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Modes of Governance: A Note Towards
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Modes of Governance: A Note Towards Conceptual Clarification

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Abstract

Recently, political science has seen an intense debate about the phenomenon of “governance”. The aim of this paper is to clarify the basic concepts that are at the heart of this debate, notably “governance” and “modes of governance”. It argues that most contributions share a common concern for the relationship between state intervention and societal autonomy. But different strands of the literature highlight different facets of this continuum. Existing understandings may be classified according to whether they emphasise the politics, polity or policy dimensions of governance. We use these categories to present a structured overview of different dimensions of modes of governance as they may be found in the literature. In this context, we argue that the classification of modes of governance as “old” or “new” is of little analytical value. Some modes of governance may have been relatively new in some empirical contexts. But the same governing modes may turn out to be long-established practice in other areas. Moving from individual dimensions to systematic classification schemes and typologies of modes of governance, the paper highlights a number of shortcomings of existing schemes and suggests an approach that could avoid these weaknesses. As a first step in this approach, we take a closer look at different policy properties of governance and develop a systematic typology of four modes of governance in the policy dimension: coercion, voluntarism, targeting and framework regulation.

Keywords: governance, policy analysis, European law, open co-ordination, policy learning, national autonomy, interest intermediation, corporatism, pluralism, networks

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1 Introduction¹

In recent years, political science has seen an intense debate about “governance” and changing “modes of governance” (for an overview, see Kersbergen and Waarden 2004; Kooiman 2003; Mayntz 2004; Pierre 2000a). This debate has also spread into EU research (see e.g. Eberlein and Kerwer 2002; Héritier 2002; Héritier 2003; Joerges, Mény and Weiler 2001; Knill and Lenschow 2003; NEWGOV 2004). However, the existing literature associates a wide variety of different phenomena with these concepts, ranging from different institutional structures and actor constellations in political decision-making to varying types of policy instruments. It has been argued in the context of the corporatism debate that the ambiguity of the notion may have contributed to its abundant popularity (Czada 1994; Streeck 1994). This might also hold true for the more recent governance debate. Nonetheless, bringing some order to chaos could improve the potential for constructive and additive research in the field without diminishing the overall fascination with “governance” as an object of study.

This paper thus aims to clarify the two core concepts that are at the heart of this debate, notably “governance” and “modes of governance”. It argues that most contributions share a common concern for the relationship between state intervention and societal autonomy. But different strands of the literature highlight different facets of this continuum. Existing understandings may be classified according to whether they emphasise the politics, polity or policy dimensions of governance. We use these categories to present a structured overview of different dimensions of modes of governance as they may be found in the literature. This overview defines the “universe” within which research on governance may be located. In this context, we argue that the classification of modes of governance as “old” or “new” is of little analytical value. Some modes of governance may have been historically relatively new in some empirical contexts, which explains why researchers chose to label them “new”. But the same governing modes may turn out to be long-established practice in other areas. This underlines the fact that we need *analytical* categories that describe the typical properties of governing modes rather than labels that refer to the point of time of their occurrence in specific empirical contexts.

In addition to the structured assembly of different dimensions of modes of governance, this paper addresses attempts at creating classification schemes and typologies that systematically combine different dimensions of governance. We show that some of the existing schemes are flawed in that they mix up explicit and implicit dimensions. This analytical fuzziness makes these classification schemes hard to apply in practice. We propose a two-step approach to classification. In a first step, modes of governance should be addressed with a focus on the politics, polity and policy dimensions separately. Possible relations between the three major dimensions could be explored in a second step. As part of the first step, the paper takes a closer look at different policy properties of governance and suggests a typology of four

¹ This paper originates from a project that is embedded in the pan-European research consortium NEWGOV (New Modes of Governance), which is funded by the European Union under the Sixth Framework Programme. Our primary goal is to clarify some of the core concepts underlying this Integrated Project, but we also aim to contribute to the wider debate on governance within political science. We thank the anonymous referee for very helpful comments.

different modes of governance in the policy dimension. This typology may be used to track down changes in the way the EU is trying to reach its diverse policy goals.

In order to set out the argument, the next section (2) discusses different definitions of governance to be found in the literature. Section 3 presents a structured overview of different modes of governance. Section 4 then moves from individual dimensions to classification schemes and typologies. It highlights a number of weaknesses of existing schemes and suggests an approach that could avoid these weaknesses. As a first step in this approach, section 5 develops a systematic typology of four different modes of governance. In section 6, finally, we summarise our main arguments and provide a short outlook as to how the conceptual clarifications offered in our paper might be used in a fruitful way by other researchers in the field.

2 Definitions of Governance: Politics, Polity or Policy

A recent textbook identifies the core meaning of governance as *steering and coordination of interdependent (usually collective) actors based on institutionalised rule systems* (Benz 2004). This definition seeks to cover all three understandings of the concept that have so far been presented in the literature. These different understandings depend on whether governance is seen as belonging primarily to the realms of politics, polity or policy.

1. Beate Kohler-Koch relates governance to the politics dimension and to the process of policy-making. "In essence, 'governance' is about the ways and means in which the divergent preferences of citizens are translated into effective policy choices, about how the plurality of societal interests are transformed into unitary action and the compliance of social actors is achieved" (Kohler-Koch 1999). In the European Union (EU), "network governance" is assumed to be the predominant type of governance as distinguished from "statism", "pluralism" and "corporatism" (Eising and Kohler-Koch 1999). The crucial criterion to distinguish different types of governance is thus the relationship between public and private actors in the process of policy-making. This places the concept in the context of terms like interest intermediation or public-private relations.

2. Following Rosenau (1992), Renate Mayntz conceives of governance as a system of rules that shapes the actions of social actors. The governance perspective is thus explicitly conceptualised as an institutional one (Mayntz 2004). Different modes of governance are situated on a spectrum that is delineated by the two opposing ideal types of "market" and "hierarchy". Between these two types, a further set of modes of governance can be identified, like "community", "associations" and "networks" (Schneider and Kenis 1996). It has to be noted, however, that these types are seen as "ideal types" rather than "real types". Empirically, only hybrid forms may be found since one mode of governance always entails elements of other modes of governance. Otherwise, effective steering and co-ordination would not be possible, e.g. markets have to rely on a hierarchical authority in order to ensure that contracts are adhered to (Streeck and Schmitter 1985).

3. Adrienne Héritier defines governance as "mode of political steering" (Héritier 2002). Hence, governance primarily refers to the policy dimension. Policies can be distinguished according to their steering instruments. These steering instruments

define how particular policy goals should be achieved (Windhoff-Héritier 1987). The state can apply different types of more or less heavy-handed instruments in order to achieve certain societal outcomes: command and control, incentive and supply, information, deliberation and persuasion, as well as all forms of social influence and control (Baldwin and Cave 1999; Windhoff-Héritier 1987).

4. In addition to the distinction of governance according to politics, polity and policy, a broad and a restricted way of defining governance may be distinguished. “In the encompassing sense it [governance] implies every mode of political steering involving public and private actors, including traditional modes of government and different types of steering from hierarchical imposition to sheer information measures” (Héritier 2002). In the restricted sense governance entails only “types of political steering in which non-hierarchical modes of guidance, such as persuasion and negotiation, are employed, and/or public and private actors are engaged in policy formulation” (Héritier 2002). The narrow definition of governance is explicitly established in opposition to traditional, hierarchical steering instruments. However, a narrow understanding of governance would complicate the task of analytically grasping a broad range of different decision-making patterns and policy outputs. To include not only non-hierarchical, co-operative and soft modes, such a classification scheme would have to refer to “modes of governance and government” (Héritier 2002), the latter covering the more hierarchical, etatist and heavy-handed end of the continuum. To avoid this complication, the following analysis is based on an encompassing understanding of governance.

3 Modes of Governance: An Overview of Existing Conceptions

As is true for the general concept of governance, there are various conceptions of what should be considered different modes of governance. This section presents an overview of possible dimensions of the concept based on the existing literature and on our own theoretical considerations. As the focus of our own research is on the EU, this discussion will primarily centre on examples taken from the EU context. Nevertheless, the dimensions presented below could also be used to analyse governance at the domestic or international levels.

This overview is not intended to be a haphazard shopping list compiling all possible dimensions that could be used to characterise decision-making processes and the related policy outputs. Instead, we strive for a systematic and focused stock-taking exercise. Therefore, we need a criterion that defines which dimensions should be included and which ones should not. In this context, we argue that the common focus of most, if not all, contributions to the governance debate is on “the role of the state in society” (Pierre 2000b). In other words, scholars interested in governance usually look at aspects of the relationship between state intervention and societal autonomy. To avoid concept stretching (Sartori 1970), we exclude all dimensions from our overview of modes of governance which cannot be located on this continuum between public authority and societal self-regulation. For example, decision-making processes may be classified according to the main interaction orientations that prevail among actors, ranging from bargaining to arguing or deliberation. Yet, this does not belong to the realm of governance as we understand it, which is why we exclude this category. The same is true for a number of dimensions of modes of

governance that have been suggested in the literature. For example, Grosse (2005) points to the degree of transparency of public administrations as one property of modes of governance. Walker (2005) distinguishes between “focus on administration and institutions” and “focus on outcomes and policies”. As these dimensions do not appear to relate to the intensity of state intervention, we also exclude them from our overview.

In addition to providing a criterion that distinguishes between modes of governance and other characteristics of collective decision-making, we organise the different modes in a structured fashion. While the governance debate as a whole revolves around issues of state intervention and societal autonomy, different strands of the literature have focused on different facets of this phenomenon. As we have already shown above, the different approaches can be organised according to whether they highlight elements of the politics, polity and policy dimensions (see Figure 1 for an overview).

Figure 1: Existing Conceptions of Modes of Governance

Modes of Governance in the Policy Dimension

1. *Legal bindingness versus soft law*: In terms of policies, policy outputs can either bind member states or private actors to pursue particular reforms or merely make suggestions that may be followed by the norm addressees voluntarily. Policy outputs in the form of regulations, directives, and decisions are legally binding for the member states and for private actors, whereas policy guidelines such as those issued in the framework of the European Employment Strategy only have the character of non-binding recommendations (see e.g. de la Porte and Pochet 2002; Mosher and Trubek 2003; Pochet 2005). Recent EU labour law has even seen a mixture of binding and non-binding provisions within a single policy instrument. The Directives on Parental Leave and Part-time Work, for example, lay down binding standards, but they also include a number of recommendations that member states and employers may or may not respect (Falkner, Treib, Hartlapp, and Leiber 2005).

2. *Rigid versus flexible approach to implementation*: Closely related (but not identical) to the first criterion, policy outputs may either rely on a rigid mode of implementation, defining detailed standards without much flexibility, or they may leave norm addressees and implementing actors more leeway in adapting them to local circumstances or individual interests, e.g. by providing a range of alternative options to choose from, by offering possibilities to derogate from individual provisions or to exempt certain groups of persons or branches of the economy etc. from being covered by the rules. In EU social policy, the Regulations on Driving Hours in Road Transport (1985) are a good example of policies with a rigid mode of implementation. This is already evident from the legal instruments used – directly applicable regulations rather than directives that have to be incorporated into domestic legislation by member states. Moreover, the regulations define very detailed standards and leave few opportunities for derogation or exemption (Butt Philipp 1988). Implementation of the European Works Councils Directive (1994), in contrast, was much more flexible, leaving member states and private actors a range of options to choose from (see e.g. Streeck 1997). The directive required large trans-national companies to establish

mechanisms of information and consultation of employees. However, it only defined a number of minimum requirements as to what these mechanisms should look like, and it allowed existing schemes of information and consultation to be maintained unchanged even if they did not comply with these minimum requirements. Instead of imposing a one-size-fits-all solution for all, both member states and companies were offered a range of choices in implementation.

3. *Presence versus absence of sanctions*: Policies also differ with regard to their enforceability (Abbott et al. 2000; Goldstein, Kahler, Keohane, and Slaughter 2000; Walker 2005). Community law may usually be enforced by the Commission and the European Court of Justice. If member states fail to comply with EU law, the Commission can initiate an infringement procedure which may lead to a judgement by the ECJ and, ultimately, to heavy financial sanctions. However, certain EU policies may not be enforced through this procedure. This is true for the Common Foreign and Security Policy, Justice and Home Affairs (where the ECJ has powers to interpret legal acts but not to act against non-compliant member states) and for all non-binding policies, e.g. in the framework of OMC.

4. *Material versus procedural regulation*: Policies may either set material standards, or their focus may be a procedural one. EU environmental policy has long been marked by detailed material standards. For example, the Directives on Bathing and Drinking Water (1975 and 1980) define specific standards on water quality in the form of maximum concentrations of toxic substances (Jordan 1999). Many of the so-called “new instruments”, in contrast, have their focus on the establishment of certain procedures that are thought to raise environmental awareness and to strengthen the role of environmental groups (Knill and Lenschow 2000b). Examples for this new approach are the Directives on Freedom of Access to Environmental Information (1990) and Environmental Impact Assessment (2001).

5. *Fixed versus malleable norms*: This dimension refers to the more or less fixed and context-dependent character of the norms included in a particular policy instrument. Walker (2005) refers to “new governance” as comparatively more open-textured, revisable and integrated with other norms and policies.²

Modes of Governance in the Politics Dimension

6. *Only public actors involved versus only private actors involved*: Governance can be regarded as a decision-making system that provides for the involvement of different kinds of actors. We have not found any sub-dimensions of the politics facet of governance in the literature. Two extreme poles can be distinguished: Either only public actors or only private actors are involved in policy-making. On the one hand, a hierarchical state leaves the policy process to public actors. On the other hand, only private actors are involved in self-regulation by firms without state intervention or in self-organisation of communities. Between these two poles there are several modes of governance which involve both public and private actors, like different forms of “policy networks” (Marin and Mayntz 1991) or bureaucracies that have been restructured according to the New Public Management approach which entrusts formerly public tasks to private businesses (Kersbergen and Waarden 2004; Mol,

² Another category of Walker is whether there is a hierarchy of norms versus a “heterarchy and interaction (web) of norms”. This seems to refer to a different level of analysis not judging individual norms but the entire class of norms, which is why we do not include it in our figure.

Liefferink, and Lauber 2000). Empirically, there is not any mode of governance that includes either only public or only private actors. It can only be stated that a certain type of actor is predominant. Using the classification of Wolfgang Streeck and Philippe C. Schmitter, for example, the state is dominated by public actors, whereas in markets private actors prevail. Private interest government can be located on the continuum between these two types of social order (Streeck and Schmitter 1985). Even processes of private self-regulation may be influenced by the state, since they often emerge only under the threat of state intervention (Héritier 2002; Mayntz and Scharpf 1995).

Modes of Governance in the Polity Dimension

7. Hierarchy versus market: Irrespective of whether public or private actors are involved in decision-making, the institutional structure of their interactions can either be hierarchical, which gives one or a few actors the possibility to reach collectively binding decisions without the consent of the others, or it can resemble a market structure, where every actor remains free to choose their desired courses of action. In between these opposing extremes, there may be several other types of institutional structures. The most prominent of these is the network structure, which denotes a non-hierarchical constellation of interdependent actors with varying power resources (for an overview of different institutional structures among actors, see Scharpf 1997).

8. Central versus dispersed locus of authority: A related institutional dimension is whether the locus of authority is centralised or dispersed. This concerns the horizontal (among central state actors) as much as the vertical dimension (among territorial units or boundaries of the state). Neil Walker (2005), for example, has included this dimension in his overview of characteristics of “new” and “old” governance.³ Grosse (Grosse 2005) also discusses centralised intervention versus decentral action as opposing ideal-types.

9. Institutionalised versus non-institutionalised interactions: Finally, modes of governance may be distinguished according to the degree of formal institutionalisation of decision-making and implementation processes (Wessels 2005). In the EU context, some of the governance mechanisms discussed under the heading of new modes of governance, especially many of the OMC processes, are marked by less institutionalised procedures since they are not based on the Treaties. The decision-making and implementation procedures are thus not constitutionally specified, which allows for more flexibility. In contrast, ordinary Community legislation typically is based on the Treaties, with relatively clear rules as to who is involved in decision-making, how decisions may be reached, how they have to be implemented and who is in charge of monitoring compliance.

Readers may have noticed that our overview avoids the fashionable labels of “old” and “new” modes of governance. This is because we think it more appropriate to use *analytical* concepts to classify modes of governance than categories that describe the historical occurrence of certain phenomena within a particular field of study. Whether a given mode of governance is “new” or “old” is an empirical rather than an

³ The same author has pointed to the differing styles of state intervention in the sense of “command and control” versus a more “mediating” state. We subsume this dimension under the “hierarchy versus market” dimension.

analytical question. It requires a more detailed specification of the period of time that is deemed “recent” or “long ago”. Should we consider a mode of governance new if it emerged within the last five or ten years, within the last two or three decades, or within the last century? The last two or three decades probably come closest to the implicit understanding in much of the literature. But it still remains a matter of perspective. After all, the founding of the European Community as a whole, including all of its modes of supranational governance, might be regarded a rather recent phenomenon by many historians. Moreover, the question of whether a mode of governance should be considered “old” or “new” also depends on the specific policy area one is focusing on. Many supposedly innovative forms of governance, which owe their being labelled “new” to the fact that they occurred rather recently in one particular field of study, may turn out to be quite old in other contexts (this point was also highlighted by Monar 2005).

As an illustration, consider the example of interest group participation in EU policy-making. Since the Maastricht Treaty, EU-level organisations of labour and industry have assumed the role of formal co-legislators who are able to negotiate on the contents of EU directives in the field of EU social policy (Falkner 1998). Due to the important role of private actors in public policy-making, Adrienne Héritier treats the voluntary negotiations of EU social partner organisations on agreements that may then be turned into legally binding Directives as a new mode of governance (Héritier 2003). Yet, the tradition of rather intense social partner involvement in this policy area goes back far beyond the early 1990s. Moreover, co-operative or even outright corporatist patterns of interest intermediation at the European level seem to have existed, at least to some degree, for decades in fields like the Common Agricultural Policy as well (Grant 1993; Kirchner and Schwaiger 1981; Sargent 1985; Schwaiger and Kirchner 1981). This is all the more true if we turn our attention to the domestic level. In countries like Denmark, Sweden or Austria, the intense involvement of social partners in social and economic policy-making can hardly be seen as a recent phenomenon – at least if “recent” delineates a time span covering the last half century or so. In Austria, for example, social partnership rather seems to have been in retreat recently (Tálos and Kittel 2001).

An encompassing, yet structured, tableau of different understandings of governance and modes of governance, as we have tried to present above, is useful for heuristic purposes and represents a necessary first step to ensure that scholars interested in governance talk about the same things. It almost goes without saying that the multiplicity of dimensions implies that there are probably many hybrid forms of governance modes that combine elements of different dimensions. As argued by Rhodes (2005), “some of the most fascinating puzzles may be found at the boundaries of governing modes, both old and new, where they overlap, merge into one another and develop hybrid forms”. This is certainly true for different sub-dimensions of modes of governance within the three major dimensions of politics, polity and policy. Below, we will present a typology that systematically combines two important sub-dimensions of modes of governance in the policy dimension. But empirical overlaps may also exist across the politics, polity and policy dimensions. For example, policy networks usually consist of both public and private actors (politics), and they are characterised by a non-hierarchical institutional decision-making structure (polity). One interesting question in this context would be whether such “real types” of modes of governance in the politics/polity dimension also produce charac-

teristic modes of governance in terms of policy outputs. The following sections discuss how research on governance could deal with these issues in a constructive way.

4 A Two-Step Approach to Classification

So far, we have shown that there are many different individual aspects of governance, ranging from institutional properties to actor constellations and policy instruments. All of these dimensions may legitimately serve as a basis for classifying different modes of governance and for analysing changes in governance modes over time. This does not mean, however, that we should mix up all kinds of different aspects in our analytical schemes. This becomes particularly relevant if we want to move from classifying on the basis of individual dimensions, as they are outlined in Figure 1 above, to building analytically meaningful classification schemes and typologies of different modes of governance. If these are to be useful, they should be built upon a limited number of clearly specified dimensions. Unfortunately, this is not always the case, as may be illustrated by two examples that we have found in the literature.

1. The first example is taken from the “Description of Work” of the trans-European research consortium NEWGOV. It provides a classification and a typology of modes of governance. The classification is built on a continuum ranging from soft modes that are exclusively in the competence of governments to hard modes characterised by hierarchy. This continuum also entails the distinction between Treaty-based and non-Treaty-based modes of governance. While two classes of soft modes have no basis in the Treaties, all the others are Treaty-based. These modes of governance are put in relation to policy domains that are characterised by one mode of governance (NEWGOV 2004). The classification may certainly serve the purpose of a first organisation of the research subject. However, the classes refer to different properties of governance, e.g. the open method of co-ordination contains several soft steering instruments like common guidelines, periodic monitoring, evaluation and peer review (Borrás and Jacobsson 2004), hierarchy is mainly regarded as an institutionalised rule structure and the community method is a particular mode of policy-making in the EU (Wallace 2000).

An elaboration of the classification is provided by a typology formed by the dimensions of “actors involved” and “steering modes” (NEWGOV 2004). Table 1 reproduces this typology.

Table 1: Modes of Governance According to NEWGOV’s “Description of Work”

Like the classification, the typology has some inherent weaknesses. First, steering modes, as conceptualised in the typology, are not one-dimensional. Hierarchical vs. non-hierarchical modes of governance and arguing vs. bargaining constitute two

different dimensions.⁴ The first dichotomy refers to the rule structure and the second to the mode of interaction. Both bargaining and arguing may take place within hierarchical structures as well. Second, although the typology seems to pinpoint different institutional structures and different actor constellations, it also contains issues that belong to the policy dimension. In particular, “benchmarking” seems to be a category that denotes a certain policy instrument rather than a mode of interaction. After all, benchmarking is not restricted to public-private networks, but could well be practiced among governmental actors as well – as is the case within the OECD, for example.

2. The second example consists of Knill and Lenschow’s (2003) typology, which is deemed to reflect the policy dimension of governance. On the basis of the dimensions “level of obligation” and “level of discretion”, they identify four modes of regulation: regulatory standards; new instruments; self-regulation in the shadow of the state; and the open method of co-ordination (see Table 2).

Table 2: Modes of Regulation According to Knill and Lenschow

The conception of Knill and Lenschow is a promising point of departure for all those who want to focus on the policy characteristics of modes of governance. However, the typology gives examples for policy instruments that represent each mode of governance instead of providing general types. Moreover, their definition of the level of obligation and discretion has no uniform point of reference. The typology refers to the leeway of member states in the implementation of EU rules on the one hand and to the degree of autonomy of private actors at both EU and national levels vis-à-vis public intervention. It is thus based on three dimensions instead of two: legal bindingness, flexibility of implementation and public-private relations. This is also evident from the description of the category “new instruments”, which, as the authors openly admit, consists of “a mixed bag of regulatory tools” (Knill and Lenschow 2003; 2004). It comprises policies described as “framework regulation”, which leave *member states* a high level of discretion. Moreover, it covers “economic” and “communicative” instruments, which are less heavy-handed than traditional legislation vis-à-vis *economic and societal actors*.

These examples illustrate that in order to classify modes of governance, our categorisation schemes should include sharply delimited dimensions. At the same time, they should not become overtly complex; that is, they should probably not include more than two or three different dimensions. One promising way to proceed in this situation is to follow a two-step approach. In the first step, we could develop separate classification schemes for the politics, polity and policy dimensions and to use these schemes as the basis for our empirical investigations. It seems wise, therefore, to begin by looking at (changing) modes of governance in terms of policy instruments without simultaneously taking into account what kind of actors were involved in, and what kind of institutional conditions structured, the production of

⁴ It should be added that according to our conception, arguing and bargaining are not even appropriate characteristics of governance, as they do not relate to the relationship between state intervention and societal autonomy (see above).

these policy instruments. Conversely, tracking down different styles of decision-making in terms of actor constellations or institutional structures is best done without simultaneously including the types of policies that are the result of decision-making. In a second step, the different findings from the three dimensions could be combined. It may or may not turn out empirically that certain modes of decision-making are likely to produce certain policy outputs, and it would be desirable to look for such possible clusters of different kinds of governance modes – but only as a second step of analysis.

5 A New Typology of Modes of Governance in the Policy Dimension

In order to give an example of what such a clearly defined typology that focuses on one of the three major aspects of governance could look like, we present a new typology of four modes of governance in the policy dimension. Other typologies focusing on actor constellations and institutional structures could follow. For the purposes of this paper, however, we will restrict ourselves to taking a closer look at types of governance modes in the policy dimension.

The following typology takes the modes of regulation identified by Knill and Lenschow as a starting point, but leaves out the hidden dimension of “public-private relations”. Hence, we identify modes of governance according to whether they are based on legally binding provisions or soft law and whether they involve a rigid or a flexible approach to implementation (see Table 3). We argue that these two criteria grasp the most crucial dimensions of different policy instruments as they are currently discussed in EU research. Binding provisions refer to legal acts, namely regulations, directives, and decisions. Non-binding instruments are recommendations, opinions, and such non-binding acts as “conclusions” and “declarations”. However, we should be aware of the possibility that legally binding instruments may nevertheless entail soft law. A flexible approach to implementation leaves member states considerable room for manoeuvre in incorporation and application of commonly agreed provisions, e.g. by offering exemption and derogation possibilities or by allowing member states to choose from a variety of possible policy options. A rigid approach to implementation, in contrast, defines unequivocal standards to be fulfilled in a uniform fashion across all member states.

Table 3: A New Typology of Four Modes of Governance

Four modes of governance can be identified:

1. *Coercion* is characterised by binding legal instruments prescribing detailed and fixed standards that leave little leeway in implementation. This mode of governance is least flexible in that it entails fully binding and highly prescriptive pieces of EU legislation. In other words, it is most intrusive in terms of EU intervention vis-à-vis domestic societies. The regulations on drivers’ hours (1969) and tachographs (1970) in road transport could be named as examples of this mode of governance. Both

regulations gave rise to major implementation problems due to their detailed and rigid provisions (Butt Philipp 1988).

2. *Voluntarism* is the complete opposite of this traditional mode of steering. It is based on non-binding instruments and only defines broad goals that member states may specify in implementation. The broad and legally non-compulsory guidelines that have characterised much of the processes in the framework of the open method of co-ordination are the best example for this type of governance. They are not only legally non-binding, but they typically also define policy goals to be achieved rather than concrete reforms to be initiated, leaving it up to the member states to define how to achieve these goals. Therefore, this mode of governance is the one with the lowest level of supranational intervention.

3. *Targeting* is slightly more intrusive vis-à-vis member states. It also uses non-binding recommendations, but these recommendations are more detailed and thus leave less room for manoeuvre for specification at the implementation stage than is true in the case of voluntarism.⁵ Some of the non-binding recommendations contained in recent social policy directives may serve as an illustration. For example, the Part-time Work Directive recommends that employers should, as far as possible, accept requests from employees to transfer from full-time to part-time work and vice versa. To that end, employers are called upon to provide timely information on vacant full-time or part-time jobs in their enterprises (Falkner, Treib, Hartlapp, and Leiber 2005).

4. *Framework regulation*, finally, remains within the realm of binding law. Unlike coercion, however, it offers member states more leeway in implementation, e.g. by defining only broad goals to be specified by member states, by presenting a range of policy options to choose from. In the field of EU labour law, many recent Directives are characterised by considerable amounts of flexibility. Above, we have already mentioned the European Works Councils Directive, which is one particularly good example of this type of governance mode. Other examples have been identified in environmental policy (Knill and Lenschow 2000a). The level of EU intervention of this mode of governance is thus higher than in the case of the non-binding policy instruments included in the categories of targeting and subsidiarity, but lower than in coercion.

In our view, this typology is a good starting point to map the changes in modes of governance in the policy dimension. A classification of the EU's policy outputs on the basis of this typology could shed new light on differences in the way the EU tries to reach its policy goals in different policy areas, and it could reveal changes in the level of intrusiveness of EU policy-making over time.

⁵ It is true that benchmarking is somewhat similar. However, benchmarking typically involves goals with a variety of dimensions. Therefore, multidimensional "models" are typically recommended. This makes the overall recommendation more blurred, in particular where contradictory goals are at stake. Targeting, as we understand it here, rather highlights one clear goal involving only one dimension, which makes the enterprise comparatively more rigid.

6 Conclusion and Outlook

The goal of this paper was to clarify the basic concepts underlying the governance debate that has been going on for a couple of years now, notably “governance” and “modes of governance”. We showed that there are many different conceptions of governance in the literature, and we demonstrated that there are even more understandings of different modes of governance. Our “hub and spikes figure” provides a structured illustration of the different dimensions attributed to “modes of governance” in the literature (see Figure 1). Three important points should be highlighted in this context: First, the unifying element of most contributions is that they refer to the relationship between state intervention on the one hand and societal autonomy on the other. Second, different strands of the literature have focused on different facets of this relationship. Accordingly, our overview is organised according to a conception of governance that encompasses institutional properties (polity), actor constellations (politics) and policy instruments (policy). Third, we do not consider it appropriate to use the labels of “old” and “new” modes of governance for classificatory purposes. What is new in one area could be rather old in another field of study, which makes these labels inadequate as analytical categories.

As the variety of different understandings in the literature is a huge potential source of misunderstandings, it is crucial to be aware of the diversity of dimensions underlying the terms “governance” and “modes of governance”. To be sure, scholars do not need to share one single conception of governance and relevant modes of governance, but constructive and cumulative research would be vastly facilitated if each researcher were to specify clearly on which dimension(s) they are focusing and which of the dimensions are excluded.

The importance of analytical clarity is also underlined if we move from individual dimensions to classification schemes and typologies. We demonstrated that many of the existing schemes in the literature are inherently inconclusive as they mix up different explicit and implicit dimensions. In order to avoid such analytical problems, the paper suggested a two-step approach to classification. In the first step, modes of governance should be classified according to their policy, polity and politics properties in separation. Only on this basis, a second step could then draw meaningful cross-linkages between institutional structures, actor constellations and resulting policy instruments.

As part of the first step, we looked at the policy dimension in more detail and presented a typology of four modes of governance in the policy dimension: *coercion*, *voluntarism*, *targeting* and *framework regulation*. These four types are distinguished along two dimensions: the type of instruments applied (legally binding legislation or soft law) and the approach to implementation (flexible or rigid). Further typologies for the other two dimensions could follow suit.

In our view, it should be possible to use this typology as a useful tool to compare different policy fields of the EU with a view to their characteristics in terms of various policy instruments. This could be done both from a synchronous perspective (comparing policy fields at one point of time) and from a historical perspective (comparing the state of individual policy fields at different points of time). On this basis, an overall comparison across policy fields and over time could be attempted. Similar analyses could be conducted with a focus on actor constellations and

institutional conditions. This might, in the end, result in an overall picture of changing modes of governance within the European Union.

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List of Figures and Tables

Figure 1: Existing Conceptions of Modes of Governance

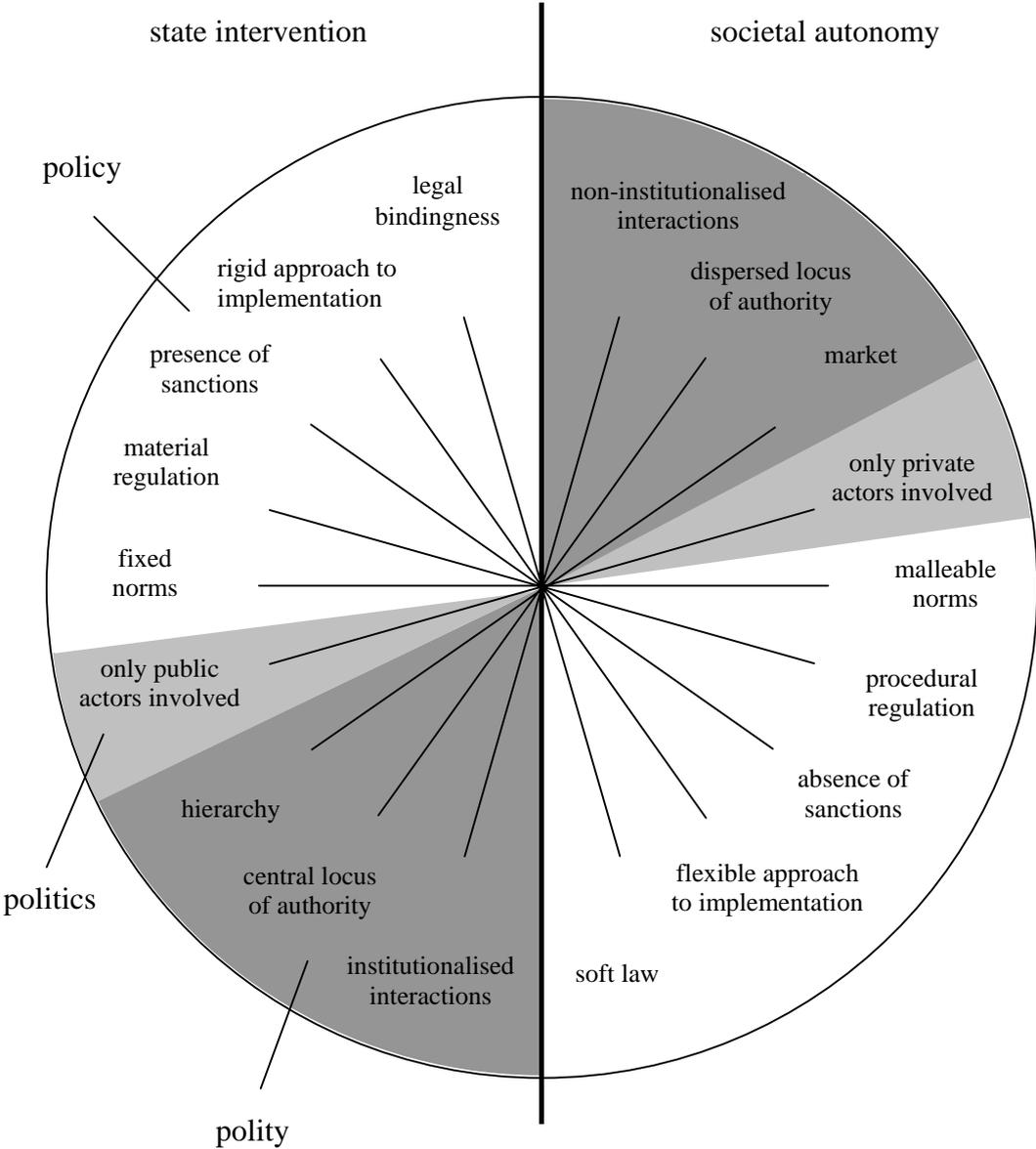


Table 1: Modes of Governance According to NEWGOV's "Description of Work"

		Actors Involved		
		Public Actors Only	Public and Private Actors	Private Actors Only
Steering Modes	Hierarchical Top-down/ Legal Sanctions	Traditional Nation-state, Supranational Institutions		
	Non-hierarchical Bargaining/ Positive Incentives	Intergovernmental Bargaining	Delegation of public functions to private actors; Neo-corporatism	Private-interest government
	Non-hierarchical Non-manipulative; Persuasion; Learning and Arguing; Diffusion	Institutional Problem-solving across levels; European Agencies	Public-private networks; Benchmarking	Private-private partnership (NGOs)

Source: NEWGOV (2004)

Table 2: Modes of Regulation According to Knill and Lenschow

		High level of obligation	Low level of obligation
High level of discretion		New Instruments economic, communicative, framework regulation	OMC Open method of coordination
Low level of discretion		Regulatory Standards substantive, procedural	Self-regulation in the shadow of the state

Source: Knill and Lenschow (2003)

Table 3: A New Typology of Four Modes of Governance

		Legal Instrument	
		Binding	Non-binding
Implementation	Rigid	Coercion	Targeting
	Flexible	Framework Regulation	Voluntarism