# 8    Governance: Exploring Four Approaches and Their Relevance to Research

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## Abstract

Although governance is widely used in policy debates, it has remained a fuzzy concept, referring sometimes to theoretical approaches and sometimes to ideological stances. From the point of view of many developing countries it connotes a set of 'recipes' and constraints imposed by Western institutions. This article explores how, based on existing approaches, the concept of governance could be developed into an analytical tool for the social and development sciences that does not fall prey to ideological connotations. For this purpose, the article presents what I consider to be the four most popular approaches to the concept of governance: corporate governance, global governance, good governance, and modern governance. These approaches are compared and analysed in terms of both their gaps and their potential contributions to the analytical tool envisioned. The criteria developed for this tool are that it should be suitable for analysing social dynamics at various levels, in different societies, and at different times, and that there should be no limitation to the actors incorporated into the analysis. Accordingly, governance is delineated in the first instance as the decision-making processes that take place whenever collective stakes lead to competition and cooperation.

**Keywords:** Governance; corporate governance; global governance; good governance; modern governance.

## 8.1     Introduction

Governance has become one of the most widely used words in policy debates. It has been everywhere for some time already: in the publications of international and bilateral development aid organisations, in the discourse of decision-makers, and many other places. Yet it is also one of the most fuzzy concepts currently in use. It occurs in very general discourses as well as in specialised domains, referring sometimes to theoretical approaches and sometimes to ideological stances. For most people, this is confusing. The term may have a rather precise meaning in neo-institutional economics, but from the point of view of developing countries, especially in Africa, Asia, and South America, it clearly connotes a set of 'recipes' concerning structural adjustment and constraints imposed by Western institutions, and is thus heavily laden with values.

The main question to be answered here is whether or not the concept of governance has a place in the social sciences toolbox and, if so, how to avoid any ideological connotations. In the context of the Swiss National Centre of Competence in Research (NCCR) North-South, a group of researchers at the Graduate Institute of Development Studies (IUED)[2] came to agree that the answer was 'yes', that it was worth a try: the concept was still in a 'pre-theoretical stage' (Jessop 1998), but it could be elaborated and converted into a useful tool for the social and development sciences. Our main goal has therefore been to develop an approach to the concept and a method for using it that would be as rigorous, or non-normative, as possible, at least by specifying in what research conditions it can increase our understanding of some categories of social facts. Two phases logically followed: the first one was exploratory and reflexive, and the second one involved the development of a theoretical and methodological framework. This second phase was motivated by a concrete demand from partner institutions for a method to analyse specific cases where governance was considered a key factor for understanding problematic situations.[3]

The present paper is a result of the exploratory phase.[4] It reviews the most common modern approaches to governance with the objective of identifying their gaps as well as conceptual advancements and tools that can serve as a basis for further conceptual development. The backbone of this review is a set of criteria or questions used to compare the selected approaches: Is the object of the approach clearly defined so as to distinguish what governance is and what it is not? Does the approach propose a specific methodology,

suitable for empirical and operational research? Can it be used for a variety of cases, at different levels, and in different contexts? Is the methodology analytical or normative? Does it qualify as being appropriately rigorous?

## 8.2 The origin of the term "governance"

The concept of 'governance' has a long history. In ancient Greek, *kubernân* referred to the steering of a ship or cart, but Plato already used it in a metaphorical way to refer to the steering of human beings (De Oliveira Barata 2002). The Latin verb *gubernare* has the same meaning as the Greek word. In medieval French, it was used as a synonym of 'government', and later referred to a territorial subdivision. In the 17th century, a *gouverneur* was a legal representative of the French King, assigned, in the context of a general endeavour on the part of the central state to establish its control over feudal lords, to different *bailliages* or provinces of Northern France, formally named *gouvernances*: Arras, Lille, Douai, Artois, Flandre, and others (Guyot 1784).

The French word entered the Spanish and Portuguese languages in the 14th century. *Governança* was the equivalent of the modern term "government". As was the case in French, it became obsolete but lent its root to some closely related terms such as *gobierno*, *gobernación*, and others (Hufty 2010). When the concept re-emerged in the 1980s, there was no equivalent in Spanish. Different terms have been used, generating much confusion (Hufty et al 2006). In Spain, *gobernanza* is used in the context of the European Union (whereas in some Latin American countries this term designates a floor maid in a hotel). Although it sounds old-fashioned to certain ears (Solá 2000), it is slowly becoming the dominant equivalent for the English 'governance'. In Latin America, many influential organisations (e.g. the World Bank, the United Nations Development Programme or the Swiss Agency for Development and Cooperation) use the term *gobernabilidad*, causing major confusion with the concept of governability, which has a very different meaning (see section 8.6 below). The confusion is not resolved by the *Real Academia Española de la Lengua*, which recommends the use of *gobernanza*, but accepts *gobernabilidad* as a synonym. Moreover, the term *gobernancia* is also commonly found.

The French word *gouvernance* also entered the English language in the 14th century, with the general meaning of steering, or the 'art of governing'. But

while it slowly became obsolete in the Latin-based languages, it remained in use in English. A selection of titles gleaned from the Library of Congress catalogue (Washington, D.C.) illustrates the continuity of its use: in his *Governance of England* (undated), Sir John Fortescue (1394–1476) compared the absolutist and limited monarchies. In 1554, Sir Thomas Elyot published *The Image of Governance, compiled of the actes and sentences notable, of the moste noble Emperour Alexander Severus, late translated out of Greke into Englyshe.* In 1566, Thomas Becon published *The Governaunce of Vertue: teaching all faythful Christians, how they oughte daily to leade their life, & fruitfully to spend their tyme unto the glorye of God & the health of their owne soules.* According to the JSTOR database, an archive which covers mostly English-language scientific journals, there were over 2500 occurrences of the term "governance" between 1826 and 1969, with over 114 before 1900. The term was used in all domains, from history, constitutional law, and health care to politics. Around 1970, one of the domains in which the concept was used most frequently was the reform of educational systems and especially of universities. Thus, the concept evolved from being synonymous with government or the act of governing, into a broader, more complex, and more confused term – a confusion which persists to this day.

## 8.3 Corporate governance and the sociology of organisations

### 8.3.1 The rediscovery of institutions and organisations

Governance was given a new lease of life in the USA under the influence of the discipline of organisation studies, especially in the analysis of two types of organisation: private firms and universities. This renewal built on the works of institutional economics and the concept of transactions (Commons 1934), taken up by Coase (1937) in his analysis of firms, as an efficient means for reducing transaction costs, in contrast with price mechanisms (for example, long-term contracts stabilise rational expectations and reduce costs when compared with successive short-term contracts). The development of organisation studies facilitated the discovery of coordination mechanisms other than the vertical hierarchy favoured by the 'scientific management theory', especially horizontal coordination mechanisms within organisations and informal factors such as social norms, evidenced in the works of Elton Mayo (1933) and the 'human relations movement'. A major lesson was that "workers are not passive contractual agents" and

that "efforts by bosses to impose control on workers have both intended and unintended consequences" (Williamson 2002, p 6) – a line of research carried on by the sociology of organisations and theories of the 'strategic actor' (Crozier and Friedberg 1977).

### 8.3.2    Decision-making and power in an 'organised anarchy'

After the zenith of the behavioural movement, which considered that everything could be explained in terms of individual interest and competition, the rediscovery of institutions and organisations rebalanced the focus of management theories towards shared histories and cooperation (March and Olsen 1989). 'Organised anarchy', a view of decision-making situations as contextual, processual, and unpredictable, where goals, technology, and participation are ambiguous, and the famous 'garbage-can model' (Cohen et al 1972) offered a welcome alternative to the perspective of rational choice and utility-maximising individuals. In line with this model, complex organisations, such as firms or universities, are characterised by competing vertical, horizontal, and informal structures and institutions. Formal rules, hierarchies, and actors' preferences are, therefore, not enough to explain how decisions are made. In addition, as the complexity of an organisation increases, its units, actors, and bureaucracies show a growing tendency to develop their own priorities and gain a margin for manoeuvre. The units negotiate more or less informally, among themselves and within the formal hierarchy, instead of following orders, leading to a rise in transaction costs for the organisation, which has to dedicate a growing amount of resources to coordinating its units in order to perform its core activities. The case of universities with their faculties, departments, centres, institutes, and the infinite combinations of cross-bred sub-organisations speaks for itself. But some large private firms have experienced the same dynamics, to the point of having to reorganise themselves, as was the case with IBM in the 1990s (Duby and Berry 1995).

### 8.3.3    Corporate governance: between analytical and
### normative perspectives

Another crucial debate regarding management and the theory of firms has focused on corporate control, and especially on the balance between managerial, shareholder, and political decision-making power, conflicts of interest, and information asymmetry (Fama 1978, 1980). According to the general hypothesis, the loosening of shareholders' control that followed the ascent

of large firms provoked bureaucratisation (the 'iron law of oligarchy', see Michels 1915), a weakening of performance, and an unbalanced distribution of the firms' added value, as a result of which shareholders sought to reassert their control over managers (Charreaux 2003).

The concept of 'corporate governance' was coined by academics and practitioners to designate this growing field of research. In a broad sense, it can be defined as "all the influences affecting the processes for appointing those who decide how operational control is exercised to produce goods and services and all external influences affecting operations or the controllers" (Turnbull 2000, p 4). Different institutions, or 'rules of the game' (North 1990), made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behaviour, conventions, and self-imposed codes of conduct), and their enforcement characteristics (North 1993), give rise to a variety of structures and mechanisms of governance that are precisely the focus of the study of governance (Williamson 1996). This approach aims, on the one hand, to conceptualise a realistic description of human behaviour within complex organisations and, on the other hand, to reconsider and improve the practice of steering organisations: coordination between units, arbitration of differences, maintenance of cohesion, and management of the transaction costs involved in complex systems.

The desire to rebalance power in favour of shareholders coincided with the development of the 'corporate social responsibility' movement, according to which firms are expected to behave as good citizens (and, as a corollary, academics have to leave their ivory towers and open up to their social environment). This movement gave birth to a normative approach formalised in the 'Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance', a series of criteria closely associated with the 'good governance' movement. Its intention is to establish "a common basis that OECD member countries consider essential for the development of good governance practices" (OECD 2004, p 11).

### 8.3.4    Criticism: well-developed theory, but limited with regard to object, time, and space

On the one hand, 'corporate governance' has a relatively clearly defined object. It played a key role in the re-emergence of governance as a topical concept. It is backed by scientific and empirical research. It proposes some fundamental analytical tools (complexity in decision-making, vertical–hor-

izontal and formal–informal coordination mechanisms, transactions, control of controllers, and enforcement mechanisms). On the other hand, the concept's normative facet, in line with the current fashion in Western management schools, restricts its validity in time and space. Due to its limited object (the steering of large organisations), it does not represent (and does not pretend to be) a contender for a general framework of governance, but it has much to contribute to such a framework.

## 8.4 Global governance

### 8.4.1 Moving beyond states

In the field of international relations, the institutionalist approach gained in influence from the 1970s onwards, mainly in the USA. It represented a rupture with the dominant paradigm. According to the 'realist' approach to international relations, which reached its peak in the 1950s to the 1970s, the international system was 'anarchic'. Sovereign states, in competition with one another and each seeking to maximise power, were the major actors. No supra-national entity could impose a solution on states against their will. However, three factors gradually came to modify this vision. First, the actors present on the international scene diversified in nature and multiplied in number (multinational companies, unions, intergovernmental and non-governmental organisations, networks, etc.). The traditional frontiers between domestic and international politics thus became increasingly blurred. Second, the international sphere became increasingly institutionalised. Multilateral agreements and regional integration processes multiplied over the years and rendered international life more complex. For some 'issue areas' (domains of international life), this higher complexity was marked by 'international regimes' (Krasner 1982; Hasenclever et al 1997). Third, globalisation, increasing political homogenisation, trade liberalisation, and macroeconomic coordination multiplied the 'vertical and horizontal interplays' (Young 2002) between actors at all levels, in analogy with corporate governance.[5] The concept of governance became a fashionable means to grasp these changes, especially to describe processes of coordination beyond the centralising authority of a state (Rosenau 1987), the construction of global 'issue areas' (Young 1999), or multi-level processes in European affairs (Marks 1993).

### 8.4.2    Global governance as a normative framework

The concept of governance, aimed at analysing existing phenomena, soon received a normative counterpart. After the fall of the Berlin Wall and the end of the Cold War, the desire for more orderly international relations was strong. At the initiative of former German Chancellor Brandt, a Commission on Global Governance was set up in the early 1990s. Among other writings, it produced a definition of what it meant by governance, which warrants close examination:

> *Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest.*
> (Carlsson et al 1995, p 2)

### 8.4.3    Criticism: inclusive and processual, but avoiding the problem of power relations

This definition is a landmark. All actors, whether official or not, are potentially considered – meaning a departure from the statist approach to international relations. And in contrast to formalist approaches such as international public law, both formal and informal agreements are included. The perspective is procedural, taking into consideration the continuous changes in the relationships between actors. It thus represents important analytical progress towards realism, even if it has weaknesses. For instance, it does not propose a specific methodology. And with its normative perspective, it is aimed above all at solving problems of cooperation. This induces the promoters of a 'better global governance' to emphasise the consensual aspects of international life and pay little attention to power questions in international relations (Smouts 1998a). Many see the existing international order as hierarchical instead of cooperative, with solutions frequently being imposed by the most powerful actors and characterised by structural inequalities (Cox and Jacobson 1974). Presenting international society as outside the realm of power would certainly be naïve. The body of work on global governance provides some fundamental elements that may be retained: the importance of non-state and informal actors, a processual approach, the existence of

formal and informal institutions and arrangements, regimes, vertical–horizontal interplays, and multi-level/polycentric decision-making processes.

## 8.5 Good governance

### 8.5.1 A political tool for transformation

Governance had also become widely used in the domain of development aid by the early 1990s. When trying to explain the failed implementation of the development agenda in sub-Saharan Africa, the World Bank identified the absence of recipient governments' commitment to reform and labelled it a problem of 'governance' (World Bank 1989). In search of a methodological tool to analyse power games and national politics, it adopted a dictionary definition of governance as "the manner in which power is exercised in the management of a country's economic and social resources for development" (World Bank 1992, p 3).[6] As the concept of governance was adopted by the World Bank, it soon lost its analytical function and instead became a tool for political transformation, with profound consequences. The World Bank developed a set of quality criteria aimed at evaluating the norms and practices of states and national institutions, mainly in developing countries, which were used to set objectives for the Bank's programmes or to evaluate the allocation of funding: 1) Voice and accountability; 2) Political stability and absence of violence; 3) Government effectiveness; 4) Regulatory quality; 5) Rule of law; 6) Control of corruption. Faced with the limited effectiveness of its structural adjustment programmes and with fundamental questioning regarding its role in development aid, the World Bank had come under pressure to intensify its interventions and extend them to political and institutional aspects in borrowing countries. The application of good governance criteria was actively promoted in the 1990s by the World Bank's main shareholders, the G-8, which were especially preoccupied with corruption, weak rule of law, low effectiveness of public institutions, and economic mismanagement in developing countries. The World Bank walked on thin ice when it addressed eminently political questions as if they were technical, clearly stretching the boundaries of its mandate (Santiso 2001).

### 8.5.2    Criticism: more a tool for political transformation than a scientific approach

The World Bank has transformed governance from an analytical approach into a political tool for changing societies. With its clearly normative connotations, it refers to what 'should be' rather than what 'is'. Without prejudging the political basis of the approach, the proposed criteria are not refutable *in fine*. They are inspired by political practices, philosophical principles, and ideologies inherent to Western modern societies. Each society has specific values, ideologies, and principles, which suggest different, but equally legitimate criteria (Poluha and Rosendahl 2002). Critics consider the nature of the specific criteria formulated by the World Bank, their inclusion into the panoply of conditionality imposed by bilateral and multilateral development cooperation agencies – leading to an indiscriminate promotion of the market economy – and the very fact of imposing these criteria to be the cause of much misunderstanding and resistance. Good governance is located firmly in the political realm rather than in the scientific domain. The problem is that there are no objective criteria for choosing between two normative options without making a philosophical (linked to reason) or political (linked to power relations) choice.

The divergence between actual practices and the criteria for good governance can certainly be studied using a rigorous scientific methodology. Indeed, significant resources have been dedicated to the development of such methodologies, which allow for a relatively precise description of the situation (see, e.g., Kaufmann et al 2005). But when the result obtained is judged 'good' or 'bad', in conformity or not with (idealised) liberal democratic features, it falls under another type of reasoning, which is both irrefutable and normative. Apart from the idea that power games can take place outside of the state and the formal political system, there is little in the concept of good governance to be integrated into a governance methodological framework.

## 8.6    'Modern governance'

### 8.6.1    Weakening role of the state and new actors

The last approach to be considered falls thematically within the fields of political science and public policy. In analogy with 'international relations', it is linked with the perception (and the corresponding discourse) that, over the

last twenty years, the state has lost or delegated an increasing proportion of its power and competences to various local, national, and international 'entities'. In consequence, the ways in which public affairs are conducted have changed very rapidly, especially due to the welfare state being called into question, as well as the end of the Fordist model of production (the tacit agreement linking increased productivity to increased wages and social peace that characterised the period from 1950 to the 1980s in the industrialised countries).

According to this current of thought, the state's hierarchical rationality has given way in many public spheres to networks of autonomous and interdependent actors (Castells 1996), such as the International Standards Organisation or the Forest Stewardship Council and other norm-setting organisations in which states are not the main actors. This phenomenon is associated with 'globalisation': the accelerated circulation of capital, the standardisation of consumption, regional integration processes, the internationalisation of civil society and firms (Beaud et al 1999; Scholte 2000; Edwards and Gaventa 2001; Held and McGrew 2007). It is also linked with the 'hollowing out of the state' hypothesis (Rhodes 1994): as a consequence of neoliberal policies, many mechanisms for the production or regulation of public assets (goods or services produced by the state or public communities) have been 'outsourced' or delegated, diminishing the state's range of functions. In addition, the methods of the private sector have been applied to the public sector, leading to a radical transformation of public administration under the label of 'new public management' (Hufty 1999).

### 8.6.2    A new analytical approach …

This 'great transformation', to paraphrase Polanyi (1944), questions the relevance of an analytical perspective centred on the state, and leads logically to the search for a concept capable of describing this new type of regulation. The concept of governance arose in the 1990s as a political and intellectual response aimed at capturing these changes. The establishment of a typology of regulation mechanisms constituted an important step towards conceptual clarification. According to Jessop (1998), there are three ideal types of mechanism for the regulation of society: hierarchical (by the authorities), economic (by the market), and heterarchical (by self-organised networks). These three mechanisms coexist in any society in a variety of configurations, but what Jessop characterises as governance is the current expansion of the heterarchical model to the detriment of the other two, leading to what amounts to a 'political breakdown'.

### 8.6.3 … which is nonetheless normative and has a weak empirical and methodological basis

Governance was therefore used to describe a general reconfiguration of the polity in some OECD countries, but it was also a reflection about the perceived crisis of the state. What is sometimes called the "Anglo-governance school" (Marinetto 2003) brought together scholars and practitioners who saw in governance a new historical form taken by the relations between politics, institutions, and citizens (clients?), especially in Great Britain and Europe. The debate about 'modern governance' (Kooiman 1993; Rhodes 1997) accompanied the questioning of the role of the state and its management procedures (Pierre and Peters 2000).

This is where this school of thought became normative. This new conception of the political system and public policies was reformulated as a solution to the state's perceived current crisis of governability (understood as the capacity of a socio-political system to control itself, see Kooiman 1993), where the overload of social demands has decreased the state's room for manoeuvre and led to the failure of centralised hierarchical regulation (Merrien 1998). According to this 'solution', governance through networks would replace the hierarchical government, and the state would instead play the role of a 'facilitator'.

However, this analysis exhibits certain shortcomings. First of all, the hollowing out of the state still remains to be demonstrated. Various analysts have indicated that by concentrating on its main functions, the state, far from being weakened, has in fact been reinforced, including in its relation to stakeholders renowned for their autonomy (Holliday 2000). This has been achieved especially by shifting from vertical regulation towards 'procedural' policy instruments aimed at building support for state policies (Howlett 2000). Furthermore, it is difficult to distinguish between causes and effects, especially when looking at the policies adopted by the conservative governments of Thatcher, Reagan, and Kohl. The British and other governments deliberately renounced some areas of their sphere of competence. This argument is not meant to minimise the real problems affecting the Western states in the 1980s; but 'governance' had by then been converted into a political programme. Second, the modern governance approach is based almost exclusively on studies carried out in industrialised countries. Non-European countries seem to be excluded a priori from this analysis, as its scope is far from universal. Are these network-based hypotheses relevant to different contexts, such as 'tran-

sition' or 'fragile' states, where the main problem is precisely a lack of state? Third, the studies underlying the approach cover a relatively short period of time, whereas, as pointed out correctly by several researchers, the cycles of public policies extend over periods of between 20 and 40 years (Sabatier 1999). Consequently, if it is assumed that governance refers to a specific historical form, the governance concept is to have a limited time-span and will disappear when this specific historical cycle comes to an end, which might already be the case. And fourth, the modern governance approach does not offer a specific methodology. Most of the texts related to this school are based on classical theories of public policy and public administration, and many simply reproduce the dominant ideological discourse of the 1980s and 1990s ('less is better'). Scholars are particularly cautious in interpreting the real effects of the 'conservative revolution' (Adonis and Hames 1994).

### 8.6.4 Criticism: modern governance as an ahistorical and value-laden approach

For moderate critics, this normative proposal veers towards idealism based on the fact that it minimises the conflictive dimensions of human societies. It presents policy-making as a search for consensus among people of goodwill who are equally equipped with resources, in an ahistorical context. Inequalities are ignored in the study of decentralisation, new public administration, and new communication technologies. The validity of the modern governance approach may thus well be limited to the narrow spaces within which actors share a minimum common world view (Smouts 1998b), which makes it unrealistic in most cases.

For more radical critics (e.g. Hermet et al 2005), this proposal represents a second historical phase of putting limits on democracy. Political citizenship, universal voting rights, and the welfare state were major concessions made by dominant classes to European and American workers. The period after the Second World War was one of unprecedented growth based on the Fordist economic model. But at the end of the 1970s, when the rate of profit plunged and the welfare state began to burden public finances, an economic readjustment followed, accompanied by a new tendency in political control: governance. Citizens became clients; political parties were replaced by 'civil society'; deliberation in political bodies was replaced by horizontal mechanisms of bargaining and agreement between co-opted sectors; and political legitimacy was from then on obtained on the basis of economic results rather than the defence of common interests.

Despite this being the most widespread approach using the concept of governance, and with no intention of minimising the importance of this reflection, it must be stated that the modern governance approach offers few new elements with a view to a general methodology by comparison with the other approaches discussed above. The reflection on the state is too narrow and too loaded ideologically to constitute a building block. The most promising contribution might be the idea of networks, although – as it is often the case with familiar concepts used in the social sciences – the closer we examine it, the harder it is to define and observe.

## 8.7    Conclusion: Where do these approaches leave us?

To conclude this review of existing approaches to governance, what lessons and criticisms can be gleaned with a view to taking a non-normative approach to governance and further developing the concept of governance as an analytical tool that does not fall prey to an ideological connotation?

First of all, if governance is to be developed into a general analytical tool, it cannot be specific to a particular time and space, as in 'modern governance'. It should be possible to use the same tool to analyse social dynamics at various levels, in different societies and times. An obvious risk with that ambition is that the concept might become too general (e.g. that it might end up being equivalent to the term "political process") and might thus lack any real added value. This commonly raised objection implies the necessity of a relatively narrow definition and delimitation of the object. Of the approaches examined above, it is corporate governance and global governance that come closest to satisfying this criterion: governance is about decision-making processes involving collective stakes or both conflictive and cooperative interests.

Second, this implies an agency–structure interaction with regard to the rules of the game and institutions, which cannot be considered purely the result of actors' aggregate preferences. Institutions constrain, but also facilitate actors' actions, and are themselves modified by actors' interactions.

Third, there should be no limitation to the actors incorporated into the analysis. All those who interact in any observed situation have to be considered, whether individuals or collectives, formal or informal. Interactions in deci-

sion-making processes are not only vertical but also horizontal and informal (based on alliances or networks).

Fourth, outcomes are relatively unpredictable and cannot be inferred from the actors' preferences only: many more factors are at play. And, finally, the issues at stake in a governance process differ between firms, universities, large organisations, governments, and international relations. But nonetheless they also have something in common, inasmuch as institutions are involved. We therefore need a coherent theory of institutions.

These points represent some core elements for building and further elaborating a 'governance analytical framework'. For example, the question of power is hinted at in the four approaches examined above, yet it tends to be avoided. Power has to be dealt with and incorporated into the framework. Some choices or trade-offs need to be made as well. Should a governance analytical framework propose only descriptive tools, aiming at being value-free or neutral, but with the risk of being vulnerable to post-positivist criticism? Or should it propose certain theoretical orientations, with the risk of losing interest for those outside the social sciences who are seeking a neutral, descriptive tool, or for those within the social sciences who do not share the selected orientations? These questions are the subject of a second article in this volume (Hufty 2011), entitled "Investigating Policy Processes: The Governance Analytical Framework (GAF)".

# Endnotes

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[2] From 2002 to 2008, the Graduate Institute of Development Studies (IUED) in Geneva, Switzerland, was one of the eight Swiss partner institutions involved in the NCCR North-South. It merged into the Graduate Institute of International and Development Studies (IHEID) in 2008.

[3] For example health policies; see Hufty et al (2006), or the special issue of the *Revista de salud pública*, Vol. 12, 2010 (open access at: http://www.scielosp.org).

[4] For a more detailed account of the process, see the other article by Hufty (2011) in the present volume.

[5] The multiplication of centres of decision-making had previously been captured in the concept of polycentrism (Ostrom 1972).

[6] As specified in a note, this definition was taken from *Webster's New Universal Unabridged Dictionary* (London: Dorset and Baber, 1979). It was later expanded by the World Bank Institute (WBI) to comprise
*the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them.* (WBI 2005)

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