

- Network governance emphasises the boundedness of rationality in public administration, highlights ambiguity rather than rationality, and is related to a more socio-constructivist approach and social configuration theory.

Organisational cultures differ not on the level of values, but on the level of practices³²². Fairtlough³²³ uses the three active ways of life of Thompson et al. as metaphors for 'three ways to get things done' in organisations: hierarchy (same as Thompson), heterarchy (Thompson's egalitarian) and responsible autonomy (Thompson's individualism). Hierarchy, market and network governance are forms of societal co-ordination that together, in mixed forms, define organisational cultures. This has been confirmed for businesses organisations, public-sector organisations and non-governmental organisations.³²⁴

A governance style is rooted in, and part of a culture, because it is based upon a certain comprehensive set of values. For example, hierarchy is based upon the belief that there should be a 'subordinate', market governance considers others as 'customers' or 'clients' and network governance believes others to be 'partners' and 'co-creators'. Governance styles also include behaviour rules (such as regulations and control instruments in hierarchy), and a preference for certain types of coordination mechanisms, like trust in networks and competition in markets.

2.5 Metagovernance as the 'governance of governance'

2.5.1 Different views on metagovernance

Each governance style has its own distinctive forms of failure.³²⁵ Combinations of the three ideal-typical governance styles may lead to conflicts, competition and to unsatisfactory outcomes. The question is, if it is possible to design strategies that harness the benefits of these different approaches, whilst minimising the negative consequences. How feasible is

³²² Hofstede (2001): *Culture's consequences: Comparing values, Behaviours, Institutions and Organisations across Nations*.

³²³ Fairtlough (2005): *Triarchy Theory* (www.triarchypress.com).

³²⁴ E.g. Thompson et al. (2001): *Markets, hierarchies and networks: The coordination of social life*. Davis and Rhodes (2005): *From hierarchy to contracts and back again: Reforming the Australian public service*.

³²⁵ Jessop (2004: 228): *The political economy of scale and European governance*.

Rhodes' challenge that "The future will not lie with markets, or hierarchies or networks but with all three and the trick will not be to manage contracts or steer networks but to mix the three systems effectively when they conflict with and undermine one another."³²⁶ If designing and managing governance style mixtures was possible to a certain extent, then this would be of great importance. It would make the 'toolbox' of public managers much richer compared to when they are 'stuck' with only one of the governance styles:

"If you only have a hammer, you tend to see every problem as a nail."³²⁷

Metagovernance as governance of hierarchies, networks and markets

As early as 1991, Bradach and Eccles distinguished 'plural forms' of coordination, in which distinct control mechanisms (price, authority and trust) may operate simultaneously for the same function (or project) in the same organisation.³²⁸ They point at the new possibilities managers have if they do not have to rely on one style alone, but can use other styles too. In 2002, Eberlein and Kerwer³²⁹ concluded that the major question in the field of European governance is "how new modes of governance can be reconciled with the need for binding rules". This brings us to the term *metagovernance*, which we will define as the 'governance of governance', in line with the common use of the prefix *meta*.³³⁰ Because governance is the result of dynamic combinations of the three ideal types, metagovernance is

³²⁶ Davis and Rhodes (2005: 25, From hierarchy to contracts and back again: Reforming the Australian public service). The same formulation appears in Fleming and Rhodes (2005: 203): Bureaucracy, contracts and networks: The unholy trinity and the police.

³²⁷ Quote attributed to Abraham Maslov (1907-1970). Citation retrieved from <http://www.brainyquote.com> on 28 August 2007.

³²⁸ Bradach and Eccles (1991: 288): Price, authority and trust.

³⁰² Eberlein and Kerwer (2004: 136): New Governance in the European Union: A theoretical perspective.

³³⁰ Meta (Greek: μετά = "after", "beyond"), is a common English prefix, used to indicate a concept which is an abstraction from another concept, used to analyse the latter. "Metaphysics" refers to things beyond physics, and "meta language" refers to a type of language or system which describes language. In epistemology, the prefix meta- is used to mean about (its own category). Metadata are data about data (who has produced it, when, what format the data are in and so on). (Source: www.wikipedia.org).

the governing of mixtures of hierarchical, network and market forms of social coordination.

Metagovernance is a concept positioned 'above' the three main governance styles. It takes a multi-perspective, 'helicopter view' approach. It can be considered as a negotiation process between competitive governance, authoritative governance and cooperative governance.³³¹ Jessop coined the term metagovernance in 1997 as "coordinating different forms of governance and ensuring a minimal coherence among them".³³² Later, he described metagovernance as "the organisation of the conditions for governance", which involves "the judicious mixing of market, hierarchy, and networks to achieve the best possible outcomes from the viewpoint of those engaged in metagovernance."³³³ Metagovernance is about rebalancing market, hierarchy and networks.³³⁴ Like Jessop, Rhodes also argues that governments can choose between the three 'governing structures': hierarchies, markets and networks.³³⁵ In this research the following more precise definition will be used:³³⁶

Metagovernance is a means by which to produce some degree of coordinated governance, by designing and managing sound combinations of hierarchical, market and network governance, to achieve the best possible outcomes from the viewpoint of those responsible for the performance of public-sector organisations: public managers as 'metagovernors'.

This definition is on the one hand broad: all possible governance style combinations are included. On the other hand, it is deliberately narrow: In this research one type of metagovernors is central: line and project managers of public-sector organisations. Managers of private companies or NGOs may, as much scholarly literature suggests, experience a rather

³³¹ Arentsen (2001: 512, Negotiated environmental governance in the Netherlands: Logic and illustration) therefore calls it 'negotiated governance'.

³³² Jessop (1997: 7): Capitalism and its future: remarks on regulation, government and governance.

³³³ Jessop (2003): Governance and metagovernance: On reflexivity, requisite variety, and requisite irony.

³³⁴ Jessop (2004: 228): The political economy of scale and European governance.

³³⁵ Rhodes (1997: 47): Understanding governance.

³³⁶ This definition combines definitions by Kooiman (2003: Governing as governance), Jessop (2003: Governance and metagovernance) and Sørensen (2004: Democratic governance and the role of public administrators).

similar challenge, although there are limitations. Wolf argues that there are several functions of metagovernance that cannot be fulfilled by the private sector, and have to be provided by the public sector:³³⁷

- Providing and guaranteeing the constitutional legal framework for private self-regulation;
- Providing a 'shadow of hierarchy' to keep self-regulation geared towards the general good;
- Authorising participatory claims of private actors;
- taking part in providing normative environment and therefore legitimacy to goals of private actors;
- Supporting the monitoring of self-regulation;
- Avoiding negative externalities by linking the different sectoral self-regulation efforts with each other.

To what extent is this definition of metagovernance normative? As an analytical concept it is just as non-normative as the three ideal types of governance are. However, as a practical concept (hierarchy, network or market governance as public management), the ideal types become normative: each of the styles is used as a 'best' way of societal coordination. A hierarchical manager may judge that expensive cars are always better than cheap cars, because they are more reliable. A market manager will make a cost-benefit analysis before he decides which car is better. A network manager may judge that any car is good, as long as its use is not limited to superiors or those who are rich. In contrast, metagovernance deliberately takes a situational view: what is 'best' is determined by a range of environmental factors. It does have a 'light' normative dimension, related to the underlying concept of governance, which inherently has several normative assumptions, such as that (1) the intention is to solve collective problems, (2) not for individual profit but for the common good, and (3) that it supposes more or less well defined social groups with rights and duties³³⁸.

The emerging literature on metagovernance since 2000³³⁹ presents two other schools of thought about metagovernance.

³³⁷ Wolf (2003: 1): Some normative considerations on the potential and limits of voluntary self-regulation.

³³⁸ Risse (2007: 6-8): *Regieren in Räumen begrenzter Staatlichkeit. Zur "Reisefähigkeit" des Governance-Konzeptes.*

³³⁹ See Torfing et al. (2003: Nine competing definitions of governance, governance and networks and meta-governance) for a short overview.

Metagovernance framed as network management

The first and most prominent school of thought considers metagovernance to be a way of “enhancing coordinated governance”³⁴⁰. They restrict the use of the term ‘governance’ to network governance. Jessop³⁴¹ followed this line of thought when he called the Open Method of Coordination of the European Union a form of metagovernance. Metagovernance is a form of ‘network management’.³⁴² Metagovernance is an “indirect form of top-down governance that is exercised by influencing processes of self-governance through various modes of coordination such as framing, facilitation and negotiation.” In this approach, metagovernance aims at enhancing self-governance (with which mainly network governance is meant) by using methods such as framing, facilitation and negotiation.³⁴³ Hierarchical, and to a lesser extent market governance are not considered to be distinct and useful approaches to societal coordination: hierarchy is only used to increase the success of network governance as the superior style. ‘Self-governing networks’ are the focus: they are implicitly considered as the best way to solve (all) societal problems. From that perspective, it is logical that there can be “too much or too little” metagovernance: Too little and networks risk becoming undemocratic, too much and “the self-regulatory capacity can be undermined and the network actors loose interest in and responsibility for the network activities”.³⁴⁴ ‘Democratic metagovernance’ therefore is about governments taking responsibility for demanding participation from a broader set of actors and guaranteeing that all major interests are reflected in networks, for example.³⁴⁵

This vision is also shared by scholars of the deliberative governance school, of whom some have a state declinist attitude. Metagovernance or

³⁴⁰ Sørensen (2006: 100): Metagovernance: The changing roles of politicians in processes of democratic governance. Sørensen and Torfing (2007: 169): Theoretical approaches to metagovernance.

³⁴¹ Jessop (2004: 49): Multi-level governance and multi-level metagovernance.

³⁴² Kickert et al.(eds.)(1997): Managing complex networks: strategies for the public sector; Klijn and Edelenbos (2007: 199): Meta-governance as network management.

³⁴³ Hovik and Vabo (2005: 262): Norwegian local councils as democratic metagovernors?

³⁴⁴ Westh Nielsen (2007): Metagovernance in the Global Compact – Regulation of a global governance network.

³⁴⁵ Hovik (2005: 15): Local network governance for sustainable development in Norway.

"smart steering" is then a means of combining instruments of network and market governance.³⁴⁶ It is a way "to sort of try to get to an understanding (...) of the ability of people to find open spaces (...) in which new forms of action are possible". This means: "Forget about government; start with society, and ask yourself how as society do we steer things?"³⁴⁷ Laws and van der Heijden noticed that businesses and environmental groups, without the direct involvement of governmental actors, tackle societal problems such as environmental problems for example. Section 2.2.5 argued that there is no empirical evidence that the state does not play a (major) role anymore, and that hierarchy remains the preferred style of coordination of public-sector organisations. Even when hierarchical governance is only a vague 'shadow', this may be a trigger for businesses and NGOs to cooperate without direct government involvement. Therefore, it is important "to bring government back in when analysing governance"³⁴⁸, as Bell and Park argue.

Similar to the idea that metagovernance is 'enhancing coordinated governance' is the approach of metagovernance as a mechanism that transfers power from politicians to public managers.³⁴⁹ This approach is however not anti-statist, but anti-political. Jayasuriya has explored this for transnational organisations like the World Bank.³⁵⁰ He concludes that the World Bank – a non-political body – uses 'metagovernance' to 'colonise' civil society and "depoliticises social and economic life by distancing the allocation of social goods from the centres of political decision making".

Metagovernance framed as supervising network and market governance

This brings us to another school of thought, where metagovernance is a form of regaining state control (hierarchy) over new forms of governance.

³⁴⁶ Van der Heijden (ed.) (2005: 51): *Recombinatie van overheid en samenleving. Denken over innovatieve beleidsvorming.*

³⁴⁷ Citations of respectively David Laws (MIT, USA) and Jurgen van der Heijden (University of Amsterdam), retrieved on 2-10-2006 from <http://www.lafollette.wisc.edu/research/environmentalpolicy/mswgmetagovernance.html>.

³⁴⁸ Bell and Park (2006: 63): *The problematic metagovernance of networks: Water reform in New South Wales.*

³⁴⁹ Sørensen (2006): *Metagovernance: The changing roles of politicians in processes of democratic governance.*

³⁵⁰ Jayasuriya (2003: 6): *Workfare for the global poor': Anti politics and the New Governance.*

It is a new form of hierarchical governance that coordinates network and market styles of governance. It secures governmental influence, command and control within network and market style governance regimes.³⁵¹ According to Bell and Park, “metagovernance maintains a continuing role for hierarchical government within any governance regime”.³⁵² They argue that metagovernance should be a response to the “hollowing out of the state thesis” of governance literature that adopts an anti-statist model as mentioned above.³⁵³ Kelly noticed that the UK central government uses metagovernance to “retain its authority and exercise central steering mechanisms in an era of apparent diminishing state power”.³⁵⁴ Damgaard investigated similar cases in Denmark.³⁵⁵

Let us return to the form of metagovernance that will be investigated in this research: the organisation and coordination of hierarchies, networks and markets. Problematic relations between metagovernance and democratic institutions may also arise here, as Skelcher et al.³⁵⁶ argue. They distinguish four types of problematic relations, depending on the national socio-political-administrative context. Mixtures of governance styles can be (1) incompatible, (2) complementary, (3) part of a transitional process of governance, and/or (4) used instrumentally. The impact of different national contexts will be discussed in section 6.3, as well as another crucial issue: the question if public managers have the requisite metagovernance *skills, capacities*³⁵⁷ and *capabilities*³⁵⁸, which is at this moment an empirically open question (See section 6.4).

³⁵¹ Whitehead (2003: 8): ‘In the shadow of hierarchy’: metagovernance, policy reform and urban generation in the West Midlands.

³⁵² Bell and Park (2006: 66): The problematic metagovernance of networks: Water reform in New South Wales.

³⁵³ Bell and Park (2006: 64).

³⁵⁴ Kelly (2006: 619): Central regulation of English local authorities: An example of metagovernance?

³⁵⁵ Damgaard (2006): Lessons on meta-governance from a longitudinal policy network study.

³⁵⁶ Skelcher et al. (2006): Governance networks, democratic anchorage, and the impact of national political context.

³⁵⁷ Bell and Park (2006: 67): The problematic metagovernance of networks: Water reform in New South Wales.

³⁵⁸ Capabilities are central: capacities and competences derive from capabilities. (Laske, 2006): Measuring hidden dimensions.

Metagovernance and 'sound governance'

In 'Sound Governance'³⁵⁹, Farazmand designs a 'best of' hierarchical, network and market governance. The fact that he defines 'sound governance' in an abstract way makes it possible to apply the concept in different situations, in different ways. Farazmand's concept aims at overcoming the typical failures of market governance and network forms of governance. In addition, he advocates the re-introduction of key, 'sound' elements of hierarchical governance, such as the importance of a constitution and of robust institutions. He describes the characteristics of a 'sound' combination of governance styles. Metagovernance as it is used in my research is *how* public managers may achieve such useful, smart governance mixtures.

As shown in Figure 5, all forms of governance and metagovernance that are mentioned in this chapter are related to each other. It is a 'family tree' of contemporary thinking about governance. This overview illustrates the 'conceptual crowd' on the middle and right side of the figure.

2.5.2 Internal and external metagovernance

Where should metagovernance be located? If it means dealing well with potential conflicts and synergies between hierarchy, network and market governance, then metagovernance is something that happens in the relation *between* government and societal actors, as well as *inside* government. In literature on metagovernance the term is usually applied to the governing of governance relations between public administration and society, but Sørensen differentiates between the governance challenge inside the political system and between public and private actors.³⁶⁰ She argues that metagovernance should primarily be a task for politicians, and observes that politicians are hesitant to take up this new task, leaving it to public administrators – "at severe costs for democracy".³⁶¹ The question is which form of democracy is meant here. Surely, market governance with its autonomous agencies has produced questions of democratic control.

³⁵⁹ Farazmand (ed.) (2004): Sound governance. Policy and administrative innovations.

³⁶⁰ Sørensen (2004: 107-108): Democratic governance and the role of public administrators.

³⁶¹ Sørensen (2006: 112): Metagovernance: The changing roles of politicians in processes of democratic governance.

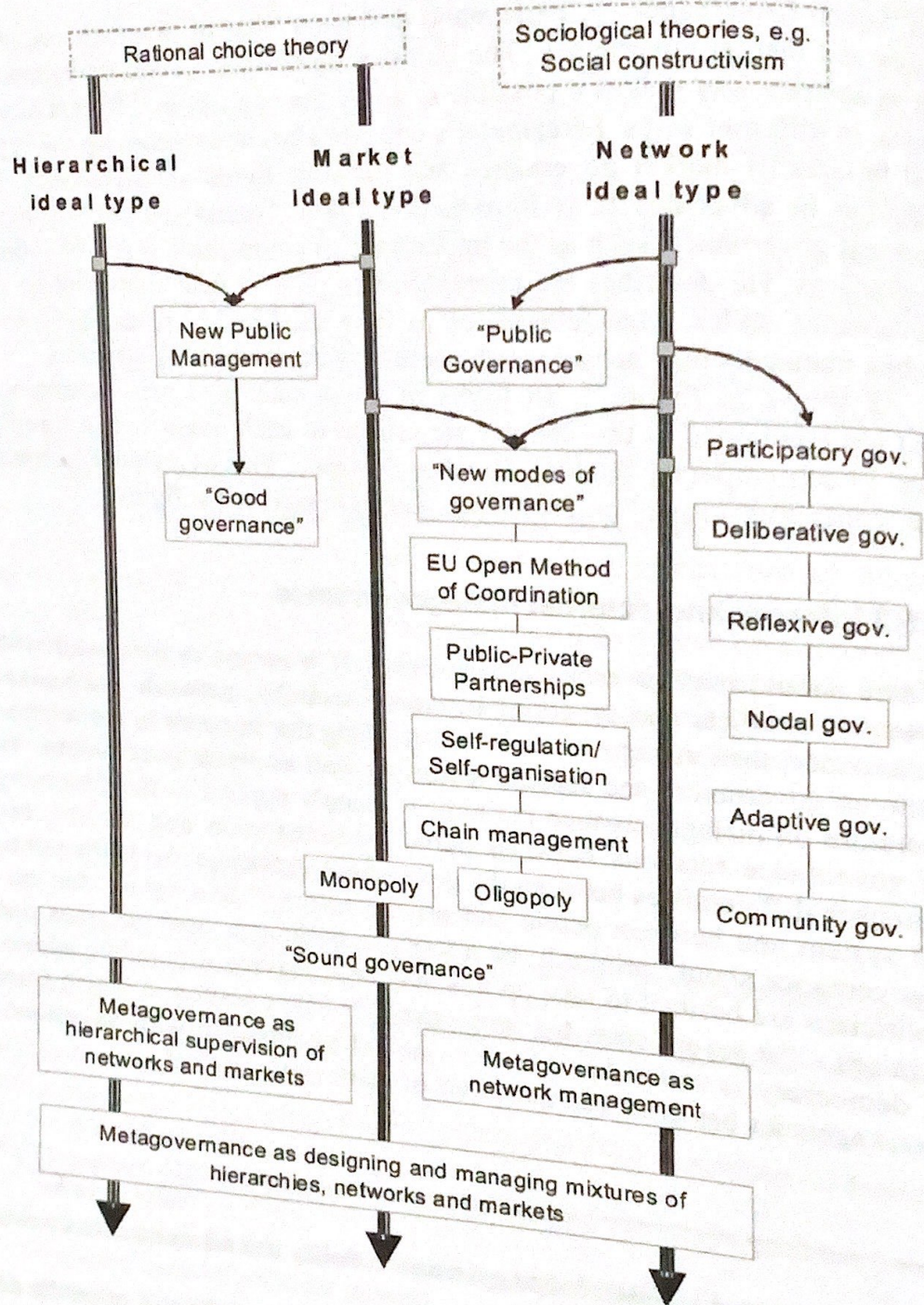


Fig. 5. Governance and metagovernance: a 'conceptual crowd' addressing the 'new modes of governance' (own composition)

When public administrators are supervised by elected politicians, they can do anything that is considered professional, as long as it is accountable in the eyes of the politicians. Most policy preparation takes place *inside* administration, and politicians are usually involved in the beginning and the end.

Management and organisation inside administration cannot be isolated from the societal and political context.³⁶² Therefore, good '*internal*' metagovernance might be a prerequisite for '*external*' metagovernance. Inside administration, governance style conflicts arising between different policy units, between different ministries, between different administrative levels, and between internally oriented units (like financial and legal departments) and externally oriented policy units, should be dealt with.³⁶³

Internal metagovernance, when it succeeds in producing more tailor-made, situational governance processes, may enhance the quality of public administration performance and of democratic institutions and processes. When metagovernance is defined as state reconfiguration, then it may have the opposite outcome.

The boundaries between '*internal*' and '*external*' metagovernance are vague. This research focuses on how public managers deal with governance conflicts and synergies, which consequently touches both internal and external metagovernance.

2.5.3 Introducing the public manager as metagovernor

Metagovernance requires a management perspective. 'Public management' is broader than management in the private sector. The latter can be defined as "the search for the best use of resources in pursuit of objectives subject to change".³⁶⁴ Private sector management "is about getting things done as quickly, cheaply and effectively as possible – and usually about getting things done through other people ('staff', 'the work force', 'personnel', 'human resources')".³⁶⁵ Management in public administration organisations is not a neutral, technical process, but "intimately and indissolubly en-

³⁶² Kickert (1997: 738): Public Governance in the Netherlands: An Alternative to Anglo-American 'Managerialism'.

³⁶³ E.g. Meuleman (2003): The Pegasus Principle.

³⁶⁴ Keeling (1972): Management in government. Cited by Pollit and Bouckaert (2000: 19).

³⁶⁵ Pollit and Bouckaert (2000: 9): Public Management Reform. A Comparative Analysis.

meshed with politics, law and the wider civil society. It is suffused with value-laden choices and influenced by broader ideologies".³⁶⁶ In this research we will use Noordegraaf's broad definition of public management as "the influencing of common activities in the public domain or by public-sector organisations and public managers"³⁶⁷.

Noordegraaf distinguishes four approaches to public management:³⁶⁸

- *Business management*; result-oriented, coordinated and efficient managing public-sector organisations as if they are normal enterprises;
- *Organisation management*: leading professional public-sector organisations who operate in complex environments;
- *Policy management*: organising and influencing policy making processes in order to address societal problems;
- *Political management*: influencing political agenda-setting and decision making.

The first approach will 'flourish' best in a market governance environment. The second and third types have more affinity with network governance, and the third can be applied following the logic of each of the three governance styles. From a metagovernance perspective, all four approaches to public management are useful.

Scholars like Bevir and Rhodes have doubted the 'manageability' of metagovernance.³⁶⁹ The issue is too complex and the possible number of combinations of conflicting or synergetic elements of hierarchy, network and market thinking is overwhelming. Moreover "the ability of the state to manage the mix of hierarchies, markets and networks that have flourished since the 1980s" risks to undermine the bottom-up orientation of societal networks.³⁷⁰ Some have argued that applying metagovernance can only be done by being aware of the complexity, not by applying crucial success factors.³⁷¹ Apart from this practical argument, there is also a theoretical one. Several authors point out that a governance style 'emerges' from a

³⁶⁶ Pollit and Bouckaert (2000: 16): Public Management Reform. A Comparative Analysis.

³⁶⁷ Noordegraaf (2004: 94): Management in het publieke domein. (Translated from Dutch by the author).

³⁶⁸ Noordegraaf (2004: 95-96): Management in het publieke domein.

³⁶⁹ Bevir and Rhodes (2001: 32-34): A decentred theory of governance.

³⁷⁰ Rhodes (2007: 1257): Understanding Governance – Ten years on.

³⁷¹ Koffijberg (2005: 365): Getijden van beleid: omslagpunten in de volkshuisvesting.

certain organisational and environmental context. Styles of governance "are the outcome of social processes but also provide the medium through which actors interpret and act to shape their reality".³⁷² Bevir and Rhodes argue that "patterns of governance arise as the contingent products of diverse actions and political struggles".³⁷³ This view suggests that governance styles and their combinations are not designed or chosen, but are a mere result of some 'invisible governance hand'. This is a risky assumption, because such an 'invisible hand' does not work in the free market. Why then is it claimed to work in government? In their article on shifts in governance styles during the last decades Van Kersbergen and Van Waarden point at external factors as causes of these shifts. They suggest that an important cause may be the fact that governments have to deal with different problems than they had to one or two decades ago.³⁷⁴ Internal factors such as the attempts of metagovernance are not mentioned. A comparable view with regard to the feasibility of metagovernance is found with Bevir and Rhodes. First they observe three approaches to how the state can manage governance: an instrumental, an interactive and an institutional approach. The instrumental approach is top-down: the state is central and can impose imperatives to reach its objectives. The interactive approach focuses on managing by means of negotiation and diplomacy. The institutional approach concentrates on the use of laws, rules and norms. They then reject these approaches as too positivist: there is not a set of techniques or strategies for managing governance. The only way to 'manage' governance is "to learn by telling and listening to stories".^{375 376}

Earlier, Rhodes suggested that governance style (conflict) management is feasible as well as desirable. In 1997, he took the view that the choice between hierarchy, network and market as 'governing structures', is a matter "of practicality, that is: under what conditions does each governing structure work effectively".³⁷⁷ Thus, he argued, managing the three styles is about coordinating difficulties. Because markets, hierarchies and networks are not found in their pure form, it is the mixture of governing structures

³⁷² Lowndes and Skelcher (1998: 318): The dynamics of Multi-Organizational Partnerships: an Analysis of Changing Modes of Governance.

³⁷³ Bevir and Rhodes (2003: 59): Searching for civil society: Changing patterns of governance in Britain.

³⁷⁴ Van Kersbergen and van Waarden (2004: 166): 'Governance' as a bridge between disciplines.

³⁷⁵ Bevir and Rhodes (2001: 32-34): A decentered theory of governance.

³⁷⁶ Rhodes (2007: 1257): Understanding Governance – Ten years on.

³⁷⁷ Rhodes (1997: 47): Understanding governance.

that distinguishes services one from the other. These governing structures may "mix like oil and water."³⁷⁸

A similar position was taken in an advisory report to the Dutch Environment Ministry: The choice between hierarchical, network and market governance is not the selection of the one right style, but about choosing the situationally best role for the government, taking into account the characteristics of all three governance styles.³⁷⁹ Lowndes and Skelcher, although they define governance as an 'emerging outcome', consider managing the interaction of different modes of governance a challenge for governance of partnerships between governmental and other parties.³⁸⁰ Lowndes and Skelcher as well as Rhodes have proposed making *choices* between governance styles, not making *combinations* of elements of hierarchy, network and market governance. However, the latter seems more realistic: in their pure form the three ideal-types are seldom reported to exist. Furthermore, others argue that using the characteristics of all three styles in combination, may lead to the best results, not only for solving policy problems, but also for creating a successful organisation design. Such an organisation would be able to use complementary modes of coordination: authority, competition and mutual adjustment.³⁸¹ Mixing hierarchies, networks and markets is analogous to a chemical reaction: "elements may react in different ways under different circumstances"³⁸². Outcomes of such governance reactions "will be specific to particular areas and contingent upon prevailing policies".³⁸³ Linker designed a model of situational steering by public-sector organisations that builds on typical characteristics of the three governance styles: control (hierarchy), trust (network) and 'pressure' (for which he advocates market instruments like performance contracts and benchmarking).³⁸⁴

³⁷⁸ Rhodes (1997): From marketisation to diplomacy: it's the mix that matters.

³⁷⁹ VROM-Raad (1998: 52): De sturing van een duurzame samenleving.

³⁸⁰ Lowndes and Skelcher (1998: 313): The dynamics of Multi-Organizational Partnerships: an Analysis of Changing Modes of Governance.

³⁸¹ Assens and Baroncelli (2004): Marché – Réseau – Hiérarchie. Une réflexion sur les idéaux types organisationnels.

³⁸² Exworthy et al. (1999: 20): The NHS: quasi-market, quasi-hierarchy and quasi-network?

³⁸³ Exworthy et al. (1999: 20): The NHS: Quasi-market, quasi-hierarchy and quasi-network?

³⁸⁴ Linker (2006): Sturing in de rijksdienst: nieuwe en bestaande inzichten verenigd in hét besturingsmodel.

In 't Veld raises doubt about the feasibility of creating a desired governance mix.³⁸⁵ He illustrates this with the example of the Dutch university system. In the 1970s, the Dutch universities switched from a hierarchical towards a participatory style of governance, after students had successfully lobbied for such a change. However, this change did not result in improved services to students. The service improved in the 1980s, without a change of governance arrangement. In the 1990s, the old hierarchical arrangement was restored without a noticeable impact on the level of service. In an earlier publication, a review of the Dutch Environment Ministry, In 't Veld observed different governance styles inside the same ministry, in different directorates and also between the top and the lower echelons.³⁸⁶ According to him, this is inevitable in a professional public administration organisation. However, he argues, the variety has to be managed, the organisation has to learn from the variety, and there should be a 'general' governance style on the meta-level in the organisation.

A recent research evaluating the EU chemicals directive (REACH) shows that a specific governance style mixture was deliberately developed, consisting of regulated self-regulation and regulated standardisation.³⁸⁷ Peters argues that "metagovernance is not a given process that will occur simply through political will, and must be considered as a management problem". It is a form of 'meta-management', which focuses more on "establishing parameters for action rather than necessarily determining that action".³⁸⁸

The above literature overview does not present a clear answer to what extent and how metagovernance is feasible. Scholars seem to be torn between a positive and a negative answer. Rhodes, for example, in 1997 (see above) argued that it is just a matter of practicality, and in 2001 rejected the notion "that there is a set of techniques or strategies for managing governance"; instead, "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".³⁸⁹ In order for this question to be answered, empirical research will be needed. However, the limited literature does lead to the assumption that, to a certain ex-

³⁸⁵ In 't Veld (Personal communication, February 2006).

³⁸⁶ In 't Veld (1996: 42): Rapportage onderzoek Besturingsconcepten VROM.

³⁸⁷ Hey et al. (2007): REACH als Beispiel für hybride Formen von Steuerung und Governance.

³⁸⁸ Peters (2006: 14): The meta-governance of policy networks: Steering at a distance, but still steering.

³⁸⁹ Bevir and Rhodes (2001): A decentered theory of governance: Rational choice, institutionalism, and interpretation.

tent, it should be possible to define conditions that make the design and management of a desired combination of governance styles within a public administration organisation possible: the should be something like a 'metagovernor's rationale'. Jessop argues that a kind of self-reflexive irony is necessary, "not only for individual governance mechanisms but also for the commitment to metagovernance itself": Metagovernors must realize that their attempts will probably (partly) fail, but should proceed as if success were possible.³⁹⁰ Likewise, Svensson and Trommel warn that Rhodes' argument that it is "the mix that matters", should not be confused with arguing that "anything goes".³⁹¹

There is not yet much research on the limitations of applying metagovernance. Considine and Lewis showed that there is a limit to the degree of variation in governance styles that can be used inside one organisation:³⁹² some style elements are inherently incompatible, as we have already seen in Section 2.3.3.

2.5.4 Metagovernance as managing the governance trilemma

Metagovernance is a 'multiple-choice' issue because choices have to be made on a range of governance aspects: strategy type, type of communication, type of policy instruments, etc., while securing that the resulting mixture is working. It also involves solving three interconnected dilemma's: between hierarchy and network, hierarchy and market, and network and market. This makes it a triple dilemma or trilemma: a trade-off between three forces (Figure 6). 'Curing' the trilemma not only requires solving the dilemma between two of the forces, as the third force must also be dealt with, or it will endanger the trade-off between the first two forces. A good example is the often observed trade-off between 'new modes of governance' (network and market) in environmental policy, which is a threat to the idea that the environment should also be protected by legislation.³⁹³

³⁹⁰ Jessop (1998: 44): The rise of governance and the risk of failure.

³⁹¹ Svensson and Trommel (2004: 10): Avoiding a messy mix. Hybrid governance in labour reintegration.

³⁹² Considine and Lewis (1999: 475): Governance at ground level: The frontline bureaucrat in the age of markets and networks.

³⁹³ Hey (2003: 140): Environmental governance and the Commission White paper: the wider background of the debate.

The term trilemma is used in economic policy³⁹⁴ and increasingly in governance literature. Jessop uses the term in governance issues pointing at situations when "agents are faced with choices such that they undermine key conditions of their existence and/or their capacities to realise some overall interest."³⁹⁵ On the level of global governance Slaughter formulates a central trilemma between accountability, participation and profit.³⁹⁶ Folke et al. use similar apexes of the trilemma triangle - legitimacy, participation and effectiveness – in their analysis of social-ecological systems.³⁹⁷ Lundqvist uses the same terms in his analysis of the multilevel governance of Swedish water resources in relation to the EU Water Framework Directive.³⁹⁸ The terms they use are aspects of hierarchy (accountability, legitimacy), network (participation), and market governance (profit, effectiveness), respectively.

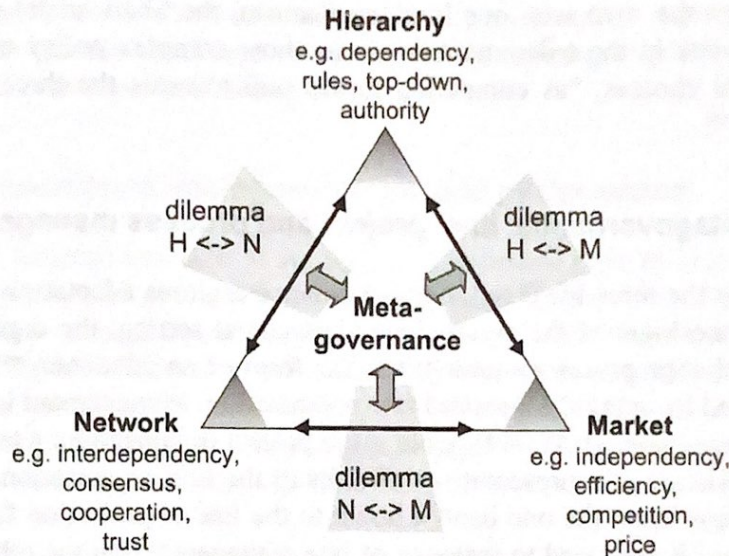


Fig. 6. Metagovernance and the governance trilemma (own composition)

³⁹⁴ Obstfeld et al. (2004): The trilemma in history: Trade-offs among exchange rates, monetary policies, and capital mobility.

³⁹⁵ Jessop (2005): The governance of complexity and the complexity of governance, revisited.

³⁹⁶ Slaughter (2004): A new world order.

³⁹⁷ Folke et al. (2005): Adaptive governance of social-ecological systems.

³⁹⁸ Lundqvist (2004): Integrating Swedish water resource management: a multi-level governance trilemma.

How can the trilemma model be used to understand the mechanisms of metagovernance? A good example is how Shell uses a trilemma in its 'Global Scenarios to 2025'.³⁹⁹ (See also 2.1.3). The Shell trilemma describes trade-offs between three competing forces, that offer three alternatives (scenarios) of the future that are laid out as 'two-wins, one loss' options. The three forces that make out the apexes of the triangle are similar to the three governance styles this research uses: coercion and regulation (more or less congruent with a hierarchical style), social cohesion and the force of community (congruent with a network style) and market incentives and efficiency (congruent with a market style). Shell distinguishes three analytical layers: actors, objectives and forces. Their scenario study focuses on forces that shape behaviours and expectations, because actors react to different forces and objectives can be reached by using mixtures of all three forces.⁴⁰⁰

Besides the 'two win, one loss' mechanism, the Shell model proposes to use points in the trilemma triangle to show complex policy trade-offs and social choices, "as competing forces pull towards the three triangle apexes."⁴⁰¹

2.5.5 Metagovernance, line, project and process management

Managing the three ideal types of governance requires adaptation of managers to the logic of the styles. In a hierarchical setting, the organisation form of change processes seldom has the form of an adhocracy⁴⁰²: change is achieved by using the standard line organisation. Management is primarily *line management*. More flexible is the project organisation: a temporary team consisting of representatives of units of the line organisation. *Project management* is on the one hand a threat to the line organisation for example because it may lead to jealousy of line managers.⁴⁰³ On the other hand, besides the different structure, project management builds strongly on the logic of hierarchy. It aims to control resources and typically works in phases towards a result that has been defined in the beginning.⁴⁰⁴

³⁹⁹ Shell (2005): The Shell Global Scenarios to 2025.

⁴⁰⁰ Shell (2005: 41): The Shell Global Scenarios to 2025.

⁴⁰¹ Shell (2005: 44): The Shell Global Scenarios to 2025.

⁴⁰² Term coined by Mintzberg (1985): Strategy formation in an adhocracy.

⁴⁰³ In 't Veld (personal communication).

⁴⁰⁴ Table 11 in Section 7.2.2 summarises the differences between project and process management.

The logic of the ideal type market governance does not prescribe a form of organisation, although often a project organisation will be chosen because its flexibility. The logic of network governance requires a network form of organisation with an emphasis on *process management*. This is a flexible form of management, which builds on the idea that a solution for a certain problem can only be achieved when relevant actors are involved in the process between definition of the problem to the choice of a solution.⁴⁰⁵

None of these types of management (line, project or process management) is better than the other: it depends on the circumstances, such as the type of problem⁴⁰⁶, the relative influence of internal and external actors, and the organisational culture⁴⁰⁷. Metagovernance implies mixing the three forms of management in a situationally optimal way. It seems that a successful metagovernance can be a line manager (who has the advantage of clear defined resources), a project manager (who has the advantage of flexibility 'in the shadow of a robust line organisation) or a process manager (who has the advantage of being allowed to bring together all actors that have vested interests in an issue).

2.5.6 Governance, metagovernance and performance

How are tensions and lack of synergy in governance style mixtures related to performance of public administration? Although the concept of public performance measurement has been around for at least a century, it was New Public Management that actively emphasized the significance of it.⁴⁰⁸ Performance measures and indicators were meant to improve the efficiency and effectiveness of producing output⁴⁰⁹ - a market governance

⁴⁰⁵ De Bruijn et al. (2002, Process management. Why project management fails in complex decision making processes) present 15 design principles for good process management.

⁴⁰⁶ The type of problem is not 'given': problems are framed in a certain way and can be reframed.

⁴⁰⁷ In a hierarchical organisation, project management will lead to more jealousy than in a market-type organisation, and process management seems unfeasible; in a network organisation project management may lead to irritation because of its relative rigidity (fixed problem definition, fixed project phases, compared to the process rounds typical for network management).

⁴⁰⁸ Bouckaert and van Dooren (2003): Progress and regress in performance measurement systems.

⁴⁰⁹ Jackson (1988: 11): The management of performance in the public sector. Boyle (1996: 3): Measuring civil service performance.

term, whereas network governance uses the term outcome. Defining objectives, goals and targets was believed to motivate civil servants and help to restore public confidence in government.⁴¹⁰ Recent research shows that administrative performance may indeed be treated as a precondition to trust in governance.⁴¹¹

It has been shown that improving and measuring performance of public administration is very difficult. Bouckaert described thirteen 'management diseases' that point at possible defects in performance measurement systems.⁴¹² Others raised the question of how the impact of an individual public administration organisation on a complex societal problem can be assessed, when other organisations – public, private and non-governmental – also influence the results. Another problem is that striving for maximum performance of a single organisation may lead to a sub-optimal contribution to solving the societal problem completely.⁴¹³ The causal logic of rational performance tools that fits well in a combination of hierarchy and market is too 'messy' for a reality in which organisations also work together in networks. Uusikylä and Valovirta suggest a solution that consists of three spheres of performance governance: the organisation's internal perspective (focusing enabling factors for successful operation), single-organisational performance targets, and multi-organisational targets.⁴¹⁴ Jackson draws a similar conclusion. He concludes that for improving public administration performance, neither hierarchy nor market mechanisms provide sufficient solutions. Instead of control and competition, cooperation and participation in networks will help administration to deliver added value.⁴¹⁵ There is a growing literature on performance and network governance.⁴¹⁶ The assumption that a change in the legal status of an organisation (for example from ministerial department to executive agency, a

⁴¹⁰ Jackson (1988: 11). The management of performance in the public sector.

⁴¹¹ Vigoda and Yuval (2003): Managerial quality, administrative performance, and trust in governance revisited. A follow-up study of causality.

⁴¹² Bouckaert (1995): Improving performance measurement.

⁴¹³ Uusikylä and Valovirta (2004: 1): Three spheres of performance governance. Spanning the boundaries from single-organization focus towards a partnership network.

⁴¹⁴ Uusikylä and Valovirta (2004: 18): Three spheres of performance governance.

⁴¹⁵ Jackson (2001: 5): Public sector added value: Can bureaucracy deliver?

⁴¹⁶ E.g. Farquhar (2003): Network governance and performance measurement in Healthcare; Imperial (2004): Collaboration and performance management in network settings: lessons from three watershed Governance Efforts.

market governance approach), per definition improves its performance, has been empirically proven to be not correct.⁴¹⁷

According to Skelcher and Mathur, governance arrangements, designed from elements of what they call the 'hierarchy-network-market tryptich', are contingent on organisational performance. A governance arrangement is

"a technical fix to a problem of policy delivery, a temporary structure within which inter-organisational commitments can be generated and delivery managed. When efficiency suffers, the structure is changed. [...] Governance arrangements, then, are subsidiary to the imperatives of organisational performance."⁴¹⁸

Thus, it seems plausible that metagovernance, as designing and managing mixtures of hierarchy, market and network governance, is a prerequisite for improvement of public administration performance. It should also be postulated that performance indicators have to vary with governance mixtures that are applied. Discussing public-sector performance raises the question of how (meta)governance can be measured. This will be briefly discussed in Section 7.3.3.

2.5.7 Metagovernance and individual cultures

Metagovernance requires the ability of metagovernors to look beyond their own perspective, in order to at least 'see' hierarchy, market and network elements as the building stones of their organisation. They also need to have the ability to understand tensions and conflicts between elements of these styles and be able to design and manage mixtures that work well in a certain context. Finally, politicians and public administrators when acting as metagovernors must be able to connect their work with the metagovernance tasks of politicians. Hey et al.⁴¹⁹ highlight this as an important lesson in the case of the hybrid (hierarchy-market-network) design of the EU chemicals policy. Therefore, metagovernance is the outcome of cooperation among many actors.⁴²⁰ Jessop formulates three key dimensions of me-

⁴¹⁷ Dunshire et al. (1991): Organizational status and performance: Summary of the findings.

⁴¹⁸ Skelcher and Mathur (2004: 23-24): Governance arrangements and public sector performance: Reviewing and reformulating the research agenda.

⁴¹⁹ Hey et al. (2006: 27): Better regulation by new governance hybrids? Governance styles and the reform of European chemicals policy.

⁴²⁰ Sørensen (2006: 104): Metagovernance. The changing role of politicians in

tagovernors' abilities.⁴²¹ Firstly, requisite variety: deliberate cultivation of a flexible repertoire of responses. Secondly, a reflexive orientation: regular re-assessment of to what extent current actions are producing desired outcomes. Thirdly, self-reflexive 'irony': recognition of the likelihood of failure while proceeding as if success were possible.

With this, Jessop acknowledges that metagovernors must be able to handle complexity very well. This requires that metagovernors are, among other things, 'mindful' managers. They must be able to deal well with unexpected events, which includes the counterintuitive act of seeing the significance of weak signals and being able to react strongly to such signals.⁴²² Chapter 7.2.6 will discuss the implications of the individual personal dimension of governance and metagovernance for management development programmes.

2.6 Conclusions

In this chapter, we have analysed a large body of governance literature. The conclusions are:

- Hierarchical governance is, empirically, still a major way of governing, notwithstanding the abundant literature that claims that 'everything is network' or that 'market concepts are the main solution for public-sector problems'.
- The evidence that hierarchical, network and market governance appear in mixtures in contemporary public-sector organisations, is convincing.
- This implies that public managers have to cope with three competing 'forces'.
- These forces are embedded in cultures, and maybe even more: they very much resemble the main 'ways of life' of cultural theory.
- The question of whether conscious design and management of governance style mixtures is feasible, and if so, to what extent, is disputed. Some claim that governance mixtures are merely contingent; others argue that they are just a matter of practicality.

processes of democratic governance.

⁴²¹ Jessop (2002): The network society, new forms of governance, and democratic renewal.

⁴²² Weick and Sutcliffe (2001: 4): Managing the unexpected.