National, Regional, and Global Governance: One Phenomenon or Many?

Elke Krahmann

Since the 1980s, the concept of governance has increasingly been employed to describe policymaking in the national, regional, and global arenas. Definitions and uses of governance, however, are as varied as the issues and levels of analysis to which the concept is applied. They range from definitions that subsume any form of social coordination to policymaking in the absence of an overarching political authority, from descriptions of the withdrawal of the European welfare state to analyses of public sector reforms in Africa. Common to these notions is the changing locus of political authority.

The flexibility of the concept helps explain its growing popularity, but diverse uses of the term also restrict its utility. In particular, the multiple definitions tend to emphasize differences and neglect commonalities. The focus of contemporary research is restricted to detailed analyses of the specific modes of national, regional, and global governance rather than the comparison of governance arrangements across these levels. As such, there is little systematic investigation of how the rise of governance arrangements at different levels might be linked.

In this article I explore whether governance might be understood as a general phenomenon and, if so, how it could be defined. The emergence and uses of governance across levels of analysis illustrate that, despite apparent differences, governance arrangements at the national, regional, and global levels display crucial similarities. Specifically, I suggest that governance can universally be defined by fragmentation of political authority in seven dimensions: geography, function, resources, interests, norms, decisionmaking, and policy implementation. Together they help to distinguish governance from government as ideal concepts of fragmented and centralized political authority.

The resulting analytical framework is useful in several ways. First, if governance is understood as a general phenomenon, the framework helps to compare governance across levels of analysis. It encourages research on such questions as to what degree the problems and failures
of governance arrangements at the national, regional, and global levels are comparable and whether solutions at one level are adaptable to another. Second, the proposed framework facilitates the comparison of governance arrangements across levels. It suggests that a trend from government to governance is observable not only in sectors such as commerce, but increasingly also in national and international security, which have traditionally been identified with the state monopoly of authority. Third, the proposed framework helps to determine which factors have promoted the rise of governance and how governance norms and decisionmaking modes have been transferred from one level to another.

My aim is to facilitate future substantive research by examining the possibilities for a common definition and comparative analysis. The first part of the article outlines the similarities of governance at the national, regional, and global levels. The second part proposes how these similarities can be used to develop an ideal-type understanding of the concept that distinguishes governance from government along seven dimensions of fragmentation and centralization.

Governance at the National, Regional, and Global Levels

By 1996, R. A. W. Rhodes observed that there were at least six separate uses of the term governance in the analysis of the British political system alone. Governance was employed to denote the minimal state, corporate governance, new public management, good governance, a socio-cybernetic system, and self-organizing networks. As the concept of governance has increasingly been used for the analysis of not only national and subnational but also regional and global policymaking, its range of meanings has also expanded. Whereas common usage associates the term with government, the exercise of authority, or a method or system of government or management, an analysis of the Social Science Citation Index between 1980 and 2000 shows that the academic literature applies the concept to more than twenty distinct subject areas (Figure 1). They include the analysis of administrative structures, colonial rule, democratic decisionmaking, international development, the administration of colleges and universities, environmental protection, multilevel decisionmaking within the European Union, the regulation of markets, sectoral self-government, the devolution of political authority to the local and regional levels, and transnational regimes.

Broadly, these areas can be categorized according to levels of analysis and key subjects. At the national and subnational levels, the term
governance is used primarily in four ways. The first treats governance as a generic category synonymous with the concepts of political system or state structure. It includes the analysis of presidential, parliamentary, democratic, nondemocratic, federal, and centralized systems. The second usage concerns the reform of public administration since the 1980s. It refers mainly to the devolution of political authority from national administrative agencies to subnational bodies, such as local councils, cities, and communities, but it also includes the new managerialism. The third use regards the governance of particular policy sectors, such as education, health, transport, and the environment. And the final group concerns the analysis of corporate governance. At the regional level, the usage of governance is less varied. It almost exclusively refers to what has been termed multilevel decisionmaking within the European Union. At the global level, governance most frequently denotes political structures and processes related to international developmental policy, the use of the oceans, and environmental regulation. Rarely is governance employed with a single meaning across different levels of analysis, the main exception being the notion of good governance.

Although Figure 1 shows that the use of the term governance in academic titles has increased almost exponentially since the 1980s, not all of these studies describe new developments. In particular, at the national level of analysis, the term governance frequently substitutes for well-established concepts such as political systems, when concerned with democratic, nondemocratic, presidential, or party political regimes,
or with state structures that describe federal, national, subnational, civil, or public government. Nevertheless, it can be argued that, despite its varied meanings, the core of recent governance literature describes a new phenomenon. To clarify this phenomenon, the following sections examine the typical uses of governance, its origins, and its main features at the national, regional, and global levels.

National Governance

In the literature on national policymaking, which for the purposes of this article subsumes subregional and local structures and processes, the term governance has been used as a distinct concept since the 1980s. Specifically, the literature distinguishes governance from government in order to describe the emergence of policymaking arrangements that, in addition to governments, increasingly involve private actors—such as nongovernmental agencies, firms, associations, and interest groups—in the provision of public services and in social and economic regulation. With these changes in mind, Gerry Stoker concludes that governance can be defined as "a concern with governing, achieving collective action in the realm of public affairs, in conditions where it is not possible to rest on recourse to the authority of the state."³

Although the origins of the growing role of private actors in national public policy can be traced back to governmental reforms, the underlying causes of these reforms appear to have stemmed mainly from the international environment. Among industrialized nations, the "withdrawal" of the state from the direct provision of public goods in favor of private or public-private arrangements has specifically been linked to the 1970s world recession, the pressure of globalization, and the rise of the European Union as an alternative political authority in Western Europe.⁶ In the third world, similar reforms appear to have been driven by demands from the International Monetary Fund (IMF) and World Bank in the early 1990s that aimed at the improvement of public sector management in developing countries.⁷

However, some authors contend that the seeds for the pressure on governments to reduce their direct role in public services were already contained within the welfare state system. They identify as one cause the tendency of state bureaucracies to extend their functions, which in time led to an organizational overload.⁸ Among developing countries, this expansion of the public sector was also facilitated by structural development programs in the 1960s and 1970s.⁹

The specific nature of government failure seems to be less clear. Most authors appear to agree that the "crisis of the welfare state" among
industrialized countries and the "developmentalist" state in the third world was characterized by problems such as low levels of compliance, reduced financial resources, limited effectiveness, and a perceived lack of accountability and legitimacy.10 Yet the immediate features and the degree to which these problems were new or had increased are unclear. Recent studies that attempt to compare the efficiency of governance with government are often inconclusive.11 Indeed, some authors argue that, among developing nations, governance mechanisms have not necessarily improved the efficiency or accountability of public services.12

Nevertheless, in the 1980s, a consensus emerged among advanced industrialized nations, such as Britain, the United States, and New Zealand, that existing governmental policymaking structures were unsatisfactory and needed to be replaced.13 The blueprint for an alternative, namely governance, was provided by neoliberal and new-right ideologies. These ideologies advocated the introduction of competition and market principles into public administrative systems. The suggested reforms followed two main strategies. The first strategy sought to increase the involvement of the private sector in the provision of public services through privatization, outsourcing, coproduction, and public-private partnerships. The second strategy envisaged the remodeling of the remaining public sector according to new public management ideals.14 The new public management model proposed the introduction of competitive tendering, performance incentives, and internal auditing within a decentralized and customer-oriented structure in order to increase accountability, transparency, and civil society participation. Redefined as good governance, these principles were subsequently adopted by the World Bank and the IMF as conditions for development aid.15

In sum, it can be argued that, at the national and subnational levels, the concept of governance has come to represent political systems in which authority is fragmented among a multitude of governmental and nongovernmental actors to increase efficiency and effectiveness. However, the following illustrates that these features of governance are not unique to the level of the state.

Regional Governance

In the analysis of the regional level, the term governance has primarily been used since the mid-1990s to describe the complex, multilevel decisionmaking and implementation process within the European Union (EU). Simon Hix defines the new governance within the EU as having several interrelated characteristics: "First, the process of governing is no longer conducted exclusively by the state, but involves all those activities
of social, political and administrative actors that . . . guide, steer, control or manage society." Second, the relationship between state and non-state actors in this process is "polycentric and non-hierarchical" and "mutually dependent." Third, the key governance function is the regulation of social and political risk instead of redistribution.\(^{16}\)

While the above definition already shows significant commonalities with the characterization of governance at the national level, the similarities are even clearer with regard to the internal and external factors that appear to have led to the emergence of governance in the EU. Internally, the reliance of the EU on governance has been associated with the lack of resources by community institutions,\(^ {17}\) whereas, externally, the growing role of governance mechanisms within the EU has been interpreted as a response to increasing international interdependence and the inability of governments to unilaterally deal with problems such as the free flow of goods and peoples.\(^ {18}\)

Of course, it can be argued that the making and implementation of EU policies has never approached the level of centralization associated with national government but has always been dispersed among a variety of national and international authorities. Moreover, the EU has traditionally more strongly relied on governance mechanisms, such as regulation, to achieve its policy aims because it has no direct role in the implementation of European policies.\(^ {19}\) Nevertheless, it can be argued that in the EU also, the contribution and participation of subnational and private actors has increased considerably over the past twenty years. Key factors that drove this development were the strengthening of neoliberal values in the Single European Act, the embrace of the subsidiarity principle in the Maastricht treaty, and increasing flexibility following the Intergovernmental Conference in Amsterdam.\(^ {20}\)

As a result, the system of governance within the EU today is characterized by six main features. First, policymaking and implementation involves a broad range of public and private actors at the national and international levels, such as regional authorities, employers, labor associations, and multinational corporations.\(^ {21}\) Second, policymaking is functionally differentiated according to distinct policy sectors, such as external relations, internal market, agriculture, and the environment.\(^ {22}\) Third, similar to national governments, the EU is increasingly relying on quasi-autonomous agencies, such as the European Court of Justice and the European Central Bank, for the implementation and supervision of its policies.\(^ {23}\) Fourth, since the relations among the diverse actors in the EU are increasingly based on mutual dependence, they are typically nonhierarchical.\(^ {24}\) Fifth, the strengthening of neoliberal principles among the member states and EU institutions has favored a shift of emphasis
from redistribution to regulation. And finally, due to the shift in the EU's underlying ideology, market principles are increasingly regarded as the most suitable means of coordination.

Together these findings illustrate that the notion of EU regional governance matches in many ways the use of the concept at the national and subnational levels. At its core is the fragmentation of authority and resources among multiple governmental, semigovernmental, and non-governmental actors. In addition, the increased emphasis on devolution and market within the new public management is progressively reflected by institutions at the European level. However, the next section shows that similar developments can also be observed at the global level.

**Global Governance**

The application of the term governance to the global level has particularly increased since the early 1990s. Although the term *global governance* appears to suggest a world system or world society, the concept is typically, and hence also in this article, used to describe the increasingly regulated character of transnational and international relations. Most authors emphasize that global governance is concentrated in specific regions, such as the industrialized world, or in particular issue areas, such as trade and the use of the oceans. Leon Gordenker and Thomas Weiss define global governance accordingly as "efforts to bring more orderly and reliable responses to social and political issues that go beyond capacities of states to address individually. Like the NGO universe, global governance implies an absence of central authority, and the need for collaboration or cooperation among governments and others who seek to encourage common practices and goals in addressing global issues."

A number of explanations have been offered as to the origins of global governance. Some authors have linked the rise of global governance to the end of the Cold War and the greater willingness of governments to collaborate internationally. Others point out that the quantitative and qualitative growth of international institutions, rules, and regulations has been a long-term process that started at the beginning of the twentieth century. Nevertheless, there is an agreement that the process of institutionalization has accelerated. Three interrelated causes that mirror the origins of national and regional governance appear to have contributed to the progressive demand for global governance.

Most noticeable has been the growing pressure and awareness of global problems, such as environmental pollution, transnational crime, terrorism, infectious diseases, and migration, which can only be resolved through international cooperation. The process of globalization—that is,
the expansion of transnational contacts and international interdependence in trade, finance, technology, and security—has created or exacerbated many of these problems. As governments have recognized the limitations to their resources and capabilities in dealing with global issues, globalization has also contributed to the formation of networks among governments, international organizations, and nongovernmental organizations (NGOs) that engage in global governance. Thus, like national and regional governance, the rise of global governance arrangements seems to have been fostered in part by the processes of globalization and in part by national governments themselves through their adoption of neoliberal ideas that have encouraged greater use of private actors.

The characteristics of global governance arrangements vary widely. Most are concentrated around sets of states that share specific geographic, economic, and cultural similarities. However, even within these sets, governance is fragmented among governmental and nongovernmental actors at the national and international level. While states continue to play a central role in global governance, international organizations, NGOs, and multinational corporations increasingly participate in the formulation, implementation, and monitoring of international policies, rules, and regulations. Moreover, in the absence of a central authority in the international system and given shifting balances of power, the relationships between governmental and nongovernmental actors at the national and international levels are becoming complex and horizontal. In fact, not only has the control of governments over international and transnational affairs been curtailed by global interdependence, but their national sovereignty has also been challenged.

In comparison, global governance shows a considerable resemblance to national and regional governance arrangements. Specifically, global governance is characterized by the need for greater collaboration among governments and nongovernmental actors as the result of states being faced with new and growing demands on the one hand and shrinking resources on the other. The consistency of these similarities across levels of analysis supports the proposition that governance can be understood as a general phenomenon. The next part examines how this phenomenon might be defined.

Conceptualizing Governance Across Levels of Analysis

Contrary to the profusion of definitions and meanings of the term governance, the previous sections have demonstrated that governance at the
national, regional, and global levels displays many common characteristics. Core features include the fragmentation of authority and policy functions among governmental and nongovernmental actors and the preference for market solutions, as well as similar origins in the growth of global interdependence and the shift toward a neoliberal ideology. These commonalities suggest that governance, although implemented in different ways, may be understood as a universal phenomenon. Furthermore, they imply that governance may usefully be defined as a general concept that describes a specific set of policymaking arrangements across levels of analysis.

Two observations help pave the way for a general conceptualization of the phenomenon. First, the previous analysis demonstrates that the recent increase in the use of the term governance can be linked to a change in meaning. It challenges the definition of governance as a generic term synonymous with concepts such as political system or state structures, which appear to have prevailed in the academic discourse before the 1980s. The new uses of governance commonly refer to the fragmentation of political authority among governmental and nongovernmental actors at the national, regional, and global levels. They pose governance against government, which is understood as the centralization of authority within the state.

Second, the variety of institutions and modes of policymaking commonly associated with governance and government across levels of analysis suggest that both concepts are best perceived as ideal types. Even political systems described as centralized, such as the French, delegate some political authority to regional and municipal institutions. What identifies centralized and federal states as government rather than governance is the observation that political authority is predominantly divided among different government agencies rather than between governmental and nongovernmental actors. Similarly, governance arrangements incorporate a broad variety of modes that range from public-private partnerships to self-regulation. However, all of them are defined by the fragmentation of policymaking capabilities among a multitude of governmental and nongovernmental actors.

In terms of a general definition, governance can thus be understood as the structures and processes that enable governmental and nongovernmental actors to coordinate their interdependent needs and interests through the making and implementation of policies in the absence of a unifying political authority. Conversely, government is defined here as policymaking arrangements and processes that centralize political authority within the state and its agencies.
It should be noted that this definition of government as a particular set of policymaking structures and processes is distinct from the concept of government as an actor. To avoid confusion between these two meanings, in this article, the terms public and private actors denote governmental and nongovernmental agents, whereas government refers to policymaking systems.\(^{39}\)

However, to distinguish governance from government as two ideal types of policymaking arrangements these definitions need to be further specified. Notably, the question arises: In what dimensions is political authority centralized or fragmented? Given the commonalities in the literature on governance at the national, regional, and global levels, I suggest that government and governance can be understood as the ideal-typical poles of a continuum that differentiates centralized and fragmented authority along seven dimensions: geography, function, distribution of resources, interests, norms, decisionmaking, and policy implementation (Table 1).

Together these dimensions create a framework for the analysis of government and governance that can be applied across sectors and levels of analysis. Different arrangements of government or governance are possible within this framework, depending on the degree to which each dimension displays features more commonly associated with the ideal notion of government or governance. Most policymaking arrangements would be placed between the two poles, though usually more to one end than the other. However, it should be noted that not all dimensions

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apply equally to every policy sector or level. Some governance structures might, for instance, be defined not by a geographical dimension but in purely functional terms, such as the Convention on the Law of the Sea.

Examining the ideal-type notions commonly associated with government and governance, the following sections outline the scope of each dimension. They show how decisionmaking arrangements might be compared in their tendency toward the centralization or fragmentation of political authority in terms of these seven dimensions. Moreover, each section illustrates how the proposed framework can help to analyze the recent shift from government to governance at the national, regional, and global levels.

*Geographical Scope*

The geographical scope of a policymaking arrangement appears to be the most central dimension according to which governance is typically defined and distinguished from government. It concerns the territorial base of the actors involved in the making and implementation of policies and in the geographical extension of their authority. Government as an ideal concept is thus commonly associated with the centralization of political authority within the state. The political institutions on which government rests, such as parliaments, ministries, and other public agencies, are not only physically based but also limited in the scope of their political authority to the social and economic relations within a national territory. Even federal political systems fit this qualification since political authority is merely differentiated within national borders. In contrast, governance is defined by the fragmentation of authority among actors who may be located in or represent and regulate different geographical units across national and regional borders. Examples of such governance arrangements include cross-border regions in Europe and the global governance of international finance.

Applied to the analysis of the rise of governance since the 1980s, the geographical fragmentation of authority among public and private actors manifests itself in three ways: devolution “downwards” to subnational entities, “upwards” to the regional or global level, and “sideways” to private and voluntary actors, which may operate nationally, regionally, globally, or transnationally. The downward trend has been represented by the fragmentation of political authority among national, subregional, and local public agencies, such as city councils and regional assemblies. In both industrialized and developing countries, it has been exemplified by the attempt to implement public policies closer
The upward fragmentation toward macroregional or global institutions has been illustrated by the growing importance of macroregional and global institutions, such as the EU, the Organization for Economic Cooperation and Development (OECD), and the IMF. The sideways trend has been embodied in the outsourcing of policymaking and implementation from public to private actors and in the formation of public-private partnerships. Moreover, private firms and quasi-private institutions like Moody’s and the International Organization for Standardization (ISO) have become involved in national and transnational regulation.

**Functional Scope**

The second defining dimension of governance in comparison with government is the functional scope of a political structure. It pertains to the range of policy issues and sectors under the authority of a single political institution. Within government as an ideal type, this dimension is typically linked to administrative systems in which several issue areas are directly and centrally coordinated by a unified public agency, such as a ministry. In government, these agencies deal directly with the making and implementation of all relevant policies concerning the sector or sectors within its remit. Conversely, governance as an ideal concept is associated with policymaking arrangements in which different issue areas are regulated by multiple or separate specialized agencies. Moreover, these agencies are not necessarily public but include independent supervisory bodies, sectoral associations, and private institutions.

Looking at the emergence of governance arrangements, the functional dimension most noticeably indicates a shift from government through changes in the location and functional scope of the final authority that approves of and implements policies in particular sectors. Specifically, this dimension points to the observation that decisionmaking capacities that were previously reserved for higher, functionally inclusive agencies, are increasingly devolved to lower, functionally specific agents. In the national, regional, and global arenas, such a development toward governance has been associated particularly with hands-off regulation and self-regulation in finance, trade, and the environment. Furthermore, in the EU, a trend from centralized toward functionally specific authority can be observed in the Directorates General—the differentiation of decisionmaking procedures according to issue areas and the integration of sectoral interest representation across national boundaries. Finally, the growing number of international
regimes are most often defined in terms of separate "issue areas, although some seek to address cross sectoral issues."\textsuperscript{46}

\textit{Distribution of Resources}

The third defining dimension of governance concerns the distribution of resources. The third dimension applies not only to the question of who holds the resources required for the making and implementation of policies, but also to whether, to what degree, and with whom actors have to cooperate to resolve common policy issues. Thus, government as an ideal concept can be identified with political structures that control all or most policy resources necessary for the development of public policies. Moreover, high taxes and the nationalization of key sectors enable public actors in centralized government systems to implement their policies directly, whereas in the ideal forms of governance, policy resources remain dispersed among public and private actors who have to collaborate with each other in order to address common problems. Although public actors retain a key role in structuring political cooperation, private actors can crucially influence policymaking by using this resource dependence.

It is especially in this dimension that the proposed framework helps to analyze a shift from government to governance across levels of analysis. Notably, industrialized countries have abandoned policies that ensured the central control of key resources, such as nationalized industries in the energy, telecommunications, health, and security sectors.\textsuperscript{47} Instead, these states have adopted regulatory policies that control the indirect provision of public services by a multiplicity of private actors. Similarly, in the third world, where effective taxation and the central control over key resources have often been insufficient, greater reliance on private actors is advocated as the solution to ineffective public services.\textsuperscript{48} At the European level, the fragmentation of capabilities is even more complex, involving not only the member states, but also community institutions such as the EU Council of Ministers, the European Commission, and the European Parliament.\textsuperscript{49} Moreover, national interest groups, NGOs, private firms and quasi-private bodies play a crucial role in the implementation and monitoring of public policies, such as environmental protection, health, and policing, at all levels of analysis.\textsuperscript{50}

\textit{Interests}

In addition to material dimensions, government and governance are defined by the ideas that underlie their structures and processes at
different levels of analysis. In particular, the perception of how interests are distributed among actors and how differences of interest should be resolved is a central element in differentiating governance from government. Thus, the ideal notion of government seems to rest on the belief that the diverse interests of social, political, and economic actors can be reconciled within the nation-state. Moreover, where public and private interests differ, the ideal of centralized government presumes that individual preferences can and should be subordinated to the public interest. Conversely, the concept of governance acknowledges that actors' interests are heterogenous and sometimes conflicting. Moreover, rather than delegating individual interests to those of others, the ideal of governance is to ensure that actors can be as uninhibited as possible in pursuing their interests. Insofar as coordination is necessary, it is perceived to be best left to market forces or actors themselves.

Concerning the emergence of governance, this dimension suggests a change in the perception of interests at the national level through the abandonment of the notion of the public interest in favor of policies based on individualism and the market. In industrialized countries as well as in the World Bank–led structural adjustment policies in the third world, the public is increasingly viewed not so much as a coherent community, but as individual consumers with diverse demands that are better catered to by differentiated private services than by a unified public sector. At the EU level, a move away from national interests can be noticed in the Common Agricultural Policy and regional funds, which presumably serve not a national but a common European interest. In addition, the notion of national interests seems to be increasingly undermined by transnational global integration in the private sector. For instance, a growing number of multinational firms, NGOs, and corporate associations transcend national boundaries and represent their interests directly to international organizations, such as the UN and the Organization for Security and Cooperation in Europe (OSCE), rather than to national political institutions.

Norms

The perception of interests is closely linked to the norms that underpin the difference between government and governance as ideal concepts across levels of analysis. These norms can be defined in terms of centralization or fragmentation in that they either promote greater integration or prioritize the right of self-determination among public and private actors. Specifically, three sets of norms have been linked to the ideal of government during the second half of the past century: national
sovereignty, command and control, and redistribution. The opposing concept of governance is conversely identified with the limitation of national sovereignty, self-government, and the marketization of social relations.

An analysis of the rise of governance shows that each of the latter three principles can increasingly be found at the national, regional, and global levels, where they have been coined in terms of the new public management and good governance. Central to the shift from government to governance seems to be a devaluation of the norm of sovereignty and a scepticism toward political institutions. In the new public management and good governance debates, this challenge is represented by the call for anticorruption measures and the rule of law in industrialized and developing countries. In addition, this norm is represented by an emphasis on the capacity of the law to govern social relations and the growing role of constitutional and civil courts as well as the sub-ordination of the principle of state sovereignty to individual and human rights or to common international institutions.

Related to the belief that the centralized state is not the most effective and efficient arrangement for making and implementing public policies is a shift toward the norm of self-government. The new public management and good governance models specifically suggest the devolution of political authority among public and private actors at the subnational, regional, and global levels and the increase in civil society participation. At the national level, these changes have been implemented through decentralization, sectoral self-regulation, and the self-government of public institutions such as schools, universities, and hospitals. At the regional level, the fragmentation of political authority has been adopted as a subsidiarity principle in the Maastricht treaty, which states that action to achieve a particular policy objective should be taken at the most appropriate level. Finally, at the global level, the absence of an overarching authority has fostered the image of self-regulation as the most suitable mechanism in areas such as the environment and international commerce.

The most important development concerns an increased belief in market solutions, although it should be noted that since the late 1990s, some doubts concerning this belief have been raised in industrialized and developing countries and among international institutions. The basis for this belief rested with the new public management and the good governance models that suggested that market mechanisms can not only provide more efficient and effective public coordination, but also increase political transparency and accountability through internal or external auditing. Associated with this trend has been, nationally,
the drive toward privatization, outsourcing, and the introduction of private sector management principles, such as performance incentives and internal markets, into the remaining public services.\textsuperscript{65} Regionally and globally, the shift from government and governance has been embodied in a preference among key industrialized nations for the regulation of private sector provision over command and control and the strengthening and expansion of the market and free trade through the EU, North American Free Trade Agreement (NAFTA), the World Trade Organization, and the IMF.\textsuperscript{66}

\textit{Decisionmaking}

More practically, government and governance are defined by differences in the decisionmaking process. Decisionmaking processes that are associated with government are ideal typically described as hierarchical within states and defined by formal equality and consensus among states.\textsuperscript{67} The highest decisionmaking authority within these systems rests with national public agencies, while subnational or international decisionmaking bodies are subordinate to its central authority. From this subordination to state sovereignty, it then follows that intergovernmental decisionmaking should be based on formal equality and consensus.

Governance, on the contrary, in its ideal notion, is characterized by the horizontal dispersion of decisionmaking authority among a broad number of public and private actors at different levels.\textsuperscript{68} Often described as networks, these policymaking arrangements include state agencies, national and transnational interest groups, and international organizations. As a result of the horizontal relations among these actors, decisionmaking in governance ideal typically proceeds through negotiation. Furthermore, in the global arena the weakening of the principle of state sovereignty allows for nonconsensual decisionmaking arrangements, such as qualified majority voting or the "consensus minus X" principle.

Analytically, this dimension illustrates that any shift toward governance in the previous dimensions is directly reflected by modifications of decisionmaking processes across levels of analysis. Specifically, the fragmentation of resources through privatization, outsourcing, and the indirect regulation of policy sectors appears to have fostered horizontal decisionmaking arrangements among public and private actors in a variety of areas ranging from transport to telecommunications. At the regional level, the growth of horizontal decisionmaking arrangements has been associated with the rise of multilevel governance in the EU. In addition, a change in decisionmaking can be noted with the adoption of
qualified majority voting and the weighting of votes within in the EU and the "consensus minus X" principle within the OSCE.  

**Implementation**

The final defining distinction between government and governance pertains to the questions of who implements policies and how. In government, policy implementation ideal typically tends to be centralized, authoritative, and, if necessary, coercive. Specifically, centralized government is associated with the nationalization of key industries and the direct provision of public services, such as health and education, through hierarchically structured institutions. Moreover, the traditional ideal conception of government presumes the administrative supervision and enforcement of public regulation.

In governance arrangements, by comparison, implementation is typically described as decentralized, voluntary, and self-enforced. Governance usually involves a multiplicity of public and private actors who hold the specific resources required for the functioning of a particular policy. Furthermore, the policies that define the interactions among social actors in ideal-typical governance arrangements are self-enforced, and compliance is voluntary.

In the analysis of the trend from government to governance, this dimension points to a number of developments at the national, regional, and global levels. Among industrialized countries, a trend toward governance arrangements in the implementation of policies can be noted in the withdrawal of European states from direct intervention into the market and the increasing role of independent agencies in monitoring public policies. Among developing nations, the fragmentation of policy implementation can be linked to the failure of the developmental state and the public sector programs of the IMF and the World Bank in the 1990s. Moreover, this shift can be identified with the growing popularity of self-enforcement mechanisms and voluntary agreements, such as codes of practice, at the national, regional, and global levels.

**Conclusion**

While governance can take on a broad variety of features, depending on the level of analysis and the particular sector, the preceding analysis shows significant commonalities in at least seven key dimensions. These dimensions include the geographical and functional scope of policymaking, the
distribution of resources, the perception of interests, underlying norms, and the structure and processes that define making and implementing policies. For each, governance arrangements are defined by the diffusion of political authority. Moreover, in each dimension, governance can be distinguished from government when the latter term is defined as the ideal of centralized political authority within the state. In order to accommodate both the variety and commonality of governance structures and processes across levels of analysis, this article has proposed conceiving of governance and government as two ideal–typical poles on a scale that differentiates fragmented from centralized policymaking. It is difficult to specify which or how many dimensions have to be fragmented to qualify a policymaking arrangement as governance rather than government, not least because the institutions and practices in each dimension are dynamic and constantly evolving. Separate dimensions may proceed either toward greater fragmentation or toward integration. In fact, different dimensions might display countervailing trends.

Nonetheless, the ideal-type definition of governance has several advantages. Most important, it allows governance to be understood as a general phenomenon. It not only helps to address the conceptual confusion within and across levels of analysis, but it also facilitates new research into the nature of governance. In particular, a common understanding of governance encourages the comparison between governance arrangements at the national, regional, and global levels as well as helps to determine the suitability of specific governance mechanisms across sectors and levels. Furthermore, it raises the question of whether governance failures encountered at one level might come to affect others. Indeed, a common definition of governance might help identify solutions to these problems by suggesting research into the applicability of particular compensation mechanisms across levels of analysis.

In addition, using government and governance as ideal–typical poles at either end of a continuum ranging from centralization to fragmentation permits an analysis of the transformation of political authority at the national, regional, and global levels. In particular, this definition suggests that the rise of governance in practice and as a theoretical concept across levels of analysis, which was traced in the first part of this article, can be understood as a common development. Moreover, this definition suggests a research design that compares the emergence of governance arrangements not only across sectors, but also across the national, regional, and global arenas. Such a research project could help identify which areas or levels have progressed most toward governance across the dimensions, thereby providing new insights into the spread of governance processes and mechanisms. Specifically, it would investigate
why some systems have progressed more toward governance than others and thus help explain the emergence of governance itself. ♦

Notes

Elke Krahmann is a lecturer in international relations at the University of Bristol, UK. She is the author of Multilevel Networks in European Foreign Policy (2003) and has published articles on governance and security in journals such as International Affairs and Cooperation and Conflict. Her latest research project examines how the concept of governance can help explain the growing role of private military companies in Europe and North America.


13. Other governments, such as Denmark and Germany, have been more reluctant to adopt governance arrangements. See Peter Munk Christiansen, "A Prescription Rejected: Market Solutions to Problems of Public Sector Governance," *Goverance* 11, no. 3 (1998): 273–295.


19. Ibid.


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48. Davis, Holme, and Woodhouse, "Decentralisation by Default."


64. Peter Blunt, “Cultural Relativism, ‘Good’ Governance and Sustainable Human Development”: 6


