

Research program Erasmus Public Administration Governance Capacity

Content

Introduction: Studying and improving governance capacity

1. Challenges in Society
2. Governance Capacity as core concept
3. Governance Challenges
4. Making Science Work: ambitions for the coming years
 - A. Establishing academic excellence on governance capacity
 - B. Making a real contribution to governance design: towards a *governance design studio*

Introduction: Studying and improving governance capacity

Governance capacity is the intrinsic systematic and institutional power of a society to realize things. This way of looking at the world is inextricably linked to the history of the city of Rotterdam and the mission of Erasmus University Rotterdam. The establishment of the University (Nederlandse Handels-Hoogeschool) at its origins in the early 20th century was an almost direct response to the social, economic and political needs of a rapidly growing urban and industrial environment around the city's harbor. A full century onwards the research portfolio of Erasmus University Rotterdam, comprising the main themes Health, Wealth, Culture and Governance, echoes the same sense of urgency to find innovative answers to current social, economic, environmental and political questions. The way in which public administration scholars from Rotterdam look at the world and actively help reshape it needlessly fits with this perspective.

Just like Rotterdam in the early 20th century was a laboratory of new governance arrangements, so in the present post-welfare state context, public administration scholars work towards the design of new ways of organizing and managing people and processes, improving the functioning of public organizations, public service delivery systems and policy making processes. As social scientists, public administration scholars aim to understand the deeper principles of how the social and political challenges of our time manifest themselves from the local to the global level, capture them theoretically and devise experimental and practical structures for studying and improving the efficiency, effectiveness and legitimacy of governing institutions. Developing its longstanding tradition of internationally well-known research in the fields of governance complexity, public management, policy decision-making and public leadership, the activities and research profile of the Erasmus Public Administration contribute to a renewed state of the art of public administration research. A proper social science that from the preliminary moment of conceptual design to the ultimate stages of experimental evaluation and implementation

configures innovative designs of governance capacity that respond to complex compounds of financial restraints, political choices and organizational structures.

1. Challenges in society

Contemporary societies are facing various challenges that make the need for governance capacity ever more prevalent. Processes such as individualization, post-industrialization and globalization increased the complexity of contemporary societies. Therefore, society is facing difficult social problems, which that pose a puzzle for governance capacity. To mention just a few examples:

- *Individualization and population ageing* is challenging the way we think about key societal institutions such as welfare states. For instance, the growing aging of the population has to be dealt with in new ways, demanding new integrated service delivery that puts pressure on the capacity of various service organization to work together as well on the professional skills to handle new demands.
- *Post-industrialization* is also changing the way we think about governance, about how governments should be organized and how they interrelate with a broader set of organizations involved in governance processes. This contributes to growing complexity of governance arrangements 'vertically' between different levels of governance (EU, national, regional, local) as well 'horizontally' between different types of actors (government, public-private partnerships, NGO's and innovative ways of societal 'grass-roots' mobilisations). Amongst others, decentralization of services and policies under fiscal pressure force local governments to look for new innovative ways to handle services and policies. One way to do this is via self-organization. However, also hierarchical steering is still very much in vogue, albeit somewhat less vocally.
- *The growing reflexivity of the citizenry* is challenging the way contemporary societies think about 'government' and demanding innovative forms of governance. This includes innovative ways of including the broader citizenry in governance processes, new forms of self-regulation, as well as innovative governance tools with a key role for new information and communication technologies. Also, this includes new ways of thinking about the role of knowledge in governance, reflecting on the role of scholarship in the development of governance arrangements.
- Finally, *globalization* is increasing the interconnectedness between governance processes on a global level as well as affecting local governance ('glocalization'). For instance, worldwide globalization causes strong interdependencies, which are difficult to address. The banking crises and the euro crisis are prime examples hereof. Related to this, the increase of global migration flows is challenging local governance. For instance, cities are confronted with immigration that puts a severe pressure on governance capacity to deal both with the fast growing number of immigrants as with the problems of solidarity and political pressure at home to limit the acceptance of immigrants.

The wicked nature of these problems is not only or even not primarily caused by the lack of information or knowledge or the technologically advanced nature of the issue, but by the presence of various actors with diverging interests and perceptions on the problem and

its solutions. The current way the governance of the public sector is organized has to be reshaped to meet the challenges our society faces. Solutions are developing. Firstly, we see a shift from government to other actors as main initiator of leading actors in attempts to solve wicked problems (including more reliance of self-organization of citizens and network arrangements of public and private organizations to tackle societal problems). Secondly, we also see different demands on public organizations in the situation where they are in lead of solving problems.

2. Governance capacity as core concept

Governments thus are looking for new forms of governance to tackle the problems and challenges they are facing. All these innovative forms of governance try to enhance the *governance capacity* to solve societal problems. More and more, governments recognize their dependency on the problem-solving capacity of citizens and other actors and design new arrangements to mobilize this capacity and to come to effective combinations. Governance capacity can be regarded as an independent variable influencing governance processes and their outcomes/performance (policies, programs, performance etc.).

Governance capacity, as social scientists study it, is the ability to solve societal problems in an effective and legitimate way (Innes and Booher, 2002; Gonzalez and Healey, 2005). It can be split into three levels:

- a. *Micro: Individual human capital*; The individual capacity and motivation of people within (public) organizations involved in solving societal problems is a crucial factor in determining governance capacity as is the way these capacities are trained and enhanced. Here we find ourselves in the classical field of the HRM. However, the individual component of governance capacity is also related to the individual capacity to bridge boundaries between organizations (linking leadership, boundary spanners), to manage external relations (network management) and learn from external contacts. Moreover, the individual component of governance capacity refers to the capacity of people in (semi) profit organizations who are engaged in public service delivery and (implementation of) public policy. Their professional knowledge, their possibilities to act according to their professional standards are also shaping public performance. The presumption in our research is that the governance challenges mentioned earlier and the shift to innovative governance forms will require different qualities of individual public employees and of citizens.
- b. *Meso: Organizational routines and resources*; the organizational resources, arrangements and routines of organizations involved in solving societal problems can be important for governance capacity. These do not only concern the delivery capacity (and organizational slack) and organizational routines of public organizations. The organizational component of governance capacity also concerns organizations involved in policies and service delivery. So public service delivery is not only affected by the individual professional skills, but also by the resources and the organizational routines of the organization, and the control mechanisms the professional has to abide to. In this case, of course the discussion of professionals being hampered by a wide variety of regulations and managerial constraints is an

example of how governance capacity on the individual level relates to that on the organizational level.

- c. *Macro: Capacity of policy subsystems (social capital)*: this refers to the relational pattern (network, system) that emerges around societal problems. Especially in the context of growing prominence of wicked problems, governance and policymaking tend to be organized at a subsystem level bringing together a diverse range of actors involved in governance processes related to a specific issue (also described by Beck as 'subpolitics'). Here the interactional context of governance capacity is the core focus. Governance capacity, especially for the many wicked problems governments face in society is not only dependent on individual and organizational conditions but also more and more on relational conditions (such as trust and reciprocity). Social capital or the relational component of governance capacity at the level of policy subsystems refers to the strength of relations between organizations that are involved in addressing specific societal problems. We cannot understand these interactions, without taking into account the institutional structure in which governance processes evolve. Therefore, an essential enabling condition for governance capacity are the institutional provisions that enable or hamper interaction and collaboration.

Governance capacity is determined by the strength of each of its components and by the way these components interact and attuned to each other. The Erasmus Public Administration research program will focus upon the relation between these components and how they enhance governance capacity.

Governance capacity then is a core theoretical concept that helps us to understand how societal problems are solved and which capacities are crucial to realize that, to assess how different governance arrangements score on the various dimensions of governance capacity and how different deliberate interventions (organizational change, social innovation, institutional redesign, network management) contribute to governance capacity-building.

3. Governance challenges

When looking for innovations in governance capacity governments are trying to address a number of major challenges. These challenges can be divided in three broad categories that are also closely related to each other both in the practical world as in the research efforts of the Erasmus Public Administration:

1. **Societal challenges to governance**; as result of the major societal transformations that have been outlined above, governments and societal actors are facing some major challenges in their governance efforts. Developments such as ageing, individualization, post-industrialization, reflexivization and globalization trigger an increasing range of 'wicked policy problems' that ask for a rethinking of governance arrangements. Without the pretention to cover all important governance challenges that are related to this category we want to mention a few very important ones that will form the core of the Erasmus Public Administration research for the coming years:
 - a. Globalization of governance. Globalization is increasing the complexity of governance at all levels. This raises questions as for how governance

arrangements not only include many actors 'horizontally' per level, but also 'vertically' across different levels. This can be understood in terms of Europeanization and the rise of Global governance, as well as in terms of multi-level governance and the growing decentralization of governance arrangements across Europe. Furthermore, this can be applied to various 'glocal' challenges, such as climate change and migration.

- b. *Bringing society back in.* Contemporary societies are facing increasing societal pressures on public performance, also because of reflexivization and individualization. The research group aims to develop a better understanding of public innovation and innovative ways to bring society into governance processes, such as new forms of (micro-) mobilization, ICT tools for governance, and rethinking the role of media in governance. Here, we also aim to analyze comparatively how various states are dealing with governance capacity issues.
- c. *Raising demands and visibility;* Because of individualization and for instance mediatization, the public sector has to perform in a setting in which demands on the public sector are high and volatile, and trust is low. As the Euro crises and Greek crises have showed public leaders have to find governance solutions in a context of growing interdependency and complexity, while at the same time trust in public leaders is at least questioned and they are under constant pressure of media attention. In these settings, media logic increasingly dictates the creation of success and failure, requires fast successes, highlights failures, and focuses on blaming rather than on learning and improvement (see Bennett, 2009). This logic does not meet the complexities that characterize the wicked problems that governance practices within complex systems have to address

2. **Organizational governance challenges;** partly as result of the challenges mentioned above, partly as result of reforms within public organizations and beyond actors involved in governance processes face some major organizational governance challenges. Again without being complete a few challenges which will figure prominently in the Erasmus Public Administration research program the coming years are:

- a. *The role of leadership and employee performance* in enhancing governance capacity. This involves leadership in public sector management, as well as public policymaking and political leadership. Under what conditions can leadership contribute to governance capacity? What are the ways in which leaders can be trained to be successful in dealing with new societal demands? How can they reform governments in a way that fit current trends? For instance, how can leaders deal with the budget deficits on the one hand and increasing expectations from the public on the other? Next to studying leaders, we will also analyze how public employees can effectively cope with governance capacity issues. How can governmental organizations remain attractive employers where motivated people contribute to society?
- b. *Trust-based control and accountability.* Despite the increased need to cut costs and to ensure (financial) sustainability recent debacles and scandals in the public sector show the need to deal with the disadvantages of NPM-inspired

instruments like markets, instruments, and external forms of motivation and control. These disadvantages include the rise of a culture of low trust and high control. The principal–agent relationships that result from NPM practices trigger opportunistic behaviour and drive out intrinsic motivations, causing alienation and cultural confusion (Noordegraaf, 2008; Ten Heuvelhof et al., 2009; Tummers et al., 2009). New practices of control, oversight, and accountability have to be found to support the reestablishment and redefinition of identities, norms, and public values.

3. **Network governance challenges;** Last but not least there are major governance challenges at what we would call the network level: cooperation and integration of activities of collections of interdependent actors. To mention a few important challenges that will be the core of the Erasmus Public Administration research for the coming years:
 - a. *Cross-system integration.* Many societal problems and needs are not isolated; rather, they are interrelated. To achieve results in dealing with these multi-problems, integrative solutions and services are needed. These require collaboration among multiple actors from multiple sectors (e.g. water management and regional development), systems (e.g. telecom and ICT networks), and domains (public and private) at multiple governance levels (local, regional, national, and international). However, practices of differentiation, specialization, professionalization, agentification, privatization, and contracting out have resulted in fragmentation of governance structures.
 - b. *Governing self-regulation.* Given the unique nature of problems and the variety of needs of clients, stakeholders, and sectors, uniform solutions in many cases will not result in effective and efficient solutions. In various sectors, local communities of citizens, clients/users, volunteers, and small business take initiatives to develop answers to problems they experience or opportunities they see; for instance to establish local corporations to develop joint solar energy grids or neighborhood-based care. Given the need to cut costs, local government increasingly seeks ways to involve clients, volunteers, and informal networks in policymaking and delivery of public services.
 - c. *Anticipating unknown unknowns and system risks.* Government and society are confronted with new problems and (system) risks of a formerly unknown nature and magnitude, like climate change, financial crisis, mass migration, health threats, and vulnerability of critical infrastructures and services. These vulnerabilities emerge from the knowledge- and technology-intensive nature of systems, their growing (global and regional) interconnectivity (systems of systems), and the production of big data that increasingly have to be processed in real time. Addressing these challenges requires new, innovative concepts (e.g. a multi-layer approach to water safety); innovative solutions (e.g. dikes with sensors), and the use of new (information) technologies. Furthermore, changes in behaviour (e.g. lifestyle changes to prevent rather than cure diseases), in processes (collaboration among various actors), and in institutions (e.g. the redefinition of professional roles in order to allow for interdisciplinary collaboration) are required too.

4. Making science work: our ambitions for the coming years

The aim of the Erasmus Public Administration research program is to develop a deeper theoretical and empirical understanding of the concept of governance capacity, related to these various governance challenges, as well as to make a contribution to the development of government capacity around the societal challenges that were mentioned above. This will be done by application to specific societal challenges in which governance capacity is at stake and by bringing together research from different governance areas around specific governance themes. This will provide the foundation for making a direct contribution to governance design in these areas, for which the research group seeks to develop new strategies and tools for converting knowledge about governance capacity into making a contribution to governance capacity (knowledge transfer).

A. *Establishing academic excellence on governance capacity*

The research group seeks to establish governance capacity not just as a theoretical and conceptual anchor for the work within the group, but also for positioning the group in the academic literature on governance and public administration. In this respect, four different types of activities can be distinguished:

- First, this involves providing a *clear theoretical foundation to the concept of governance capacity* in terms of a number of publications aimed at defining the concept and embedding it into the broader literature. These publications will bring together research material from the different governance areas in which the research group has been involved. Part of this ambition is also to produce minimally two authoritative monographs by renowned publishers (such as Routledge, Oxford University Press, Cambridge University Press).
- Second, the research group seeks to further develop *research methodology* for the study of governance capacity and its impact on policy practice. This includes the development of action research methods that involve stakeholders, such as focus groups but also the development of experiments and design studies oriented at measuring and testing governance capacity in different contexts.
- Thirdly, this involves a solid *second and third money stream program* to promote the establishment of academic excellence. This includes funding schemes such as Horizon 2020, COST and ESF funds, as well as the well-established academic schemes of the Dutch Science Foundation (VENI, VIDI, VICI) and ERC (Starting Grant, Consolidator Grant and Advanced Grants). The research group aims to acquire at least one grant from these academic schemes per year. The research group will also continue to promote the acquisition of alternative sources of funding (so-called third stream funds), as fundamental and applied research are both integral parts of a strategy to establish academic excellence. Being active in the field of contract research is vital to prove our societal excellence. The revenues are used to maintain and extend the current amount of PhD candidates. For our third money activities, we will professionalize our external positioning (by focusing

upon a specific set of 'signboards'), the link between fundamental research and applied research.

- Furthermore, to underline our position as a leading Public Administration department we aim to host as Department one top journal from the Public Administration domain. In the slipstream, it is our intention to offer some distinguished scholars in our field a visiting professorship. Next to this, we aim to attract renowned scholars via short scholarships (Public Administration Visiting Scholarship program).
- Finally, the research group aims to organize one large *international Public Administration conference* in Rotterdam in the coming 5 years. This can be, for instance, a conference of IRSPM, ICPP, EGPA, PMRA or ECPR. The aim is to connect this conference to the research program of the group, with governance capacity as its central focal point.

B. *Making a real contribution to governance design: towards a governance design studio*

Next to discussing things we already do, we are also aiming to go into new promising paths. One of these concerns the development of a governance design studio. The coming years the Erasmus Public Administration want to initiate the shift towards 'user-centered governance design'. In the philosophy of user-centered design, interventions and test situations are developed based on fundamental research that fit the need of various users in the practical world of public administration. This can take the form of action-oriented research, testing new solutions in experiments or developing new process rules (and for instance valorizing these in game simulations). This shift towards a user-centered design can stimulate and strengthen the research on governance capacity and evidence-based interventions to strengthen it.

To stimulate user centered design the coming years will be used to start an **Erasmus Governance Design Studio**. The studio should become the place where researchers together with practitioners design and test newly developed solutions, like policy instruments and policy strategies or public brands. The studio enables to bring together researchers and partners from practice, interested in translating scientific knowledge in real interventions, testing them and translating this evidence from testing in new knowledge question. In general, four activities will have a central place in the studio:

1. Development and implementation of innovative solutions for complex governance challenges, based upon state-of-the-art scientific knowledge.
2. Training of professionals inside and outside the public sector in principles of collaborative innovation and user-friendly solutions.
3. Development of an authoritative methodology of design for governance studies (governance experiments, collaborative action research et cetera).
4. Connecting of various perspectives developed in public administration research and connecting it to other disciplines (like behavioral sciences, management sciences), and to various interests and practitioners in society.

In this studio, it is also possible to further develop and refine earlier developed insights and practical interventions derived from recent large research programs like knowledge for climate, living with water, the European LIPSE research on innovation.

Building upon the governance design studio, the group will develop expertise in experimentation in the field to develop and evaluate policy interventions. Insights developed in the governance design studio can then be tested in the 'real world'.

Examples include:

1. Testing innovations focused on individual civil servants or citizens and analyzing their intended and unintended effects using field experiments.
2. Testing governance interventions in real life and evaluating their intended and unintended consequences, using action research.
3. Using the innovations developed in the studio and provide them in an open and transparent way for public organizations to use.

Rotterdam, August 2017