The Capacity to Govern: Moving Back to the Center?

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The capacity to govern is one of the ongoing quests of humanity, but that capacity is not equally distributed in space or in time (Dror, 2000). Some countries in the world can go about the process of governing themselves with little conscious concern about their ability to do so. For the rest of the world governing is a more problematic consideration. For some countries, for example Afghanistan, effective governance may be confined to a small part of the total territory, while for other countries the capacity to govern is more a question across time. Periods of effective government, and even effective democratic government, may be interspersed with periods of controversy and chaos.

Even for those countries that are confident about the capacity to govern, that confidence may in reality be complacency when viewed from a more detached perspective. This is in part because conceptions of "good governance" are culturally and historically contingent (Van Waarden, 1995), and what is functional in one political setting may be in many ways sub-optimal in other settings.[1] conceptions of what constitutes good governance. Those ideas are themselves to a great extent culturally dependent. Even within Western democracies, for example, stronger governments may be more acceptable, or even necessary, in some settings than in others. Of course, changing any extant patterns of governance may be difficult because those patterns are so deeply embedded in time and space (Sum, 1997). In addition, governing is very much contingent upon the governability of the societies that are involved, and the compliant, trusting, and the more organized, is the society then the greater the possibility of effective governance (Putnam, 1993; Rothstein, 2003).

Self-congratulatory thoughts about the governance capacity of a system may also underestimate the growing complexity of both government itself and the environment within which governance must take place (Amin and Hausner, 1997). That complexity has been increasing both at the international level and at the domestic level. As we will point out in much more detail below part of the logic of the proclaimed "movement from government to governance" is the increasing complexity of delivery systems for public policies. Governance is subject to a number of definitions (see below) but in this context the implication is that the public sector has lost (or more appropriately has abrogated) its monopoly on the conduct of business on behalf of the public (see Rhodes, 1997; Kooiman, 1993). That notion of governance, with the increasing involvement of non-governmental actors (with possibly conflicting goals and values) in the design and implementation of policies will make achieving collective goals for a society all the more difficult.

The discussion to this point should make it abundantly clear that the analysis of governance must be both empirical and normative. On the one hand I will be attempting to marshall evidence from real world political systems and from analytic political theory. That empirical evidence is necessary in order to consider how governments perform their tasks and do, or do not, govern their societies. On the other hand, governance is inherently a normative concern. Even without the usual adjectives such as "good" or "democratic" in front of the noun governance does have a pronounced normative dimension. Underlying the concern with governing is the sense that citizens deserve some form of effective governance for their societies, and that one important contribution that the social sciences can make is to think through elements of design of governing systems. The social sciences often have denied the possibilities of designing institutions (but see Sartori, 1994; Sunstein, 2002; Goodin, 1992) but there is to some extent an obligation for those of us who study how governments function to think further about the ways in which the lessons learned can be applied.

[1]This is true despite the commitment of many international organizations to particular

The basic argument of this paper is that the capacity to govern, and even more the style of governance that is imposed, has been shifting substantially during the past several decades. We can begin with a traditional conception that governing was primarily an activity of government itself, with the private sector being involved primarily as a source of inputs into politics. While the linear and hierarchical nature of this style of governing is easily overstated, especially for the countries of Northern Europe (Kraemer, 1968; Rokkan, 1967), much of the history of governing has been the story of attempts to control society from the center. These attempts are as often as not unsuccessful, and both within individual governments and across levels of government there is a great deal of slippage and greater discretion than those at the center might wish to see (Grémion, 1976).

Governing and Governance

This paper will focus on the meaning of governing and the factors that contribute to the capacity to govern. This analysis must to some extent be general, given the number of factors that impinge upon governing, but it also will focus on the role that public administration plays in governing. The reform of the public sector in a host of countries over the past several dimensions has focused on the need to make the public bureaucracy more effective and more efficient (Bresser Pereira, and Spink, 1999; Pollitt and Bouckaert, 2003; Geddes, 1994). The good news is that these reforms have indeed produced positive results, and governments now in most countries are indeed now more efficient and effective than they were in the 1980s or even the 1990s. The bad news, however, is that the reforms have produced their own set of administrative and policy problems, many of which are a direct consequence of the improvements that have been implemented.

The attempts to reform public administration have been ubiquitous. Even when there have been manifest needs to consolidate democracy and to improve the functioning of the institutions of public participation there also have been a perceived need to put the functioning of the bureaucracy right. This emphasis on administrative reform is, I would argue, well placed given the centrality of administration is implementing programs, and its role as the principal contact between State and society (Meyers and Vorsanger, 2003). Citizens may encounter their elected representatives from time to time, but most citizens are in frequent contacts with members of the public bureaucracy, in the form of policemen, tax officials, social service employees, teachers, and other like. That having been said, governing does require more than simply the capacity to implement efficiently and some wider conception of governing needs also to be considered when thinking of the capacity of governments to steer

Governance has come to be used widely to describe the activities of the public sector, but we need to consider more precisely what is meant by this term. We are particularly concerned here about the capacity of government to steer the economy and society (see Pierre and Peters, 2000; forthcoming). That is, governance can be defined most simply as the process of providing direction to society. Governance is often thought of in terms of "steering", in which some set of actors (increasingly thought of a involving both public and private actors) attempts to use the instruments at their disposal to get the economy and society to act in a goal-seeking manner. We can add the adjective"democratic" to governance when there are means of popular involvement in the goal-setting process, and there are effective means of accountability to assess the actions taken in the name of the public.

The above definition of governance may appear to place the public sector at the center of the process of steering, but I am by no means arguing that government is solely responsible for governing; steering may be "at a distance" (Kickert, 1996). Elements in the civil society can facilitate governance and can be active participants in what Lester Salamon (2001) has deemed to be "New Governance". That having been said, however, I am not about to attempt to argue that the public sector is not involved than in the past.[2] Indeed, the public sector may be placed in the paradoxical, and awkward,

[2]Richard Rose (1976) once spoke of steering with two sets of hands (politicians and civil servants) on the tiller. The metaphor would now have to be expanded substantially to take into account the wider range of actors who participate in the

situation of retaining much of the *responsibility* for governance while weakening many of the *levers* that made governance from the center possible. When things go wrong, even if government has formally divorced itself from control, they may not be able to convince the public that their responsibility has ended. The privatization of public utilities and transportation, for example, does not remove public responsibility from government[3] in the minds of the public. but may mask the chain of accountability for those crucial activities.

Requisites for Governing

We can begin the analysis of governance by outlining a rather simple set of activities that must happen for governance to occur. Some of these governance activities are rather familiar as components of the literature on the policy cycle (Jones, 1986; Sabatier, 1999) but they need to be extracted from the almost total emphasis on government in that literature, and broadened to include some aspects of the relationship between the public and private sectors involved in contemporary governance. Further, these activities go beyond simple questions of policy making to address some fundamental issues about politics and the relationships of political action to control within a society,

1) Articulating a Common Set of Priorities for Society. The first and perhaps most essential task for governance is articulating a set of priorities and goals for society that can be agreed upon by that society. This activity, in turn, constitutes the principal place for government (in the traditional sense) in governance. Perhaps no other set of institutions in society is capable of articulating collective priorities. Furthermore, governance must refer to some mechanism or process through which a consensus on these priorities and objectives can emerge. Such a process must logically include a mediating role exercised by public institutions that are perceived as legitimate representatives of the interests of citizens.

2) Coherence. As well as having goals articulated, there is a need for those goals to be consistent and coordinated. Networks and markets, as alternative forms of governance are often not particularly good at creating coherence, especially coherence across a large range of policy areas. Again, governments (and particularly the upper levels of government) are crucial for creating coherence, given that they are meant to produce such a broad vision and balancing of interests. While often imperfect in providing that necessary coherence, governments may be only real alternative for this action (see below)..

3) Goal Achievement. The third requirement for governance is a capacity for achieving the goals that have been set. Once a set of goals is established there is the need to find ways of achieving those goals and steering the society to attain those goals. The conventional means of governance has been for the public sector to use regulation, direct provision and subsidies (among other policy instruments) to achieve the goals. As patterns of governance change, however, the instruments employed have been changing to include a number that involve private sector actors (see Salamon, 2001).

4) Feedback and Accountability. The final stage of the governance process requires some mechanisms for feedback and accountability. After there are attempts at governing there must be some means of assessing what has happened and then improving governance based on what has transpired in the past. This aspect of governance rather obviously has two elements. One is feedback, meaning that

process of governance of most modern societies.

[3]This has been seen most clearly in the experiences of the United Kingdom and a railway system that nominally had been privatized but remained very much a public sector concern.

the steering that is being undertaken is done with some attention to the effects of prior steering decisions and future behaviors are adjusted accordingly; the process is to some extent cybernetic (see Deutsch, 1968). Some systems are better than others in reacting to their own actions, with some persisting even in actions that are obviously counterproductive, given ideological or professional commitments to the path.[4]

Activities of Governance

If we follow on from the functional analysis of governance presented above then we can think about governing as the balancing of two fundamental activities in attempting to steer the society. These two activities are adaptation and implementation. These two activities to some extent are analogous to the input/design aspects of policy making and, rather obviously, the implementation of policy. Those analogies are, however, not perfect and each of those two basic activities in governing have some more complex dimension that go beyond the simple input/output differentiation. This is especially true given that a range of institutions are involved in each of the two crucial activities.

At the input or design level the crucial activity for governance is adapting to changing environmental conditions and changing demands. Any effective government needs and demands that change constantly, and therefore must make decisions about how rapidly to respond, and conversely how much to emphasize stability of its policy responses. In order to be effective in making that response governments must be open to inputs from the environment--both technical and political. Governments that choose to govern too much from the top down and lacks good links with society are unlikely to be effective in responding to their environment. Such responses as it does make may appear to be groping rather than clear responses to the needs and demands coming from the environment.

This adaptation activity is important for design and political responsiveness, but it is also important as a feedback function in governing. Governments need to understand what they have done and what consequences their policy choices have had for the society. Further, they need to have means of attributing praise or blame (mostly blame it appears) to those officials who have been responsible for the actions of government. Without that feedback governments are often stumbling from crisis to crisis.

The other side of governing, taken at the broadest possible level, is the ability to implement policies once they are made. To be able to govern the decisions made by governments must be put into effect in something close to the form in which they were intended to function. There is an extensive literature on policy implementation (Winter, 2003; Pressman and Wildavsky, 1974), all of which stresses that the transformation of policies from paper to action is not easy and requires a great deal of administrative and political talent. It also requires a great deal of political commitment so that good intentions do not simply trickle into the sand. Clearly the more authoritative, *Rechtstaat* forms of governance should be more effective in implementation than would other forms of governing. The commitment to legalism and to formalized bureaucratic procedures may make effective implementation more attainable than would other formats for governing.

The other aspect of these two functions is that may be apparent from the above discussion is that they constitute a trade-off, with governing systems that are excellent in one activity are hypothesized to encounter substantial difficulties in achieving the other. The top-down, hierarchical versions of governance appear likely to be effective in implementing policies, given that they depend upon authority and law to achieve their purposes. While legal instruments are, of course, themselves imperfect in achieving their aims, the basic premise on legal instruments is that the law as implemented should conform to the law as written. That notion is not, in models of implementation and other models of governance, entirely agreed upon and other ways of attempting to govern may permit or even encourage deviations from the formalized mandates from legislatures or other sources of law.

[4]This phenomenon may be more common than implied by the above statement, given the importance of "path dependency" in understanding policy choices. See Pierson (2003).

The Shifting Tides of Governance

As noted above, we will be concentrating on the shifting forms of governance and the importance of those alternative forms of steering for the capacity of governments to fulfill the functions mentioned above.[5] This analysis will be in part historical (but see Finer, 1997 for a far more complete presentation), although only for the last half century or so, and also to some extent prospective. The purpose of the analysis is not, however, simply to document changes in how societies have been steered but rather to consider the implications for the choices that have been made for a more general analysis of the capacity to govern. It appears from the historical record that there has been one notable transformation of governance, with a second now being initiated. This second transformation of the style of governing will return many societies to something resembling that which they had left not too long previously, again pointing to the extent to which reforms of governing have in reality a limited repertoire of possible responses to the continuing demands.

The Traditional Model. We can begin with a "traditional model" in which the State was the principal source of governance for the society. Much of the study of political science and of public administration has been premised on this form of governing in which the public sector is a relatively autonomous actor, making its own decisions about goals and using its own resources to achieve those goals (see Walsh and Stewart, 1994). Authority and law were the primary instruments involved in the delivery of public services in this model of governing, and the general style of governance was from the "top down", both within public organizations and between the public sector and the society. This *étatiste* mode of governing in many ways constituted an operational version of the rational-level form of governance associated with Weber's ideas on the public sector.

In most democratic political systems governing in this traditional fashion the public was involved in the initial selection of the goals of the government, but only in a very indirect and often ineffective manner (Rose, 1974). The public were involved in the selection of their leaders but could exercise little direct influence other than that vote. Of course, in less democratic systems that opportunity for participation was further limited, with more complete regime change being the only means of influencing the direction of governance. Governance in the traditional mode then is very much an elitist conception of how to provide direction to the society, and depends upon the capacity of that elite to conceptualize the needs of the society and develop the means of implementing programs. Society itself was little involved in providing that governance.

Although we are calling this model "traditional" as if it were passé, in reality a number of countries, even democratic political systems, continue to hold on to this form of governance, and to assume that it is in reality the only real means of governing. Traditional governance has been effective for any number of political systems and they may find little reasons for deviating from that pattern. Even in political systems that have shifted away from the more traditional forms of governance for some aspects of their operations some policy areas may remain managed in this manner. Typically, the defining functions of the State (Rose, 1974) remain governed in a more hierarchical manner than do other policy areas, while social policy areas tend to shift toward greater public involvement.

As intimated, this traditional model of governance was not a reality for some parts of the world, especially the Low Countries (Heisler, 1974) and Scandinavia (Rokkan, 1967;). Although these countries had many *Rechtstaat* features, in practice they were modified through permitting substantial levels of on-going public involvement. A variety of mechanisms, described variously by scholars as corporatism or corporate pluralism, were developed to permit organized interests in the society to exert an influence as public policies were being developed, and also to play substantial roles in the

[5]Yes, the argument is in part functionalist, and consciously so. See B. Guy Peters, "Governance and Comparative Politics: The New Functionalism?", forthcoming.

implementation of those policies. These democratic mechanisms combined with a strong state tradition legality and power, if required, resulted in a state that had at once considerable political legitimacy but also a substantial capacity to place their rules into effect as they were intended.

At the normative level this model of governance has tended to do some things well, and to perform other tasks less well. If we refer to the two basic functions of governance developed earlier, then the traditional, hierarchical model tends to be much better in implementing than it is in responsiveness and in feedback. Indeed, in some ways the traditional model of governance may eschew the opportunities for using feedback, given that it relies heavily on its own resources for governing, and for understanding the nature of the world within which it is governing. The State need not be autistic (McCarthy, 2000) but in reality this style of governing may produce that detachment from its society.[6] In this sense highly bureaucratic systems may depend upon their own expertise and their own conceptions of the world rather than

From Government to Governance. The traditional model of governing society came under practical and academic attack as an appropriate means of providing steering for the economy and society. In particular, the critics of the traditional model argued that this form of governing did not provide sufficient opportunities for involvement and influence to the public, and that it wasted a great deal of capacity in the society. Especially in modern societies in which the public is reasonably well-educated and in which there are a wealth of civil society organizations that can participate in governance, the continuation of a top-down, hierarchical model of governing is unlikely to produce the best outcomes for society.

The standard response to the hierarchical model has been to emphasize the use of societal actors, and especially to utilize the networks of actors that surround almost all policy areas (Marsh and Rhodes, 1992; Kooiman, 1993; Kickert, Klijn and Koopenjaan, 1997) to shape and manage policies. At the extreme scholars have argued that societies can have "governance without government", meaning that the networks of interested parties would be capable of providing the steering for the policy areas in which they are involved. These self-organizing and self-referential collections of organizations (in 't Veld, 1992) are assumed to be capable of making collective decisions and of controlling the manner in which policies are designed and delivered. The style of governing that can emerge from this emerging model of governance may be very congenial to the formalized participants in these processes but, as we will point out may not be so congenial for the less organized and the less obvious participants in the process.

Another of the standard responses to the hierarchical model of governing has been to alter the manner in which public policies are implemented, and to involve the civil society, and even for- profit organizations, in the delivery of services. This reform represents the now familiar, and perhaps infamous, approach of "steering, not rowing" proposed by Osborne and Gaebler (1992). The assumption that has been guiding these reforms has been that governments are less capable of actually delivering services than are private sector organizations, and hence government is well-advised to permit those organizations outside government that can perform tasks more efficiently to perform them. As noted, the logic of these reforms is based on an assumption, an assumption that has gained some support from empirical observations of reform efforts but that also has been the subject of some clear refutations. This approach to reform has not emphasized networks *per se* but instead has counted more on government as a manager of policies finding means of achieving their policy goals in a more efficient and effective manner.

Another aspect of administrative reform that has emphasized efficiency over involvement has

[6]For example, the leadership of French emergency room doctors has argued that the French State was detached from society in the Summer of 2003 when approximately 10,000 people died from excessive exposure to heat. He argued that the bureaucrats in charge talked to other bureaucrats, rather than looking at the objective conditions in hospitals, and even in the streets.

been the creation of agencies and other autonomous and quasi-autonomous organizations, each responsible for delivering a single service. This disaggregation of the public sector has been common in a number of the industrialized democracies (Gains, 2003) and has been adopted in a range of transitional and less-developed societies (see Pollitt and Talbot, 2003). This mode of governing tends to exacerbate the tendency of other reforms to link programs to particular clientele groups and not to push these programs more in the direction of a generalized and comprehensive conception of the public good. Governing may therefore be conducted reasonably well within the "stovepipes" that are defined by networks and other structures that link groups and agencies that have a common interest in policy.

In the context of states in transition, in Central and Eastern Europe, Asia and in Latin America the network models of governance may not be perceived the most appropriate alternatives to the hierarchical model. Indeed, one can argue that the primary need is to develop hierarchical states and Weberian bureaucracies that can indeed perform *sine irae ac studio,* rather than the corrupt and party dominated systems that have been characteristic of many of these political systems (Peters, 2000, Chapter 6). That having been said, however, there are also pressures to develop more participatory conceptions of governing that can be used to help spur the development of civil societies, as well as to react to the structures for processing citizens's demands that already exist (Rothstein, 2003; Newton, 1999).

Even for the more developed societies, and for many policy areas within them, the use of networks as a mechanism for making policy decisions is potentially problematic. On the one hand, if networks are inclusive, and provide access to as broad a range of social and economic interests in the society as possible then making decisions will be difficult. Networks of this type have the virtue of openness but generally lack agreed upon means of making decisions in the face of the conflicting demands and ideas that are almost certain to result from such inclusiveness. If the idea of the network is to have some deliberation and involvement then formalized rules may undermine that important element of democracy perceived to exist within the structure. On the other hand, conventional institutions of political governance do have institutionalized rules, e.g. simple majorities, that permit decision-making even in the face of conflict.

On the other hand, if the policy network is not inclusive and is defined by commitments to particular policy ideas or professional viewpoints within a policy area then making decisions may be possible within the network, but they are decisions that will in all likelihood not be acceptable to all segments of the society that have legitimate concerns about the policy. Epistemic communities (Haas, 1993; Adler, 1992) defined in terms of particular knowledge bases, for example, may find it very easy to reach decisions among themselves, but these decisions are unlikely to satisfy the other “players” involved; doctors can make decisions they like about health care policy but are not likely to satisfy consumers, hospitals or insurance funders of the health care system.

The above discussion of networks points out that one of the more problematic elements of the network governance model is the role that democracy can play within the process of governing. On the surface network governance appears to enhance public participation in decision-making within the public sector, and also to permit the public to escape from the constraints of conventional representative democracy in which they are capable of being only sporadic players in the governance process (Sorenson, 1999). On the other hand, if policies are to be determined by aggregations of the groups and individuals most directly concerned with the policy then there is the danger that a more general public interest will be undermined. If we follow through with the health care example given above then even if health care professionals were to agree upon a policy there would be no certainty that the "public interest" would be protected in such as decision.[7]

[7]This concept is terribly difficult to define and even more difficult to operationalize, but at a minimum, in procedural terms, it appears appropriate to include a broad range of sentiment in any group purporting to make decisions in the name of the public.

The democratic concerns about network governance and other forms of decentralization raise the very basic question of accountability for networks. To what extent can social actors that make decisions in their own names and in consultation with other autonomous actors be held responsible for the decisions, and for the outcomes of those decisions? It is not clear that this form of governing does provide adequate defenses against the appropriation of the public interest for the interests of a relatively few actors, even if the actors involved come from different types of groups and nominally have different interests.

Coordination, Coherence and Strategy

The reforms identified above had notable successes in enhancing the efficiency of day to day administration, but they also created significant problems for governing when considered from a more general perspective. As implied above, the reforms of the 1970s through 1990s, that continue to be implemented in a number of settings and forced on to many governments, had the effects of disaggregarting government and producing an excessively fragmented and incoherent style of governing (Peters, 2003). We can now begin to see the reaction against this extremely decentralized form of governing in attempts to create a more centralized mission for governance from the center (see Savoie, 2001) and a more coherent vision of the future of the State and society. The need to create more encompassing goals and priorities is becoming seen as the appropriate focus for the governing process.

I will therefore conclude this discussion of governance and reforms of the state by focusing attention on one of the more important aspects of governing, which is the need to establish priorities--a vision if you will--and then find the means of achieving those goals. In particular there is the emerging[8] governing. need to think about governing in a more coherent manner and to develop means of moving from broad priorities and vague ideas to programs for governing. It is easy to think about the priorities that a government should have--most politicians and most citizens could easily supply a list of the things that they believe it is crucial for government to do. Making such a list of appropriate goals for society is only a part of the problem, however.

The difficulties in moving from any number of lists of goals coming from individuals and organizations to collective goals for a society confronts some of the principal issues in governance. First, there must be some mechanism for moving from multiple, and often conflicting, lists of goals and priorities to that collective list that can be accepted by the society as an entity. As intimated several times already that is a political process that may be as simple as majority rules or may be as complex as deliberative political processes (Bohman and Rehig, 1997). In general, the fewer actors that are involved in such a process the easier it will be to develop an integrated set of priorities (Buchanan and Tullock, 1962; Tsebelis, 2002), although limitations on involvement also imposes significant potential costs on the individuals who are excluded from the choices. That is, the fewer the “veto players” making a decision the more people there are whose values and priorities are likely to be excluded from the final enumeration of priorities.

There is also a substantial set of organizational issues involved in attempting to create an integrated conception of priorities for governing. Not only do individuals express their own set of priorities for governance, so too do the organizations within the public sector, as well as those organizations associated with the public sector, e.g. the participants in various partnership arrangements. Governments tend to be organized, and to operate, in well-defined vertical structures ("stove pipes", "silos") defined along functional lines--health, education or transportation. This is true for individual governments and is also true as levels of government are linked in order to provide services. Therefore, attempting to provide comprehensive and integrated sets of priorities across

[8]The need has been there for some time; reforms and changes in the environment of governing have produced a growing need to emphasize coordination and coherence in.

government tends to create managerial problems in producing cooperation and coordination of these vertical structures (Bardach, 2001). The decentralization of government during the second round of reforms (see above) has made this problem of creating organizational commitment to coherence all the more difficult, given that the organizations created or empowered in these reformers may not feel themselves so much a part of an integrated government but rather autonomous service providers.

Following from the above two issues is the issue of how to achieve greater integration of government while also maintaining democratic values and the more participatory style of government that has become the primary style of governing. As implied already wide-spread involvement of organizations and individuals may make reaching decisions difficult. This is true for individual policy areas, and is all the more true when governments attempt to make policy in a more "horizontal" or "holistic" manner (6, 2002). Creating a vision for governing, or for any other complex social task, may be difficult to do when means must be devised to reconcile multiple views; the danger is always that the vision becomes a lowest common denominator rather than an integrated set of goals (Scharpf, 1996).

A consensus document about policy goals may be valuable politically but it may be less valuable as a mechanism for providing steering and governance to a society. The concept of steering implies having clear goals, as well as the ability to move the society toward those goals. Given that any set of over-arching goals for the society are likely to cut across existing government organizational structures, there also needs to be some cascading downward from broad, general conceptions of what government should be doing toward more operational goals that can be delivered by individual organizations and programs. Likewise, organizations and programs will find that they must fit into several streams of policy activity. This more hierarchical structure of priorities then will require continuous monitoring and some degree of control if this governance process is to be successful.

The more alert readers will have already noticed that what is being developed here is a thinly disguised argument on behalf of more hierarchical forms of governing, involving steering and control from the center. The argument being made here, and also increasingly by real-world governments, is that if there is to be a more coherent form of governance it may have to come from the center. The creation of the managerialist and decentralized State through reform processes has reduced the capacity to create coherence, and also has reduced the power of political officials relative to their administrative counterparts (Peters and Pierre, 2002). Therefore, both for institutional reasons and for governance reasons there may be a perceived need to shift some policy activity toward the center. The difference from traditional hierarchical governance is that there is a strong emphasis on strategic management and the need to create clear strategies for the public sector.

There are already a number of the more centralizing reforms in operation. For example, at almost the same time as putting into place its decentralizing reforms, the New Zealand government institutionalized a strategic planning and performance management system that included two levels of priorities. At one level government wide goals are established, and then beneath that level results areas that are more closely related to the activities of individual organizations. A more sophisticated system of creating coherence is now being created by the government of Finland (Ministry of Finance, 2003; see Appendix A). The development of this methodology originally was in response to a perceived need to provide an integrated front when dealing with Brussels, as a new member of the European Union. It has evolved, however, as a more general response to needs of governing in the contemporary world.

The notion of imposing a vision in governance brings us back to some extent to the normative dimension of governance and governance theory. The implication is that governing can be carried out better when there is a more integrated vision of what the future of the polity and society should be and that there should be means of imposing that vision for the society. That emphasis on an integrated and holistic vision of governing to some extent appears to be in direct opposition to ideas of democratic governance and the perceived necessity among many analysts and citizens to promote involvement by all segments of the society. On the other hand involvement without the capacity to make the system

perform to implement the decisions made in an open manner may be alienating, and may be one of the emerging problems of contemporary democratic systems.[9] problems represented a genuine problem for democracies.

Summary

Although the implications of these changes in the direction of more strategic management from the center have yet to be determined, the one thing of which we can be certain is that it will foster yet another round of reforms and change. That change will be in the public sector itself and will also be in the relationships between the public sector and organizations and institutions within the surrounding society. Just as the rather extreme decentralization and deconcentration reforms introduced from the 1970s until the present are now producing some return to centralized solutions, so too will any significant reforms introduced now produce yet another round of change. As Herbert Simon famously pointed out over a half-century ago there are a number of dualisms in administrative "science" and each time we select one side of a pair of solutions there will not be much time until we feel the need to try the other side.

Despite the apparent futility of reform, there does appear to be some progress in the capacity to govern, and some conscious thought about the need to govern successfully. The movement towards thinking about governance, as opposed to simply government in itself indicates some increased sophistication about the manner in which steering may occur in a society, and the need for a more comprehensive conception of how steering can be manifested in a society. Governance is conceptualized increasingly as an activity that must involve a range of actors, and that can be performed best through involvement rather than imposition.

The above having been said, it is also clear that there are limits on the capacity for involvement. These limits arise from both practical and normative concerns. On the one hand steering implies goals, and consensus goals are difficult to create and to maintain. The alternative of a decentralized regime may produce the paradox of programs that are individually efficient and even effective but which add up to ineffective government--the administrative Tragedy of the Commons. On the other hand, and also paradoxically, a governance model that depends largely upon the involvement of members of a particular network surrounding the issue may produce a localized form of democracy but exclude the general public and perhaps even some organizations and individuals with direct concerns for the policy area.

Another of the major consequences of the prospective return to greater steering from the center for some governance activities is that there should be some enhancement of the accountability that was to some extent diminished during the decentralizing reforms introduced earlier. One virtue of steering and strategic planning conducted from the center is that it is more apparent who is responsible for success or failure. In a decentralized political system, or a system with a substantial involvement of non-governmental actors, politicians and the public encounter substantial difficulties in assigning accountability for actions and outcomes (see Peters and Pierre, forthcoming). While accountability for actions may be clouded in the best of systems (Bovens, 1996), the decentralized and partially privatized systems created towards the end of the 20th century made the problems all the worse.

Governance then continues to be a goal for human societies. The number of "solutions" that have been discovered for the problems of governance, and especially for democratic governance, is equal to the number of disappointments in reforms. The good news is in part that we continue to try to provide the steering and political direction that societies need. The good news is also that we appear to have learned some things and to have gotten better at governing, if only to recognize the extreme difficulties associated with the task. The bad news, all too obvious, is that there is no magic formula for

[9]Samuel Huntington (1974) noted several decades ago that the proliferation of educated and democratically motivated citizens combined with increasingly complex policy.

governing, and this continues to be a challenge for people inside and outside government.

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