The recent proposals of the Fournier committee seek to reinforce the employment relations between the government and trade unions, amongst others by a proposal to give legal value to agreements struck between the social partners.

In Germany, although the discussions on terms and conditions of civil servants are mentioned nowhere, their value is recognised and pay developments of civil servants generally follow those negotiated in collective agreements of contract staff. In spite of the increase of staff participation in government, not only in wage negotiations, but also in works council-type mechanisms at the organisational level, important institutional differences, in comparison to the private sector system of labour relations still remain.

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Multi-level Governance, Network Governance, and Fiscal Federalism Theory

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This document focuses on the allocation of policy-making functions within the European Union, confronting 'traditional' fiscal federalism theory and 'modern' governance theories. First a reconstruction of fiscal federalism theory is put forward. Fiscal federalism and governance theories are then discussed at three levels.

At the level of the actual changes in fiscal relations within the EU, it is found that the shift in policy-making competencies from nation-states to the EU, that is an essential part of multi-level governance, has materialized fiscally in a way that is reasonably consistent with fiscal federalism theory. As far as the other shift is concerned (decentralization within member states), empirical research is called for. There is also a need for research at the theoretical level, in order to explain why fiscal centralization to the EU, and fiscal decentralization within member states, should go hand in hand. Most of the arguments that explain centralization within the EU are at odds with decentralization within member states.

At the level of fiscal federalism as a multi-level government theory, it is found that fiscal federalism is a multi-level government theory par excellence. However, the theory has one main drawback: it is a set of normative lines of reasoning which can be embraced or rejected as one pleases; different governments are likely to stress different aspects. This main shortcoming is illustrated by discussing the tax assignment problem and the issue of single versus multi-purpose governments.

At the third level, fiscal federalism as a governance theory, it is concluded that fiscal federalism is far from a fiscal governance theory. In order to become a governance theory, more attention should be paid to the general public finance theory on the functions of government vis-à-vis the private sector, and to a possible redefinition of government functions within the economy. A link should be established with literature on public-private partnerships, of which resource-exchange and risk-division are the key concepts. Finally, it is important to define a role for (central) government parties within policy networks, like that of conductor or that of referee, creating a level playing field for all actors involved.

1. Introduction

In most European countries the power to tax has been allocated mainly to central government. Regional and local authorities' have limited possibilities for raising revenues. However, the policy-making functions of these regional and

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local authorities (and/or their role in the implementation of central government policies) are considerable, leading to the necessity of downward funding within states. In the case of EU member states this downward funding is supplemented by a relatively small amount of upward funding to the EU, which also has considerable policy-making functions, and increasingly so, but has virtually no power to tax. Do these basic fiscal arrangements still hold?

Over the last two decades throughout Europe major changes have taken place, concerning the way in which public policies are decided upon and implemented. The classic model of government has had to make way for the model of multi-level governance, which implies two things.

First, central governments are no longer the dominant actors in the policy arenas. Decision-making competencies are shared by actors at different government levels rather than monopolized by state executives (Marks, Hooghe and Blank, 1996, p. 346). A considerable part of central governments' decision-making competencies has been shifted to the European Union. In most EU member states this shift upwards is accompanied by decentralization of responsibilities to regional and/or local government.

Secondly, multi-level governance (sometimes also referred to as multi-actor governance) implies that government (be it central, regional or local) increasingly is a co-producer of policies together with the private sector, forming policy networks, using public-private partnerships and/or interactive policy-making arrangements. More generally, the dividing line between public and private sector has become more and more vague. This is due to putting parts of the public sector at arm's length from government, or even beyond that. In Kohler-Koch's words: governance nowadays resembles a marble cake, and not simply a layer cake.

The multi-level governance model has been put forward, as a contribution to the discussion on European integration. How does the model relate to all the attempts that have been made to explain European integration, to all the -isms that are so prominent in the textbooks on Europe? Following Corbey (1995) we can distinguish the four most dominant integration theories as follows.

Table 1: Four theories of European integration

Main actors/level of analysis	National	European
Non-state actors	Domestic politics approach	Neofunctionalism
State	Intergovernmentalism	Supranationalism

Taken from Corbey (1995, p. 255)

It shows that each and every integration theory, as such, is not compatible with the basic idea of multi-level governance, and at best highlights one aspect of multi-level governance¹. Integration theories suffer from one-sided attention to a

¹ Often the multi-level governance model is confronted with state-centric models like intergovernmentalism only (as for instance in Marks, Hooghe and Blank, 1996).

single actor or group of actors (Corbey, 1995, p. 262). A similar point is made by Scharpf (2001), who argues that the complexity of the multi-level European policy is not adequately represented by single-level theoretical concepts like intergovernmentalism and supranationalism. He distinguishes between four different modes of multilevel interaction in the European policy: mutual adjustment, intergovernmental negotiations, hierarchical direction, and joint decisions. Furthermore, he claims that the same conceptual tools should also be useful for the analysis of subnational, national, transnational and other supranational policy-making institutions.

Basically, in this document, the implications of multi-level governance (and related models) for our consideration of *fiscal structures* are discussed. By a fiscal structure we understand what in Germany is called the *Finanzverfassung*, i.e. the fiscal constitution. The four basic elements of such a fiscal constitution are:

1. The assignment of tasks, and of revenue-raising authority ('the power to tax') to the state² vis-à-vis the private sector;
2. The assignment of tasks and revenue-raising authority to different governments within the state;
3. The financial relations between these different governments;
4. The financial relations between governments and the private sector.

The document is structured as follows. First, the 'classic' literature on fiscal federalism³ is discussed (section two). Subsequently, the literature on multi-level governance is dealt with, including related literature, like that on policy networks and network governance. What normative implications do these strands of literature have for fiscal federalism (section 3)? In conclusion, a number of recommendations are put forward so as to modernize fiscal, federalism theory (section 4).

2. The theory of fiscal federalism reconstructed

Although the 'theory of fiscal federalism' is often referred to as a comprehensive body of knowledge, that is not the case. The basic ideas can be found in Oates (1977) and almost every textbook on public finance lists a number of 'principles of fiscal federalism', often immediately followed by a discussion of the economics of intergovernmental transfers⁴. In a way this section of the paper is addressed to reconstructing fiscal federalism theory.

The theory of fiscal federalism makes use of Musgrave's fiscal functions. Musgrave (1959) distinguished between three different *fiscal functions* (or 'budget branches' as he called them): The function of allocation, the function of

² In this context, by state we do not necessarily mean nation-state.

³ Unfortunately the (Northamerican) term fiscal federalism is often –wrongfully- associated with a theory of fiscal decentralization within *federal* states. It is however that part of public finance that deals with matters of fiscal (de)centralization in general.

⁴ Like in Brown and Jackson (1990).

(re)distribution, and the function of stabilization⁵. Musgrave's functions have both normative contents (the government budget should fulfill these three functions) and positive or factual contents (every government budget, indeed every budget item, has an impact on allocation, distribution and stabilization). The normative starting point of fiscal federalism is that these fiscal functions should play an important part in –among other things– choices concerning the fiscal structure of government. These choices involve four different questions:

- a. which tasks should be in the domain of central government, and which in the domains of regional or local governments?
- b. should governments be financially autonomous, or should there be financial relations between governments?
- c. if there are to be financial relations, should there be upward or downward funding?
- d. which grants (block grants, specific grants) are most appropriate?

Which answers does the theory of fiscal federalism offer?

Centralization or decentralization?

Let us turn to the *stabilization function* first. This function implies that the government should use its budget, or in a broader sense all its fiscal capacities, in order to procure a stable economic growth. Fiscal decentralization is at odds with stabilization policy. After all, the effectiveness of stabilization policies will leave a lot to be desired, if there is a multitude of different governments.

A similar train of thought can be applied to the *function of (re)distribution*, where a national (re)distributional policy is likely to be thwarted by subnational governments, either directly by separate regional and/or local distributional policies, or indirectly by the distributional effects of other regional and local policies. One could argue that if a regional or local community has specific preferences on equity issues, it is better to leave redistribution to that community. However, even if these preferences are adequately registered in regional or local elections, there is always an incentive to leave the jurisdiction, for those households that will be worse off, as a result of the chosen redistributional policy. There will be an incentive for households in other jurisdictions, that are likely to profit from the chosen policy, to migrate into the community involved. If these movements of households indeed occur, that will render regional and local (re)distributional policies ineffective, which implies that –in the case of significant

⁵ By allocation we mean the allocation of different factors of production (labour, capital) to the production of different goods/services. Put in other words, the allocation of society's scarce resources between alternative (private as well as public) uses, in the most efficient way (Ott, 1993, p. 90). By (re)distribution we mean the (re)distribution among citizens of the different (public and private) goods/services that are available in a society (or the income to obtain them). By stabilization we mean the stabilization of the economic process, in terms of growth, inflation, employment et cetera.

mobility of households- redistributive policies can best be pursued by the highest levels of government (see also Quigley, 1997, p. 85).

That leaves the *allocation function*. From the normative perspective of fiscal federalism only the allocational aspect can justify the existence of subnational governments. Or as the founding-father of the theory of fiscal decentralization, Oates (1977, p. 5) has put it: “Decentralized choice in the public sector comes into its own in Musgrave’s allocation branch”. Suppose we have rival private goods that are publicly provided, like the –individual- instruction of foreign languages. If all households in a jurisdiction are to consume those goods at the same level and at a certain price, most of these households will suffer welfare losses. Losses, because the chosen level is either below, or above, their preferred level (at that price). In the former case they will feel restricted in their consumption; they want to have more language instruction, are even willing to pay for it, but are not allowed to. In the latter case, households will feel that they are forced to consume and pay for unwanted, units of goods. Of course, a central government must try to choose a level of output that minimalizes aggregate welfare losses, but some aggregate welfare loss will always result if preferences are not fully homogeneous⁶. The less disparity there is between preferences, the smaller the aggregate welfare loss will be. When preferences for publicly provided goods, are to some extent geographically determined, it makes sense to decentralize the provision of those goods, and to divide a heterogeneous population into smaller, but more homogeneous, groups.

This basic logic can be challenged and amended in a number of ways.

Firstly, notwithstanding those welfare enhancing properties of decentralization, economies in the scale of production may point in the direction of centralised provision. Of course, the reverse (decentralisation) holds, in the case of diseconomies in the scale of production.

Secondly, fiscal externalities are likely to occur. Decisions on taxing and spending in one jurisdiction will have an impact on the welfare of citizens in other jurisdictions, either directly or indirectly (i.e. through the expenditures and/or taxes of those governments in these particular jurisdictions). These fiscal externalities will be discussed below. For now, let it suffice to point out that fiscal externalities cannot occur within one comprehensive jurisdiction.

Thirdly, not all publicly provided goods are rival in consumption. Club goods are goods where congestion occurs, when the number of consumers increases, but where these consumers can also benefit from cost sharing, like in the case of a swimming pool. The optimal number of consumers (i.e. the optimal club size) is reached where the marginal congestion costs from consumption-sharing, equal the marginal benefits from cost-sharing. Congestion places a limit on the size of jurisdictions. Although the club goods model points to decentralization just as does the basic model. The club goods model shows that even with homogeneous groups, with identical demand, like a group of fervent swimmers, inefficiency can result if too little decentralization takes place, and jurisdictions are too large.

⁶ See Quigley (1997, pp. 86-88) for an elaboration.

Fourthly, although mobility of consumers is not essential to the decentralization model, mobility can make a difference. Only if preferences differ spatially does the division of a heterogeneous population, into smaller but more homogeneous groups, make sense. Sometimes the spatial element is inherent to the goods themselves. A flood barrage is relevant only to those people whose feet are kept dry. In other cases the goods as such have no special spatial characteristics, like with education, and some demand for some education can be expected in all jurisdictions. Decentralization then, does not necessarily lead to homogeneous groups; the preferences in the smaller groups will be just as scattered as in the larger population. Mobility can be seen as a device, in order to create communities with homogeneous preferences, when homogeneity of preferences is not geographically determined. If mobility is absent, heterogeneity will persist.

Lastly, there is paternalism. So far we have assumed that the preferences of citizens are sacred. However, national politicians can take the view that citizens overvalue some local goods (regional or local demerit goods), and undervalue other goods (regional or local merit goods). In that case decentralization so as to meet these faulty preferences is not a very plausible action.

In short, neither the stabilization function, nor the equity function, points towards decentralization. The overall improvement in allocational efficiency does, that resulting from decentralization. However, there are some centripal forces, like economies of scale, spill-overs and paternalism. On the other hand, the club goods model suggests that in some cases decentralization may not go far enough.

Fiscal autonomy or dependency?

Decentralization is at odds with effective stabilization and (re)distributive policies. Still, if there are subnational authorities, should they be fiscally autonomous or not?

From the perspective of *stabilization*, fiscal autonomy of local governments is not something for which to strive. In order for an overall stabilization policy to be effective, there are two alternative approaches. First, central government could try to co-ordinate the stabilization efforts at the central level, and those at the various regional and local levels. However, a counter-cyclical policy is prone to all kinds of information lags, decision lags and implementation lags anyway. They will only be aggravated if far-reaching coordination is needed. Secondly, then central government can make sure that the policies of subnational government are a-cyclical. This can be done by limiting regional and local taxation, to those taxes that are not cyclically sensitive. By limiting regional and local expenditure, to that expenditure which is not cyclically sensitive. By basing any grants from central government to regional and local government, on structural variables rather than variables that are cyclically sensitive.

This rather straightforward answer to the autonomy/dependency-question from the stabilization perspective, is in contrast to the diversity which is offered by the perspective of *(re)distribution*.

Different regional and local governments will produce different (levels of) goods. First of all, these differences can be traced back to differences in regional

and local preferences. This is exactly the kind of differentiation that must be appreciated from the allocational perspective. Secondly, differences in output can be the result of differences in cost. E.g. the costs of constructing roads depend heavily on the condition of the soil. The more costly the construction, the fewer roads that can be constructed, *ceteris paribus*. Thirdly, differences can occur as a result of differences in fiscal capacity. The fiscal capacity of regional or local government depends on the size of the overall tax base. Generally, jurisdictions with a relatively high income, per capita, have a larger tax base than jurisdictions with a relatively low income, per capita. Even if those citizens within a rich and/or within a poor jurisdiction, would prefer the same mix of publicly provided goods, a difference in the overall tax rate will occur. The difference of a relatively low rate in the rich jurisdiction, and a relatively high rate in the poor jurisdiction. If there would be perfect mobility, these differences in tax rates would probably dissipate⁷. If citizens with higher incomes are more mobile, as compared to citizens with lower incomes, i.e. because the former are less dependent on government services, mobility does not solve the problem, but only aggravates it.

How should central government deal with horizontal inequity? According to Goedhart (1975, p. 431) different levels of ambition can be distinguished:

1. a zero-level of ambition, in which case central government takes any horizontal inequity for granted⁸;
2. equalization of fiscal capacity (or *Ausgleich der Finanzkraft*) by grants⁹ from central governments, to poor regional and local governments, or by skimming off the tax revenues of rich regional and local governments¹⁰;
3. equalization of fiscal performance (or *Ausgleich der Finanzleistung*). This can be done by establishing certain minimum service levels, and by ensuring by a system of grants¹¹, that poorer regional and local governments are enabled to reach these minimum levels;
4. full equalization of the output of regional and local governments. Obviously, in that case these governments function as branch offices for central government, and there is no fiscal decentralization. It is clear that this is at odds with the allocation function, which makes up the rationale for subnational government.

⁷ Oates (1977, p. 5): "In the mobility model, horizontal equity is self-policing".

⁸ This level is not mentioned by Goedhart (1975). On the other hand Goedhart's final level of 'central paternalism' is excluded here, because in our opinion it does not add much value, and because paternalism must be regarded primarily as an allocational aspect.

⁹ With equalization of fiscal capacity these grants are lump sum transfers and are not earmarked for specific uses (block grants, unconditional grants, general purpose grants).

¹⁰ Another mechanism would be the use of central taxes that –as far as the geographical distribution of tax incidence is concerned– are the mirror-image of regional and local taxes, thus equalizing the total tax burden citizens in different jurisdictions have to bear. A similar measure is to make local taxes deductible from –for instance– national income tax.

¹¹ In the case of equalization of fiscal performance the grants should be earmarked for specific uses (categorical grants, specific grants).

In our fore-mentioned discussion of the *allocation function*, we also dealt with economies of scale, mobility, spill-overs, and paternalism. Given a basic choice for decentralization, these four aspects can be reasons for interference from central government, with regional and local government. This is obvious for the paternalism-argument, but let us elaborate on the three other arguments.

The economies-of-scale-argument can be applied to the expenditure side as well as to the revenue side of the budget. Applied to the expenditure side, the argument results in the provision by central government of certain goods, or the provision of semi-manufactured products (like blank driving licences and passports), by central government to subnational governments. Applied to the revenue-side of the budget, it can lead to 'piggy backing' or joint taxation, where the same object is taxed by central and regional and/or local government¹².

Insufficient mobility may be another reason for central interference. In order to protect non-mobile minorities of consumers in jurisdictions, central government may establish that subnational governments offer a certain minimum diversity of output.

Another well-known argument for central interference is the existence of spill-overs. Spill-overs are negative, or positive externalities, from one jurisdiction to another. The presence of a theatre in a city, is a positive feature for the citizens of neighbouring jurisdictions. It is not likely that these benefits will enter the decision-making process in the central jurisdiction. Taking into account the full costs of that theatre, only a part of those benefits will lead to less theatre performances than is socially desirable. In the case of negative spill-overs, like pollution or crime, there will be over-production. More generally, interjurisdictional fiscal externalities occur when a government's tax and expenditure decisions affect the well being of taxpayers in other jurisdictions, either directly, by changing their consumer or producer prices, or their public goods provisions, or indirectly by altering the tax revenues or expenditures of other governments (Dahlby, 1996, p. 398). Direct fiscal externalities affect the utility functions of non-residents; indirect externalities affect the budget constraints of other governments. Fiscal externalities can be vertical as well as horizontal. In the former case both a lower and a higher-level government are involved. In the latter case governments are at the same level. Vertical externalities are always indirect, since direct vertical externalities would involve the same set of residents. Horizontal externalities are either direct or indirect¹³.

In principle, externalities can be prevented, as well as internalized. With prevention the externalities do not take place, with internalization they do take place but the distorting effects are countered. Horizontal fiscal externalities can be prevented and internalized horizontally as well as vertically¹⁴. In the latter case, higher-level government interferes. In the example of positive spill-overs resulting

¹² Joint taxation should not be confused by tax sharing. Joint taxation is concerned with tax base sharing (and often joint collection), whereas tax sharing refers to upward respectively downward grants financed by the revenues of subnational respectively central taxes.

¹³ See Groenendijk (1999) for a further discussion of (tax) externalities.

¹⁴ Vertical externalities can only be prevented and internalised vertically.

from theatre activities, central government could tax the residents of neighbouring jurisdictions, and use those revenues to supply the principal city (where the theatre is situated) with additional resources. Of course, if theatre activities are provided centrally, no externalities would occur, which is why the afore-mentioned spillovers were indicated, as being one of those factors which point to centralisation.

Upward or downward funding?

If there are to be financial relations between different levels of government, which way should the financial transfers go, upwards or downwards?

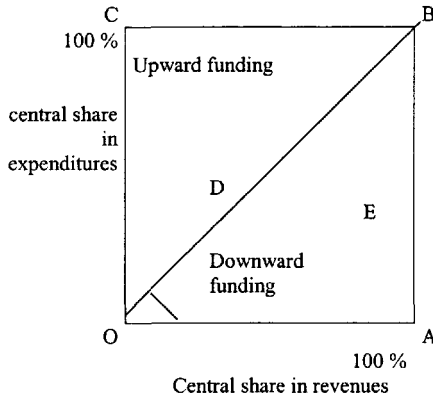
In some cases it is clear that downward funding is called for. If central government wants to equalize the financial performance of subnational governments, it should provide grants to those governments having a substandard performance. The same goes for full equalization of regional and/or local output. The equalization of fiscal strength, however, can lead to both upward transfers (if the revenues of rich jurisdictions are skimmed off), and downward transfers, so as to support poor jurisdictions.

The internalization of horizontal negative externalities by central government can also lead to both an upward transfer (from the regional or local government that causes the externality), and a downward transfer from central government, to the regional or local government that suffers a welfare loss as a result of the externality. The same goes for the internalization of vertical externalities. Paternalism also can lead to both upward transfers (if central government wants to discourage the provision of regional and local demerit goods), and downward transfers (to encourage the production of merit goods).

In principal, with stabilization, the co-ordination approach does not involve any transfers. Within the other approach, in which regional and local public finances are made a-cyclical, the possibilities of these governments in order to raise revenues are often limited (to cyclically insensitive revenues). They may therefore be insufficient, making downward transfers necessary.

Boadway and Keen (1996) claim that it is a common feature of federations, and of most unitary states, that there is a positive fiscal gap. A positive fiscal gap means that higher levels of government collect more revenues than they need for their own expenditure, and transfer funds to lower levels¹⁵. If the fiscal gap is negative, central government raises less revenue than it needs, resulting in funding of central government by subcentral levels of government.

¹⁵ Boadway and Keen focus on the overall balance of transfers.

Figure 1: The production-revenue space

To illustrate this, figure 1 shows the so-called production-revenue space¹⁶. Along the horizontal axis, the share of central government in total government revenues is plotted; along the vertical axis, the share of central government in total government expenditure. These two shares can be thought of as two dimensions of (de)centralization. The further away from the origin O, that a combination of revenue-share and expenditure-share lies, the more centralized a state is.

A 45°-line is drawn from the origin O to point B. On this line lie all the points with an equal revenue-share and expenditure-share for central government. In that case there are neither upward nor downward intergovernmental transfers. The upper-left triangle represents upward funding, the lower-right triangle downward funding. O, A, B and C stand for four different 'pure'¹⁷ types of fiscal structure (Steunenberg and Mol, 1996, p. 7):

- in O there is full decentralization, without any central government;
- in B there is full centralization, without subnational governments;
- in A there is central taxation with local production (maximum downward funding);
- in C there is central production and local taxation (maximum upward funding).

Block grants or specific grants?

With downward transfers, what grants are superior, block grants (non-earmarked or non-conditional grants) or specific (earmarked or conditional) grants?

¹⁶ Used also by Steunenberg and Mol (1996), but amended with the idea of upward and downward funding.

¹⁷ For all other cases, like D and E: The degree of centralization can be conceived as the standardized Euclidian distance of a point the origin O. The degree of upward or downward funding can be read as the length of the perpendicular line set up on line OB, to the point at hand.

In general block grants are superior because they do not have an excess burden; they do not distort the relative prices of the various goods provided by regional and local government. However, in some instances central government explicitly wants to influence these prices, as with demerit and merit goods, but also when central government sets minimum service levels (equalization of fiscal performance).

The actual design of transfers is more complicated than the distinction block-specific suggests, because there are two other features involved. First, grants can be open or closed-ended. With an open-ended grant the amount of money associated with that grant is not fixed, as it is with a closed-ended grant. Secondly, there are matching grants (where the recipient of that grant must also contribute to the expenditure) and non-matching grants (where no co-financing is required). Matching/non-matching is only relevant in the case of conditional grants. Non-conditional grants must always be closed-ended; non-matching, open-ended grants do not exist. In short there are two main types of grants:

1. unconditional grants (non-earmarked grants, block grants, sometimes called revenue-sharing);
2. conditional grants (earmarked grants, specific grants).

Within the latter category we can make a further distinction:

- 2a. matching grants, open-ended;
- 2b. matching grants, closed-ended;
- 2c. non-matching grants (always closed-ended).

Recapitulation

Table 2 offers a recapitulation of our reconstruction of fiscal federalism theory. In the first column the three basic functions are put, broken up into several arguments. The second column deals with the first question: decentralization or not? This question is answered in detail for the allocation function, and in general, for the two other functions. In the next column it is supposed that there is, to some extent, decentralization within government; the column deals with the question of fiscal autonomy. The fourth column is relevant only to those arguments that involve fiscal dependency, and refers to the direction of intergovernmental transfers (upward or downward?). The last column deals with downward funding only, and with the type of grants involved: earmarked or not?

Table 2: Recapitulation

Function/ argument	Centralization or decentralization ?	Given some extent of decentralization: fiscal autonomy or dependency?	Dependency: upward or downward transfers?	Downward funding: block grants or specific grants?
<i>Allocation</i>	<i>Decentralization, with some centripal forces</i>			
Overall allocational efficiency	Decentralization	Autonomy	-	-
Economies of scale resp. diseconomies	Centralization resp. Decentralization	Dependency resp. autonomy	-	-
Club goods	Decentralization	Autonomy	-	-
Fiscal externalities (vertical, horizontal)	Centralization	Dependency	Upward and/or downward	Block grants
Mobility	Decentralization	If imperfect: dependency	Downward	Specific grants
Paternalism	Centralization	Dependency	Upward and/or downward	Specific grants
<i>Stabilization</i>	<i>Centralization</i>			
Co-ordination of anti-cyclical policies	-	Dependency, due to co-ordination	In principle: no transfers needed	-
A-cyclical regional and local public finances	-	Dependency	Upward and/or downward	Block grants
<i>(Re)distribution</i>	<i>Centralization</i>			
Zero-level ambition	-	Autonomy	-	-
Equalization of fiscal capacity	-	Dependency	Upward and downward	Block grants
Equalization of fiscal performance	-	Dependency	Downward	Specific grants
Full equalization	-	Dependency	Downward	Specific grants

Shortcomings and unresolved issues

The main shortcoming of fiscal federalism's theory, is that it is a set of normative lines of reasoning. For each and every relevant aspect, a plausible argument can be made, for how that aspect should be incorporated into the fiscal structure of states. However, the theory is not geared to choose from, or weigh, these different plausible arguments.

Quigley (1997, pp. 95-100) has put forward a number of unresolved issues, in deciding on the appropriate level of decentralization in practical circumstances. Two of which will be discussed here, namely the tax assignment problem, and the issue of single- versus multi-purpose governments, in order to illustrate our point.

First, the tax assignment problem: which tax base should be exploited, and by which level of government? Fiscal federalism theory suggests that overall allocational efficiency is enhanced when governments apply the benefit principle, when they choose taxes that meet with their own expenditure, and in some way correspond with the expenditure programs at hand. However, from the stabilization perspective, it is best to have cyclically insensitive tax bases on the subnational level, and –from the perspective of distribution- to leave income taxes to central government¹⁸. Also, joint taxation and revenue sharing may be considered to be taking advantage of economies of scale, those in tax collection. These various objectives may conflict, and different levels of government may attach different significance to those objectives. That explains the variety in regional and local tax systems, and in tax autonomy at the level of subcentral government throughout Western Europe¹⁹.

Secondly, there is the issue of government design. The question here is whether geographical differentiation of provision of goods necessarily implies decentralization in terms of government. Each of those goods will have different characteristics across the population, as far as the distribution of preferences is concerned. In order to create the most homogeneous subgroups, the differentiation should take a different form in each and every case, leading to a multitude of overlapping, single-purpose, regional and local governments. Such single-purpose governments, which result from simultaneous production of a number of goods, are not able to profit from economies of scope. Moreover single-purpose governments are thought to be more prone to Niskanen-problems like asymmetrical information and overproduction (Borge, 1996). An alternative design is that of non-overlapping multi-purpose governments, that provide a number of goods, and can make use of economies of scope. The size of which does not fully correspond with the optimal size, for the provision of all those single goods involved. In real life, multiple overlapping single-purpose governments, and single non-overlapping multi-purpose governments, exist next to each other.

3. Governance models and fiscal federalism

In this section we first briefly discuss the multi-level governance model, followed by policy networks and network governance. We will not discuss the background of these models here²⁰. Then, for the three different levels previously

¹⁸ A number of guiding principles have been put forward by Bahl and Linn (mentioned in Quigley, 1997, p. 96), but it seems to us that these are more general principles of taxation rather than specific tax *assignment* principles.

¹⁹ See OECD (1999) for some comparative data.

²⁰ See for instance Bache (1998, ch. 1) and Börzel (1998).

mentioned, the possible implications of these contemporary governance models for fiscal federalism theory, are dealt with.

Multi-level governance

As was already mentioned in the introductory section, one of the essential elements of the multi-level governance model is that decision-making competencies are shared by actors at different government levels rather than monopolized by state executives (Marks, Hooghe and Blank, 1996, p. 346). In this characterization two things stand out.

First, competencies are shared, but how? Scharpf (2001) has put forward four different modes: mutual adjustment, intergovernmental negotiations, hierarchical direction, and joint decisions²¹. Suppose A is a supranational institution, B and C are national governments, and D and E are regional or local governments (within B). Scharpf focuses on the vertical relationship between European government (A) and national levels of government (B and C), but he claims these concepts are useful for the analysis of subnational, national, and transnational institutions as well (2001, p. 20). Let us have a closer, but more general look, at Scharpf's modes.

With *mutual adjustment*, governments pursue their own policies, but they do so in response to, or in anticipation of, the policy choices of other governments. In this mode systems competition (tax competition and regulatory competition) are likely to occur. This mode is relevant to vertical relationships (like A-B and B-E), as well as horizontal relationships (like B-C and D-E). *Intergovernmental negotiations* are the second mode of interaction. Policies are coordinated or standardized by agreements between governments, but these governments remain in full control of the decision process. They cannot be bound without consent. As with mutual adjustment, this mode is relevant to both vertical and horizontal relationships. The third mode is *hierarchical direction*. Of course, this mode refers to vertical relationships only. Competencies are centralized and exercised without the participation of other governments. Government A simply sets a policy that is a *fait accompli* for B, C, D and E. Or government B sets a policy for D and E. The fourth mode, of *joint decisions*, combines aspects of intergovernmental negotiations and hierarchical direction. Governments negotiate on decisions that are then implemented, using directives.

Secondly, in the characterization of multi-level governance by Mark, Hooghe and Blank, decision-making competencies are stressed. Decision-making is central to Scharpf's modes as well. Does that mean that multi-level governance is only relevant to the decision-making part of the policy process? No. According to Marks, Hooghe and Blank (1996, p. 365) multi-level governance is prominent in the policy implementation stage as well. This argument is stressed by Bache (1998, p. 27/28), and illustrated by Borrás (1998), who has shown that the Cohesion Fund may appear to be 'state-centred', compared to other parts of the structural and cohesion policies, but in reality (i.e. in its implementation) can be

²¹ Scharpf locates the open method of policy co-ordination somewhere between the mode of mutual adjustment and intergovernmental negotiations (2001, p. 18).

characterized as multi-level governance. In other words: it is important to have a closer look at different stages of the policy process, to see to what extent there is multi-level governance.

An element that is not always explicitly put forward, as being a part of multi-level governance, is that of conflict over competencies and of contest for resources. That a system of co-decision making across several nested tiers of government, with ill-defined and shifting spheres of competence, can create a potential for conflicts about competences, and can bring about an ongoing search for principles of decisional distribution to be applied, was already mentioned by Marks (1993, p. 407). Boland (1999), following Lloyd and Meegan, has argued that the idea of contested governance, in which governance is a multi-dimensional contest over power, resources and accountability, is highly relevant to multi-level governance, and has introduced the term contested multi-level governance. Applying this idea in an analysis of the implementation of EU structural policies in Merseyside, Boland shows that access to funding becomes essential to all actors involved, and that the allocation of resources is characterized by the principle of take (Boland, 1999, p. 651). Because of the asymmetric power relations between the big players (the 'professional money chasers') and the marginal players (local communities), the former are more successful. Boland (1999, p. 656) seems to suggest that block grants to local communities may be useful in countering inequity, in access to resources in a multi-level setting, in other words in creating a level playing field for multi-level governance.

Policy networks and network governance

By a policy network in general we understand –following Börzel– a set of relatively stable, non-hierarchical and interdependent relationships linking a variety of actors who share common interests with regard to a policy and who exchange resources to pursue these interests acknowledging that co-operation is the best way to achieve common goals (Börzel, 1998, p. 254). She distinguishes between policy networks as a typology of interest intermediation (hereafter: policy networks) and policy networks as a specific form of governance (hereafter: network governance). According to Börzel, the concept of policy networks can be applied to all kinds of relations between public and private sectors. Network governance however, she argues, is a specific form of public-private interaction in public policy, based on non-hierarchical co-ordination, opposed to hierarchy and market as two inherently distinct modes of governance (Börzel, 1998, p. 255). In our view, too much is made of policy networks, to push them forward as a third and alternative form of governance structure. Mainly, the concept of governance structure is mixed up with that of an economic allocation mechanism. The governance problem is not that of choosing between alternative uses of resources under scarcity, but to bring about efficient, effective and legitimate public policies. In that sense, the market was never a governance structure to begin with; the market is an allocation mechanism that uses prices. Hierarchy (or: the budget mechanism) is the other allocation mechanism, based on authority (for instance authority of politicians based on democratic elections). In the pursuit of efficient, effective and legitimate policies, government (which is the institution responsible

for the employment of the budget mechanism) has to co-ordinate the actions of different actors, from its own sphere as well as from the private sector. This 'co-ordination' may then be based on both hierarchical and non-hierarchical relations. If the non-hierarchical are stable, actors are interdependent, resources are exchanged or pooled etc., we can speak of a policy network. In that network actors make their own decisions on allocation (one party uses budgets, the other uses prices), and these decisions are obviously linked, but that does not create a third allocation mechanism.

What *is* relevant then, in policy networks? Obviously, the policy network literature points out the importance of public and private actors, and their relations. In fact, it does so more clearly than the multi-level governance literature, which tends to focus on governments levels. Moreover, the whole concept of networks emphasizes the importance of multi-lateral relations, instead of bilateral or dyadic relations. Lastly, there is the element of resource exchange, resource sharing and resource distribution within networks.

Governance theories and fiscal federalism theory

There are three different levels on which new governance theories can have an impact on fiscal federalism theory.

The first, and most fundamental level, is that of *the basic assumptions and the range of the theory*. Are Musgrave's functions still relevant? Should fiscal federalism theory include public-private relations? The second level is that of *fiscal federalism theory as a theory of multi-level government*. Is it adequate? Do the various lines of reasoning cover all that is relevant, or should the theory be amended? The third level is concerned with *the application of fiscal federalism theory*. Given a shift in policy-making competencies between governments, we should expect changes to occur, in actual fiscal structures. For instance: more upward funding to the European Union, more tax autonomy for regional and local government.

The application of fiscal federalism theory

Let us start with the third level. If multi-level governance is not only a theoretical concept, but an empirical fact as well, what would the impact be on actual fiscal structures in terms of (de)centralization, autonomy/dependency and upward/downward funding?

To start with, multi-level governance implies that policy-making competencies are transferred from the nation-state level to the European level, and the regional and/or local level: centralization on the one hand, and decentralization on the other hand.

Centralization is clearly visible throughout the European Union, especially when we adapt a long-term framework. It is not all clear however from the governance literature what has brought about that transfer. The explanation given by Marks, Hooghe and Blank (1996) focuses on those benefits that key actors at the national level derive from centralization, and the possible pressures they face. An explanation that is more in line with fiscal federalism theory is that given by

Scharpf (2001), who argues that in order to tackle the problem of systems competition which occurs when governments use the mode of mutual adjustment of policies, they will have to switch over to more centralized modes.

If we run through table 2 again, the following observations can be made, regarding fiscal federalism within the EU²²:

- as far as the basic functions are concerned, EU-wide stabilization policy has become more important as a result of monetary union. In the EU, centralization has taken the shape of co-ordination of fiscal policies, by the use of the Stability & Growth Pact, and the Broad Economic Policy Guidelines;
- from the EU perspective distributional policies are still decentralized (i.e. in hands of nation-states). Some redistribution takes place on this level as a result of differences in the incidence of the EU-budget. Some member states are net contributors, and others are net receivers;
- the EU is involved actively in diminishing horizontal inequity between regions within the EU. The level of ambition is that of equalization (or: convergence) of fiscal capacity rather than performance;
- the allocational perspective is captured in the *subsidaire* principle. Decentralization is the rule, centralization is called for in the case of economies of scale, and when horizontal fiscal externalities cannot be prevented, or internalized, by horizontal co-ordination.
- Central prevention of horizontal tax externalities, for instance, is essential to the Code of Conduct, on harmful business taxation. Diseconomies of scale (bureaucracy costs) can stand in the way of centralization;
- mobility (especially of labour) is becoming an issue of concern (seen as an externality?), and it is not seen as an allocation enhancing mechanism;
- paternalism of the EU, vis-à-vis member states, does not seem to be a relevant issue;
- according to fiscal federalism theory we can expect some downward transfers from the EU to member states or regions, as a consequence of the EU's involvement in regional policies. However, there should hardly be any reason why the EU, as well as its member states, should not be fiscally autonomous, that is why the two levels should not raise their own revenue in order to cover their own expenditure. In reality, the EU has no power to tax, and there is upward funding from the member states to the EU. Of course, one could argue that especially the increasingly important GNP-contributions are indeed 'taxes' as they resemble income taxation.

²² In our reasoning here the EU is the central government, national states are 'subnational'.

All in all, the shift in policy-making competencies from nation-states to the EU, that is an essential part of multi-level governance, has materialized fiscally in a way that is reasonably consistent with fiscal federalism theory.

As far as the other shift is concerned (decentralization within member states), things are far more obscure. Empirical research is called for, to see to what extent decentralization has indeed taken place, and how possible changes can be underpinned by fiscal federalism theory. Moreover, in our view the multi-level governance theory is insufficient, in explaining why centralization to the EU, and decentralization within member states, should go hand in hand. Apart from the indirect argument that the EU's structural policies deal with regional and local governments. It seems to us that most of the arguments that explain centralization within the EU, are at odds with decentralization within member states. For instance, if stabilization policy is increasingly co-ordinated at the EU-level, we would expect the pressure to comply with that co-ordination so as to seep through within member states. In the Netherlands for instance monetary union was one of the motives to introduce a new act (the *Wet FIDO*), on decentral governments' financing operations.

Fiscal federalism theory as a theory of multi-level government

Fiscal federalism theory is a multi-level government theory par excellence. As was argued earlier, the main shortcoming of the theory of fiscal federalism is that it is a set of normative lines of reasoning, which are hardly connected, and which can be embraced or rejected as one pleases. Different governments will stress different aspects. The two unresolved issues that were discussed, the tax assignment problem and the issue of single- versus multi-purpose governments, are of course very relevant multi-level government problems.

Basic assumptions and range

Is fiscal federalism adequate as a governance theory? In table 3 the basic elements of the two are compared. It is clear that fiscal federalism is deficient as a governance theory.

Table 3: Range of theory and basic assumptions

	Fiscal federalism theory	Governance theories
Actors involved	Government actors	Government and private actors
Nature of relations between actors	Bilateral Hierarchical relations	Bilateral and multilateral Hierarchical and non-hierarchical
Production of policies	Division of policies (solo-performances)	Co-production of policies

The theory of fiscal federalism assumes a well-defined boundary between private and public sector (and consequently focuses on the public sector), as well as a well-defined division of tasks between various levels of government. Because

property rights in the policy arena are no longer well defined (to give a very brief characteristic of multi-level and multi-actor governance), tasks and responsibilities within the public sector, and between the public and private sector, have become dispersed.

What fiscal federalism is lacking then, is an explicit link with general public, finance theory on the functions of government vis-à-vis the private sector. It has been argued by Andersson, Hårsman and Quigley (1997, p. 1) that some restructuring of the theory of public expenditure, taxation and bureaucratic organization, as they call it, is necessary. They have put aside Musgrave's three classic government functions, and introduced a new set of three functions for government:

- redistribution of purchasing power;
- reduction of public risks;
- provision of infrastructure for development and sustainability.

Without discussing the merits of these functions here, it is obvious that these functions have a completely different impact on governance issues (but also on multi-level government issues) than the classic functions.

A second shortcoming of fiscal federalism as a governance theory is the lack of attention for non-hierarchical, multilateral relations, within the public sector as well as between public and private actors. A link should be established here with literature on public-private partnerships, of which resource exchange and risk-division, are the key concepts.

Finally, and building on that, although the relations within policy networks are non-hierarchical, and although in principal any public actor is one among the many, it is important to define a role for (central) government parties within policy networks. Two roles spring to mind. First, the role of conductor²³, and secondly that of referee, creating a level playing field for all those actors involved.

4. Conclusions

In this document we have put forward a reconstruction of fiscal federalism theory. Such a reconstruction was necessary, since the theory is not a comprehensive body of knowledge. Of course, by definition, our reconstruction is, therefore, contestable.

We then discussed fiscal federalism and governance theories on three levels.

On the level of the *actual changes in fiscal relations within the EU*, we found that the shift in policy-making competencies from nation-states to the EU, that is an essential part of multi-level governance, has materialized fiscally in a way that is reasonably consistent with fiscal federalism theory. As far as the other shift is concerned (decentralization within member states), empirical research is called

²³ Mabbett & Bolderson (1998) also draw attention to concertation as an important aspect within multi-level governance.

for, as well as research on the theoretical level to explain why centralization to the EU, and decentralization within member states, should go hand in hand. Most of the arguments that explain centralization within the EU, are at odds with decentralization within member states.

On the level of *fiscal federalism as a multi-level government theory*, we found that fiscal federalism theory is a set of normative lines of reasoning, which can be embraced or rejected as one pleases, and that different governments are likely to stress different aspects. That main shortcoming was illustrated by discussing the tax assignment problem, and the issue of single- versus multi-purpose governments. Besides these considerable drawbacks, it can be argued that fiscal federalism theory is a multi-level government theory par excellence.

However, on the third level, *fiscal federalism as a governance theory*, it can be concluded that fiscal federalism is far from a fiscal governance theory. In order to become a governance theory, more attention should be paid to the general public finance theory on the functions of government vis-à-vis the private sector, and to a possible redefinition of government functions within the economy. Also a link should be established with literature on public-private partnerships, of which resource exchange and risk-division are the key concepts. Finally, it is important to define a role for (central) government parties within policy networks, like that of conductor, or that of referee, creating a level playing field for all actors involved. It is in these directions that we point for further research.

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Emerging Practices in Network Management at Local Levels in Europe

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The purpose of this chapter is to provide a conceptual framework for “developing local governance networks in Europe”. It attempts to explain the present popularity of networks, networking and network management in public, voluntary and private sectors and also provides some key definitions of local governance and local governance networks. Last but not least, we map out some key emerging issues in local governance networks. The chapter draws from examples provided by the case studies and comparative papers in our book on ‘Developing Local Governance Networks in Europe’ which was published by Nomos Publishers in April 2002.

Why the concern with local governance networks now?

In the early eighties, budget deficits were a major motive for local government reforms – regardless of whether they were imposed by national government or initiated by local authorities themselves. Municipalities often suffered from severe financial pressures, due to unstable tax incomes and rising demands for municipal services. However, since that time, many local authorities have achieved more favourable budget positions. While local services still need to be managed in an economic and efficient way, the financial driver for managerial reforms has become weaker.

However, other external challenges have emerged to drive reforms at the local level, typically in a different direction to the managerial reforms in the 1980s and 1990s. Local areas face a number of new challenges at the beginning of the 21st century:

- Municipalities increasingly have to make pro-active responses to *positive economic opportunities* as well as to react defensively to *negative economic pressures*. In the age of globalisation and localisation, municipalities have an important and difficult role as an economic player. The challenge for local authorities is to position themselves within a volatile global economy, which makes for even more instability at local level than in the national economy. In many cases, the national level has

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transferred responsibilities in the domain of economic policies to the local level.

Box 1: The Blarney strategic plan for sustainable development

The Irish village of Blarney in the south of the County Cork initiated a strategic planning process in 1994 in order to foster its economic success and to deal with a number of structural economic problems. In particular, the village had been split into a residential nucleus with few leisure facilities and a tourist area with congestion problems.

The strategic plan had three objectives:

- To ensure the village's progress into the future
- To address and solve the village's operational difficulties so that tourism did not strangle the village
- To sustain the environmental and social qualities of the village in the future

The strategic planning initiative of Blarney shows that even little villages have to deal with economic challenges in a proactive way if they want to sustain economic success in the future.

Source: Quinlivan (2002), chapter 8, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

- Furthermore, the public sector has to deal *with new sets of expectations from the citizens in their locality*. In general, citizens are better informed and educated than before. Since local authorities are closer to the citizen than other levels of government, this impacts especially on them. However, this does not necessarily lead to crises of public and civic institutions. As Klages (2000:7) points out, crises only exist because public organisations are not willing to react to changes in values and behaviours. One important dimension in which local authorities need to change is to create possibilities for citizens to participate effectively in local matters.

Box 2: Responding to changing citizens' expectations on the Aegean Islands in Greece

The Greek Ministry of Public Administration and Decentralisation has taken a new approach towards reform of public service delivery in the Aegean Islands. This approach takes into account the particular traditions of the Greek islands as well as the low economies of scale for services on small islands. The ASTERIAS programme consists of "Citizen's Bureaux" which use local employees from the islands and respect the typical vernacular architecture on each island. They try to encourage the island population to become "internet literate" by providing free internet access for every citizen. This is very important for the island population which often lives in remote areas with difficult physical access to public services. The Citizen's Bureaux have also integrated front-line services and act as a one-stop shop for the citizens of the islands.

Source: Panagiotis and Moustakatou (2002), chapter 14, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

- *The availability of modern ICT* offers new approaches to information management, consultation processes and service delivery at local and other levels of government. The potential for application of e-government is nowhere greater than at local level, given the multiple direct interactions between local

authorities and their local stakeholders. However, local authorities are also confronted more directly than other public sector agencies with the “digital divide” dilemma. Thus, local authorities have to balance the equity and cost implications of traditional versus electronic service delivery and communication policies.

Box 3: New patterns of communication in the Italian City Modena

In Italy, the City of Modena saw new ICTs as providing an opportunity to improve internal efficiency but also as an instrument to strengthen relationships with external stakeholders. The Modena initiative on so-called ‘electronic civic networks’ is characterised by an integrated and participatory approach. For example, non-profit associations and schools have been offered their own sites on the internet free of charge. Two very successful e-networks have been *StradaNove* - www.stradanove.net - an electronic weekly magazine for young people which also offers consulting services on issues such as relationships, sex, drugs, jobs, etc. – and *Music Plus* (see <http://www.musicplus.net>) which offers a range of counselling and advisory services to young music amateurs and professionals. The latter has also enabled more intensive contact between the music industry and young musicians and technicians, as the sector increasingly uses *Music Plus* to recruit new labour.

Source: Mele and Forghieri (2002), chapter 11, in *Developing Local Governance Networks in Europe*, Nomos Publishers, Baden-Baden.

- Furthermore, *demographic changes* in OECD countries affect local authorities both as employer and service provider. The ageing society implies a higher demand for social services, which are now the responsibility of local authorities in most OECD countries. At the same time, local authorities have to compete with other public, non-profit and private employers in the market for skilled and motivated labour. This is usually made more difficult by the fact that salary levels at local levels of government are lower than at national levels, and, in many cases, in the private sector. Local authorities are therefore challenged to find and to afford non-monetary incentives to recruit and sustain high performing employees.

Box 4: Demographic challenges in rural areas – the case of Rovaniemi in Finland

The rural municipality of Rovaniemi is located in Northern Finland near the Arctic Circle. The population of 21,919 is spread over an area of 7,913 sq. km. The distance between the farthest villages of Rovaniemi is about 120 km. The main demographic challenge to Rovaniemi is the migration of the labour force to the urban areas in Finland.

As a result, it was necessary to find new ways to service delivery. The municipality of Rovaniemi encouraged the establishment of an Area Committee between nine villages which had previously been competitive rather than collaborative in relationships with each other. The main objective of the Area Committee was to strengthen neighbourhoods, create job opportunities and improve the quality of public services in its area.

One of its activities was to merge the provision of day care for small children between the nine villages. This required partnership budgeting and joint HRM arrangements between the villages as well as co-ordination with the municipality of Rovaniemi. Even though some parents are not so happy with the new arrangements, complaining partly about inadequate consultation, the new service provision is much more efficient than previous arrangements.

Source: Tarja Saarelainen and Irma Komulainen (2002), chapter 6, in: *Developing Local Governance Networks in Europe*, Nomos Publishers, Baden-Baden.

A consistent thread through these points is that various units within organisations, or organisations from different sectors, have been driven to coordinate or to cooperate or to integrate in order to solve common problems. It seems that today's "wicked" problems can no longer be solved by a single actor, organisational unit or organisation. They clearly transcend formal organisational boundaries, and in some cases, even sectoral borders, and require a multi-stakeholder approach.

Of course, the set of challenges described above developed gradually rather than overnight. Indeed, many of today's wicked problems are yesterday's unresolved problems. Also, in many cases, fiscal pressures have persisted and have been mixed with the new demands on local communities. Which pressures are dominant and which are less relevant depends essentially on the setting (Bogason, 2000: 21). As local contexts become more differentiated in the future, the variety of local governance reforms may well be greater than in the "New Public Management" (NPM) era.

But what is local governance? And how does it relate to network management? Even though both terms are currently very fashionable in various contexts there is still a lot of confusion about meanings and inter-relationships. In the following, we give our tentative answers to these questions. Needless to say, other authors in this book may not agree with our definitions. Some have essentially a more narrow view of local governance, while others conceive of it in even broader terms.

What is local governance?

In one of the small group sessions of the Study Group on Local Governance at the Annual EGPA Conference in Vaasa, Finland, a comprehensive definition emerged which builds on a previous definition by Bovaird and Löffler (2002a) suggested by the chairmen. We believe that local governance may be defined as:

"the set of formal and informal rules, structures and processes by which local stakeholders collectively solve their problems and meet societal needs. This process is inclusive because each local stakeholder brings important qualities, abilities and resources. In this process it is critical to build and maintain trust, commitment and a system of bargaining".

Expressed rather casually, public governance is about "getting institutions right". This not only involves constitutional and legal frameworks, but also uncodified norms of behaviour such as attitudes and beliefs. The selection of the appropriate mix of structures, such as hierarchies, markets and networks, is also part of the process of institution-building. Whereas in NPM there was a lot of attention on inputs, outputs and outcomes, public governance pays a lot of attention to the ownership of and participation in decision-making processes. In other words, the current public governance debate places a new emphasis on the old truth, that processes do matter.

As the definition above shows, public governance also involves multiple stakeholders. Not only public agencies but also non-governmental stakeholders such as business and the media have leverage upon the way in which the rules of

the game are formulated and how it is played. They also contribute to the quality of life in a local area and to the overall welfare of local communities, through their interactions with other stakeholders.

We assume that in general local governance involves six groups of stakeholders:

- i) Citizens - as individuals.
- ii) Voluntary sector, including trade unions, political parties and community organisations
- iii) Business
- iv) Media
- v) Higher levels of government/Parliament, including international levels
- vi) Local authorities

Clearly, from this definition, local governance requires more than just local government. It is also evident that local governance goes well beyond the management of service delivery.

Table 1: Local authorities as service providers and “community developers”

Functioning of the local authority	Developing good local governance
Serving the community by producing policies, services and knowledge “service provider”	Enabling the community to plan and manage its own affairs “community developer”
Improving the internal efficiency of local authorities	Improving the external effectiveness of local authorities
Increasing user satisfaction of local services	Building public trust in local government through transparent processes and accountability and through democratic dialogue

Source: Bovaird and Löffler, 2002b

The difference between a managerial and a governance approach may be illustrated using the example of clean cities. Whereas NPM-oriented change, agents tend to focus their efforts on improving street cleaning and refuse collection services, a local governance approach emphasises the role of citizens in respecting the communal desire that no-one should throw litter on the streets in the first place, and that materials should be recycled, not simply thrown away. This involves education, not only in the schools, since “litter-bugs” come in all sizes and at all ages, advertising campaigns, encouragement of people to show their disgust when dirty behaviour occurs. The provision of proper waste facilities, including those for dog waste, which will help to prevent litter and dog-fouling problems occurring in the first place.

It is also important to stress that local governance is not equivalent to networking. Even though network management is an important aspect of local governance, there are also other governance mechanisms which remain significant in the public, private and voluntary sectors. In particular, these are (see Pierre and Peters, 2000: 14-26):

- hierarchies
- markets
- communities.

This means that governance not only involves co-operation, but also competition and conflict management. The key governance issue is not how to network, but which governance mechanism is appropriate, in which context.

In brief, governance constitutes a new paradigm of how to solve common problems and to create win-win situations for all stakeholders. It does not replace NPM but it addresses the limitations of a one-sided business-derived approach to the public sector. However, just as NPM is not a recipe for all seasons, governance also, does not provide an answer to all current challenges to the public sector. For example, some local problems can only be tackled if state bodies are prepared to raise the levels of expenditure on that problem, which may well mean an associated increase in taxes.

The following section will illustrate some “wicked” problems at the local level, and the contributions of local governance networks to solving these problems.

Some key issues in developing local governance networks in Europe

The role of local authorities local governance networks

If local governance goes beyond local government does this mean that local authorities no longer have an important role to play in local politics and service delivery? Or as the public governance experts Jon Pierre and Guy Peters (2000) ask provocatively: “Does local government still matter”?

Again, we believe that such questions are misguided as they consider governance issues out of context. More meaningful governance questions would rather be: When does local government still matter? What functions could local authorities share with other stakeholders?

The case studies in this book show that local authorities still have a very powerful problem-solving capacity with regard to some issues in some contexts.

Box 5: Local authorities as proactive players in strategic planning

In the Irish village of Blarney, the City Council was a driving force of the strategic planning initiative. Even though a wide variety of stakeholders was involved in the process, the City Council took the initiative and also secured financial resources to draw in expert knowledge for producing draft plans.

Source: Quinlivan (2002), chapter 8 in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

Local government often has an essentially facilitating role, rather than a leading role, for example when it comes to wicked problems such as traffic congestion in the City of Arnsberg in Germany.

Box 6: Local authorities as facilitators in consultation processes

The City of Arnsberg may be regarded as a pioneer of the “citizens’ community” in Germany. The fiscal crisis in the early 1990s was used as an opportunity to activate citizens as co-producers of public services but also as co-planners.

Since the local council could not find a solution to the major traffic problem around Arnsberg railway station, the Mayor decided to experiment with a “futures” workshop. The workshop involved about 350 citizens. An external team of professional planners developed and presented to the citizens a range of options for traffic improvement which were considered in small discussion groups. After a few days, it was possible to finish the consultation process successfully. The citizens who had been most in favour of an expensive tunnel solution were convinced by the planners that this would not be a good solution. The city council came to recognise that citizen participation had not reduced its role but rather enhanced its decision-making power by creating win-win situations for all stakeholders concerned.

Source: Bogumil and Vogel (2002), chapter 3 in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

However, there are also some issues where local government plays little or no role, either because it does not have the competence, or because other stakeholders do not trust it.

Box 7: Solving local problems without the local authority

In a major residential area of Falmouth in Cornwall, the local authority, Carrick District Council, and the health authority together helped to initiate major improvements to the condition of the housing, especially in respect of heating and insulation. As residents saw the improvements in quality of life which were brought about by this programme, they became more interested in working on a series of further initiatives on the estate, covering estate management, housing repairs, crime watch, youth training schemes, etc. These schemes were largely led and managed by the residents themselves. As the initiatives proved successful, the strength of resident involvement grew and some of the residents decided to become politically active on a formal basis, getting elected as councillors, etc. One of the strengths of the approach was that residents always had a majority on the project management committee, which was an independent legal entity.

Source: Bovaird and Owen (2002), chapter 6, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

The role of citizen engagement in local issues

The pressures and opportunities for civil participation in local community issues and local policies are nowhere greater than at the local level. Nevertheless, the existence of positive social capital is only a necessary condition, not a sufficient condition, for active local governance. There are also many institutional barriers towards community-based local solutions and developments. For example, general

information about the opportunities for volunteering may not be readily available to large parts of the population. Or community events may not appeal to certain groups of the local community. Last but not least, civic engagement in local planning and local politics also requires a role change of local councillors from “doers” towards “enablers” (see the SGLG interview with the City of Nürtingen at www.uwe.ac.uk/bbs/sglg/interviews). They have to learn to take citizens seriously. Indeed, some participants at the Vaasa meeting of the Study Group on Local Governance, thought that it may be necessary to train local councillors for their new roles as moderators.

Box 8: Challenges of citizen engagement in a direct democracy: The case of the Swiss municipality Baar

In the Swiss municipality of Baar, the attitude of local councillors is not a problem for civil engagement in local issues, since there exists no representative democracy. Instead, the case of Baar represents a “pure” direct democracy. The most important public institution making binding decisions on local issues is the so-called municipal assembly, “*Gemeindeversammlung*”, which is constituted by all eligible voters in the municipality. The decisions of the citizens participating at these assemblies are executed by an elected governing Board with strategic functions. Its eight members are directly elected by the citizens of Baar. Although Baar enjoys a very high-level of social capital – as evidenced by the number of local associations – usually only between 150 and 500 citizens participate at the municipal assemblies. For the “elected” Board members the seemingly low level of participation is considered less of a problem, than the under-representation of women and young people. These groups are also under-represented in community events.

Therefore the elected Board members decided to take action to strengthen participatory democracy. This involved better community event marketing, better information to citizens about local issues, the organisation of public hearings in advance of citizens’ assemblies or popular votes, more “planning for real” exercises and the foundation of street-level associations where they did not exist yet.

Source: Hofmeister, Dübendorfer and Löffler (2002), chapter 4, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

In theory and in practice, all six categories of stakeholders listed above have the power to influence each other’s decision-making (Bovaird, Löffler and Parrado Diez, 2001). For example, the attitude of local or national media towards the merger of local health authorities in the UK, helps to shape the way in which those authorities deal with public relations, and therefore their relationships with other stakeholders. Again, the decision of a big company to close down its factory in a local area will affect a whole range of small and medium-sized companies acting as suppliers, as well as the revenue of the local authority, and finally, the well-being of citizens living in the local area.

Good local governance means that the affected parties are given the opportunity to exert some influence over these decisions. Therefore, not only local authorities but also other local stakeholders have a responsibility to organise inclusive decision-making processes. In particular, it is a vital condition for the sustainability of local governance networks, that all partners have a say.

Box 9: Joint civil-public management of local institutions in the City of Barcelona

The Casinet-Cocheras Civic Centre in the Sants-Montjuïc district in the City of Barcelona represents an innovatory self-management model of a public/non-profit partnership. The initial management of the civic centre by staff of the City of Barcelona had led to conflicts between the management board of the centre and local neighbourhood groups. Therefore, in 1994 a decision was made to ensure joint responsibility for the centre. It is noticeable that Spanish administrative law does not provide a legal status for such partnerships so that the governance structure had to be designed from scratch.

It was based on five principles: 1) *participatory processes*; 2) *territory* as a flexible element that aimed to reach a balance between local area-district-city; 3) *decentralisation* of decision-making; 4) *collaboration and consensus*; and 5) *complementarity* to recognise that the contribution of the two sectors was not equal, but it was complementary, a factor that brought balance and stability to the project.

Source: Ramió, Sisternas and Tor (2002), chapter 9, in: *Developing Local Governance Networks in Europe*, Nomos Publishers, Baden-Baden.

In spite of the positive examples highlighted in this book, civic participation in local issues is still the exception rather than the rule. Like de Vries - see chapter 7, one may wonder why “initiatives to make local policy processes more interactive occur less often than one would expect, given their generally positive results”. His empirical international study, involving 30 countries, shows that interactive policy-making at local level takes place in many forms, and that in different countries local stakeholders participate to varying degrees in policy-making processes. As far as the involvement of the public is concerned, the inclination of policy makers to seek support from the public is strongly associated with the power that the public is seen to possess. This means that when societal actors in a nation state have many possibilities to influence policy-making process - e.g. through referenda, local policy-makers are more inclined to seek their support. Another important finding of de Vries’ research is that trust, though important, is a secondary factor in explaining citizen engagement in local issues.

Therefore, one may conclude that a vital task in strengthening participatory local democracy is to “empower” citizens by creating direct democratic instruments, and also by providing new possibilities of interaction by citizens with representative political institutions. Of course, this does not mean giving power direct to the street – the final say remains with elected representative institutions.

The role of e-networks

Since we argue that local governance is more than local government, it follows that the current attention paid to e-government may be missing some important dimensions. E-governance covers topics that go well beyond e-government. In particular, e-networks are a new governance-oriented application of modern ICT.

They may take very different forms. One very common manifestation of e-networks is the “one-stop shop” for citizens, such as described in the Greek case study of Panagiotis and Moustakatou (2002). However, the Citizens’ Bureaux in the Aegean Islands do not represent a typical one-size-fits-all approach - their architectural design and their staffing are tailored to local needs. E-networks may also reach out to other non-governmental stakeholders in the local area, as with the civic networks in Italy. Even though these e-networks are typically initiated by a local authority, they also offer opportunities for civil society to take an active role in community and policy issues. *MoNet*, the Modena Civic Network, has been particularly successful in integrating different groups of stakeholders into the new e-networks – service delivery units within the local authority, other territorial administrations and interest groups such as associations, schools and professionals (Mele and Forghieri, 2002).

Nevertheless, the use of ICT for networking with citizens, local business, the media and non-profit organisations is still an emerging practice. Some local authorities, such as the City of Tampere, claim that unresolved technical problems, such as authentication problems related to e-signatures, are an obstacle to the more extensive use of ICT for citizen participation or e-democracy (see the interview at www.uwe.ac.uk/bbs/sglg/interview); in other local authorities, the attitudes of elected politicians towards consultation with citizens can be the main obstacle, such as in the case of Græsted-Gilleleje.

Box 10: ICT as an Instrument to Improve Service Delivery and Internal Communication in the Danish Municipality of Græsted-Gilleleje

Like many other local authorities in OECD countries, the Danish Municipality of Græsted-Gilleleje also implemented “New Public Management”-oriented reforms in the late 1980s in order to deal with rising demand for public services. One of the cornerstones of the reform process was the introduction of ICT for all employees, including the establishment of an intranet. The organisation-wide use of ICT not only made service delivery more efficient but also broke down communication barriers between professional groups within the local authority.

It was clear that the local council was mainly interested in the ICT project to the extent that it helped to reduce the budget deficit. In particular, it has not been able to make much use of ICT as an instrument to improve the information basis for political decision-making. Furthermore, ICT has been little used as a means to improve communication with citizens. Even though some basic information about local services is provided to the citizens on the internet, the local authority of Græsted-Gilleleje has taken few steps to open up a dialogue with citizens through ICT. It is obvious that Græsted-Gilleleje will have to deal with key governance issues such as e-services and e-democracy in the near future - issues which are already quite advanced in other Danish local authorities.

Source: Bogason and Hegnsvad (2002), chapter 13, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

Of course, the new availability of a range of ICT-based channels of communication with stakeholders brings increased costs as well as greater accessibility. Whereas in the private sector new e-business channels can quickly

be substituted for less efficient conventional communication channels, there are major constraints on this happening in public and voluntary sectors. For example, the digital divide may particularly affect the very groups which are priority target groups for e-governance initiatives. Ways of narrowing down channels for cost reasons, while properly protecting these vulnerable groups, will require social and political ingenuity to rival the technical ingenuity embedded in the technology.

From hierarchical towards co-operative relationships between levels of government?

New networks are also developing vertically between levels of government. There seems to be a desire both on central and subnational levels to transform traditional hierarchical relationships more into co-operative relationships, or even partnerships. On the national level, there is an increasing recognition that in comparison with the traditional authoritative mode of governing, co-operative relationships are less likely to evoke a higher degree of responsibility on the part of the subnational levels of government, which is likely to result in a less problematic implementation of the obligations and to upgrade their respective standings - see Wayenberg and Steen, chapter 10. On subnational levels, governments have become responsible for an increasing share of public services and also more experienced and self-conscious as subnational programmes matured.

As a consequence, levels of government now experiment with intergovernmental agreements which may take the form of covenants such as in the Netherlands (van Hijum and Meijerink, 2002), and in Belgium (see Wayenberg and Steen, 2002). Or, performance partnerships such as the National Environmental Performance Partnership System in the United States (Löffler and Parker, 2000).

Box 11: The use of covenants to manage social services in Belgium

The improvement of inter-governmental relations is very high on the agenda in Belgium where several levels of government are almost always involved in service delivery and policy-making. Since the 1990s a "pact" between Flemish central government and local level has been agreed upon in order to achieve better intergovernmental understanding. One central instrument to achieve better intergovernmental governance are covenants. These are policy agreements between public and/or private actors, in order to formulate or execute a policy on a broad basis of consensus.

The merit of Flemish central-local covenants seems to lie in their stimulation of both central and local government to further develop their respective roles as activator and mediator in society. For example, covenants require local governments to engage in participatory strategic planning with citizens and other organised interests in the local area. In particular, the covenants for social services have been widely praised for their effectiveness. Nevertheless, the covenants are often implemented in a top-down way and local government often buys into them, in order to obtain the subsidies attached to them. As the implementation of social welfare covenants in the City of Leuven shows, both central and local government had great difficulties to learn their new roles as moderators and partners.

Source: Wayenberg and Steen, chapter 10, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

It is evident that inter-governmental relations are extremely political and complex. Therefore, the improvement of multi-level governance will take time, as trust between stakeholders at different levels of government only develops gradually.

Assessing the quality and effectiveness of local governance networks

This is a highly problematic area where only tentative work has taken place to date (Bovaird and Löffler, 2002b). Some models are being developed which may in the future help to take the evaluation of local governance further – e.g. CAPAM, the Commonwealth Association for Public Management has this year initiated an award for innovations in governance. The CAPAM evaluation criteria include the following elements:

- partnering
- accountability
- communication and information revolutions
- demands for citizen engagement
- integration of horizontal and vertical management
- maintenance of policy coherence in a fragmented policy community
- political or Parliamentary structures
- evolution in required human resource competencies
- values and ethics.

In 2000, the Speyer Quality Award for public agencies in Germany, Austria and Switzerland also based the award programme on some governance-oriented themes. One of the 2000 themes was “the management of the interface between politics and administration” (see Hofmeister, Dübendorfer and Löffler, 2002). In this specific case, not only public agencies, but also parliaments and local councils, could apply to the Speyer Quality Award as well. However, the evaluation committee only received seven applications altogether.

The evaluation grid for the theme is based on six categories of criteria:

- 1) Orientation towards the future.
- 2) Orientation of citizens .
- 3) Structures and processes of cooperation.
- 4) Instruments.

- 5) Culture and role behaviour/role management of co-operation.
- 6) Innovation potential/learning and developing capacity.

Each of these fields is divided into criteria and sub-criteria. Questions help one to clearly understand the criteria, and to avoid misunderstandings. Altogether, the catalogue includes about 300 questions. The fields of evaluation, the criteria, and the sub-criteria are weighted with of total of 1000 points.

In spite of these encouraging initiatives, the measurement of “governance quality” is still in an embryonic stage. Indeed, the participants of the Vaasa meeting of the Study Group on Local Governance had great difficulties to identify criteria, how to measure the contribution of the voluntary sector to the local community, in one of our sessions. It is evident that this issue cannot be ignored, just because it is difficult to measure. As more and more public services are being transferred to the nonprofit sector, “good will” is no longer sufficient to justify public financing of non-profit organizations. Non-profit organizations will have to live up to demands of an efficient and effective use of resources, like public agencies, and also meet certain criteria in their governance. For example, the question arises whether non-profit organizations should receive public money, when they exclude certain parts of the society as members? It is hard to see how such restrictive non-profit organization may increase social capital.

By the same token, it is necessary to evaluate the governance performance of local governance networks. As the OECD study in this book points out not all local partnerships, which are a specific form of local governance networks, work effectively and improve public governance (Giguère, 2002).

Box 12: Criteria to evaluate the governance performance of local partnerships

Partnerships may improve public governance in mainly three ways:

Stimulating the use of public programmes. Provided with modest funds to create and deliver programmes and services, partnerships promote the use of public programmes that can help to meet the goals assigned to them, e.g., social inclusion, economic development, etc.

Targeting public programmes. Partnerships draw public programmes closer to locally-identified priorities.

Combining public programmes. Partnerships identify and seize opportunities to combine and enhance the effect of public programmes and local initiatives.

Source: Giguère, chapter 13, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

In practice, local partnerships may also be used to blur accountability, and, in the extreme case, to carry out illegal transactions. Also the “old boys” network may be considered as a form of bad governance as it often violates principles of equal chances and access to public office. Given these potential negative effects of

local networks, it is high time to find criteria and methods to evaluate not only their management systems, but also their contribution towards good governance.

Outlook: future roles of local governance networks

It has become obvious that local governance is very different from, and much wider than, local government. The role and importance of different stakeholders in local governance will vary widely between contexts. E.g, the role of civil society in remote rural areas is typically much greater, because the services provided by the state find it much harder to reach these areas.

Consequently, part of the challenge in local governance is to identify the key stakeholders in any local governance context - stakeholders who are able to create improvements to the quality of life of local citizens, and to improve the welfare of other stakeholders in 'win-win' situations.

Determining which, individual and corporate, stakeholders are likely to be able to play such a key role is partly a matter of identifying those stakeholders which have a high competence in a specific context, and partly of identifying those which enjoy a high level of trust from other stakeholders.

Box 13: Governance competencies for successful network management

The development of water covenants in the Region of Twente show that a number of "social dilemmas" had to be overcome in order to make various parties co-operate and co-ordinate in a proper way. In particular, van Hijum and Meijerik highlight the following requirements:

- Awareness of interdependencies and the need to cooperate among the stakeholders concerned
- Effective communication mechanisms
- Creation of "win-win" situations involving horse-trading.

Source: van Hijum and Meijerink (2002), chapter 11, in: Developing Local Governance Networks in Europe, Nomos Publishers, Baden-Baden.

As the case studies show many local stakeholders have just started learning their new networking role. Therefore, it may be too early to speak of "best practice" local governance network management. In spite of many encouraging local governance initiatives at local level all over Europe, networking in local governance is still an emerging trend in which more exchange of what works, and what does not, is needed.

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Responsibility in Flames: a case study of the New Year's Eve catastrophe in Volendam

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1. Introduction

New Year's eve 2001, Volendam, a medium-sized city in the province of North Holland. A bar, called 't Hemeltje' (= Little Heaven ...), full of young people; laughter, joy, alcohol, and above all, happiness. Then a fire breaks out, a short blaze, no more than three minutes. But with what consequences! Fourteen young people died, over 250 people were injured, many of them maimed for life, and the local community in distress.

The Dutch national government set up a special investigative committee (the Committee of Inquiry - Café Fire New Year's Eve 2001), whose main task was to find out what had caused the fire and who was responsible for it. It soon became clear that the café owner had ignored all kinds of municipal regulations and instructions and that the municipality itself had done little to enforce the safety regulations. The committee was confronted with public discussions on government responsibilities and accountability. Many contributors to the public debates pointed to both the supposedly specific culture of Volendam and its governing culture. It was suggested that these cultures had caused the fire, or, at least, had created a situation in which the municipality had neglected its duties. The investigative committee concluded that an analysis of the culture of Volendam and its municipality was needed. It therefore asked the authors of this Chapter to investigate the governing culture of the municipality Edam-Volendam, of which Volendam is the main nucleus.

Governing culture is an interesting concept. In the literature it sometimes looks like a garbage-can concept embracing things we do not understand. We shall begin by distinguishing governing culture from organisational culture and societal culture. Section 4 contains a more elaborate discussion of the concept. This Chapter examines the relevance of *governing culture* as a public administration concept and the extent to which it is a determinant of steering capacity. We will answer these questions in Section 3 and illustrate them in Section 4 but first we offer a brief introduction to Dutch sub-national government.

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2. Short introduction to Dutch sub-national government: co-governance

The system of co-governance

The Dutch state has a three-layered system all over the country. At the local level there are municipalities ('gemeenten'), at the regional level provincial governments ('provincies'). Each square centimetre of the Netherlands necessarily belongs to part of all three layers. Uniformity is the key word: municipalities have, to a large extent, similar tasks and similar political structures. In the middle of the 19th century the liberal statesman Thorbecke created this system. It has survived the immense growth of public tasks. Developed and formalised in the era of a somewhat 'minimal state' (the 'night watcher state'), it is still operational in today's(post-) welfare state and the public tasks going with it, the era of internationalisation, differentiation, and crisis.

The Dutch system of sub-national government belongs to what Loughlin and Peters [1] call the Germanic state tradition. The Dutch state is a so-called 'decentralised unitary state' [2]. Characteristics of this system are:

- The main metaphor is the organic state: the state is an evolutionary phenomenon, emerging from history, not a machine, nor a wilfully created entity. In the organic state, the relations between the layers of government are not necessarily hierarchical, or based on a clear separation of powers between the layers. They are mainly relations between interdependent unities. "Co-governance" is the instrument used most, central government makes the laws and the plans, after consultation with local governments and in particular their representative associations i.e. the local governments that implement central policies. This implementation however is not mechanistic in character.
- 'Unitary' does not mean 'centralised'. The 'unitary' character appears in the wide uniformity of public services in the welfare state; the level of income compensations for example does not vary with the city you live in, or with the political colour of the local council. Local government is bound to apply central policy guidelines and in particular local income and social security policies are prohibited.
- The Dutch state is decentralised as well. Municipalities are autonomous to a certain extent; and even in policy areas where their task is largely defined as implementation of central policy, they often have a large degree of policy freedom (based on discretionary competencies, local presence, knowledge and information). Local authorities are allowed policy freedom to cope with local situations and the possibility to achieve political goals.
- Municipalities have autonomous strength of their own, and they have a general competence: no ultra vires principle. The 'open household' of municipalities and provinces is constitutionally protected. Provinces exercise supervisory powers over municipalities, whereas central government does the same over provinces. Supervision does not mean 'commanding', but in many cases stands for non-resistance to local initiatives or, in some cases, approving them.

The relations between the three governmental layers are flexible. The 'co-governance system' is particularly important. Due to co-governance, the Dutch governmental system has been able to cope with the enormous growth of its tasks and responsibilities, without structural changes and without destroying local freedom. The real amount of sub-national freedom depends on discretionary competencies as well as sub-national governmental strategies. The centralisation resulting from the growth of the welfare state has therefore not destroyed the importance of sub-national government structures. Although their autonomy has decreased enormously, their policy freedom is still evident. Centralisation does not hinder a lively local (or provincial) democracy.

Public safety: a different story: local government and regional police

Public safety in the Netherlands is, as in many countries, one of the oldest of government tasks and responsibilities. The concept of the 'night watcher state' refers to this task. Within government, traditionally local government is in charge. They used to bear the first as well as the final responsibility for public safety, police, fire brigade and medical care/rescue in case of disasters and crises. However, changes are taking place. Responsibility still lies with the local authorities in the first place, but the tendency is to diminish their role in the field of public safety.

One development is the fast proliferation of national legislation concerning safety issues. This legislation is rather demanding with regard to local policies and thus limits local policy freedom. This development can be seen in policy fields such as regulating fire brigades, preventing disasters, guaranteeing safe housing and several environmental issues (as far as they concern safety issues). Most of the legislation obliges local authorities to enforce special regulations at the local level, to make decisions about permits and to supervise the implementation of the rules and special arrangements. Local authorities tend to use models of local laws formulated by the Dutch Associations of Municipalities, sometimes slightly adapted to the local situations. Many of the safety laws are examples of co-governance. National agencies are responsible for the supervision of local authorities to make sure they perform adequately.

Still, local authorities do have responsibilities of their own. The seriousness and complexity of safety issues on the one hand and the increasing demands of national government and citizens on the other hand force authorities to co-operate at regional level on issues of public safety. Many public safety tasks have been regionalised, formally or informally.

The position of the police is typical in this respect. In the early 1990s the Netherlands had 148 municipal police forces and 17 divisions of a national police force. Since the reorganisation in the early 1990s there are now 25 regional police forces and one national police force. The enlargement of the main, i.e. the local force, has impacted municipal influence which has decreased to a large extent. The picture, however, is changing. Although municipal influence has diminished formally, some examples can be shown of police forces trying to improve once again relations between local government and democracy. Locally based types of

policing such as neighbourhood policing during the nineties were making their mark as opposed to more centralised types. Many actors within the police force perceive a gap between their work and the public authorities, such as the mayor and prosecutor, and the local council.

The fire brigade organisations have been expanded as well. But there is a difference when compared to the police. The police force has been reorganised by virtue of the law, the fire brigade, however, has developed in a more informal way, initiated by municipalities themselves. At the national level the policies with regard to the fire brigade have developed at a very slow pace. The policy actors do not have the courage to act. One of the reasons for this lack of courage is that many (not all) fire brigades consist of volunteers. Well-trained, well-equipped, but not professionals. In smaller- and medium-sized municipalities the voluntary model is under pressure. It appears difficult to find enough volunteers. Another problem is that, due to regionalisation, the volunteers have to travel long distances between their homes and the fire. On the other hand, many municipalities cannot afford to establish a fully professional fire brigade. In some cases, regional, inter-municipal co-operation seems to be a solution, either formally or informally. A division of tasks, mutual assistance, specialisation, and, when necessary, support. Then again, the democratic control diminishes and the executive committee as well as the local council lose control. Strangely enough, the costs rise.

The third important actor in case of emergencies is health care. In this policy field a process of expansion is also taking place. And again: local political and governmental influence has decreased.

To put it bluntly, the situation is not very clear; many actors do not know what their responsibilities are, to whom they are responsible, who is accountable, etc.

3. The relevance of governing culture: societal culture as a determinant of steering capacity?

In the introduction we have described how the Dutch Government felt obliged to install a governmental committee to study the administrative aspects of the tragedy in Volendam. We were asked to investigate to what degree the societal and governing culture of Volendam might help us to understand the occurrence of the disaster [3].

Some commentators assumed that the specific nature of the community in Volendam might be the dominant explanation of what happened: the disaster was immediately attributed to failure of the municipality to organise compliance with nationally defined safety regulations. The close-knit social structure of Volendam, combined with the close bond between society and municipality, was said to explain why the municipality was in no position to impose its views on society, or to make it comply with safety standards that were «not invented here».

This argument resembles the basics of the contingency theory which claims that organisations operate in a given environment and that their behaviour can only be understood by taking this environment into account. It is assumed that the

existence of an organisation depends on the congruence between organisation and environment. In the Volendam case, this might imply that the municipality, in order to maintain its position in the local community, is obliged to develop patterns of behaviour that are congruent with the dominant practices, values and norms of the local community. These local practices, norms and values were supposed to stress the self-reliance of the local community and to stimulate antagonistic feelings toward the outside world. As a result, it was assumed, the local authorities were unable to enforce the nationally defined safety policies.

Of course, contingency theory, like most social theories, is not deterministic by nature. It predicts probabilities: the probability of congruence between administration and environment. So, one might ask, under what circumstances can organisations permit themselves to run counter to the dominant culture? This is a highly relevant question, since governmental organisations may, on occasions, be obliged to counteract undesired developments. For example: Keynes' theory suggests that governments have an obligation to behave in an «anti-cyclical way», in order to fight economic crises. This means, basically, that the economic policies of the government should confront and defy the existing mood of economic pessimism and invest.

However, the contingency theory is not the only one to suggest that authorities can only move as far as their environment permits.. The popular theories of governance and/or networks all state that governments are dependent on (many) other actors when defining or implementing policies: the so-called multi-actor perspective on policy co-production [4].

In addition to the notion of dependence that presses the authorities to define their activities in keeping with the interests and perspectives of other key-actors, another element of network theory seems relevant here. Since policy production, or rather co-production, requires intense interaction between all actors involved, this group of actors may at times develop a rather closed view of reality. In order to be effective, the group of interdependent actors needs some shared visions of the nature of their policy domain and the values and interests to be realised. Such groups may be called 'policy communities'. In some policy communities one may observe phenomena such as group think, closed 'us versus them' definitions of reality, or stable patterns of mutually acceptable behaviour [5].

These theories can thus be used to suggest that the municipality of Volendam had no option but to co-operate with society and develop a governing attitude accepted by the public. What these considerations have in common is the assumption that «culture matters», when the factors underlying governmental behaviour are being analysed.

Defining governing culture

It is not easy to define governing culture. In our study, we decided to formulate a number of features of governing culture:

- Governing culture is more than just organisational culture, studying governing culture requires more than an internal perspective, it has to take into account the relations between the public organisation and its environment and dependencies
- Studying the relevance and importance of government and governmental actions are a necessary part of the analysis of governing culture.
- The third part of the analysis consists of a description of the opinions and perceptions of administrators and politicians, as well as the opinions, perceptions and values of the encompassing society.

The interference between these elements are, what we call, governing culture. Governing culture, as a concept, can be applied in different ways. First of all, the traditional use of the concept, is that of a dependent variable in research. Governing culture, used in this way, is the result of societal culture. In our research, however, we used this concept as an independent variable, in order to explain what happened on New Years' Eve and the administrative processes that led to the disaster, or, at least, did not prevent it. This proved to be a rewarding application of the concept. It became possible to use theoretical insights into the closed nature of our frame of reference [5].

We decided to define governing culture as follows: *The sum of opinions on steering the collective sector, as expressed by the members of a community (administrators, representatives, civil society and citizens.* Part of this culture might be:

- Assigning meaning: basic assumptions about the fundamental role of the administrative system in its environment;
- Basic assumptions about the nature of the government system and the rules of the game;
- Value orientations: opinions on important values within the system;
- Identification: opinions on the roles of various actors within the system.

4. An interesting case: Edam-Volendam

A special case?

One of the most intriguing issues in our study was the question whether Volendam was a special case, and if so, to what degree this special character might explain what happened. There were obvious reasons for this question: the traditionalist, closely knit social structure of Volendam is quite remarkable in modern times in the Netherlands and a link between this and what happened is easily made. Let us look into the details. We will start by exploring the nature of Volendam society. Next we will look into the public administration and its linkages with (civil) society. This will provide the information on which we will formulate our conclusions (Section 5).

The society

The municipality of Edam-Volendam consists of two nuclei: the small merchant city of Edam, for centuries the dominant nucleus, rich, somewhat bourgeois and Protestant, and the fishermen's town of Volendam, poor, not very well educated and Roman Catholic. An atmosphere of intense animosity developed long ago between these two nuclei: especially the people of Volendam who have lived for centuries in rather isolated circumstances, felt themselves dominated by the more 'worldly' Edam.

Nowadays, after a successful restructuring of the local economy, Volendam is no longer poor and it has far more, and far wealthier, inhabitants than Edam. But still the inhabitants of Volendam cherish their special culture and continue to dislike the outside world, which already begins in Edam. This is remarkable, since the original sources of the feelings of animosity (especially isolation and economic unbalance) no longer exist. And so it can be said that a rather pointless issue (Volendam vs Edam) has dominated the local political climate. The dominant political parties of Volendam (the nationally based Christian Democrats and a local party called Volendam '80) compete basically on the issue, «Who is most active in protecting the special character of Volendam" (whatever that special character may be).

Characteristic of present-day Volendam is a strong entrepreneurial sentiment. The sea-going fishermen from the old days were used to being self-reliant and independent. And although for many years now fishery has been replaced by tourism and small business (especially construction) as the main economic factors, these feelings of self-reliance and independence still flourish. The hard-working people of Volendam want to live their own lives and feel no need for an active (local) government interfering with them and the way they do their business. Private businesses, but also public matters, are discussed and settled between family and friends. Families in Volendam are very strong and the existence of stable groups of friends who share almost their whole lives together is typical of Volendam.

Of course, time has not stood still in Volendam. The younger generation is well educated and often has good jobs outside town, for example in the otherwise detested big city of Amsterdam. Nevertheless, they still want to go on living in the town of their birth, to return to their cosy little society where life is good, where one can «sink down as in a lukewarm bath».

The Roman Catholic Church plays an important role here, more than in most other communities in the Netherlands. The Church and the Sunday visit to church serve to maintain the bond between the people of Volendam. It is the starting point for social encounter and demonstrates the people's special, Roman Catholic, identity.

The working moral in Volendam is very high. Working hard, often in double jobs, is the norm. And the money earned is easily spent: for improving houses (almost a local hobby), in the many pubs along the harbour, or at the annual fair. But also for «good causes»: people from Volendam are extremely generous when

asked to support their church, their local soccer club, their friends and relatives and so on.

Thus we observed a rather materialistic society, in which forms of «conspicuous consumption» have developed into stable components of the local culture. The youth culture of Volendam shows a lot of hanging around on the streets and drinking in pubs at a very early age, which is linked to the outgoing character of the Volendam culture. The adults with their peer groups and their drinking behaviour set the example.

But this hanging around and drinking may also be explained by the fact that the parents, with their busy life or double jobs, have little time for their children. And the way the interior decoration of many homes (conspicuous consumption is to the fore!) with ostentatious furniture may make the living room less hospitable for young kids. They flee into the streets. It is remarkable how strong family ties are combined with a rather relaxed attitude towards taking care of the children. Maybe people from Volendam have an instinctive trust in the existing social control mechanism as a substitute for parental supervision.

It is remarkable to observe an a-synchronous modernisation process in Volendam because, although strong growth is evident from a material perspective, the corresponding development of the intellectual and cultural climate seems absent. Thus, as a result, Volendam again fails to connect with its environment, in contrast, for instance, to the nearby city of Amsterdam, where intellectual and cultural growth (or, in more neutral terms, change) is indeed taking place. The Volendam situation may result in a new form of isolation.

Politics, public administration and society

Edam-Volendam is a medium-sized municipality of approximately 27,000 inhabitants (Edam 7,500 and Volendam 20,000). For centuries, the poor fishermen of Volendam perceived local government as something from the outside world, from Edam, or even further away. And even now, after the demographic changes which have made Volendam the dominant electoral factor because the majority of the municipal council comes there, even now the feeling persists: "we are governed by people who do not know 'our customs' and who want to change everything". Feelings about (local) government are ambivalent: it is most welcome as long as it has something to offer (services, subsidies and provisions). But on occasions every government, and this includes the government of Edam-Volendam, has to act sternly as law enforcer, regulator, and supervisor, and not easy-going when it comes to 'making deals'. And that is the kind of (hard) government that the people of Volendam despise.

The municipality finds it difficult to establish formal relations with society. Family relationships and ties of friendship are so strong and widespread that the distance between the citizens and their local government is extremely small, whether it be relations between citizens and politicians or with civil servants. It is not without reason that local government in Volendam is praised for its accessibility. Another proof of this small distance can be found in the ease with which citizens turn directly to their aldermen, when they are unsuccessful in their

dealings with the civil service. Or formulated in more negative terms: local government has problems with keeping enough distance to be able to act as supervisor or enforcer of regulations. The Volendam case suggests that the proverbial distance between citizens and their government can sometimes be too small.

As a result of the remarkable distinction between the Protestant, bourgeois nucleus of Edam, and Roman Catholic Volendam, the party structure of Edam-Volendam is deeply split. Until 2002, two parties dominated in Volendam (the local party Volendam '80 and the Christian Democratic Party), whereas in Edam, most voters look to the social democrats or the liberals. Between 1980 and 1999 Volendam '80 belonged to the governing coalition. And in the same period, the Christian Democratic Party served for many years in the plush seats of power. Only recently, a new coalition without Volendam '80 was formed. Since then, signs of political and administrative modernisation can be observed. Volendam '80 lost no less than four of its seven seats in the local council and thus became an opposition party. The Christian Democrats (CDA), the long-time coalition partner of Volendam 80, surprisingly won a seat, perhaps because they openly accepted part of the blame for what had happened. There was also strong support for a new local list, advocating honesty and transparency, 'Recht door zee'.

The left-wing Groen Link faction won a second seat, apparently a reward for their long critical opposition to the dominant *laissez-faire* attitude of the Volendam 80 / CDA coalition in power for such a long time. The electoral shifts in Edam were much smaller than in Volendam. This accentuates the position of Volendam '80 as an exclusively 'Volendam' party. The political scene in the small village of Edam more or less reflects national trends instead of local idiosyncrasies.

The political style and debate in Edam-Volendam is rather coarse. Conflicts are not shunned and rough language is not unusual. Since substantial differences of opinion between the dominant parties are negligible, politicians on occasion indulge in slinging matches, during which the main issue seems to be on the lines of »who does most to preserve the traditional character of Volendam?» Also the fact that many members of the council have been in office for years and years – and as a result know each other extremely well – contributes to the rough tone of political debate. Some people see this rough style as game playing, but others perceive it as actually threatening. It was feared that the controversies surrounding the fire would contribute to an even rougher political climate. Several mayors have tried but with limited success to change this political style, by urging the council to be more professional and pragmatic and to follow the usual rules of correct debate.

In view of the general disrespect for local government, the civil service is mainly appreciated for the services it renders. The accessibility of the civil service is highly praised. But the people of Volendam would regard a more pro-active role on the part of the civil service as undesirable. Citizens prefer to strike their deals with the elected politicians and aldermen they know so well. As a result there is little support for bringing the civil service to the required level, either

quantitatively or qualitatively. The general opinion is «We do not need an active strong government, so why do we need to hire so many civil servants?» This has resulted in an understaffed civil service. It is noteworthy that the service has been able to perform so well.

Again, local government is not much inclined to invest in its civil service: civil servants are, it is said, mainly duty-bound to formalise and execute decisions taken by the politicians. The power is in the hands of the local government that often tends to strike deals with citizens or organisations without assistance or advice from the civil service. This endangers the formation of consistent policies, and the risk of favouritism and arbitrary decisions is high.

A few years ago the then-acting mayor started a process of reorganisation of the civil service, partly to modernise the structure, but also to take away some enduring problems (fragmentation, not enough fresh blood coming in, favouritism in issues of promotion etc.). In the political domain this reorganisation stirred up quite a lot of dust: it threatened the very close relations between the local party Volendam '80 and some individual civil servants. The reorganisation was in its final phase in 2001 and has clearly contributed to the modernisation of local governance. Within the civil service the tensions between traditionalism and modernity can still be observed. Some claim that in the early days «all went well, so why do we need change», while others are longing for a more pragmatic, somewhat more formal and businesslike style and for more consistent processes of policy making.

Volendam, a unique case?

The authors of this study were faced with a twofold question: Was Volendam a unique case? and Is the governing culture in Volendam so unique that it could be the one and only cause of the fire?

We consulted a peer group, consisting of mayors and chief executives of a number of small municipalities. They all unanimously emphasised that in many municipalities the same features could be observed, particularly in certain small towns, either Roman Catholic or Protestant. Sometimes the features are less extreme, sometimes less visible. The combination found in Volendam, however, is peculiar. Not, however, to such an extent that it can explain the outbreak of the fire on New Year's Eve.

5. Conclusions

The starting point of our study was the question whether the specific culture of Volendam could explain «what happened» on that terrible night. Looking back at what we discovered, we conclude that the social, political and governing culture of Volendam is not completely unique and cannot be seen as the one and only cause of the disaster and the events that led to it. However, we did find clear evidence to suggest that the social and administrative culture of Volendam contributed to the fateful accident.

In the prevalent social culture, the tradition of very young kids hanging around in pubs, the aversion towards the supervisory role of government and the idealisation of the entrepreneurial spirit may have been contributory factors. Also, the disrespect for government and civil servants and the lack of public support for effective and pro-active steps toward the enforcement of (safety) regulations may be mentioned. The governing culture can be seen as one of the causes of weak government, reluctant to act against blatant negligence in applying rather obvious (safety) regulations, and of an understaffed civil service.

The Volendam case shows that, in line with contingency theory, it is hard for local governments to move beyond what society is prepared to accept, even if it is obliged to do so by law. We have seen the mechanisms by which the traditionalistic society succeeds in keeping local government under its control. At the same time we have seen that change is possible, be it by taking small steps and, sometimes, obtaining small results. The most promising efforts in favour of change are those that are supported from inside the local society. We have few illusions about efforts to change Volendam by strong measures from outside (by central government or its agencies).

Also the theory of networks can benefit from the Volendam lessons. The first lesson can be learnt by observing how the network of local organisations (local business, church, voluntary organisations, etc) maintains a socio-political climate and a political discourse that inhibits government from performing its tasks efficiently. One could say that the local society is of a closed nature and intolerant of too many government actions and its exaggerated (real or perceived) presence.

Volendam also shows in some detail the mechanism of dependence, not necessarily objective dependencies (like resource dependencies) but rather psychological dependencies. Governing requires a minimal level of support; government is dependent on the presence of social forces to stimulate its position and its policies. Without this support, effective governance seems impossible.

Apart from this, the Volendam case leads to three important issues. The first is the issue of the distance between citizens and their government. Far from us to declare that this distance has to be greater than it was in Volendam. We find no cause to relinquish the arguments for keeping this distance as small as possible, especially in local government, whose the function is to be a proximity form of governance. But we have seen that governing close to the people is a very demanding task. It requires a strong personality to say «no» to a neighbour or cousin. It is clear that under such circumstances arbitrary decisions and favouritism are likely to occur. Protection against negative aspects of governance is strengthened by a stable policy system and an orderly administrative process, respectful of meaningful procedures and regulations. In other words, elements of objective governance have to be emphasised.

The second issue is about the relations between national and local government. It is very tempting for national politicians to formulate all kind of policies, which then have to be implemented and/or enforced by local governments. Often this co-governance system is the only way to merge the strong points of national and local

governance, especially in the 'organic' decentralised unitary state of the Netherlands. Often enough, however, national government seems to take local implementation for granted. After the law has been passed, interest in the issue withers away. It might be wise to invest more in monitoring what happens with national standards and regulations once they are implemented at local level. This would also unveil another related problem: often local governments are unable to implement or to enforce the massive load of regulatory tasks national government so easily puts on their shoulders. Local governments seem to lack the personnel to fully enforce the tasks transmitted to them.

The third issue is about the distribution of responsibility. In the discussions regarding the fire in Volendam we observed a tendency to proclaim that local government is entirely responsible for what happened. We find this reaction a remarkable twist of reality: not the pub-owner who disregarded so many regulations, not the citizens who sent their children, unaccompanied and too young, to a pub, but the government by neglecting its supervisory task was solely to blame!! Of course, local government can be accused of neglecting its duties, but that does not take away from the fact that the primary cause of the fire was the situation in the pub, for which the pub-owner and no one else is the first person responsible. Let us look at this issue in more abstract terms. In most of the modern theories of policy-making the issue of joint responsibility, of co-production of policy is stressed. Referring to such theories, civil society rightly takes its share in the formation of policy, thus gaining influence in public affairs. We fail to see, however, why the same logic should not apply to the process of policy implementation and/or enforcement. If the interdependency between society and government is so strong that the production of policy is to be seen as a joint activity, this also applies to its implementation and enforcement. In our complex societies, monitoring everything is absolutely impossible, and, as a result, effective implementation and enforcement requires a responsible society.

So, without debating the finer points of the responsibility of governments for the enforcement of policies, and certainly without denying that responsibility, we want to stress that in our view this governmental responsibility has to be seen as the necessary complement of societal responsibility. Responsible governance requires a responsible society.

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Reports of the EGPA Permanent Study Groups

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Productivity and Quality in the Public Sector

Trust Building Networks – how the government meets citizen in the post-bureaucratic era: citizen directed government through quality, satisfaction and trust in government

*Geert Bouckaert & Petri Uusikylä**

Since the Vaasa meeting in 2001, the study group has defined a new working theme: quality, satisfaction and trust. The main question is whether there is a relation between the modernisation of government machinery, citizen satisfaction and trust in government. The idea is that improvement initiatives make the quality of public service provision more manifest and increase it. This, in turn, leads to satisfaction among citizens, which results in increased trust in government. This reasoning contains many steps that are neither theoretically nor empirically supported in the long run, and are even contested. However, this does not prevent many pilot countries within the OECD from building their modernising policy on this (often implicit) two-step reasoning.

First, despite the broad use of customer surveys, the relation between quality performance and service satisfaction is not clear. Expectations and perceptions have an important impact. Secondly, the relation between service satisfaction and trust in government is difficult to establish, because little is known about the exact place of public services in the perception of government. Apart from government performance, numerous other factors have an impact on trust in government. Thirdly, discussions take it for granted that satisfaction influences trust. There are however also reasons to suppose that this causality has to be reversed, and that it is the existing level of trust in government that influences perceptions of quality and thus satisfaction.

The meeting consisted of 5 thematic discussion rounds:

1. Theoretical approaches to trust: What is trust? Trust has different dimensions. It can result from rational calculations, identity, and norms, but the relative weight given to each of the criteria may differ. Why is trust important? Trust facilitates relations both between citizens and government, and within principal-agent relations, by reducing transaction

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costs. On the other hand, there are those who say that distrusting government is a healthy democratic attitude.

2. **Criteria of quality and trust/government-citizen images:** Governments do not always know what citizens want. What makes citizens satisfied? This may become clear by involving them in decision-making and asking for their opinion. Modernisation strategies in government and NPM mainly focus on efficiency improvements and management reforms. However, criteria such as democracy, efficiency, legality and efficiency can conflict, and governments should approach citizens as citizens, and not just as clients: responsiveness is not the same as participation. Governments have a certain image of their citizens, and citizens have a certain image of their governments. These images are often rife with stereotypes and misperception. Do performance and quality actually matter in such a case?
3. **Measurement and Methodology:** Research on citizen-government relations is often of a theoretical nature, and very little empirical research has been done. What methods may be used to capture satisfaction, trust and other attitudes towards government, as well as the attitude of government (and its officials) towards citizens? Numerous methods for surveying user satisfaction exist, and there is no agreement on how we should measure trust. Is what is measured in most surveys really trust, or is it rather a general positive/negative attitude towards government?
4. **Citizen Participation and Improvement strategies:** Quality improvements as such will apparently not suffice to increase trust in government. Nevertheless, governments are searching for improvement strategies. One aspect of this search is the attention given to the participation of citizens. Participation brings government closer to citizens, it makes citizens feel involved and makes them act as co-owners of decisions. Will participation have an influence on trust? What are the best ways to organise participation?
5. **Because of the similarity in themes, a Joint Session with the Study Group on Local Governance was organised.** The purpose of the joint session was to search for new evaluation criteria, instruments and methodologies that would allow us to measure the success of local governance. As local governance goes beyond the improvement of service delivery, current tools such as quality excellence models are no longer appropriate to evaluate the success of local governance projects. At the same time, public authorities lack a coherent picture of the quality of life in their community and the effectiveness of local governance projects.

The relation between quality, satisfaction and trust is thus of a very broad nature, and so far only limited elements of its components are being studied (e.g. client satisfaction surveys, broad surveys on trust in government, quality management). The participants therefore defined the topics that should be addressed in the future:

- Making a country overview: what research goes on in European countries on quality, satisfaction and trust and the relations between these elements?
- Case studies: what modernisation initiatives are taking place in the participants' countries, what kind of instruments are used to measure satisfaction, quality and trust?
- Approaching the subject as a meta-topic: studying the relation between citizens and the public sector instead of just trust;
- The role of law as an instrument to actually realise, and not only theorise and market, new forms of citizen involvement;
- Not only studying the relation administration-citizen, but also politics-citizen;
- Not only measure trust and satisfaction, but also try to bring this within a broader theoretical framework (e.g. is trust necessary, desirable and so on?)

The relation between quality, satisfaction and trust will remain on the agenda of the Study Group. It has identified the theme of the Potsdam meeting as «*Quality, satisfaction and trust in government - Building bridges between citizens and public administration*». Based on the discussions, the study group convenors will draft a provisional table of contents for a book on the issue, and will invite study group participants to draft chapters, which will then be subjected to final screening at the 2003 conference.

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Personnel Policies

David Farnham, Annie Hondeghem & Sylvia Horton *

During the 2001 Conference in Vaasa, the Study Group embarked on a new theme, which is Staff participation and involvement (SPI) in the public sector. During the 1990s significant changes took place in the public services throughout Europe and all OECD countries. These changes have impacted on the way in which public officials and staff are managed. Changes in the law, in labour markets, in technology and not least in the personnel policies of governments have all contributed to this change process. Traditional systems of staff participation have in some cases been strengthened, in others weakened whilst new structures and processes have either complemented or replaced traditional patterns.

Also during the 1990s the European Union promoted fundamental rights for workers and sought to promote greater harmonisation and developments in this area with their policy on Social Partnership.

New networks have grown up both nationally and internationally putting pressure upon governments to extend staff participation in the work place and to ensure that flexibility in working practices is matched by security and protection for the workforce.

These separate but related developments offer scope for some interesting perspectives on the new theme of Staff Participation and Involvement in the Public Sector.

During the Vaasa conference, 4 papers were presented and a research programme for the next year was agreed on.

Koen Momden, researcher at the University of Antwerp, presented a comparative paper on 'Labour relations in the Belgian, French, German and Dutch public services'. This paper provides a comparative overview of labour relations in the public services of Belgium, France, Germany and the Netherlands. Its main focus is on labour relations with regard to central government administration. The paper first addresses the civil service systems and the basic characteristics of labour relations of the four countries. Second, it deals with the actors in labour relations: government employers and staff unions. Third it analyses the level, scope and outcome of collective bargaining in the public services of the four countries. Public service labour relations differ traditionally from labour relations

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in the economy at large, because they are shaped within a different legal framework. However, there is a general trend towards the increasing importance of collective bargaining and employee participation in European public services. The paper argues that institutional factors can explain a great deal of the similarities and differences of labour relations in the public services of the four countries. Questions that remain to be answered, however, are the extent to which developments in labour relations can be explained by processes of administrative modernisation and public governance.

The second paper, written by Colin Fisher, Lynette Harris, Susan Kirk, John Leopold, and Yvonne Leverment of the Department of Human Resource Management (Nottingham Business School) was on 'Job satisfaction and the modernisation project: the dynamics of expectations and satisfaction in NHS hospitals'. The theme of the paper is the apparent contradiction between the modernisation project that the government is proposing in the National Health Service (NHS) in the UK and the job satisfaction perceptions of staff. The intention to modernise the NHS was set out in the *NHS Plan* in July 2000 that spoke of the NHS being a 1940s system operating in the 21st century. The modernisation project infers a cycle of cause and effect between its reforming aims, which leads to senior management seeking to improve the job satisfaction of employees, which they claim leads to improvements in job performance, that in turn will bring about the modernisation objectives. A workforce that is sufficiently satisfied and motivated to implement reforms is seen as critical to the project. There are academic objections to this model such as the lack of statistical evidence for a linear correlation between job satisfaction and job performance. The objections identified in this paper however are based on a research study into staff's perceptions of job satisfaction in two NHS hospital trusts. The findings suggest that the actual state of employees' perceptions of job satisfaction may contradict the managerial imperatives of the modernisation project.

The third paper was presented by Esa Hyryläinen, Lecturer at the Department of Public Management (University of Vaasa) and deals with 'Linking organisational strategies with staff participation and involvement schemes: Theoretical and methodological considerations'. The paper explores the relation of organisational and managerial strategies to SPI. It argues that there is a logical connection between certain organisational and managerial selections and the form SPI organisations are adopting as a part of their HRM practice. The paper concludes with a model which identifies three distinctive patterns. The first, based upon managerial reasoning and mainstream micro-economics leads to empowerment schemes. The second, where managerial reasoning is largely based on TQM leads to staff participation schemes. The third where managerial reasoning is based on 'political awareness' leads to partnership schemes. The methodological basis of the paper rests on the assumption that no single cause is sufficient to explain forms of SPI in isolation. We have to look at causes which are sufficient, in combinations. The main challenge is to describe a simple and rather general setting which, nevertheless, can cover variation in empirical research. The paper is a first step in a research process which tries to cope with that challenge.

The fourth paper was presented by Witold Mikulowski of the Leon Kaminski Business School in Warsaw and dealt with Staff participation and involvement in the public service in Poland. He distinguishes three forms of SPI. The first is participatory civil service management and deals with collective bargaining on remuneration and work conditions, but also with disciplinary and promotion procedures. The second is participation in the strategy of administrative reform. And the third is direct involvement in quality management. He points out that the degree of staff participation and involvement in the public services in Poland is very low. A lot of effort should be made to meet the recommendations of the Council of Europe to organise participation at all levels.

The study group also discussed its further programme and strategy of research. It was decided to continue with the theme of staff participation and involvement (SPI) at the conference in Potsdam in 2002. The theme will be developed using a common framework across European states. Three sub-themes will be developed: employment relations, work organisation and administrative reform. The study of staff participation and involvement in these three domains will reflect a multi-disciplinary approach (legal, political, managerial, psychological, etc.) and encourage the formation of research groups and collaboration intranationally and internationally. Participant academics and practitioners will be encouraged to work independently or in teams in one or more of the areas identified above. Their studies may range across one or more levels of the public services e.g. federal, national, regional or local and across one or more services e.g. civil, local, health or education. Our aim is to ensure publication of quality papers and to publish an edited book based upon the work of the group in 2003/4.

The study group will make a concerted effort to attract new people into the group. Therefore, a mailing will be launched to contact all previous participants in the group, establish an up-to-date data base, invite nominations of potential members and announce the activities of the group. A website was set up with details of the work of the study group and an invitation to subscribe to the mailing list (www.kuleuven.ac.be/io/egpa).

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Public Finance and Management

Mihály Hőgye *

Three papers were presented in the Study Group and were followed by a very lively debate. One of them has been recommended for publishing in the EGPA Yearbook. Here we summarise the main findings and points of the two other papers. (For references of each paper, see original versions.)

The authors of the paper titled «Environmental Convergence and Accounting Harmonisation: the case of European local Governments» were M^a Teresa Balaguer Coll, Iluminada Fuertes Fuertes and Manuel Illueca Muñoz from Universitat Jaume I.

Mr. Muñoz presented the paper for the purpose of identifying the pattern of convergence of the economic environments that characterise European local governments. Environmental convergence contributes decisively to the accounting harmonisation, particularly in the case of local governments, where the external users of financial reporting do not exert any pressure to accelerate the harmonisation process.

Recent years have witnessed deep reforms in the accounting systems of the European local governments (LG). In general terms, the countries concerned have decided to introduce the accrual accounting system. In that sense, the reforms have become the first stage of a harmonising process, which is still incipient but surely irreversible, given the process of economic and monetary integration that the European countries have been undergoing for decades.

Actually, the main problem of the accounting harmonisation lies in determining the speed at which the process must progress. With respect to this question, there are two options. The first consists in replicating the model that was used when the European Union first decided to harmonise business accounting. This would require designing common accounting standards that would have to be assumed by the EU Member States in the short term. As opposed to this possibility, there exists an alternative, which consists in dividing the harmonisation process into two stages. First, neighbouring countries with similar models of local administration would harmonise their models and, in the second stage, these would be implemented once the European countries achieved a greater degree of economic integration; this course of action would complete the harmonisation process by introducing a single accounting model.

To be able to opt for either alternative, it is necessary to take into account the different interests that hide behind the harmonisation processes. In this regard, as

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opposed to what happens in the private sector, the external users of governmental accounting do not exert any pressure to accelerate the harmonisation process. After all, the operations of the local governments lack international scope and, therefore, neither the supranational structures, nor the potential lenders, nor even public opinion need to compare the accounting systems of local governments that operate in different countries. In these conditions, the speed of the harmonisation process will depend, not only on the political will of the nations involved, but also on the resistance to change of the local governments themselves. Undoubtedly, the resistance would be less if the political, economic and cultural differences that characterise the European countries waned. Without these divergences, it would be easier to design a common accounting system that all the countries involved in the harmonisation process accepted as their own. From this perspective, the harmonisation of the accounting and the convergence of the environments are closely related.

The study tried to determine whether or not absolute convergence is evolving towards a common European environment, or contrarily, convergence is only proceeding in specific geographical areas, each made up of a small group of politically, economically and culturally akin nations. In the event of absolute convergence, it would be simpler for the harmonising process to advance by designing a single accounting system that could be accepted by all in the short term. In contrast, if the convergence of environments is limited to specific geographical areas, it would be better to start with regional harmonisation that would lead to a common accounting system in the medium term.

The most intuitive way to see if there is convergence in a specific indicator consists in checking to see if the probability density function is tending to concentrate at a single point over a period of time. In order to test the process, density functions of indicators at different moments in time must be estimated. In this paper we have estimated the density functions of the indicators for three different periods: 1978-1983, 1984-1989 and 1990-1995.

The following indicators were analysed in the research:

1. *Per capita expenditure* is an indicator of the degree of complexity of the action of local governments, which, among other aspects, depends on the amount of competencies they assume and the relative wealth of the nation in which they operate. If countries converge in terms of this indicator, the information needs of their local governments are more likely to tend to converge and it will therefore be easier for them to assume a single accounting system.
2. The second indicator refers to the *degree of autonomy* of the local governments. For the reasons described above, the smaller the weight of the grants and hence the greater the autonomy of local governments, the more they will strive for efficiency and effectiveness.
3. The greater the need to reduce *public deficit*, the greater the incentives for reforms that will allow a more effective and efficient use of the resources. The implementation of these reforms entails redesigning the accounting

objectives, which must provide the managers with the data necessary to execute the proper strategies. Logically, if all the countries are aware of the need to reduce the public deficit, it is easier for accounting reforms to advance in the same direction. In short, it is easier for the harmonisation process to take place.

The results indicate that the economic aspects of the environment are still very heterogeneous. In fact, the single environmental factor that has tended to converge is the deficit. For different reasons, the local governments are aware of the need to reduce the deficit and call for management mechanisms that allow them to continue providing the society with the services it demands. From this perspective, it is not surprising that accounting reforms have advanced all over Europe along the same path: that of providing local governments with useful tools for management decision-making.

Neither is it strange, that, after the reforms, important differences still remain in the accounting systems. After all, the local management models are very different. In fact, our results confirm that the per capita expenditure has not tended to converge in Europe, in spite of the fact that the per capita income of the European countries did converge during the years studied. The competencies of local governments are still heterogeneous across Europe and, in turn, the degree of autonomy has not followed a convergent tendency. Not only have the differences persisted, they have tended to become more noticeable.

Environments have actually converged, but the scope has been restricted to groups of countries, similar in economic terms and geographically close to each other. As we pointed out above, we have found evidence of regional convergence, not only in terms of deficit, but also in terms of the resources available and the degree of autonomy. These results have important implications for the future of the harmonisation process. In fact, since national environments do not tend to converge towards a common European environment, it does not seem reasonable to try to harmonise the local government accounting in the short term. In our opinion, less rejection will be generated by advancing, as up until now, along the path of regional harmonisation, especially taking into account that, within the regions, the economic conditions in which the local governments operate are actually tending to converge.

The paper on «Equalisation grant and its relations with local government budgeting» was presented by Annika Jaansoo from Tallinn Technical University. She stated that, like its citizens, local governments in Central and Eastern Europe are struggling through a painful economic and political transition. In the decentralisation process that characterises the transition, local governments bear new responsibilities. The critical changes are hampered by the powers granted to local authorities but not yet clearly defined and the lack of resources. Financial resources, above all, are adversely conditioned by the revenues systems – characterised by limited fiscal discretion, a falling tax base and in many cases uncontrolled inflation, irregular central government transfers and limited ability to borrow.

Grants are really a wide-ranging phenomenon in the relationship of state and local authorities. Grants make it possible to achieve different goals: to provide needed sources for local authorities, to equalise local expenditure and revenue (to correct the effects of the unequal distribution of potential sources), to guarantee minimum standards of some services, to compensate low tax receipts, etc. Grants are also a medium for motivation, stimulation and constriction. The existence of grants is affected by lots of factors: the country's population, its internal organisation, the number of local authorities and their respective populations, the sharing of functions and resources between the various levels of authorities.

The paper focused on the difference between the old and new formulas of equalisation grants and what kind of problems it has raised in Estonia. The most important transfers to the local governments are the equalisation grants from the central support fund and also from the Government Investment Program. The rules for distributing support funds are established by law.

The amount of equalisation grants in the state budget is determined by a contract between the representatives of local governments and local government unions and the central government. The negotiations have been mainly limited to the issue of how much money central government can transfer to local governments while, at the same time, keeping the balance on the macroeconomic level by avoiding a budget deficit and raising the tax burden. Equalisation grants are unconditional, local governments may use the received amounts at their own discretion. Central government doesn't place any restrictions on the purpose of usage. However, the share of unconditional transfers to the local revenues has decreased in recent years.

The distribution of grants is based on a formula that takes different factors into consideration, for instance population, income and the coefficient for equalisation. The main problem has been the value of *standardisation coefficient*. It depends on the total amount of support funds. Every year this coefficient is adjusted. The existing formula doesn't take into account the expenses and specific functions of local governments, it equalises only the differences in revenues compared to the state average.

Every year there are some local governments who do not get support. In these municipalities the personal income tax per taxpayer is 110-112 % when compared to the Estonian average. The revenue equalisation system in Estonia is not completely self-financing. It means that no revenue is redistributed from one local government to another.

Equalisation funds should be developed at county level and the role of general support funds should proportionally be reduced. From these funds, services will be financed that are contracted out to neighbours or to other organisations due to the incapacity of local governments. Thus, government support will be better targeted and justified via applications from local government. The dominant view in Estonia has been against equalisation, because it could cause the unjust redistribution of gains from more successful local governments to the less active ones. If the legally binding system of payments for mutual service delivery

between the LGs is introduced and compulsory minimum standards of service delivery applied, the distribution of support funds will direct money to the service providers that could manage it efficiently. The more capable LGs would start to enhance its service delivery functions. The primary beneficiary would be the local population.

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East-West Co-operation in Public Administration

*György Jenei & Frits van den Berg**

The Study Group discussed 14 papers with the main aim of helping the authors with the final versions of their papers to be published in the book on East-West Co-operation.

The papers addressed a range of subjects topics but common conclusions can be drawn from them.

1. What conclusions can be reached about the hierarchy of co-operation?

Exchange of Contacts and Information: As expected, these informal exchanges were often the first steps towards a more formal kind of co-operation. There are many examples. Collaboration often begins with meetings, contacts, and the mutual exchange of information. This can be useful since partners may not be well informed about each other's needs and interests. The cases mentioned in the papers all went beyond this initial stage.

Systematic Exchange of Knowledge and Experience: Many examples of East-West co-operation get to this step and beyond. Partners become better acquainted and the relationship can expand to meaningful dialogues, visits, initial exchanges, and the exploration of collaboration. In other cases, when funding sources have been identified by a western partner, these early exchanges and visits can be crucial in determining which cities, ministries, or universities are engaged in more formal programmes of co-operation. The cases of co-operation described here all progressed past this point as well.

Joint Action: The third stage of collaborative relationships, marked by identifiable projects and activities, may be the most common form of co-operation. We have seen programmes for developing university curricula, training civil servants, assisting central bankers and personnel in the judicial system, as well as working on housing policy and exchanging expertise on running social programmes. The product can be a library, a teaching programme, a training course, visits by consultants, internships, formalising exchange relationships, and developing research activities. It appears that this is the most usual level of co-

* György Jenei, Budapest University of Economic Sciences and Public Administration, Department of Public Policy and Management, Hungary; Frits van den Berg, Consultant, AO, Adviseurs voor Organisatiewerk, The Netherlands.

operation. Many of the programmes we examined had fixed time lines and encompassed specific goals and objectives.

Mutual Co-operation: This stage of co-operation was reached in a number of cases, but it is fundamentally more difficult because of inequalities and imbalances in East-West relationships. It is characterised by collaboration that becomes more extensive and regular, and across a range of activities, not just a single project. However, a truly mutually co-operative relationship can exist only if there is relative balance between partners based on agreed strategies that meet the needs and interests of both partners. This remains more difficult because of continuing resource differences and the fact that needs have changed over time. Successful mutual co-operation may not be necessary when joint action programmes achieve a specific set of results. Sustainability is a difficult challenge as several of the papers have shown.

Institutionalised Partnerships: Finally, the highest level of collaboration consists of institutionalised partnerships where the relationships are ongoing and continuing, not dependent on particular individuals at either end. In our experience, they are the rarest and the most difficult to sustain. Perhaps the most important characteristic of these relationships is that they are self-sustaining in terms of funding and organisation on both ends. This is very difficult to achieve although it is still too early to tell in the cases of some programmes that institutionalised partnerships might become over time. In our view, the most important source of institutionalised relationships over the next decade will be the European Union, as was suggested by the Bouckaert article. All in all, most cases of East-West co-operation examined in these papers have not become institutionalised. That is not a statement of failure, however, because many of the cases were tied to specific programmes for specific periods of time.

2. A second conclusion can be drawn as well: in planning the next stage of co-operation, it is essential to draw effective lessons from the first stage. Based on our experience it seems that certain new challenges will be faced and new directions will be needed.

More emphasis will be needed on institutionalising successful programmes. This may involve finding ways to maintain financial support or to develop new sources of financial backing. Another possibility, as suggested by Khapova, is to use new technologies and the internet to better sustain and institutionalise programmes. *More emphasis should be placed on putting East-West on an equal footing.* As progress is made, it should be possible to move to a model where there is a greater balance between partners. This can include partnerships between organisations such as NISPAcee and EGPA. It can also involve acknowledgements by western partners that the CEE partners may have reached parity, requiring a new definition of the partnership in the future.

1. *Co-operative programmes must be tailored to particular needs and contexts – one size definitely does not fit all.* This point is made by a number of authors on looking at both university and public sector collaboration – it is

essential to match situations and the initiatives called for to ensure relevance and validity.

2. *Cultural differences must be recognised and dealt with at all stages of programme development.* This conclusion was reached by many contributors to this volume. The most successful programmes were ones where partners on both sides made explicit efforts to understand and take cultural differences into account. This requires a certain flexibility in project planning and a recognition of different management and leadership styles. As Vartainen wrote, « the co-operation project begins by identifying ... the potential cultural problems in the project implementation. This concerns especially the main concepts used in the project work as well as the overall attitudes to the working ideology». In a similar manner, Prigozhin's useful table comparing differences in perceptions and the management style of clients suggests the same conclusion, specifically differences between management oriented towards people as opposed to management oriented toward goals and tasks.
3. *Successful co-operation must be well prepared, incremental in terms of flexibility as regards the time schedule, and realistic.* These conclusions by Malfliet concerning the Methodius project in Russia hold true for a number of the other cases.
4. *Successful co-operation must differentiate between the personal goals of participants and organisational goals.* A number of authors differentiated between these two types of goals and showed that East-West co-operative projects ignore that distinction at their peril.
5. *As accession to the EU becomes more important to CEE countries, co-operative partnerships with the U.S. may need to move in different directions.* Since EU membership is becoming a dominant external determinant of many aspects of national politics, American partners may need to find ways whereby they can fulfil different goals in working with CEE nations. For example, they may want to put less emphasis on civil service reforms and more on introducing new scholarship and approaches to public policy and public administration.
6. *More emphasis in co-operative programmes must be placed on problem areas and emerging policy issues such as transparency in decision-making and anti-corruption efforts.* The experience of the past decade has shown progress in many areas of public administration and public policy, while new issues have emerged. The issue of official corruption has become much more important, for example. Co-operative programmes in the second stage must be constantly attentive to new problems and needs in the more mature phases of transformation.

Much has been achieved in the first stage of East-West co-operation that is now ending. At the same time, we have also learned lessons about co-operation from non-co-operation and failures. The efforts have largely been worthwhile, and many important changes for the good realised on both sides. As the new era of

East-West co-operation unfolds, we believe it is important not only to better assess the effectiveness of programmes that have already been implemented, but to use the lessons and experiences for selecting new programme directions as the second phase unfolds.

The Development of Contractualisation in the Public Sector since 1980

Gavin Drewry *

At the Glasgow Conference in 2000, the Study Group took as its theme ‘Contractualisation and Parliament: Testing Democracy’. It concluded, with some sense of disappointment but not, it should be added, much surprise, that parliaments – supposedly the quintessential instruments of representative democracy – turn out for the most part to have engaged only sporadically and half-heartedly with the processes of contractualisation that have been at the heart of the radical New Public Management reforms of public services in many European countries.

In Glasgow, as at previous EGPA conferences, much of the group’s discussion had to do – explicitly or implicitly – with securing proper accountability both for the management and delivery of contract-based public services, and for the design and setting up of contractualised arrangements. And one aspect of this that features strongly in any discussion of parliaments is the changing role of audit in securing democratic accountability of institutions and actors in the context of new public management changes, and in measuring their performance. It was this that led the group to adopt the subject of ‘Contracting and Audit’ as its theme for the Vaasa conference in 2001.

The New Public Management, of which contractualisation has been such an important aspect, has involved a significant shift of emphasis towards improving performance in public administration – in terms both of cost-effectiveness and of standards of service. The task of measuring performance in the changing public sector has been assigned to a variety of institutions (some of them long-established, some much newer) including auditors and related bodies, such as regulators and inspectorates.

This has had the effect of broadening the scope of the audit process – traditionally preoccupied with financial regularity – to encompass wider issues of ‘efficiency, effectiveness and economy’ and ‘value for money’. Moreover, public sector auditors have found themselves working in previously unfamiliar territory, looking at new contractual and quasi-contractual forms of public management and service delivery, and at arrangements that often cut across the traditional boundaries between the public and private/voluntary sectors. The importance of audit as a mechanism of public accountability has taken on new dimensions with

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the increasing emphasis on transparency in the assessment of public sector performance.

Paper-givers were invited to address, broadly and/or in relation to specific cases, the question, how does contractualisation impact on audit and vice versa? As in the previous work of the study group, ‘contract’ was to cover legally as well as non-legally binding agreements. It was also recognised from the outset that it has become increasingly common in public discourse to use the word ‘audit’ itself in a more casual way – with reference for example to the less formal ‘audits’ that may sometimes be undertaken by pressure groups, academic research teams, etc., and which may sometimes extend to evaluation of the (formal) audit process itself: in the call for papers we recognised the need to adopt a broad approach to the concept of ‘audit’ to include any relevant interplay between formal and informal auditing.

In any case, audit, even in its most formal senses, has substantially different underlying traditions and institutional manifestations in different countries, and some of these differences were reflected in the six papers presented in Vaasa, which were as follows:

Dr Albert Hofmeister, Head of Internal Audit, Swiss Ministry of Defence, Civil Protection and Sports: What is ‘Audit’? The term ‘Audit’ in Literature.

David Corner, Director of Corporate Policy at the National Audit Office and Gavin Drewry, Professor Director of the Department of Social and Political Science, Royal Holloway University of London: Risk taking and Innovation in Government – Recent Developments in Central Government Audit in the UK.

Nick Ward, District Auditor, UK: Audit and the Management of Risk – the Case of Local Government and Public Procurement in the UK.

Niels Ejersbo, University of Southern Denmark and Carsten Greve, University of Copenhagen: Auditing Contracts in the Danish Public Sector.

Dr Mauri Lehmusto, Office of the Parliamentary State Auditors, Finland: Contracting and Audit – the Case of Finland.

John Clarke, Professor of Social Policy, Faculty of Social Sciences, The Open University, UK: The production of transparency: audit, inspection and evaluation in the governance of public services.

It was particularly encouraging, and beneficial to the group’s work, that the paper-givers represented such a good balance between academics and practitioners. Up to twenty people attended each session, and the papers provoked much lively discussion. There was continuing reference to the wide range of activities that are covered by the audit concept – in particular, the relationship between financial, value for money and management audits. The group also noted some of the ambiguities associated with usage of the term ‘audit’, given its inevitable overlap with other mechanisms such as regulation and inspection. John Clarke, adopting a social constructionist approach, reminded us that in this context (and of course more generally) ‘language and meaning matter’. There were frequent references to the definitive independence of auditors, though this, and the

mechanisms used to secure it, evidently mean different things in different national and institutional contexts. Audit involves a delicate balance between ‘control’ and ‘assurance’. The world of new public management poses important challenges for the auditor, notably the need to find an acceptable and technically satisfactory approach to the management of risk. Audit has an obvious democratic function in safeguarding the wider public interest and it is linked to wider issues of public accountability.

The latter point, together with the fact that so many fascinating questions had for want of time been left unanswered (or only partly answered) prompted the decision of the study group to build upon its work in Vaasa by adopting the theme ‘Contracts and Accountabilities in Public Services’ for the Potsdam Conference in 2002. It is envisaged that the papers in Vaasa and Potsdam will be published together in an edited book.

It would be very wrong to end this report without recording, with regret, that Yvonne Fortin and Hugo Van Hassel, the original founders of the Study Group – which held its first meeting in Budapest in 1996 – have decided to stand down as its co-convenors. Gavin Drewry is now joined as co-convenor by Carsten Greve (University of Copenhagen) and Thierry Tanquerel (University of Geneva), both of whom have been very active in the work of the Study Group. We all owe a tremendous debt to the hard work and inspiration of Yvonne and Hugo, and look forward to their continuing involvement in our proceedings.

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Management and Delivery of Justice

The Current State of Affairs and a Programme for the Development of the Discipline of Judicial Administration

*Philip M. Langbroek & Marco Fabri **

The subject focussed on quality management for courts and public prosecutors' offices from managerial and institutional perspectives. The contributions to the meeting of the study group were of different kinds. Of course, there was the contribution of Professor Ioana VasIU (National Institute of Administrative Sciences, Romania, on fighting corruption amongst the (Romanian) judiciary; Professor Hans Inberg (Twente University, the Netherlands) on the working relationship between Public Prosecutors Offices and the Police; Professor Francesco Contini (Research Institute on Judicial Systems, Bologna, Italy) on judicial reforms in Italy, Professor Kas Kastelein, (University of Amsterdam, the Netherlands) on developing and implementing management information systems, and Dr. Philip Langbroek, on organising autonomy for courts by developing quality standards.

Our experience so far is that scholars focusing on judicial administration in Europe are scarce and there is only a handful of institutes in different countries. The study group on management and delivery of justice aims at the development and reinforcement of this discipline, by organising an international network. The annual meeting at the EGPA conference is a permanent feature of our efforts, but we organise other meetings and research projects as well. In June 2001, we organised a research seminar on Quality Management in Judicial Systems in Utrecht, the Netherlands. Currently, a research project is being deployed, together with the Mission Recherche de Droit et Justice of the French Ministry of Justice, on the development of possible quality standards for courts. In addition, the Italian Institute for Research of Judicial Systems organises various international projects in the field of Judicial Electronic Data Interchange. The results of these projects will be published in 2003.

One of the topics on the agenda included the ongoing judicial reforms in Italy, France, Denmark, Germany, Belgium, and, of course, in the States aspiring to membership of the European Union.

* Philip M. Langbroek, Institute of Constitutional and Administrative Law, Utrecht University, The Netherlands; Marco Fabri, Research Institute on Judicial Systems National Research Council, Italy.

This means in practice that scholars are trying to keep level with the development and implementation of change and improvement policies for courts, judges and public prosecutors' offices. This makes it extremely difficult for us to focus on one subject only, such as quality management. – However, judicial administration is about the ways in which the implementation of the rules of procedure are organised by the different judicial systems. A true understanding of what is going on in the courts and the public prosecutors' offices requires not only an understanding of the functioning of these highly specialised public sector organisations, but also of the legal rules of procedure as well. No doubt, governmental policies, aim to make the courts more accessible and at the same time to upgrade their efficiency and transparency, influence the way justice is meted out, and therefore the operational meaning of the rules of procedure.

In the midst of these changes we note the development and implementation of new ICT applications for the courts and the public prosecutors' offices. They open new doors of communication amongst judges as well as new doors to managerial possibilities in courts and public prosecutors' offices. Traditional juridical concepts such as the development of unity of jurisprudence, professional autonomy and judicial independence will be, and are already being, transformed as a consequence of these developments. This makes it necessary to rethink the position of judges within the court organisation, and the constitutional positions of the courts and the judiciary and, of course, the position of the policy makers at the ministries of justice. Many research questions can be formulated because of these developments, but it would be unwise – as traditionally happens – to leave the answering of these research questions to regular lawyers only. Legal research tends to render results of a normative nature only, be it as a conclusive state of normative affairs or as normative conclusions aiming to achieve corresponding changes in legal and/or jurisprudential rules. What we need is a much more thorough understanding of how policy efforts to make courts and public prosecutors' offices more efficient and client-oriented, affect the way judges, public prosecutors and the courts handle their cases organisationally and legally.

A common denominator in all these change processes is that traditional ways of 'doing cases' have become the subject of instrumental reasoning. Institutional tradition is being replaced by institutional design, traditional rules of procedure are being replaced by rules to speed up proceedings. The respective roles of the legal professions necessarily change because of these pressures. Public prosecutors have to deal not only with suspects, but with victims too. Courts and Public Prosecutors' offices are evolving rapidly from straightforward institutions into regular public service organisations with a front office and a back office, leaving judges and public prosecutors to choose, for instance, between specialisation or developing managerial skills, between coaching young colleagues or co-ordinating the courts' contacts with the press, between specialising in ICT management or in quality management.

Many of these changes take place under the flag of increased transparency and of preserving, gaining or regaining public trust in the national judicial system. EU enlargement and its justice policies under the Third Pillar not only refer to public

trust, but also to political and judicial trust in each other's judicial system. Trust is seen as a precondition for the functioning of a transnational open market and economic development. The latter aspect is also being stressed by the IMF and the World Bank.

At present, we do not know for certain whether these efforts will work out well. We do not know what made and still makes the public 'trust' the courts. We do not know why judges in courts of first instance find it difficult to accept the judgement of the corresponding court in another country.

We do not know exactly how we should understand political distrust of a judiciary –maybe that is too general a question. We do not know how these changes affect judicial independence and the professional autonomy of judges, and we do not know if and how the instrumental approach affects the search for the truth in judicial proceedings. This is not to say that courts and public prosecutors' offices shouldn't adapt to change, but it does mean that a lot of interdisciplinary research by lawyers and scholars in public administration and political science has to be done before we can judge, and comment on, the current changes in judicial systems in Europe.

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Local Governance

*Tony Bovaird, Elke Löffler and Salvador Parrado Díez**

1. Topic and Goals of the Vaasa meeting of the Study Group

The Annual Conference of the European Group for Public Administration in Vaasa, Finland provided the first opportunity for the Study Group on Local Governance (SGLG) to meet. Since this was the first meeting, the SGLG chairpersons decided to choose the rather broad topic of «Best Practice Cases in Local Governance in European Countries» in order to encourage participants to present an overview of the field of local governance.

The SGLG chairpersons had three objectives for the Vaasa meeting:

- To build up a new network of local governance stakeholders, including researchers, city managers, elected members, representatives of higher levels of government responsible for local issues, representatives of NGOs, the media, business, etc.
- To experiment with interactive methods which would allow the contents of the papers prepared for the Vaasa meeting to be fed into discussion in a more creative way than the traditional paper presentations. In order to do so, we provided the authors with instructions on how to prepare the sessions in a series of newsletters circulated in the year before the conference.
- To get an overall feel for the issue of local governance by taking a broad approach rather than focusing on one specific local governance topic.

In the light of these objectives, we made a conscious decision not to use the usual academic approach to conference sessions, consisting of presentations of papers with questions and answers, but rather to try something more imaginative.

2. The Programme of the Study Group

The programme of the sessions was designed to produce a maximum of networking and creativity between academics and practitioners participating at the conference. The programme featured :

- Interactive discussion groups, working on a modified and simplified form of the so-called «syntegration procedure», around key local governance issues

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- Working groups on the development of local governance mission statements and local governance balanced scorecards
- A panel discussion with experts from international organisations as well as local government associations and central government agencies across Europe.

3. The Outputs of the Vaasa meeting

Altogether, we received 14 papers from 11 European countries for the Vaasa meeting. In most cases, the papers had been co-authored by tandems of a practitioner and an academic, an approach which the SGLG chairpersons had strongly encouraged. Authors were provided with extensive comments by the co-chairs at various stages of the production cycle of the papers during the months before the conference. For all papers, the SGLG chairpersons provided one-page summaries which were posted on the SGLG website before the Vaasa Conference. They can be accessed from the Meetings section of the SGLG website at www.uwe.ac.uk/bbs/sglg.

Nomos Publishers, a widely respected European publishing house, has accepted our proposal to publish a new series on «Local Governance in Europe». Our first Nomos volume «Developing Local Governance Networks in Europe», based on papers from the Vaasa Conference in September 2001, is expected to be published by April 2002. It is also our intention to publish further volumes based on SGLG meetings which take place at and in between the annual EGPA conferences.

4. The Outcomes of the Vaasa meeting

In order to assess the outcome of our first meeting, we conducted a detailed evaluation of the Vaasa meeting. As well as an evaluation discussion session at the end of the conference, 27 participants completed a questionnaire on all the SGLG activities at Vaasa (and the activities leading up to the conference), with suggestions for the future. The detailed results of the questionnaire were posted on the SGLG website and communicated to all SGLG participants at the Vaasa conference. The main results can be summarised as follows:

- Respondents gave an overall score of 7.7 (0 – very bad; 10 excellent) to the SGLG sessions in which they participated in Vaasa and an overall score of 8.6 for the coordination up to and including the Vaasa conference.
- Among the positive aspects, respondents highlighted the coordination and the preparation, and the fact that the sessions were interactive and innovative. In particular, the design of the programme allowed for the active involvement of *all* participants.
- Negative aspects highlighted by respondents included criticism that the discussions were not focused enough and that they did not always provide in-depth analysis of topics. Some participants also thought that the

number of topics covered was too large and that there were not enough plenary sessions of the SGLG group.

One success of the Vaasa meeting was to build up a core group of SGLG members. We are counting on this group to help us prepare for the Potsdam meeting.

5. Planned Activities in 2002

At this stage, we have drawn the following conclusions and made the following decisions, based on the feedback provided through the evaluation of the Vaasa meeting and other comments which we have received:

- We have been delighted by the general level of satisfaction and interest which the Vaasa meeting stimulated, and will try to ensure that the standards set this year will be maintained in the programme organised over the next two years
- Although not all interactive sessions met the expectations of participants in every respect, we will continue to organise our sessions in interactive ways, learning from those sessions which worked especially well at Vaasa. This will include some (more limited) use of the synte-gration procedure, but only where it is specifically appropriate for the task in hand.
- We will design the Potsdam sessions to give the authors more opportunities to set out the contents of their papers, and greater scope for the relevant analytical frameworks and research conclusions to be analysed in the discussion sessions
- The production of papers for the Potsdam meeting will start much earlier this time so that all of the accepted papers will be readily available at least three months before the Potsdam conference. This will give authors more time than in 2001 to prepare themselves properly for the Potsdam meeting.
- We will continue to use the tandem approach for the production of papers for the book arising from the conference, i.e. each paper should be written by an academic and at least one practitioner, working together.
- We will continue to produce one-page summaries of each of the papers in advance, even though we had the feeling in Vaasa that most participants had not read the summaries before the conference! For Potsdam, we hope that the earlier timing, mailing by post (rather than simply relying on E-mail and the website) and the commitment to provide advance comments on papers by at least two other authors will encourage participants to get a better idea of other people's papers in advance.
- The topic for 2002 will be more narrow and more focused, as set out in the Call for Papers. The questions to be discussed in different sessions will also

be more focused. In particular, we will aim at ensuring in-depth discussions in all sessions. We intend to live up to the high expectations of researchers and practitioners which have been created at Vaasa!

In particular, we intend to set up a small steering group which will be responsible for planning the meeting in Potsdam. The topic we have chosen for the 2002 Potsdam meeting is «*Modernising the Relationship between Levels of Governance*». More details can be found on our website (www.uwe.ac.uk/bbs/sglg).

Report of the EGPA Research Group

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Public Governance: an interdisciplinary and international perspective

Walter Kickert *

Programme

The research workshop started on Thursday, morning and afternoon, with the presentation of five, general, critical, review documents, delivered by those senior scholars invited:

- W. Kickert: Public Governance. A Review
- W. Jann: Governance and 'new' Governance in Germany
- C. Pollitt: Sceptical Critique of Network Literature in Public Administration
- N. Nelissen: new Forms of Steering Capacity
- T.B. Jorgensen: Tracing and Sorting Public Values

Afterwards a number of country-documents were presented. Four of the presenters were PhD students.

- Hyrylainen: Post-consensual Governance in Finland
- H. Pemberton: Britain, Governance and the 1960s
- B. Bjerg and B. Poulsen: Theories of Governance and the Role of the State. The Case of Denmark
- H. Maciver: Government at the Centre of Scottish Politics
- G. Sootla: Dilemmas of Institutionalisation of democratic Governance in CEE-countries

A general discussion and evaluation of the research workshop, which will be described in this report, followed the presentations of, and discussions about, the documents.

Attendance of juniors

The attendance to EGPA conferences sometimes used to be quite 'fossil', a kind of 'Jurassic Park'. EGPA was really in need of fresh, young, blood, otherwise it would ultimately face the danger of dying out. That was the primary aim of the new formula of 'research workshop'.

* Walter J.M. Kickert, Professor of Public Management, Department of Public Administration, Erasmus University Rotterdam, The Netherlands.

The intention to stimulate young PhD researchers, in order to participate, was not yet fully successful in this first experiment. Six of the participants were senior. Four PhD researchers attended the workshop - two Danish, two British.

Although a 'call for documents' had been sent out, via three mailing lists of all the Danish, Dutch, and British, PhD students, apparently the EGPA research workshops need to be more systematically advertised.

Through NISPACEE, a mailing list of the PhD researchers in Central Europe can be obtained.

I will receive the mailing list of PhD researchers from the Italian universities of Milan, Pisa, Sienna and Rome.

A major incentive for PhD students, in order to attend the EGPA workshops, would certainly be some kind of financial support, such as an accommodation and travelling allowance. EGPA offers a reduction in registration fees. But costs can, yet, be prohibitive.

Werner Jann suggested trying to find out whether the German Volkswagen Stiftung, or other organisations, might be willing to offer a subsidy.

Stimulating atmosphere

The first morning the juniors were relatively quiet - understandably, therefore the seniors' documents were scheduled at the start. From the first afternoon onwards they participated, in a lively manner, to the discussions. Their impression was that the atmosphere was free, informal and stimulating.

Nevertheless, the seniors, of course, did most of the talking.

Organising a workshop dinner also stimulated the group's social contacts, and relaxed the juniors.

Research design and methodology

It was suggested that, besides presenting and discussing individual documents, the workshop might also devote some time to discussing the research design of dissertations, research methodology, etc. Not in general, but related to the workshop's theme.

One particular suggestion was that a senior should personally coach a PhD researcher, during one hour.

It was remarked that in Denmark, and in the Netherlands, PhD researchers already have ample possibilities so as to discuss their research design through seminars, tutorials etc. They are also trained in presenting those documents that are discussed. For them the EGPA workshop experience maybe superfluous, although document presentation, at an international conference, is quite different to that at home.

In other countries these facilities do not exist.

Future workshops

Christopher Pollitt suggested that it may be a good idea to repeat the research workshop.

The EGPA steering committee should consider the relationship between such yearly, research workshops, and the permanent study groups. Maybe some intermediate formula might be useful.

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About EGPA

The European Group of Public Administration (EGPA) was set up in 1974 as a working group of the International Institute of Administrative Sciences (IIAS) to strengthen contacts and exchanges among European scholars and practitioners. EGPA is now a regional group of IIAS.

• Its objectives

- * to organise and encourage the exchange of information on developments in the theory and practice of public administration;
- * to foster comparative studies and the development of public administrative theory within a European perspective;
- * to facilitate the application of innovative ideas, methods, and techniques in public administration; and
- * to include young teachers, researchers, as also civil servants in its activities.

• Its activities

To achieve its objectives, EGPA, whose primary function is to serve as catalyst and intermediary, uses the following means:

- * *organises and sponsors conferences and small scale study meetings*

The annual conference is the core activity of EGPA. It is held in a different European country every year. It is normally hosted by a member organisation. Each year, the theme selected for the conference is a topic of major concern for public administration in Europe.

- * *sets up study groups*

Each Study Group is managed by a Director and a Chairperson, and is necessarily comprised of academics and practitioners. Papers contributed by members are country studies or comparative studies, which are discussed in the meetings of the groups during the annual conference. The work of each group is geared towards a publication or series of publications.

EGPA has 7 Study Groups, which develop the following topics:

- Informatization in Public Administration;
- Personnel Policies;

- Quality and Productivity in the Public Sector;
- Public Finance and Management;
- The Development of Contracting in the Public Service since 1980
- Management and Delivery of Justice
- Local Governance.

* *sponsors publications*

- The EGPA Yearbook published annually;
- Scientific studies resulting from the study groups' research;
- The International Review of Administrative Sciences (IRAS) to which EGPA contributes;
- The IIAS Newsletter to which EGPA contributes.

• **Its address**

Dr. Fabienne Maron, Executive Secretary

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List of EGPA publications

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Author Index

Bannister, F.	143	Leben, A.	171
Boogers, M.	255	Lips, M.	209,255
Bouckaert, G.	299,403	Löffler, E.	371,429
Bovaird, T.	371,429	Maddens, B.	319
Cachet, A.	387	Malara, Y.B.	39
Chan, Y.E.	39	Mattila, J.	161
Cope, S.	101	Newman, J.	83
Daemen, H.H.F.M.	387	Niemi-Iilahti, A.	59
De La Brosse, R.	241	Nomden, K.	327
Dečman, M.	171	Ojala, I.	191
Drewry, G.	421	Parrado Díez, S.	371,429
Fabri, M.	425	Rhodes, R.A.W.	9
Farnham, D.	407	Ringeling, A.B.	387
Groenendijk, N.	349	Schaap, L.	387
Hoff, J.	227	Snellen, I.	129
Hógye, M.	411	Starie, P.	101
Hondeghem, A.	407	Turunen, J.	3
Horton, S.	407	Uusikylä, P.	403
Jenei, G.	417	Van de Donk, W.	123
Kampen, J.K.	319	Van de Walle, S.	299
Kauppi, U.	191	Van den Berg, F.	417
Kickert, W.	435	Van Duivenboden, H.	209
Klijn, E.-H.	29	Vermunt, J.	319
Kunstelj, M.	171	Vintar, M.	171
Lähdesmäki, K.	191	Webster, C.W.R.	277
Langbroek, P.M.	425	Weterings, R.	255