

Conceptualizing the New Governance: A New Institution of Social Coordination

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Abstract

The term *governance* is widespread in characterizing both global and local arrangements, especially reformed ones. Because of its strong intuitive appeal, precise definitions are seldom thought to be necessary. As a result, when we identify governance as important factor to achieve policy or organizational objectives, it may be unclear whether the reference is to organizational structures, administrative processes, systems of incentives and rules, administrative philosophies. Due to this ambiguity, most of administrative reforms driven by the logic of governance are likely to be rhetoric rather than substantive.

This paper attempts to; (i) review various definitions of governance; (ii) discuss the logic of governance; and (iii) clarify the definition of governance, and *the New Governance*. The conclusions of this paper are: (i) governance can be defined as an ‘institution of social coordination’; (ii) *the New Governance* is an ‘institution’ of social coordination based on the logic of co-steering and network; and (iii) the logic of *the New Governance* is identical to that of *democratic administration*.

I. Introduction

The term *governance* is actually a very old one, but it has been revived recently, and became maybe one of the most attractive concepts in social science, especially in the field of public administration. It has been widely used as a new notion meaning ‘something new and reformed’ associated with government and public administration, which is supposed to be able to replace the negative images of them. As you can see in ‘local governance,’ ‘global governance,’ and ‘environmental governance,’ ... etc., governance has been used in many cases as if it is a suffix, which means reform.

The popularity of governance has something to do with distrust about the government. Many people have been disappointed with the ability of the government to tackle social problems. It leads to reconsideration of the traditional theories of public administration. Self-confidence of traditional public administration has been destroyed and it has faced ‘identity crisis.’ Public administration, which has been supposed to be a powerful tool for solving social problems, falls down to a serious social problem itself. As a result, many theories have been proposed as alternatives to the traditional public

administration -- *bureaucratic administration* in Ostrom's term (Ostrom, 1989). Among them, governance gets the most attention recently.

In general, governance refers to changes in the role, structure and operation process of the government, or the way social problems are resolved. Despite the strong intuitive appeal, governance has not been defined clearly (Heinrich and Lynn, 2000).¹ The ambiguity of definitions could cause many troubles, especially when the notion of governance is applied in the process of administrative reform. It is likely that the concept of governance, which is intuitively appealing but ambiguous, is used for rhetoric rather than substantive reasons (Stoker, 1988), consciously or unconsciously. Frequently, when someone mention about governance in the process of administrative reforms, "it may be unclear whether the reference is to organizational structures, administrative processes, managerial judgment, systems of incentives and rules, administrative philosophies, or combinations of these elements" (Heinrich and Lynn, 2000, p.1). Sometimes governance inclusively refers to every desirable change for administrative reform (Andrew and Goldsmith, 1998).

Efficient, democratic, responsive, and transparent government is the ultimate goal of not only new theories of public administration, but also the traditional theories of *bureaucratic administration* (John *et al.*, 1994; Kickert, 1997). What distinguishes new theories from the traditional ones is, therefore, not the goals but the specific ways and tools to achieve them (Stoker, 1998; Lee, 2001a). To differentiate governance from *bureaucratic administration*, therefore, we do need a better definition of governance, which is far less ambiguous than previous ones, such as "a 'reinvented' form of government which is better managed" (Osborne and Gaebler, 1992, cited from Stoker, 1998, p.18).

This study will try to conceptualize governance by reviewing theories of governance and summarizing various definitions of governance, especially from the perspective of institutional analysis and development framework (E. Ostrom, 1986) as

¹ Due to this definitional ambiguity, governance cannot be easily translated into foreign languages. Since none of translation is satisfactory, for example, the term *governance* has been generally used as a word of foreign origin in Korea.

well as the theory of *democratic administration* (V. Ostrom, 1977; 1989).

II. Governance: Diversity of Definitions

1. Governance as a Mechanism for Resolving Common Problems

First, governance can be broadly defined as a wide variety of ways to solve common problems including organizational, social, national and international problems. Defined in this way, governance generally refers to questions about forms of power and authority, patterns of relationship and rights and obligations among the people facing common problems (Newman, 2001).

This definition emphasizes the existence of various modes of governance. For example, Rhodes (2000) explains seven definitions of governance: (i) **corporate governance** and (ii) **good governance** which emphasize formal processes of both private companies and governments for auditing, ensuring transparency, and information disclosure; (iii) **New Public Management** which refers to improving efficiencies of government bureaucracies by introducing private sector management methods; (iv) **new political economy** which emphasizes the changed relationship among the government, civil society and the market; (v) **international interdependence**, (vi) **socio-cybernetic system**, and (vii) **network** which deny the existence of mono-centric power. Similarly, Campbell *et al.* (1991) define governance as the political and economic processes that coordinate activity among economic actors, and provide 6 ideal type mechanisms of governance, such as markets, obligational networks, hierarchy, monitoring, promotional networks, and association.

All of the types of governance share one important common feature. They are all based on the 'rule of the law,' which defines rights and responsibilities of members facing common social problems (Rosenau, 1992; Lynn *et al.*, 2001). Notice that the rule of the law does not always mean centralized orders and controls. Instead, it also refers to voluntary compliance of members to the law that is made either by themselves

or by their representatives and that defines their rights and obligations.

For example, corporate governance, which seems to be different from the others in Rhodes' list, can be understood as a way of maximizing management efficiency by defining authorities and responsibilities of stockholders, managers, and workers. Similarly, New Public Management refers to a way of resolving internal management problems of government by redefining authorities and responsibilities of public bureaucrats as well as citizens.

In summary, broader definition of governance refers to a way of defining rights and responsibilities of members who face a certain common problems, public or private, and want to resolve them jointly.

2. Governance as a Mechanism for Resolving Common Public Problems

Next, governance is more generally defined as a mechanism for resolving common **public** problems. For example, the Institute on Governance (IOG) explains that governance comprises the traditions, institutions and processes that determine how power is exercised, how citizens are given a voice, and how decisions are made on issues of public concern (www.iog.ca/about_us.asp). Similarly, the World Bank (1992) defines governance as ways or types of using powers in the process of management of national economic/social resources (World Bank, 1992). In addition, Lynn *et al.* (2001, p.7) defines governance as “regimes of laws, rules, judicial decisions, and administrative practices that constrain, prescribe, and enable the provision of publicly supported good and services” (Lynn *et al.*, 2001, p.7).

According to the literatures that define governance this way, governance is political by nature -- there should be negotiations and compromises among participants with various interests, and consequently there should be winners as well as losers. Governance also comprises formal institutions, decisions and influences, as well as informal ones by various participants associated with policy making and implementation processes. In other words, governance is a result of interaction among

various actors who want to resolve common public problems under the constraints of both formal and informal institutions.

Williams (2001) argues that governance has to do with taking decisions about direction at the societal level. He defines governance as the “art of steering societies and organizations” (p.3). According to his argument, governance comprises so-called ‘macro-policy elements’ such as, (i) assessment of consequences; (ii) regular, periodic review; (iii) broad perspective; (iv) review of related policies; (v) use of a guiding direction; and (vi) deliberative processes at the societal level. Similarly, Wright (2000) emphasizes the role of the state in the process of governance, and warns against the potential danger of intrusion of private sector values into the public sector, which is recommended by New Public Management.

Governance also denotes government management capacities, such as financial, personnel, information, organizational, and asset management capacities (Ingraham and Donahue, 2000). Ellwood (2000) emphasizes the fact that government bureaucracies differ from their private-sector counterparts in two important respects: they exercise monopoly power, and more important, they lack the balance sheet that exposes them to single-issue accountability. That is, the most important nature of public governance is the existence of monopoly status and the lack of clear signals. To overcome the limits of public governance, therefore, we need various policies that can change the behaviors of bureaucrats as well as citizens. According to Roderick *et al.* (2000) and Jennings and Walt (2000), these policies are governance. John *et al.* (1994) also understand that governance is about how agencies operate internally and how they deliver services.

Broad definitions emphasizes that there can be a variety of patterns of governance, that is, a diversity of ways in which government is organized, and government works. For example, Newman (2001) classifies governance into 4 different models; (i) the **hierarchical model**, which is characterized by centralization and continuity/order, and emphasizes formal authority, control, standardization and accountability; (ii) the **rational goal model**, which is characterized by centralization and innovation/change, and emphasizes managerial power, maximization of output and economic

rationalization; (iii) the **open system model**, which is characterized by decentralization and innovation/change, and emphasizes flexibility and expansion; and (iv) the **self-governance model**, which is characterized by decentralization and continuity/order, and emphasizes citizen power, devolution and participation.² According to Newman, governance comprises multiple and complex strands. It involves simultaneous upward and downward flows of power. For example, open system model is constrained by demands for accountability that pull it back towards hierarchy.

Other various classifications of governance can also be found in governance literatures. They are; (i) state-centric ‘old governance’ and society-centric ‘new governance’ (Pierre, 2000); (ii) market model, participatory model, flexible model, and deregulation model (Peters, 1996); (iii) privatization of services, contracting out, and compulsory competitive tendering or the introduction of a contract culture into the world of government (Andrew and Goldsmith, 1998); (iv) managerial model, corporatist model, progrowth model, and welfare model (Pierre, 1999); (v) state-centric model, market-centric model, and civil society-centric model (S. J. Kim, 2000); (vi) procedural model, corporate model, market model, and network model (Considine and Lewis, 1999).

3. Governance as *the New Governance*: A Narrow Definition

Some literatures define governance as a **specific pattern** of resolving common public problems. In these literatures, governance refers to centrifugal model of governance, which is characterized by devolution and centerless society.³ In general, narrowly defined governance means a redefinition of the role of the citizen, from passive consumer of government services to active participants in governance (Lappe

² Notice that the patterns of governance mentioned here and in other literatures in general are only democratic ones. Non-democratic governances such as dictatorial one in the Third World are also possible. However, this paper deals with only democratic governances.

³ The term *new governance* is generally used to denote this kind of governance (Pierre, 2000). But sometimes simply the term *governance* is used to denote it (Rosenau, 1992; Jessop, 1997; Stoker, 2000b). To avoid conceptual confusion, however, it is better to use the term *new governance*.

and Du Bois, 1994), and involves recognition of the limits of government (Stoker, 1998).

Here governance refers to a new type of coordination mechanism, which is an alternative to 'market anarchy' and 'organizational hierarchy' (Amin and Hausner, 1997; Jessop, 1997; Rhodes, 2000). For the purpose of highlighting the characteristics of governance that denies coordination via hierarchical controls, some scholars use the term 'heterarchic governance' (Kooiman, 2000) or 'shared governance' (Aucoin and Heinnzman, 2000).

The narrow definition of governance is also 'systems of rules,' like broad definition of governance. Notice that unlike the government whose activities are backed by formal authorities, governance refers to activities backed by shared goals that may or may not derive from legal and formally prescribed responsibilities (Rosenau, 2000). Even though both government and governance refer to systems of rules, according to Rosenau:

governance is a more encompassing phenomenon than government. It embraces government, but it also subsumes informal, non-governmental mechanisms ... Thus it is possible to conceive of governance without government -- of regulatory mechanisms in a sphere of activity which function effectively even though they are not endowed with formal authority (Rosenau, 1992, p.5).

In other word, governance recognizes the capacity of the citizen to get things done which does not rest on the power of government to command or use its authority (Stoker, 2000b).

What most of the literatures is interested in is a change from state-centric governance to society-centric governance. Especially, notice the increased importance of 'network' found in the literatures on governance. Many scholars have recognized the importance of network. Self-governing networks are at the heart of current literatures of governance (Kickert, 1997; Jessop, 1997; Peters, 2000; Pierre, 2000). As Rhodes (1997) puts it, governance signifies a change in the meaning of government, referring to a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed. Networks are informal and fluid, with shifting

membership and ambiguous relationships and accountabilities (Newman, 2001). It is important to note that networks can and should be differentiated from official partnership with government, even though they may be formalized into official partnership. Networks are characterized by compromise rather than confrontation, negotiation rather than administrative fiat.

New governance often means many things, such as state-centric networks, a new official partnership between government and civil society, and NPM that are proposed as an alternative for traditional theories (Kettle *et al.*, 1994; J. R. Kim, 2000).⁴ But there should be a clear distinction between new governance and others. According to Newman (2001), for example, partnership cannot and should not be regarded as an expansion of network-based form of governance. Partnership, a formalized network should be considered as state-centric form of governance, rather than civil society-centered form of governance. This is because there can be partnerships based on the traditional theory of public administration. From the perspective of new governance, networks refer to self-organizing, interorganizational networks characterized by interdependence, resource exchange, rules of game and significant autonomy from the state (Rhodes, 1997). Therefore, partnerships can be viewed “as a further dispersal and penetration of state power”, which is totally different from “a ‘hollowing out’ of the state” (Newman, 2001, p.124).⁵

New governance can also be distinguished from the New Public Management (NPM), which is often regarded as the synonym of new governance. According to Rhodes (1997), NPM has serious problems as follow; (i) NPM adopts an intra-organizational focus, and pays no attention to managing inter-organizational links; (ii) NPM is obsessed with objectives, and does not pay attention to the diplomatic skills of preserving the relationship between actors; (iii) NPM focuses on results, but no one actor is responsible for outcomes in network; and (iv) NPM cannot escape from a

⁴ In Korea official partnerships between government and NGOs that are initiated and financed by the central government are regarded as a policy tool of new governance (K.W. Kim, 2000).

⁵ From this perspective, partnership may represent “dangerous liaisons” between the government and civil society (Newman, 2001, p.125).

contradiction between competition and steering which is at the heart of NPM.

Unlike NPM, new governance emphasizes ‘socio-political’ aspects of the process of solving social problems, and is sometimes called as ‘socio-political governance’ (Kooiman, 1993). From this perspective, new governance, which emphasizes the complex interaction between the political and social context, is an alternative approach to NPM (Kickert, 1997).⁶

To conceptualize governance more precisely, therefore, we need to define new governance more narrowly. When we define new governance too broadly, new governance or governance is likely to be abused as a “magic word” (Kickert, 1997, p.748) which means everything seems good for administrative reform. This paper differentiates the term *the New Governance* from the term ‘new governance’ to overcome the conceptual ambiguity of governance. Both terms refer to new alternatives. But *the New Governance* exclusively denotes network governance of interactive and institutional perspectives, whereas new governance inclusively refers to a wide variety of governances proposed as an alternative for administrative reform.

In summary, *the New Governance*: (i) refers to a set of institutions and actors that are drawn from but also beyond government; (ii) identifies the blurring of boundaries and responsibilities for tackling social and economic issues; (iii) identifies the power dependence involved in the relationships between institutions involved in collective action; (iv) is about autonomous self-governing networks of actors; and (v) recognizes the capacity to get things done which does not rest on the power of government to command or use its authority (Stoker, 1998, p.18).

III. A Theory of *the New Governance*: A Perspective of Institutional Analysis

⁶ The goal of NPM is to reform the internal management systems of government based on **liberation management** which emphasizes reducing internal regulations of government bureaucracy, and **market-driven management** which emphasizes the introduction of competition mechanism. On the other hand, *the New Governance* argues that interorganizational relationships of government should be reformed (Lee, 2001a).

1. Governance as a Social Coordination Mechanism

The definition of governance can become clearer when it is understood as *social coordination* (Pierre, 2000). *Social coordination* refers to solving social problems by coordinating interactions of various actors (Beetham, 1996). Three types of *social coordination* exist – markets, hierarchies and democracy. According to Beetham:

markets are arrangements which coordinate the actions of large numbers of people automatically, and on a lateral basis, ... without infringing their freedom or requiring inequalities of the status. Hierarchies, by contrast, coordinate action vertically, via a structure of consciously exercised authority and compulsion, in which people's status is by definition unequal (Beetham, 1996, pp.20-21).

That is, the market denotes *social coordination* via voluntary exchange, whereas hierarchy denotes *social coordination* via political authority. Democracy also coordinates actions among various actors via political authority, but in quite a different way than hierarchies do. It is a matter of a difference in process of forming and exercising political authority. In democracy, unlike in hierarchies, the actors of equal status actively take part in determining the rules and policies of the collective life and coordinate their actions voluntarily, and unlike markets, their freedom is infringed to the extent that is needed.

Some literatures identify governance as institution and/or process that determines how power is exercised, how citizens are given a voice, and how decisions are made on issues of public concern (Amin and Hausner, 1997; Pierre, 2000; Newman, 2000; Stoker, 2000a), which is identical to *social coordination*. Notice that three modes of governance explained by Kooiman (2000) -- co-governing, hierarchical governing, and self-governing⁷ – are identical to democracy, hierarchy, and the market, respectively.

With the help of the concept *social coordination*, the problem of conceptual ambiguity about governance can be reduced. Except for the differences in their scope

⁷ In Kooiman's classification, 'self-governing' denotes governance via "economics-as-a-system"(Kooiman, 2000, p.146), that is the market, instead of 'self-governing in a general sense'.

and locus,⁸ broader and broad definitions of governance are the same in that they all include a variety of ways of solving common problems. For this reason, this paper defines governance as a ‘way of social coordination for resolving common problems’.

This definition has several strong points. First, it can wipe out the old, coercive and top-down image of ‘governing,’ which has been usually understood as a synonym of control. Second, it allows us to consider a much wider variety of modes/types of governance by defining the objects of governing not as ‘people’ but as ‘common problems’ they face.⁹

A few examples may be useful. When we define governance this way, local governance is not a mechanism of controlling local peoples, but a mechanism of social coordination for resolving common problems faced by governments and citizens of given localities. What are governed are not local peoples but the problems they face. Similarly, school governance is a mechanism of social coordination for problems faced by parents, children, teachers as well as governments who all want better education. Environmental governance is a mechanism of social coordination for resolving a specific common problem, environmental problem. Global governance is a mechanism of social coordination, in which states, NGOs as well as peoples around the world have a common problem to be resolved. And New Public Management, which is identified as new governance by some scholars and not by others at the same time, can also be understood as one out of many modes of social coordination for resolving common problems, which happen to be problems of internal management of government bureaucracies in this case.

Next, *the New Governance* is defined as a specific form of social coordination. It refers to neither hierarchy nor markets. It is democracy, in Beetham’s term, which can resolve social problems that transcend the limits of both hierarchy and markets. Notice

⁸ Broader definitions include various common problems, of which scope and locus are larger and different than government, such as international relations, environment, and corporations. Broad definitions, on the other hand, denote only common problems associated with governments.

⁹ For example, Elinor Ostrom’s book *Governing the Commons* (1990) deals with various ways of governing the commons, from governance via hierarchical, top-down control to governance based on self-organized units. In this book, governing denotes resolving common problems associated with the

that the difference between *the New Governance* and neo-liberalism and NPM can be understood more clearly with the help of this definition. According to Lee (2001a), neo-liberalism is mainly interested in expanding the sphere of the market and reducing the sphere/role of political authority so that freedom of individual choice can be maximized. NPM, on the other hand, focuses on the possibility of improving internal management efficiencies of government bureaucracy (that is, hierarchy in Beethams's term) by introducing advanced management technologies of the private sector, which are thought to be able to replace hierarchical control of the traditional public administration. *The New Governance* advocates expanding the sphere of democratic decision and control in the sphere of political authority. The main theme of it is that the role of governmental bureaucracies has been drastically reduced and the role of democracy and networks has been increased and replaced the role of governmental bureaucracies successfully (Harmon and Mayer, 1986; Stoker, 1998).¹⁰

In summary, both broader and broad definitions of governance can include many different types of social coordination, such as New Public Management and neo-liberal governance. On the other hand, *the New Governance* should be conceptually differentiated from them. *The New Governance* is a specific form of social coordination, where common problems are resolved jointly by people who actively take part in determining the rules and policies of collective life.

2. Governance as an Institution

Another interesting similarity can be found in the discussions about governance so far – literatures on governance as various mechanisms of social coordination are mainly concerned about how various constraints, both formal and informal, effect behaviors as

commons, rather than controlling people facing common problems.

¹⁰ *The New Governance* primarily focuses on changed relationship between government and civil society, which is network composed of citizens, various NGOs and government agencies. In this sense, the main concern of *the New Governance* is about inter-organizational relations. The logic of *the New Governance*, however, can be applied to problems of intra-organizational management problems, especially management of small sub-units organizations in a larger organization. For reference see Hult

well as collective action of people. In most literatures, governance is recognized as something with both ‘structural’ aspects like actors, relationships, division of resources, and organizations and ‘cultural’ aspects like rules, norms, perceptions, and institutions (Kickert, 1997; Roderick *et al.*, 2000).

The meaning of governance can be clearer when it is defined as an ‘institution’ (Lynn *et al.*, 2001; Stoker, 2000a) from the perspective of institutional analysis.¹¹ It has been frequently discussed that governance plays a critical role in determining the results of collective actions among actors facing common problems (Heinrich and Lynn, 2000). Governance has political aspect by nature. There must be political negotiations and compromises, winners and losers, and consequently uncertainties about the results of interactions. Governance is therefore defined as a ‘game situation’. Lynn *et al.* (2000) argue that governance implies a configuration of distinct but interrelated elements such as environmental factors, characteristics of people, legal structures, administrative practices, and managerial techniques.

Governance can be understood even more clearly via IAD framework, which is a meta-theoretical framework for analyzing social phenomena (Ostrom 1986; Lee, 1999). IAD framework emphasizes the effect of rules-in-use, physical attributes, community attributes on action arena, where various actors interact with each other and results of collective actions are determined. Considering the characteristics of governance, especially the characteristics of *the New Governance* where various actors interact with each other in a game-like situation, IAD framework can be useful in conceptualizing and analyzing governance.¹²

In addition, the ‘nestedness’ of governance can be better analyzed with the help of IAD framework. IAD framework emphasizes nestedness of institutions by identifying three levels of analysis – ‘operational level,’ ‘collective choice level,’ and ‘constitutional choice level’ (Ostrom, 1986). Operational level denotes the situation

and Walcott (1990).

¹¹ In institutional analysis, institution is defined as “enduring regularities of human action in situations structured by rules, norms, and shared strategies, as well as by the physical world” (Crawford and Ostrom, 1995, p.582). For more various definitions of institutions, see Hall and Taylor (1996).

where actors interact with each other and consequently social phenomena occur, collective action level denotes the situation where rules and policies are made to constrain the rights and responsibilities of actors at operational level, and constitutional level denotes the situation where rules and regulations of collective choice level are made (Lee, 1999).

Levels of institutions explained by IAD framework correspond exactly to the levels of governance explained by Kooiman (2000). He explains three levels of governance – **first-order governing** that aims to solve problems directly at a particular level, **second-order governing** that attempt to build institution and influence the conditions under which first order-governing takes place, and **third-order governing** that attempt to make decisions about who or what ultimately governs the ones who interact with each other at second-order governing. Notice that Kooiman’s first-order governing, second-order governing and third-order governing are rules-in-use applied at operational level, collective choice level, and constitutional choice level, respectively. This means that governance exists at one level where actual social problems are solved, and there is also another kind of governance at upper level, which coordinates lower level governance.

Upper level governance is understood as ‘meta-governance’ (Jessop, 2000). Sometimes meta-governance is regarded as an ideology such as neo-liberalism and Thatcherism. But I think it is more appropriate to classify ideologies as basic ideas or logics underlying the specific form of governance, and to define meta-governance as upper level governance. Because by doing so, we can clearly define governance as ‘institutions of social coordination for resolving common problems at various levels’.

3. *The New Governance: A New Democratic Administration?*

Governance theory is an attempt to study government and public administration from a new perspective of governance (Pierre, 2000). It focuses on the new or emerging

¹² See Lee (2001b) for the study that policy networks are analyzed via IAD framework.

forms of social coordination, such as steering, that are expected to replace more coercive policy instruments and command and control systems. Even though broadly defined governance includes a continuum of varying modes of governance, network at one extreme and hierarchy at the other extreme, to use the term governance means the fact that relationship between government and civil society is changed and much attention is paid to this changed relationship. Because if not, the term governance does not mean anything more than traditional government, and we do not feel any need to use it. The term governance refers to a change in the meaning of government, the way of doing public business (Rhodes, 1997). 'Government' refers to activities backed by formal authority, whereas 'governance' to activities backed by shared goals (Rosenau, 1992).

The core of governance theory lies at a new assumption or logic of governance, which shows fundamental differences from that of traditional public administration (Lynn *et al.*, 2001). Governance theory is a response to both market and state failures. According to Jessop:

The rationality of governance is neither procedural [market] nor substantive [state]... It is best described as 'reflective', ... negotiation, consensus, and coordination. The rationality of governance is dialogic rather than monologic, pluralistic rather than monolithic, heterarchic rather than either hierarchic or anarchic (Jessop, 2000, p.16).

As briefly mentioned before, sometimes key notions of *the New Governance* are used to refer to many things that are not based on the logic of *the New Governance*. For example, networks are understood as one of the main characteristics of *the New Governance*. However, they are not always associated with the logic of *the New Governance*. According to Kickert (1997), networks can be defined at least from three different perspectives – instrumental, interactive, and institutional perspectives.

First, from the instrumental perspective, network refers to steering by a focal actor, which is the government. The main line of argumentation is that 'first generation' instruments such as the usual regulatory instrument do not apply in a network situation

because they are uniform and single-sided. In a network situation, 'second generation', more refined instrument like incentives, communicative instruments, or covenants should be applied. It is kind of a refinement of the classical rational 'steering' approach, in that it does stick to the fundamental assumptions of one 'steering' actor that exercises goal-oriented influence on other actors. From this perspective, therefore, networks are composed of 'controllers' and 'controllees', and the desirable role of government is something like 'conductor' of orchestra.

Secondly, interactive perspective focuses on the way in which actors mutually adjust their strategies in order to enable collective action and common outcomes. What matters here is the concept of 'collective action' and 'mutual influence'. Unlike the instrumental perspectives, it does not define relationship between actors in terms of 'controller' and 'controllee' but in terms of positioned actors that exercise mutual influence. Attention is paid to interactions, especially the interactions between mutually dependent actors concerning the preparation or execution of some policy program or issue. The network situation implies the mutual dependencies of actors because of the division of resources and the interdependency of goals. In this perspective, it is desirable for the government to play a role 'intermediator' in order to facilitate cooperation among various actors of the network

Finally, institutional perspective focuses on analyzing the network as a whole rather than the actor and interactions. Attention is paid to institutions, norms that specifying rights and responsibilities of actors of the network. Special attention is paid to how the network is formulated, changed and replaced. The desirable role of government is to create better conditions for problem-solving and policy-making by influencing the structure and culture of the policy network.

Broadly defined governance includes a wide range of modes of social coordination. Networks in instrumental perspective, which are theoretically based on *bureaucratic administration*, can be included. In some cases, moreover, they can provide more desirable prescriptions for administrative reform. However, they should be differentiated from *the New Governance*, which is drastically different from

bureaucratic administration based on a **monocratic** principle (Ostrom, 1989).¹³

Hierarchical and bureaucratic model of social coordination refers to the process in which leaders control non-leaders (Kooiman, 2000). Another important feature of hierarchical model of social coordination is that it assumes there exists ‘rational social action.’ From this point of view, networks from instrumental perspective are based on ‘steering centrism’ of *bureaucratic administration*, or *new centrism* (Ostrom, 1997)¹⁴ This is because it accepts the existence of a focal actor and considers the government and civil society as ‘steering system’ and ‘steered system’, respectively, (Harmon and Mayer, 1986).

Therefore, ‘steering by a focal actor’ emphasized by instrumental perspective is not *the New Governance*.¹⁵ Instead, ‘co-steering’, ‘co-regulation’, and ‘co-guidance,’ which are emphasized by interactive and institutional perspectives, are *the New Governance*. *The New Governance* assumes that no single actor has the knowledge and resource capacity to tackle problems unilaterally, and this is the case for the government. It is the interaction between government and society and among various actors, not the integral government planning and management that plays a crucial role in doing public business. The balance between government and society has been shifted towards a sharing of tasks and responsibilities; towards doing things together instead of doing them alone either by the state or by the market (Kooiman, 1993). Reliance should be placed on the self-steering capacity of society (Kickert, 1997). Co-regulation, co-steering, co-production, and co-guidance, therefore, replace the traditional top-down and central-steering by the government (Kooiman, 1993).

In this sense, *the New Governance* shares one important common feature with *democratic administration* – polycentricity (Ostrom, 1989). According to Ostrom(1989), state-centric traditional public administration, or *bureaucratic*

¹³ A Monocratic structure refers to one in which all functionaries are integrated into a hierarchy cumulating in a single center of ultimate authority (Ostrom, 1989, p.68).

¹⁴ Networks have been played important roles in the traditional paradigm of public administration. According to Harmon and Mayer (1986), the importance of networks has already been emphasized since the late 1970.

¹⁵ Pierre (2000, p.3) classifies this ‘state-centric steering’ as ‘old governance’.

administration, assumes that there will and should be a single dominant center of power because the more power is unified and directed from a single center the more responsible and efficient it will become. Democratic administration, by contrast, argues that “the exercise of control over the legitimate means of coercion should not be **monopolized** by a single structure of authority” (Ostrom, 1989, p.71).¹⁶ It is polycentricity and the nonexistence of a single center of ultimate authority that distinguish *democratic administration* from *bureaucratic administration*, therefore.

Democratic administration was originally about federalism. According to Ostrom;

There are mechanisms of partisan mutual adjustment, cooperation, and conflict resolution for noncentral coordination in federal systems that cannot properly be characterized as centralization and decentralization. As Wildavsky puts it: “Federalism requires mutuality, not hierarchy, multiple rather than single causation, a sharing instead of a monopoly of power” (Ostrom, 1977, p.1521).

Notice the logical similarity between this and *the New Governance*. Ostrom’s logic of democratic administration or federalism can apply to a more general problem – a problem of social coordination. When it comes to social coordination, attention is paid to the relationship between the government and civil society instead of the relationship between the federal and state governments, and what matters most is **the capability of civil society**. Contrary to bureaucratic administration, *the New Governance* requires efficient citizenship. The New Governance simply cannot work without social or civil capital, that is “problem-solving knowledge possessed by citizens, attitudes that guide civic action, and civic capacity for governance” (McGregor, 1984, p.128).

Until recently, democratic administration has not been regarded as a viable alternative to bureaucratic administration. Many scholars believe that it can apply only to small organizations such as localities. It was the “rejected alternative” in Ostrom’s

¹⁶ Vincent Ostrom explains that democratic administration is based on “(1) an egalitarian assumption that everyone is qualified to participate in the conduct of public affair, (2) the reservation of all important decisions for consideration by all members of the community and their elected representatives, (3) restriction of power of command to a necessary minimum, and (4) modification of the status of administrative functionaries from that of masters to that of public servant” (Ostrom, 1989, p.71).

term (Ostrom, 1989). The logic of democratic administration, recently called as *the New Governance*, however, is believed to apply to much larger organizations, even global ones. It is now regarded as a viable alternative way of social coordination, which might be able to replace the paradigm of bureaucratic administration. Especially as social problems become more complex, dynamic, and diversified, *the New Governance* becomes a more useful and realistic alternative to the traditional public administration. Cooperation among actors is required to solve social problems, because no single actor, public or private, can solve them alone (Kooiman, 1993).

More important, this view is not normative but an empirical observation (Harmon and Mayer, 1986; Kickert, 1997). In several European countries, according to Harmon and Mayer (1986), government is already no more the single dominating actor that can unilaterally impose its will. Integral government planning is not accepted by the civil society any more. The economic crisis and budget deficit led not merely to a debate on improving government's efficiency, but to a more fundamental debate on limitation of the traditionally top-down and central steering state, by calling for a new way of doing public business. So-called 'steering centrism' was regarded as the main culprit for government failures. To solve social problems successfully, therefore, reliance should be placed on the self-steering capacities of society.

In summary, *the New Governance* is defined as a polycentric form of social coordination in which actions are coordinated voluntarily by individuals and organizations with self-organizing and self-enforcing capabilities (McGinnis and Ostrom, 1996) based on the assumption that the aggregation of preference through monocentric bureaucratic structures or the market produces decisions that are inferior to those reached after dialogue and deliberation (Elster, 1998).

<Figure 1> summarizes discussions about the definitions of governance so far.

<Figure 1> Governance, *the New Governance*, and New Governance

Governance in a broad sense(= social coordination)			
Social coordination by political authority		Social coordination by voluntary exchange	
Bureaucracy(Hierarchy)		Democracy	Market
<ul style="list-style-type: none"> ▶ Bureaucratic Administration ▷ bureaucratic governance ▷ hierarchical governance 	<ul style="list-style-type: none"> ▷ NPM^a 	<ul style="list-style-type: none"> ▶ <i>the New Governance</i>^b ▶ Democratic Administration ▷ co-governing ▷ heterarchy ▷ network governance (interactive/institutional) ▷ shared governance ▷ co-steering 	<ul style="list-style-type: none"> ▷ Self-governing ▷ neo-liberal governance ▷ competition mechanism
<ul style="list-style-type: none"> ▷ network governance (instrumental) ▷ steering^c 			
<ul style="list-style-type: none"> ▷ emphasizes: - hierarchical control - top-down management 	<ul style="list-style-type: none"> ▷ emphasizes: - internal management - deregulation (internal rules) - internal market 	<ul style="list-style-type: none"> ▷ emphasizes: - inter-organizational relations - expansion of democracy in political authority 	<ul style="list-style-type: none"> ▷ emphasizes: - expansion of voluntary exchange - reduction of political authority
Old Governance	New Governance		

a) darkly shaded cells including NPM denote new governance.

b) cells inside bold line denote the New Governance.

c) lightly shaded cell denotes new policy tools of old governance, which also have the characteristics similar to those of new governance.

IV. Conclusion

Governance is a value-neutral concept, which helps compare a wide variety of social coordination mechanisms including traditional paradigm of public administration (Stoker, 1998). *The New Governance*, on the other hand, a specific form of social

coordination that has been empirically observed. It is interesting to note that *the New Governance* has emerged gradually, as society becomes democratized and civil society becomes more capable and powerful. According to Ostrom (1989) and Newman (2001), however, *the New Governance* (or democratic administration) can also be understood as a normative term, referring to the way in which organizations and institutions are (or should be) governed. Newman (2001) argues that it symbolizes a number of normative values, such as (i) a network-based collaboration and coordination in complex society; (ii) self-government; (iii) public involvement; and (iv) democratic innovation.

The persistent criticisms of *The New Governance* are: (i) networks existed even before *the New Governance* gets attention; (ii) it is not certain that *the New Government* can replace the flexibility of the market and the long-term perspective of hierarchy (Amin and Hausner, 1997); (iii) despite the usefulness and the intuitive appeals of *the New Governance*, strong central coordination is still needed in many cases (Peters, 2000); (iv) consequently, the risks of governing complexity and the likelihood of governance failure should not be overlooked (Jessop, 2000).

Notice that *the New Governance* requires a mature civil society with a certain minimum level of social capital. Without it, social problems cannot be resolved in the way, which *the New Governance* describes or prescribes. Reform attempts based on the logic of *the New Governance* could turn out to be a failure in this case. This paper aims to develop a clear definition of governance and *the New Governance*, not to explore a desirable form of governance. Hence, this paper does not discuss about the limits and conditions for the success of *the New Governance*, but presents a kind of *ideal type* (Weber, 1946) of *the New Governance*. Further studies are needed for these issues.

Governance in the real world will be a mixture of various modes and levels of governances (Kooiman, 2000), because all forms of social coordination, the market, hierarchy, and *the New Governance*, cannot be perfect and are doomed to fail (Stoker, 2000). *The New Governance* is only a new form of social coordination. It cannot completely replace either the market or the government yet (Rhodes, 1997). And, as a matter of fact, this is also the case for the market and the government.

The popularity of *the New Governance*, however, implies that something is seriously wrong with the traditional paradigm of bureaucratic administration and the practices of public administration at the same time. Social problems have become more and more complex. As social problems become more complex, cooperation among actors is required to solve social problems, because no single actor, even the central government, can solve them alone. In addition, civil society has recently become more and more capable of dealing with social problems. And this trend will continue in the future. From this perspective, *the New Governance* already becomes a more useful and realistic alternative to the traditional public administration, and consequently it becomes more likely that *the New Governance* will be a dominant type of governance in the near future.

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Resultantly, the conceptualisation of global governance requires a combination of particular aspects of realism, institutionalism, constructivism, and pluralism. Although they may recognise the existence of additional actors and institutions within global governance, ultimately international institutions are determined by and governed by states, specifically the hegemonic states that created them, and other actors also have states as their origin. Although other IR paradigms point to the increasing interdependence of states as contributing to a new global order, realists Nevertheless, it fails to provide substantive explanations for societal change and the implications of social movements (Ibid, 12). Conceptualizing New Modes of Governance in EU Enlargement. reference number: 12/D1. Due date of deliverable: January 31, 2005 Actual submission date: February 7, 2005. This paper seeks to conceptualize the role of new modes of governance in the accession of Central and Eastern European countries to the EU. More specifically, it will tackle the question to what extent new modes of governance can facilitate the adoption of and adaptation to EU Law as major a prerequisite for membership. According to the two theories of social action, two forms of non-hierarchical coordination can be distinguished. Rationalist theories point to positive (side payments) and negative (sanctions) incentives or negotiated compromise on the basis of fixed preferences (bargaining). Mediterranean Journal of Social Sciences. MCSER Publishing, Rome-Italy. Vol 5 No 20 September 2014. This paper aims, therefore, to re-conceptualize the mission, goals, and pedagogical strategies in institutions of higher education by defining the main directions needed in Kazakhstan today. This paper also reflects basic conceptual approaches of the complex program of education in the Republic of Kazakhstan. Coordination among all university sections, incumbent upon the Council on Educational Work created by the pro-rector. However, we wanted to inculcate in students a new meaning, in accordance with modern teaching requirements and interactive methods of conducting activities, e.g., games, debates, workshops, competitions, research projects.