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Author
Bevir, Mark

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A DECENTERED THEORY OF GOVERNANCE

By Mark Bevir

ABSTRACT

There are two leading narratives of governance. One is a neoliberal one about markets that is inspired by rational choice. The other is a story about networks associated with institutionalism in political science. This paper argues that both rational choice and institutionalism rely on assumptions about our ability to read-off people's beliefs from objective social facts about them, and yet that these assumptions are untenable given the philosophical critique of positivism. Hence, we need to modify our leading theories and narratives of governance. We need to decenter them. The paper then explores the distinctive answers a decentered theory of governance would give to questions such as: is governance new? is governance a vague metaphor? is governance uniform? how does governance change? and is governance failure inevitable? Finally, the paper explore some of the consequences of decentered theory has for how we might think about policy formation and democracy.

A DECENTERED THEORY OF GOVERNANCE

In 1992 the World Bank introduced the concept of good governance as part of its criteria for lending to developing countries.[1] Governance referred here to the neoliberal reforms in the public sector – the new public management and marketization – that the Bank believed led to greater efficiency. In contrast, the Local Government and Whitehall Programmes of the British Economic and Social Research Council used governance to refer to a new pattern of relations between state and civil society; governance consists of networks, not markets.[2] People construct various accounts of governance from within different narratives, where a narrative explains human actions in terms of the beliefs and desires of actors.

If we take concepts such as narrative seriously, we will allow that the world is not given to people as pure perception; rather, different people perceive the world differently because they hold different theories. This insight, in turn, might lead us to a decentered analysis of governance at odds with those upheld by the economists of the World Bank and the political scientists of the Local Government and Whitehall Programmes. Before we explore a decentered analysis of governance, however, we should examine existing narratives of governance in relation to rational choice theory and institutionalism, thereby opening a space in which to push and pull these theories in an interpretative direction (section 1). Only then will I provide a decentered analysis of governance (section 2), indicating the distinctive answers it might give to questions about governance (section 3), and examining its implications for policy-making and democracy (section 4).

1. Theoretical Reflections

The current interest in governance derives primarily from neoliberal reforms in the public sector since the 1980s. Neoliberals understand governance in terms of the increased efficiency in the public sector allegedly ensured by marketization, contracting out, staff cuts, and stricter budgeting. The neoliberal narrative emphasizes bureaucratic inefficiency, the burden of excessive taxation, the mobility of capital, and competition between states. It condemns a hierarchic model of the provision of public services as inherently inefficient: the state might make policy decisions, but instead of delivering services, it should develop an entrepreneurial system based on competition and markets - "less government" and "more governance".[3]

The neoliberal narrative of governance overlaps somewhat with rational choice theory. Both draw on neo-classical economics, which derives formal models of social life from micro-level assumptions about rationality and profit maximization. While the neoliberal narrative of governance deploys this approach to promote reforms such as the new public management, rational choice theorists attempt to extend it from economic matters to political activity. Rational choice theorists seek to construct theoretical models as deductions from a few elementary assumptions. The economic approach to politics, as it is also known, presupposes that actors choose a particular action or course of actions because they believe it to be the most efficient way of realizing a given end, where the ends an actor has are supposedly given by his utility function.[4]

The most prominent alternative to the neoliberal narrative of governance – one with very different political implications – comes from political scientists who define governance in terms of networks conceived as the unintended consequences of neoliberal

policies.[5] For political scientists, neoliberal reforms fragmented service delivery and weakened central control without establishing proper markets; they created networks. The Local Government and Whitehall Programmes, for example, suggest the neoliberal reforms of the 1980s undermined the capacity of the state to act while failing to establish anything like the neoliberal vision. The state now acts, they indicate, as one of several organizations that come together in diverse networks to deliver services. Often the state can no longer command others, but must rely instead on limited steering mechanisms and diplomacy. Governance is thus characterized by power-dependent organizations that form semi-autonomous, self-governing networks.

Just as the neoliberal narrative overlaps with rational choice, so the narrative of governance as networks does with institutionalism.[6] Its proponents typically accept that pressures such as globalization, inflation, and state-overload brought about neoliberal reforms, only then to emphasize that embedded institutional patterns meant the reforms did not operate as neoliberals hoped. Institutions, they argue, create a space between policy intentions and unintended consequences: institutions explain the gap between the market vision of the neoliberals and the reality of networks. Institutionalism shifts our attention from an allegedly inexorable process fuelled by the pressures of globalization, capital mobility, and competition between states to the ways institutions generate diverse responses to these pressures.

By no means all uses of the concept "governance" fit within the neoliberal story about markets or the institutionalist story about networks. Nonetheless, these two stories are the dominant ones currently on offer. One way to introduce an alternative, decentered theory of governance is to explore the relationship of institutionalism and rational choice

theory to those concepts – narrative, episteme, and paradigm – that imply our perceptions

of the world vary with the theories we bring to bear on them. These concepts suggest, in

contrast to positivism, that our perceptions always incorporate theories: even everyday

accounts of experiences embody realist assumptions, including things such as that objects

exist independently of our perceiving them, objects persist through time, and other people

can perceive the same objects we perceive. The place of theory in perception does not

mean that our categories determine what experiences we have; it means only that our

categories influence the way we experience the sensations we have.

Although positivism was subjected to forceful philosophical criticism as early as

the 1950s, institutionalism and rational choice fail to take seriously the consequences of

rejecting a positivist belief in pure experience.[7] They cling tenaciously to the positivist

belief that we can understand or explain human behaviour in terms of allegedly objective

social facts about people. In doing so, they remove interpretation of beliefs and meanings

from their visions of political science. When political scientists repudiate positivism,

they are usually distancing themselves from the idea of pure experience without intending

thereby to repudiate the goal of a political science that eschews interpretation. Typically

political scientists try to avoid direct appeals to beliefs by reducing beliefs to intervening

variables between social facts and actions. Instead of explaining why people voted for

the British Labour Party by reference to their beliefs, for example, a political scientist

might do so by saying they were working-class. Similarly, the anomaly this explanation

creates out of workers who vote Conservative is one a political scientist might deal with,

not by examining beliefs, but by referring to something such as religious affiliation,

gender, or housing occupancy. Few political scientists would claim that class and the like

generate actions without passing through human consciousness. Rather, the correlation between class and action allegedly allows us to bypass beliefs. The implication is that belonging to a particular class gives one a set of beliefs and desires such that one acts in a given way. To be working-class is, for example, allegedly to recognize that one has an interest in, and so desire for, the redistributive policies historically associated with Labour.

Once we accept there are no pure experiences, we undermine the positivist dismissal of the interpretation of beliefs. A rejection of pure experience implies we cannot reduce beliefs and meanings to intervening variables. When we say that someone X in position Y has given interests Z, we necessarily use our particular theories to derive their interests from their position and even to identify their position. Thus, someone with a different set of theories might believe either that someone in position Y has different interests or that X is not in position Y. The important point here is that how the people we study see their position and their interests inevitably depends on their theories, which might differ significantly from our theories. X might possess theories that lead him to see his position as A, rather than Y, or to see his interests as B, rather than Z. For example, some working-class voters might consider themselves to be middle-class with an interest in preventing further redistributive measures, whilst others might consider themselves working-class but believe redistributive measures are contrary to the interests of workers.

To explain peoples' actions, we implicitly or explicitly invoke their beliefs and desires. A rejection of positivism implies that we cannot properly do so by appealing to allegedly objective social facts about them. Instead, we must explore the theories and meanings through which they construct their world, including the ways they understand

their location, the norms that affect them, and their interests. Because people cannot have pure experiences, their beliefs and desires are saturated with contingent theories. Thus, political scientists cannot read-off beliefs and desires from things such as class. They have, instead, to interpret them by relating them to other theories and meanings.

Of course, institutionalists and rational choice theorists have grappled with the issues raised here. Although some of them seem to remain wedded to a dismissal of interpretation based on positivism, others do not. However, the more they disentangle themselves from positivism, the further they depart from the principles that give their approaches content. Political scientists can avoid the problems of an entanglement with positivism only by allowing considerable latitude for interpretation – so much latitude, it is unclear that what remains can helpfully be described as institutionalism or rational choice.

Institutionalists attempt to explain actions and trajectories by reference to entrenched institutions. They suggest that formal institutions, understood as rules or norms, explain behaviour. March and Olsen, for example, define institutions as "the collections of standard operating procedures and structures that define and defend interest" thereby explaining the actions of individuals and even constituting "political actors in their own right."[8] However, considerable ambiguity remains as to how we should conceive of institutions. On the one hand, institutions often have an unacceptably reified form that enables political scientists to ignore their contingency and their inner conflicts and constructions: institutions are defined as allegedly fixed operating rules or procedures that limit, and arguably even determine, the actions of the individuals within them. On the other hand, institutions are sometimes opened up to include cultural factors

or meanings in a way that suggests they do not fix such meanings nor thus the actions of the subjects within them. If we open up institutions in this way, however, we cannot treat them as if they were given. We have to ask instead how meanings and so actions are created, recreated, and changed thereby producing and modifying institutions.

By and large, institutionalists like to take institutions for granted; they treat them as if the people within them were bound to follow the relevant rules; the rules, rather than contingent agency, produce path dependency. Yet so to reify institutions is to adopt the positivist eschewal of interpretation that we have been challenging. Institutionalism, so conceived, assumes that allegedly objective rules prescribe or cause behaviour so that someone in a position X subject to a rule Y will behave in a manner Z. The problem with this assumption is not just that people can willfully choose to disobey a rule, but also, as we have seen, that we cannot read off people's beliefs and desires from their social location. People who are in a position X might not grasp that they fall under rule Y, or they might understand the implications of rule Y differently from us, and in these circumstances they might not act in a manner Z even if they intend to follow the rule.[9]

Faced with such considerations, institutionalists might open up the concept of an institution to incorporate meanings; they might conceive of an institution as a product of actions informed by the varied and contingent beliefs and desires of the relevant people. We should welcome such an opening up, or decentering, of institutionalism. Even while we do so, however, we might wonder whether or not we should still think of the approach as, in any significant sense, institutionalist. All the explanatory work would be done, not by allegedly given rules, but by the multiple, diverse ways in which people understood, and reacted to, conventions. Appeals to institutions would thus be misleading shorthand

for the conclusions of explorations into and interpretations of the beliefs and desires of the people who acted so as to maintain and modify institutions in the ways they did.

We might rephrase this commentary on institutionalism to say simply that the rejection of positivism leaves it desperately needing a micro-theory. Institutionalists can avoid engaging with beliefs and preferences only if they assume we can read-off these things from people's social location, but, of course, that is exactly what a rejection of positivism suggests we cannot do. The lack of a micro-theory in a post-positivist world does much, I believe, to explain the vulnerability of institutionalism to the challenge of rational choice theory. Similarly, the fact that rational choice theory constitutes a micro-theory does much to explain the ways in which political scientists have sought to bring it together with institutionalism.[10] When we now turn to rational choice, however, we will find it too confronts a choice between an unacceptable positivism and a decentered approach.

Because rational choice theory conceptualizes actions as rational strategies for realizing the preferences of the actor, it seems to reduce the motives of political actors to self-interest. Yet, as most rational choice theorists would recognize, we have no valid grounds for privileging self-interest as a motive.[11] Even if an action happens to have beneficial consequences for the actor, we cannot thus conclude that the actor acted in order to bring about those beneficial consequences. Besides, a theory predicated solely on self-interest cannot properly make sense of altruistic actions. These obvious problems with reliance on self-interest have led rational choice theorists to expand their notion of preference, moving toward a "thin" analysis of preferences that requires motives only to be consistent.[12] The problem with thus reducing all motives to an expanded concept of

preference is that it is either false or valid but of limited value. If we use an expanded notion of preference merely as a cloak under which to smuggle back in a naïve view of self-interest, it is false. If we extend our concept of preference to cover any motive for any action, we leave the concept devoid of content.

A valid concept of preference is one pretty much devoid of all content. The problem for rational choice theorists thus becomes how to fill out a concept of preference on particular occasions. At times, they do so with a quasi-analytic notion of self-interest, even if they also pay lip service to the problems of so doing. More often, they attempt to do so in terms of what they suggest are more or less self-evident, "natural" or "assumed" preferences of people in certain positions. For example, bureaucrats supposedly want the increased power that comes from increasing the size of their fiefdoms. Typically, as in this example, the relevant preferences are made to appear "natural" by a loose reference to self-interest in the context of an institutional framework. Obviously, however, this way of filling out the concept of preference falls prey to the criticism of positivism that has run through our theoretical reflections. Even if we assume the dominant motivation of most bureaucrats is to increase their power – an awkward assumption as many of them probably also value things such as time with family and interesting work – we cannot blithely assume that they understand and judge their institutional context as we do.

Faced with such considerations, rational choice theorists might decide to return to a largely empty notion of preference, that is, to conceive of people's actions as products of their beliefs and desires without saying anything substantive about what these beliefs and desires might be.[13] Once again, we should welcome such a decentering of rational choice theory, while wondering whether or not we should still think of the approach as, in

any significant sense, rational choice. All the explanatory work would now be done not by deductions based on assumptions of self-interest, but by appeals to the multiple and diverse beliefs and desires that motivated the actors. The formal models developed by rational choice theorists would thus be heuristics or ideal-types save when empirical interpretations of the beliefs and preferences of actors showed these corresponded to those informing the models.

The purpose of these theoretical reflections is not to undermine all appeals to institutions or rules, nor is it to preclude appeals to self-interest or the use of deductive models, nor yet to deny that quantitative techniques have a role in political science. To reject any of these things outright would be far too hasty partly because none of these approaches is monolithic, and partly because political scientists inspired by an approach often do work that manages to overcome the limitations of the theories to which they explicitly appeal. Our theoretical reflections suggest only that we need to tailor appeals to institutions, rationality, models, and statistics to fit a recognition of political science as an interpretative discipline.

The over-lapping nature of approaches to political science opens up at least three ways of locating a decentered analysis of governance. In the first place, we might take a decentered analysis as a rational choice theory that remains properly agnostic about the preferences at work in any given case and so aware of the need to interpret the beliefs and desires of the actors. Alternatively, we might take it as an institutional theory that takes seriously the contingent nature of institutions and so treats them as products of human agency informed by diverse beliefs and desire. Finally, we might suggest that it offers

such a radical challenge to the dominant concepts of "preference" and "institution" that it constitutes an alternative approach to political science.[14]

2. Understanding Governance

An adequate account of governance should eschew any lingering positivism for the task of interpretation. To recognize this is to question the neoliberal and the network narratives of governance in ways that mirror the difficulties of rational choice theory and institutionalism. The neoliberal narrative, with its overlap with rational choice theory, defines governance in terms of a revitalized and efficient public sector based on markets, competition, and management techniques imported from the private sector. Behind this definition, there lurk neo-classical ideas of preference formation, utility, rationality, and profit maximization. Because social democracy, with its Keynesianism and bureaucratic hierarchies, did not allow for such ideas, it allegedly ran aground on problems of inflation and overload. Neoliberal reforms are thus needed to restructure the state in accord with these ideas.

Within the neoliberal narrative of governance, we often find difficulties with the concepts of preference, utility, and rationality that mirror those within rational choice theory. Typically neoliberals rely more or less explicitly on a fairly naïve view of self-interest to treat preferences, utility, and rationality as unproblematic. Only by doing so can they conclude that reforms such as the new public management will lead to greater efficiency without regard for the particular circumstances in which they are introduced. It is possible that neoliberals might deploy a richer notion of self-interest so as to allow that people have all sorts of motivations based on their particular and contingent beliefs.

However, if they did so, they would have to allow this particularity and contingency to appear in the workings of hierarchies and the consequences of neoliberal reforms, and to do this, they would have to tell a far more complex story of governance – they would have to decenter governance by unpacking it in terms of actual and contingent beliefs and preferences.

Institutionalists often define governance as self-organizing, inter-organizational networks. Behind this definition, there lurks the idea that the emergence of governance embodies functional and institutional specialization and differentiation. Entrenched institutional patterns ensure that neoliberal reforms lead not to markets but to the further differentiation of policy networks in an increasingly hollow state. Within the narrative of governance as networks, we thus find an ambiguity that mirrors that in institutionalism. On the one hand, differentiation evokes recognition of differences, or the specialist parts of a whole, based on function. When advocates of governance as networks understand differentiation in this way, they move toward a positivist account of governance; they think of governance as a complex set of institutions and institutional linkages defined by their social role or function in a way that renders otiose appeals to the contingent beliefs and preferences of agents. On the other hand, differentiation can evoke recognition of differences and contingent patterns based on meaning. If advocates of governance as networks understood differentiation in this way, they would move toward a decentered account of governance; they would unpack the institutions of governance through a study of the various contingent meanings embedded in the actions of individuals.

In contrast to the positivism lingering within many existing narratives of governance, a decentered approach would encourage us to examine the ways social life,

institutions, and policies are created, sustained, and modified by individuals acting on

beliefs that are not given by either an objective self-interest or by an institution but rather

arise from a process in which the individuals modify traditions in response to dilemmas.[15]

Because we cannot read-off people's beliefs from knowledge of social facts about them,

we have to explore both how traditions prompt them to adopt certain meanings and how

dilemmas prompt them to modify traditions. A tradition is a set of theories, narratives,

and associated practices that people inherit, and that then forms the background against

which they hold beliefs and perform actions. A dilemma arises for people when a new

belief, often itself an interpretation of an experience, stands in opposition to their existing

ones thereby forcing a reconsideration of the latter.

 Once we unpack governance in relation to various traditions and dilemmas, we

problematize the notion that it arose from given inputs and policies just as much as that

the relevant policies necessarily had the outcomes expected by neoliberals. State-actors

construct their understanding of the pressures or dilemmas, and also the policies they

adopt in response to them, in different ways depending on the traditions against which

they do so. Institutionalists emphasize the unintended consequences of neoliberal

reforms. A decentered approach would add to this recognition of how the reforms, and

the responses to them, reflect contests of meaning between actors inspired by different

traditions. Allegedly given pressures are merely the constructions of the particular

narratives that happen to dominate political debate.[16]

 A decentered approach highlights the importance of dilemmas, traditions, and

political contests for the study of governance. Any pattern of government will have

failings, although different people typically ascribe different content to such failings.

When people's perception of a failing is such that it stands at odds with their existing beliefs, it poses a dilemma that pushes them to reconsider their beliefs and so the tradition that informs these beliefs. Because people confront these dilemmas within diverse traditions, there arises a political contest over what constitutes the nature of the failings and so what should be done about them. Exponents of rival political positions seek to promote their particular theories and policies in the context of laws and norms that prescribe how they legitimately might do so. This political contest leads to a reform of government – a reform that stands as the contingent product of a contest over meanings.

The pattern of government established by this complex process will exhibit new failings, pose new dilemmas, and be the subject of competing proposals for reform. So there arises a further contest over meanings, a contest in which the dilemmas are often significantly different, a contest in which the traditions usually have been modified as a result of accommodating the previous dilemmas, and a contest in which the relevant laws and norms might have changed as a result of simultaneous contests over their content. Moreover, although we can distinguish analytically between a pattern of government and a political contest over its reform, we rarely can do so temporally: rather, the activity of governing continues during most contests, and most contests occur within practices of governing. What we have, then, is a continuous process of interpretation, conflict, and activity that generates an ever-changing pattern of government. We can begin to explain a mode of governance by taking an abstract snapshot of this process and relating it to the varied traditions and dilemmas that inform it.

A decentered analysis of governance shifts the emphasis of our attempts to understand governance at the global, national, and local levels. We might begin by

examining how diverse state traditions have led to different interpretations and practices of governance. We could ask whether the Danish emphasis on local government and popular participation has highlighted efforts to keep changing, and perhaps multiplying, markets and networks under democratic control. Similarly, we could ask whether the Germanic tradition, with its emphasis on the importance of a legal framework to official action, has encouraged particular ways of controlling markets and networks at one level while remaining highly tolerant of their diversity at other levels. If we found continuity, moreover, we would not assume we could explain it by a vague appeal to institutional patterns. Instead, we would recognise the importance of unpacking institutional patterns by reference to political conflicts and compromises between groups inspired by diverse beliefs. In the German case, we might explore the alternative interpretations of the country's post-war development offered by, say, a liberal tradition, a tradition of social-partnership, and a radical democratic and environmentalist tradition.[17]

3. Questions and Answers

A decentered analysis of governance departs from both the neoliberal narrative and that of governance as networks. It encourages us to understand governance in terms of a political contest resting on competing webs of belief, and to explain these beliefs by reference to traditions and dilemmas. In doing so, it points toward novel perspectives on questions that recur in discussions of governance. We can expand on our decentered analysis by bringing it to bear on these questions.

<u>Is governance new?</u>

Positivist political scientists sometimes suggest the emergence of markets or networks in the public sector is a new phenomenon characterizing a new epoch. Their skeptical critics argue that markets and networks are not new, even that governance is no different from government. In reply to such skeptics, proponents of governance have accepted that neither markets nor networks are new while insisting that both of them are now noticeably more common than they used to be.[18] The difficulty with this debate about the novelty of governance is, of course, that it gets reduced to the facile, and no doubt impossible, task of counting markets and networks in the past and present.

A decentered approach to governance casts a new light on this facile debate. For a start, it encourages us to treat hierarchies and markets as meaningful practices created and constantly recreated through contingent actions informed by diverse webs of belief. Governance is not new, then, in that it is an integral part of social and political life. We find the allegedly special characteristics of networks in hierarchies and markets as well as governance. For example, the rules and commands of a bureaucracy do not have a fixed form but rather are constantly interpreted and made afresh through the creative activity of individuals as they come across always slightly novel circumstances. Likewise, the operation of competition in markets depends on the contingent beliefs and interactions of interdependent producers and consumers who rely on trust and diplomacy, as well as economic rationality, to make decisions. Once we stop reifying hierarchies and markets, we thus find that many of allegedly unique characteristics of networks are ubiquitous aspects of social organisation. In addition, however, a decentered approach encourages a shift of focus from reified networks, now recognised as an integral part of political life, to

the beliefs of political actors and the stories told by political scientists. Governance is new, then, in that it marks and inspires a significant change in these beliefs and stories.

<u>Is governance a vague metaphor?</u>

Skeptics who say governance is nothing new often go on to denounce the concept as uninformative and inelegant. Peter Riddell has said, for example, "every time I see the word 'governance' I have to think again what it means and how it is not the same as government". He complains, "terms such as 'core executive', 'differentiated polity' and 'hollowed out executive' have become almost a private patois of political science."[19]

Presumably we should defend concepts on the grounds that they provide a more accurate and fruitful way of discussing the world. Yet Riddle opposes the language of governance not because he thinks it inaccurate but because it lacks clarity. To respond to his concerns, we might ask, what gives clarity to a concept? Interpretative approaches often suggest that a concept derives its meaning from its location in a web of concepts. All concepts are vague when taken on their own. Just as the concept of governance gains clarity only by being filled out through ideas such as networks, the hollow state, and the core executive, so the elder concepts associated with the Westminster system gained clarity only in relation to others such as the unitary state and cabinet government. No doubt people who are unfamiliar with concepts such as the hollow state will benefit from having them explicitly related to processes such as the erosion of state authority by new regional and international links. Equally, however, people who are unfamiliar with the concept of a unitary state might benefit from having it explicitly related to the fusion of a single transnational authority or the contrast provided by federal systems.

Although the terminology of governance can sound metaphorical, we need not worry about this. It is metaphorical only in that it applies novel names, such as the hollow state, to processes and practices we can unpack in more literal terms, such as the erosion of the authority of the state. What is more, all concepts begin as metaphors in just this sense: they begin as novel names, such as loyal opposition, that we apply to more literal processes and practices, and only later do they acquire a familiarity such that they no longer have the unsettling effect they once did. One day, the now unfamiliar language of governance might have become as much a part of our everyday political discourse as are many of the concepts that define the Westminster system.

Is governance uniform?

Neoliberals portray governance as composed of policies, such as marketization and the new public management, which are allegedly inevitable outcomes of global economic pressures. Institutionalists argue that these neoliberal policies do not have uniform consequences but rather effects that vary across states according to the content and strength of established practices. A decentered analysis suggests, in addition, that the pressures are not given as brute facts, but constructed as somewhat different dilemmas from within various traditions: it suggests the policies a state adopts are not necessary responses to given pressures, but a set of perceived solutions to one particular conception of them.

By raising the possibility of continuing diversity of inputs and policies as well as of outputs, a decentered approach might even prompt us to wonder again about the value of the concept of governance. Governance typically refers to a set of shared inputs,

policies, and outputs tied to economic and technological developments since about 1970.

Once we challenge the necessity, and so commonality, of not only the outputs, as do the

institutionalists, but also the inputs and policies, then we should be wary not only of any

straightforward dichotomy between governance and government, but also of any attempt

to use the abstract idea of governance to account for particular developments in particular

states. The relevance of an omnibus concept of governance will depend upon empirical

studies that explore the ways in which different states have constructed their public

sectors. How similar have been their conceptions of the relevant dilemmas, the policies

they have adopted, and the consequences of these policies? How far have different state

traditions fed through into diverse inputs, policies, and outputs?

How does governance change?

The question of how governance changes is far more difficult for network

theorists than for neoliberals. Neoliberals can unpack change in terms of the self-interest

of actors. Network theorists, in contrast, often deploy an institutionalism that remains

ambiguous about the nature of change. In order to avoid the need to interpret beliefs and

desires institutionalists often reduce individual behaviour to the following of rules that

constitute institutions; but, of course, if individuals merely follow rules, they can not be

the causes of change. In order to explain change, therefore, institutionalists often appeal

to external factors; but, of course, external factors can bring about change in an institution

only if they lead appropriate individuals to modify their behaviour, where we can explain

why individuals do this only by interpreting their beliefs and desires. Network theorists,

however, like institutionalists more generally, try to explain change in terms of external

causes. Marsh and Rhodes, for example, effectively dismiss the way in which individuals constantly create and recreate the networks of which they are a part by emphasising that networks create routines for policy-making.[20] They identify four categories of change – economic, ideological, knowledge, and institutional – all of which they define as external to the network.

A decentered analysis, in contrast, draws our attention to the fact that external factors influence networks and governance only through the ways in which they are understood by the relevant actors. Although change can be of varying magnitude, a decentered analysis portrays it as continuous in the sense of being built into the very nature of political life. Change occurs as individuals interpret their environment in ways that lead them constantly to modify their actions. We can explain change, then, as was suggested earlier, by reference to the contingent responses of individuals to dilemmas, many of which will be produced by new circumstances such as those created by the actions of others.

Is governance failure inevitable?

The neoliberal narrative of governance relies heavily on the idea that hierarchy has failed: the problems of inefficiency and overload justify calls for the new public management and marketization. Likewise, the narrative of governance as networks relies on the idea that the neoliberal reforms have failed: the reforms ignored the need for trust, diplomacy, and accountability in the public sector. Some advocates of governance as networks present networks as the solution to the failings of bureaucracy and markets.[21] Others argue that networks typically create problems of their own: they are, for example

closed to outsiders, unrepresentative, and relatively unaccountable, and they can serve private interests as well as being difficult to steer and inefficient.[22] The implication of such analyses appears to be that no governing structure works for all services in all conditions. Governance failure is inevitable.

A decentered analysis compliments and challenges aspects of this emerging account of governance failure. A focus on contingent meanings provides us with one way of understanding why all ways of providing public services fail. The workings of a policy or institution depend on the ways various actors interpret the relevant directives. Because these responses are inherently diverse and contingent, reflecting the traditions and agency of the relevant individuals, the centre cannot have prior knowledge of the way any policy or institution will operate. Hence, the unexpected pervades political life: all policies are subject to unintended consequences that prevent them from perfectly fulfilling their alleged purpose. In addition, a decentered approach draws our attention to the diverse beliefs and preferences of actors within a network in a way that might make us aware of the way in which positivist debates on governance failure blithely take government intentions as their yardstick. Positivist studies typically aim to improve the chances of a policy's success in terms defined by the state. Yet civil servants and citizens can deliberately attempt to prevent policies having the effects the state intends. From their standpoint, policy failure might be a success.

4. Implications for Policy and Democracy

Once we take seriously the implications of rejecting positivism, we will move toward the need to decenter governance. While our focus so far has been on the study of

governance, a decentered analysis also has implications for our thinking about policy and democracy. By resisting the teleological accounts of neoliberals, and to a lesser extent the apolitical ones of institutionalists, we create a space within which to think creatively about different ways of understanding our contemporary situation and so different ways of responding to it.

Most of the policy-orientated work on governance seeks to improve the ability of the state to manage the markets, quasi-markets, and networks that have flourished since the 1980s. Typically this work exhibits a positivist tendency in that it treats networks as more or less objectified structures that governments can manipulate using appropriate tools. Three approaches dominate – the instrumental, interactive, and institutional.[23] The instrumental approach adopts a top-down view of the management of governance: its exponents recognize the existence of novel restrictions on the state's ability to steer markets and networks, while still proposing it do so using established strategies – the state can still devise and impose tools to integrate new patterns of governance and thus realize its objectives. The interaction approach to the management of governance focuses on organizations developing shared goals and strategies through processes of mutual learning: its exponents advise the state to manage by means of negotiation and diplomacy and thereby foster trust and mutual understanding within networks. The institutional approach concentrates on the formal and informal laws and rules within which governing structures operate: its exponents encourage the state to concentrate on changing things such as the relationships between actors, the distribution of resources, and the rules of the game.

Our decentered analysis suggests a compatible but rather different way of thinking about the management of governance. In recognising all forms of organisation as products of the contingent actions of the various participants, we problematise the very idea of a set of tools for managing governance: if governance is constructed differently, contingently, and continuously, we cannot have a tool kit for managing it. Instead of looking for techniques or strategies of management, a decentered approach encourages us to learn by telling stories and listening to them. While statistics, models, and claims to expertise all have a place within such stories, we should not become too pre-occupied with them. On the contrary, we should recognise that they too are narratives or guesses about how people have acted or will react given their beliefs and desires. No matter what rigour or expertise we bring to bear, all we can do is tell a story and judge what the future might bring. One important lesson of this view of expertise derives from the diversity and contingency of traditions.[24] The fate of policies depends on the ways civil servants, citizens, and others understand them and respond to them from within all sorts of traditions. Even if policy-makers kept this firmly in mind, they still would not be able to predict the consequences of their policies; however, they might at least forestall some of there unintended consequences. More generally, they might allow that the management of networks is in large part about trying to understand, and respond suitably to, the beliefs, traditions, and practices of those they hope to influence.

To recognise how providers and customers of services impact upon policies is also to prompt a shift of focus away from the state. Positivist debates on the management of governance typically focus on the problems confronted by managers, rather than lower level civil servants or citizens. In contrast, a decentered analysis reminds us that there are

various participants in markets and networks, all of whom can seek to manage them for diverse purposes. By reminding us of the significance of political participation in this way, a decentered theory of governance also raises issues about democracy. Whereas positivist accounts of governance often concentrate on the problems the state has steering it, a decentered theory locates this problem in the context of democratic participation and accountability. To emphasise the extent to which we make our patterns of governance through political contests is to encourage us to think creatively about how we might conceive of and respond to the relevant issues. One aspect of this creative thinking is the impetus given to policy makers to reflect on their activity. Another is the opportunity to reimagine democracy.

A greater interest in markets and networks, it appears to me, suggests we might reflect on how we can best steer a course between, on the one hand, diverse forms of devolution and participation, and, on the other, central control and formal accountability. Although it would be presumptuous to attempt to resolve the tension between these different demands here, we might indicate how they appear from the view of a decentered theory of governance. Markets and networks allow citizens to express more nuanced preferences in a more continuous way than they can when restricted to electing representatives.   Governance opens up new possibilities for participation and devolution in democracy. Equally, however, we should remain aware of the ways in which markets and networks often embed inequalities and impose identities upon people in a way that then might require the state to act as a guarantor of effective agency and difference. Still, we might look to a time when states will be less concerned to control through laws and regulations and more concerned to persuade through all sorts of interactions with groups

and individuals. Such a shift toward persuasion, of course, would fit well alongside an understanding of policy-making that highlights contingency and diversity – telling stories and listening to them – rather than certainty and expertise – devising rules designed to have definite outcomes.

Governance might provide more active and continuous opportunities for political involvement to citizens. Yet, as many political scientists have pointed out, the forms of devolution and participation offered by markets and networks raise special problems of political control and accountability. As we have seen, an emphasis on agency might lead the state to rely more on influence than imposition. In a similar fashion, the state might seek to steer markets and networks more by looking toward setting a framework for their conduct than by relying on rigid rules. The relative power of the state might even make us wary of the danger that its attempts to influence will be so heavy handed they will in effect undermine participation and agency. Equally, however, we should not forget that markets and networks respond primarily to levels of wealth and organisation in ways that can undermine the equality and fellowship characteristic of a democratic community. A growth in the use of markets and networks to manage and deliver public services surely should be accompanied, therefore, by the development of suitable lines of political accountability. Still, we might look to a time when the state will rely less on moral rules that impose requirements and restrictions and more on an ethic of conduct that constitutes a practice through which citizens negotiate their own relationships to such requirements and restrictions. Once again, of course, an emphasis on conduct would fit well alongside an understanding of policy-making that highlights contingency and diversity – a

sensitivity to agency informed by various traditions – rather than certainty and expertise – rules that require or prohibit certain behaviour.

A decentered theory of governance highlights not only the difficulties managers face in controlling markets and networks but also the possibilities and dangers markets and networks pose for democracy. It encourages us to treat governance as an opportunity to redefine democracy. It prompts us to search for patterns of devolution, participation, control, and accountability that better reflect our capacity for agency, the contingency of our identities, the importance of moral conduct as well as moral rules, and an aspiration toward an open community.[25]

[1] World Bank, <u>Governance and Development</u> (Washington: World Bank, 1992).

[2] G. Stoker, ed., <u>The New Management of British Local Governance</u> (London: Macmillan, 1999); G. Stoker, ed., <u>The New Politics of British Local Governance</u> (London: Macmillan, 2000); and R. Rhodes, ed., <u>Transforming British Government</u>, 2 vols. (London: Macmillan, 2000).

[3] D. Osborne & T. Gaebler, <u>Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector</u> (Reading, MA: Addison-Wesley, 1992).

[4] G. Becker, <u>The Economic Approach to Human Behaviour</u> (Chicago: University of Chicago Press, 1976); J. Elster, ed., <u>Rational Choice</u> (New York: New York University Press, 1986); and K. Monroe, ed., <u>The Economic Approach to Politics</u> (New York: Harper Collins, 1991).

[5] See footnote 3 above; and also C. Ansell, "The Networked Polity", <u>Governance</u> 13 (2000), 303-33; R. Rhodes, <u>Understanding Governance</u> (Buckingham: Open University Press, 1997), partic. chaps. 1 & 3; and, for an emphasis on the place of regulation within neoliberalism itself, S. Vogel, <u>Freer Markets, More Rules: Regulatory Reform in Advanced Industrial Countries</u> (Ithaca: Cornell University Press, 1996), partic. pp. 1-9.

[6] Both Rod Rhodes and Gerry Stoker, respectively the directors of the Whitehall and Local Governance Programmes, evoke institutionalism and unintended consequences in this way. Rhodes, <u>Understanding Governance</u>, chap. 4; and G. Stoker, "Introduction: The Unintended Costs and Benefits of New Management Reform for British Local Governance", in Stoker, ed., <u>New Management</u>, pp. 1-21.

[7] The main criticism of positivism of relevance to what follows is a semantic holism that implies our beliefs encounter the world only as a whole so theory plays an ineluctable role in perception. See W. Quine "Two Dogmas of Empiricism", in From a Logical Point of View (Cambridge, MA: Harvard University Press, 1961), 20-46.

[8] J. March & J. Olsen, "The New Institutionalism: Organisational Factors in Political Life", American Political Science Review 78 (1984), 738. Also see J. March & J. Olsen, Rediscovering Institutions: The Organizational Basis of Politics (New York: Free Press, 1989).

[9] Wittgenstein's analysis of rule-following suggests interpretation is inevitable since rules can never fix their own application. L. Wittgenstein, Philosophical Investigations (Oxford: Basil Blackwell, 1972), ##. 143-242.

[10] K. Dowding and D. King, eds., Preferences, Institutions, and Rational Choice (Oxford: Oxford University Press, 1995); R. Grafstein, "Rational Choice: Theory and Institutions", in Monroe, ed., Economic Approach to Politics; and E. Ostrom, "Rational Choice Theory and Institutional Analysis: Towards Complimentarity", American Political Science Review 85 (1991), 237-50.

[11] Early exponents of rational choice theory sometimes privileged self-interest in this way. A. Downs, An Economic Theory of Democracy (New York: Harper and Row, 1957), pp. 27-8.

[12] J. Elster, Sour Grapes: Studies in the Subversion of Rationality (Cambridge: Cambridge University Press, 1983), p. 1.

[13] W. Mitchell, "The Shape of Public Choice to Come: Some Predictions and Advice", <u>Public Choice</u> 77 (1993), 133-44; and C. Vicchaeri, <u>Rationality and Co-ordination</u> (Cambridge: Cambridge University Press, 1993), partic. pp. 221-4.

[14] Other varieties of interpretative theory include culturalism and poststructuralism, for examples of which see respectively J. Scott, <u>Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed</u> (New Haven: Yale University Press, 1998); and A. Barry, T. Osborne, & N. Rose, eds., <u>Foucault and Political Reason</u> (London: UCL Press, 1996).

[15] On interpretation and a decentered approach see M. Bevir, <u>The Logic of the History of Ideas</u> (Cambridge: Cambridge University Press, 1999); M. Bevir, "Foucault, Power, and Institutions", <u>Political Studies</u> 47 (1999), 345-59; and M. Bevir & R. Rhodes, "Interpretative Theory", in D. Marsh & G. Stoker, eds., <u>Theory and Methods in Political Science</u> (London: Palgrave, 2002).

[16] On the establishment of dominant narratives in the context of a crisis composed of various dilemmas see C. Hay, "Narrating Crisis: The Discursive Construction of the Winter of Discontent", <u>Sociology</u> 30 (1996), 253-77; and, for competing narratives of such dilemmas, M. Bevir & R. Rhodes, "Narratives of Thatcherism", <u>West European Politics</u> 21 (1999), 97-119. The emphasis on beliefs, ideas, and meanings in these essays contrasts with the more standard institutionalism of M. Rhodes, "Desperately Seeking a Solution: Social Democracy, Thatcherism, and the 'Third Way' in British Welfare", <u>West European Politics</u> 23 (2000), 161-82.

[17] Nick Ziegler is currently exploring developments in corporate governance within Germany in this way. For an early example of his work see J. Ziegler, "Corporate

Governance and the Politics of Property Rights in Germany", <u>Politics and Society</u> 28 (2000), 195-221.

[18] Rhodes, <u>Understanding Governance</u>, chap. 3.

[19] P. Riddell, "Portrait of the Whitehall Programme", unpublished ms.

[20] D. Marsh & R. Rhodes, eds., <u>Policy Networks in British Government</u> (Oxford: Clarendon Press, 1992), p. 261. For an interpretative theory of policy networks see M. Bevir & R. Rhodes, "Analysing Networks: From Typologies of Institutions to Narratives of Belief", <u>Revue Française d'Administration Publique</u> (forthcoming).

[21] Attempts to specify the conditions under which networks thrive include V. Lowndes & C. Skelcher, "The Dynamics of Multi-Organisational Partnerships: An Analysis of Changing Modes of Governance", <u>Public Administration</u> 76 (1998), 313-33; and W. Powell, "Neither Market Nor Hierarchy: Networks of Organisation", in G. Thompson, J. Frances, R. Levacic, & J. Mitchell, eds., <u>Markets, Hierarchies, and Networks: The Coordination of Social Life</u> (London: Sage, 1991), pp. 265-76.

[22] Rhodes, <u>Understanding Governance</u>, chap. 3.

[23] W. Kickert, E-H. Klijn, & J. Koppenjan, eds., <u>Managing Complex Networks: Strategies for the Public Sector</u> (London: Sage, 1997).

[24] That a "high modernism" that forgets this can lead to catastrophe is the principle moral of Scott, <u>Seeing Like a State</u>.

[25] This paper first appeared in Italian as "Una Teroria Decentrata Della 'Governance'", trans. L. Bellocchio, <u>Stato e Mercato</u> 66 (2002), 467-493