



# Community Economics

A Newsletter from the Center for Community and Economic Development; Department of Agricultural and Applied Economics; Community, Natural Resource and Economic Development Programs, and University of Wisconsin-Extension, Cooperative Extension Service

No. 337

Community Economics Newsletter

November 2004

## Governance across the World<sup>1</sup>

by  
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The term *governance* goes beyond the description of public management to a more fundamental question of how the processes of democracy (citizen involvement, decision-making procedures and administrative functions) can be adapted to help countries resolve the complex public issues with which they are challenged. The OCED governance is defined in terms of relationships. The instruments and methods of governance are defined in terms of relationships. The instruments and methods of governance include more than just the functions of public administrators in managing the structure of public institutions. Governance encompasses the many and ever changing sets of relationships between the government and the interest of citizens, who interact with public institutions both as individuals and as participants with mutual interests.

Governance is frequently employed in political and academic dialogue, but its usage does lack a precise definition. In the French language, for instance, there is no single word that carries the same multiple connotations as in the English language. For many countries, governance is defined as the sum of many possible organizational mechanisms and the types of relationships by which individuals interact with their public sector institutions in meeting the needs of society. The diversity in these configurations is exemplified as follows:

- In the *Napoleonic* countries (France, Italy, Spain, Belgium) and to a certain extent the southern counties (Portugal, Greece, Turkey) the exercise of government responsibility is based on legal traditions. Because there is a tradition of distrust between the layers of government, it is believed necessary in these countries to separate the types of services and the accompanying tasks and assign each service and task to a different level of government. This separation is also seen as a type of guarantee of efficiency. Priority is given to the coherence of the institutional framework. It is believed that good governance should flow from that coherence. The citizen is traditionally looked upon as a subject, although this view is changing. Incorporating different possible mechanisms in government is gaining ground for the delivery of services that have traditionally been provided by public enterprises, not private institutions.
- The *Germanic* countries (Germany, Austria, Switzerland) are also heirs to a legal culture grounded in a respect of the law. This respect determines much of the context of governance. There is, however, a heavy reliance on co-operation, intergovernmental mechanisms to ensure that the expected public responsibilities are carried out by each layer of government. Local authorities are entitled by statute to use a variety of governments. Local authorities are entitled by statute to use a variety of administrative structures in providing the services for which they are responsible, but the mechanisms can be flexible in adjusting to changing circumstances. The local level, however, is largely regulated by the central government. Those services that exceed the capacity of local municipalities are entrusted to intermediate levels. The intermediate levels of government do play an important role in the federal legislative process. Switzerland is, however, a special case. Local democracy is very strong with the cantons holding and using a large amount of power, both

<sup>1</sup> This essay appears in Participatory Governance: Planning, Conflict Mediation and Public Decision-Making in Civil Society. Eds W. Robert Lovan, Michael Murry and Ron Shaffer. Asgate: Hants, England. 2004. Concluding comments added by Steven Deller.

financially and administratively. Citizens are given a considerable degree of responsibility to oversee the administrative mechanisms and the operating institutions to deliver the expected public services. Each canton determines its own level of public service provision, as well as the appropriate administrative structure and the necessary procedure for delivering the expected public service.

- The *Anglo-Saxon* countries (United States, Canada, Australia, United Kingdom, Ireland) place particular emphasis on efficiency, effectiveness and value-for-money. They are more likely to introduce alternative administrative mechanisms, for example partnerships, in order to carry out public responsibilities. The citizen is viewed primarily as a customer or client for public services.
- The *Nordic* countries (Denmark, Finland, Norway, Sweden) belong to a political culture concerned with meeting the needs of citizens. Their tradition is one of negotiation and consultation between the institutions of government and the citizens. Central government regulation has, on the whole, been eased with the aim of giving local levels the possibility of doing a better job of adjusting to local conditions, as well as using their finances in accordance with local priorities. An important part of this approach is the ability of local authorities to organize their funds according to local needs.

Governance, therefore is about processes of making decisions. In other words, it is concerned with process focusing on the distribution of public responsibility across multiple stakeholders. In dealing with increasingly complex public issues with ever tightening resources public officials and concerned citizens must look to alternatives and not tie themselves to traditional ways of doing things. By looking at how other public institutions and cultures address issues, alternatives can be uncovered. In Wisconsin, we have a strong tradition of looking for innovative and experimenting with alternative approaches. Effective governance mandates that we learn from our neighbors.

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*Issued in furtherance of Cooperative Extension work, Acts of May 8, and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Arlen Leholm, Cooperative Extension, University of Wisconsin-Extension.*

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