

The Centre for Resource Management and Environmental Studies (CERMES) has initiated this outreach publication, *Policy Perspectives*, primarily in order to share some of the lessons learnt from interdisciplinary applied research. The information in these policy briefs may be used by policy-makers and their advisers to strengthen the linkages between research outputs and policy-making in the Caribbean. This connection is often weak in natural resource management.

## *Distributed Governance, Policy Networks and Maximizing Opportunities for Informed Decision-Making — Part 1*

This is the first of a two-part policy brief on the concept of distributed or network governance and its role in enhancing informed decision-making within the context of the coastal and marine policy domain of the Wider Caribbean. Part 1 takes a broad look at the theory of governance and the challenges and opportunities that can arise from adopting a shared approach to decision-making. Part 2 will focus on the benefits to be gained from the implementation of a distributed governance approach in the management of the Caribbean region's coastal and marine resources.

### *Introduction*

There is growing evidence that the environment within which public policy decisions are made is changing. This is particularly true for coastal and ocean governance during the latter half of the 20th century and has become even more pronounced over the last decade, a period now being described as the maturity phase of post-modern society. To understand and appreciate the drivers behind these changes for any country, including those comprising the Wider Caribbean, it is necessary to understand the current theory underpinning the concept of governance and the strengths and weaknesses of the governance paradigm as an alternative to previous dichotomous approaches.<sup>1</sup>

### *Distributed Governance*

Over the past decade, governance has enjoyed a revival in its attractiveness as a topic for scholarship in the social sciences

as well as in the lexicon of everyday usage. However, the ubiquitous use of the term *governance* in various lay circles has been such that it has been criticized as a 'buzzword', meaning anything and nothing, lacking a universally shared frame of reference as to its exact meaning. To counter confusion, *governance* is used throughout this brief to refer to the development of governing styles in which the boundaries between and within the public, private and civil sectors of society have become blurred. This is in contrast to *government*, which is used to describe the formal institutional processes operating at the national and sub-national levels of a state to maintain public order. Thus distributed governance refers to a mode of *social co-ordination* in which patterns of relationships emerge, rather than being crafted, and which provide the opportunity for affected parties to share information and participate collectively in the process of steering and learning. Alternative modes of governance in which public authorities and forms of control play a diminishing role are illustrated in Table 1.

**Table 1. Alternative Modes of Co-ordinating Arrangements**

Modes of governance	Role of the 'governor'	Role of citizens	Forms of control	Normative basis for rule setting
<b>Hierarchical</b>	Implementation	Subject	Rules	Will of the people
<b>Autonomous</b>	Safeguarding of rights and values	Protected	Peer group control	Standards
<b>Negotiated</b>	Mediator	Interest group member	Negotiation	Consensus
<b>Responsive</b>	Listening	Client	Dialogue	Service
<b>Self-governing</b>	Setting framework	Co-producer	Self-regulation	Self-development

For over three centuries, the need for a clear distinction between the practices associated with governing and the institutions of governing appear to have been unnecessary, due to the dominance of the hierarchical mode in the western world. This arose primarily from the adoption of the principle that the state has supreme authority over all matters falling within its territory – a principle that has been described as the cornerstone of the modern interstate system. This has been the case for both developed and developing countries until a changing world order in the past two decades led to an apparent mismatch between the legal sovereignty granted to nations and political sovereignty.

<sup>1</sup> Paradigms to explain the 'real world' in the social sciences traditionally focused on dichotomies such as market vs hierarchy in economics; private vs public in political studies; anarchy vs sovereignty in international relations and market vs plan in public administration.

Numerous factors spanning the micro-, meso- and macro-levels of social organization appear to account for the loss of the state's monopoly on establishing and enforcing the system of rules that govern the society within its borders.

- (i) The rise in democratic principles as an increasingly accepted global norm over the past two decades has favoured governance. This is because the democratic system of rule is explicit about the distribution of all politically relevant values -- security, property rights, other opportunities for economic well-being -- including the civil rights and responsibilities for participation through elections and co-determination.
- (ii) The rapid and extensive changes on a global level have led to undermining of national governments by extra-territorial concerns. Factors cited as critical drivers in this regard have included:
  - the globalization<sup>2</sup> of economies and the rise in multi-national corporations;
  - the advent of broad social movements; and,
  - the 'mushrooming' of global interdependencies and porosity of state borders as a result of trans-national environmental problems in all three media (air, land and water), terrorism, the drug trade, monetary crises and overwhelming health concerns such as AIDS.
- (iii) As a result of the erosion of state and governmental power, the influence individuals can exert through collective action has increased. Access to advances in information and communication technology, travel and educational institutions has enhanced the analytical skills of individuals, allowing them to 'see' the aggregation of micro-level actions into macro-level outcomes. Thus individuals in civil society are now capable of setting and assessing performance criteria which can then be used to evaluate the degree of legitimacy granted to macro-level institutions. The degree of compliance with authoritative rules will reflect the level of legitimacy granted them by the public, often resulting in the re-allocation of authority away from the political realm to the social and economic realms and vice versa. Evidence suggests that the public wants a shift from paternalistic modes of authoritative control to partnerships in the setting of goals and means, with clear accountability for targets and results.

## **Theory of Governance**

The current theory of governance has five propositions that attempt to provide a framework for understanding the changing processes of governing discussed above. Each of these propositions challenges the assumptions of traditional public administration, particularly as they relate to the decision rules for managing coastal and marine resources. The five propositions are:

1. Governance refers to a set of governmental and non-governmental institutions and actors;
2. Governance blurs the boundaries and responsibilities for tackling social and economic issues;
3. Governance identifies the power dependence involved in the relationships between institutions engaged in collective action;
4. Governance leads towards autonomous self-governing networks of actors; and,
5. Governance recognizes the capacity to get things done in a manner which does not rest on the power of the government to command or use its authority.

**Proposition 1** broadens the institutions of governance to include those outside of government and challenges the notion of the 'Westminster' model, which characterizes the political system as a 'stand-alone' centralized institution buffered from wider societal forces. However, the dilemma associated with proposition 1 is the clear divorce between the normative codes used to explain and justify government and the reality of decision-making in the system. Thus, while the public recognizes that governments no longer have the exclusive moral authority or technical ability to deal with major issues, an alternate accepted framework for implementing a more distributed form of governance has not yet evolved.

**Proposition 2** acknowledges the shifts in responsibility of governing by addressing changes in the long-standing balance between the state, the private sector and civil society. It emphasizes the notion that actors outside of government are not just seeking to influence government but can take over some of the traditional functions of government. The dilemma with this proposition is the associated ambiguity and uncertainty in the minds of both policy-makers and the public as to whom responsibility and accountability should be attributed, particularly during times of difficulties and failures.

**Proposition 3** suggests that organizations involved in collective action are dependent on each other since no one actor has the knowledge and resources to successfully address the problem unilaterally. It follows that goals and objectives can only be achieved by sharing resources and negotiating common purposes. In addition, the rules for interaction and the context within which exchange occurs significantly affect the outcome. The dilemma facing interdependent actors is the recognition that intentions may not always match outcomes and that opportunistic behaviour by individual actors may exacerbate institutional uncertainties and negatively affect the desired outcomes.

**Proposition 4** indicates that governance networks can evolve, not only to influence decision-making, but also to assume some of the business of government. By combining resources, abilities and sharing a common purpose, actors form a long-term coalition capable of making governing decisions. The dilemma arising from such self-governing networks centers around accountability, both at the level of the actors within the network and concerning those excluded from the network. Because of the benefits obtained by all

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<sup>2</sup> *Globalization* is used to describe a technological and economic process driven by revolutionary advances in telecommunication, economic production and investment. This is distinct from *internationalization* which refers to the degree in which domestic policy-making is influenced by extra territorial factors.

members of the network, it may prove difficult for groups dissatisfied with network arrangements to voice their concerns. Of greater concern is the fact that actors coalesce into networks largely in pursuit of their self-interest and as such, may not represent the concerns of the wider public or those excluded from the network.

**Proposition 5** attempts to outline the appropriate role for government in the evolving distributed governance scenario. Specifically, the tasks assigned to government involve problem definition, stakeholder identification and facilitating linkages among parties to achieve desired outcomes. Additionally, government has a role in ensuring the unwanted consequences of decision-making are minimized. The dilemma presented here is that even when government operates flexibly to steer collective action, governance failure may occur due to a host of variables including differences in time scale and horizons among key partners, lack of leadership and the depth of social conflict.

### Risks of Governance Failure

There is a growing sense of optimism among some proponents of governance that it has the potential to be the panacea to effectively organize structures for successful collective action. However, as already alluded to above, there are numerous pitfalls associated with the shift from a hierarchical regime to one that can be described as distributed and decentralized. In somewhat fatalistic terms, sociologists, as well as governance scholars, have described failure as a central feature of all social relations. Given the growing structural complexity and opacity of the social world, it is more than likely that attempts to govern will result in failure. This is especially so when multiple objectives over extended spatial and temporal scales are being sought for complex issues, as is the situation in the coastal and ocean policy domain.

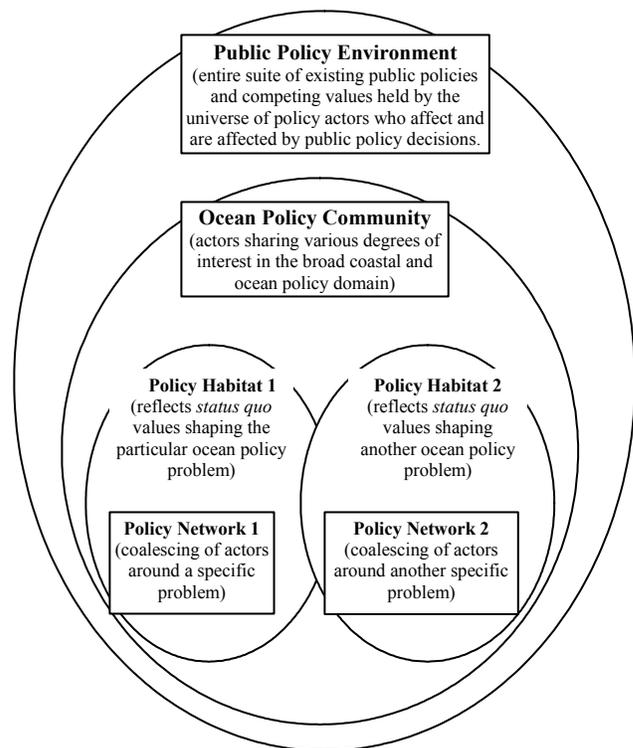
This failed outcome is likely, irrespective of the approach selected to govern social relations, i.e., through the use of markets, states, partnerships or some other mechanism. However, while there are clear indicators to evaluate the success or failure of markets (through achievement of profit maximization) and state planning (through achievement of policy goals), indicators for assessing governance failures are less obvious. One suggested measure is to evaluate the failure of members of the network to redefine goals in light of continuing disagreement about whether they are still valid for the members of the network. Nonetheless, despite the expectation of failure in the various approaches one might select to govern social interactions, the attraction of governance is that it can supplement efforts at market exchange and government hierarchy with a form of institutionalized negotiations that mobilizes consensus and builds mutual understanding among a network of stakeholders. – thereby improving the potential for success.

Thus the benefit of distributed governance is its potential, when successful, to permit longer-term strategic guidance which is lacking in markets, whilst retaining the flexibility lacking in hierarchical systems. To achieve this benefit, an

understanding of policy networks and their characteristics is critical.

### Policy Networks

For any given policy community, there may be a number of distinct policy habitats, each shaping the definition and resolution of specific policy problems around which distinct policy networks may form. Accordingly, different networks of actors coalesce around different policy issues. It is also likely that actors will belong to several networks. This is especially true for the sub-regional areas of the Caribbean, where the actors dealing with the entire array of ocean-related problems is small.



**Figure 1: Hierarchical Relationship between the Spatial Elements of a Policy Environment and its Residents**

As illustrated in Figure 1, the *ocean policy community* comprises that constellation of actors who share clusters of interests in the broad coastal and ocean policy domain. The community deals with many issues, some of which interest or demand the attention of some members more than others. As such, the resulting *policy network* that is formed around a particular problem is the subset of members of a policy community who coalesce around the problem in order to influence its resolution. As members self organize into a network of interests, the potential to seize opportunities associated with distributed or network governance arises. These come to fruition as network members seek to better understand and achieve core values and objectives until confronted with new constraints or opportunities. At this point, attempts are made within the network to adjust to the

new situation in a manner that is consistent with the core values, i.e. a process of policy-oriented learning takes place. Such learning is variable as policy networks are dynamic, with a heterogeneous array of actors freely moving into and out of the network at any given time during the decision-making process. However, to varying degrees, members of a policy network have the resources, authority, expertise and organization to influence and shape decision-making processes and outcomes.

### Characterising Policy Networks

In addition to the propositions on governance discussed above, existing theoretical frameworks relating to the structure, form and function of policy networks are critical for understanding the interactions of actors within a distributed governance scenario. The framework described here classifies different types of policy networks based on the resources available to the lead public sector agency or agencies and the non-public sector members of the policy network (Table 2).

Five distinct types of networks are hypothesized, each characterized by differences in analytic capacity and the power of government and societal interests. It is important to note that policy networks are dynamic and may shift from one form to another, depending on the organizational strength and capacity of new members or changes in the abilities of existing members.

**Table 2. Competing Hypotheses in Policy Network Formation Based on Level of Organization of Government and Societal Interests**

		Government Organization	
		Low	High
Organization of Interests	Low	Pressure Pluralist	State-Directed
	High	Clientele Pluralist	Concertation Hypothesis Corporatist Hypothesis

**Pressure Pluralist Network** - Where both government organization and the organization of societal interests are low, a pressure pluralist network result. This network is best characterized by the phrase “the war of all against all” since no one actor is pre-eminent.

**Clientele Pluralist Network** – Where government organization remains low relative to the organization of societal interests, a clientele pluralist network results. In this case, groups outside of government develop consensus positions and mobilize resources collectively to bring pressure to bear on government. Government tends to rely on these members of the network for information and expertise while the latter is primarily concerned with maintaining the *status quo* which they have helped design. An increase in the number and heterogeneity of societal actors in this type of a network could increase the pressure being exerted on government. However, it could alternatively result in a

dilution of the overall level of societal organization, leading to the formation of a pressure pluralist network

**Statist Network** - State-directed networks are said to occur when government organization is high relative to other societal interests who have coalesced around the policy problem along with the government actor. In this case, government has the technical and policy expertise that can be co-ordinated and brought to bear in a concerted effort to launch unilateral initiatives. Depending on the goal of government, it may either adopt a paternalistic posture with respect to societal actors, selectively consulting for limited pieces of information or neutralize and undermine societal action, using a ‘divide and conquer’ strategy.

**Corporatist Network** - Where the organization of both government and societal interests is high, either a corporatist or concertation network may result. The corporatist network occurs when there is a balance between two competing and policy-capable societal actors. Government, although strong, does not have the ability or instruments to outflank or move unilaterally among these competing interests. This results in government serving as the arbitrator between these two interests for the public good.

**Concertation Network** - In the case of the concertation network, both government and a single societal interest are strong resulting in a closed policy-making process between these two players. Concertation networks often evolve from statist networks when a new policy actor with a high degree of organization joins the network or when an existing member acquires organizational and policy-level expertise comparable to the government.

### Conclusions

As summarised in an early report by the Council of Rome, governance is the collection of ‘steering mechanisms’ that a society uses to ensure its survivability or persistence. Thus governance may be viewed as the ability of a network of stakeholders to get things done, without necessarily having the legal competence to command that they be done. It should therefore come as no surprise that distributed or network governance does not just suddenly happen - circumstances must be suitable, people have to be amenable to collective decision-making, tendencies towards organizations have to develop, habits of cooperation have to evolve and the readiness not to impede the processes of emergence and evolution has to persist, particularly among government actors.

This publication is based on a doctoral thesis entitled “Towards an Understanding of the Role of Core Values and Policy Networks to Influence Decision-Making in an Evolving Oceans Governance Era” by Lucia M. Fanning.

These Policy Perspectives are available on the CERMES web site for downloading along with our news bulletins, technical reports, research papers and other publications.