

# **The role of the state in ‘new’ governance for sustainable development at the sub-national level in Europe**

by

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## **Introduction**

While the literature on governance in pursuit of sustainable development has grown exponentially in the last decade or so, this evolution of academic studies calls for more debate on what the term ‘governance’ implies both conceptually, empirically and normatively (Jordan 2008). Indeed, whether a shift from government to governance (Kooiman 2003) is taking place among European member states, and the extent to which governance is really ‘new’ should be further discussed (Jordan et al 2005). Many authors (Kooiman 2003; Eckerberg and Joas 2004; Pierre and Peters 2000; 2003; Jordan 2008) point to a confusing debate in the literature on governance, thus provoking a need for more academic clarity. As noted, the term ‘governance’ is simultaneously being used both for traditional and ‘new’ modes of coordinating, managing, steering and guiding action in the realm of public affairs (Baker and Eckerberg 2008a).

In this paper, we will examine the existence, nature and extent of ‘new’ governance practices in relation to sub-national implementation of sustainable development policies in European Union (EU) member states and in Norway. The purpose is twofold: first, to

discuss the relationship between ‘old’ and ‘new’ governance and, in particular, the role of the state in governance; and second, to provide empirical evidence for this discussion. In line with several others (Pierre and Peters 2000; Jordan 2008), we argue that the governance of sustainable development at sub-national levels is still highly dependent on traditional national and supranational government structures and policy priorities. Thus, rather than a shrinking role of the state, we are witnessing a shifting role as private and third sector engagement and interactions in policy-making increase.

The paper builds upon a number of previous works on how the commitment to the pursuit of sustainable development is being implemented in a European context and within multi-level governance structures (Hanf and Jansen 1998; Weale *et al.* 2000; Lafferty 2004), including comparisons across high-consumption societies (Lafferty & Meadowcroft 2000) and among local authorities (Lafferty and Eckerberg 1998; Lafferty 2002:). In particular, we draw upon our previous research endeavour on this theme together with a dozen European colleagues, examining processes of planning, funding and implementing sustainable development at the sub-national level in European Union member states and in Norway (Baker and Eckerberg 2008a). This research stems from contributions to an ECPR workshop in 2005 entitled ‘Initiating Sustainable Development: Patterns of Sub-National Engagement and Their Significance’. It included case studies of single countries and sector policies as well as comparative research from the REGIONET project examining regional models of sustainable development (Lafferty and Narodoslowsky 2004), evaluation of central funding programmes towards sustainable development in key European states (Eckerberg *et al.* 2005) and processes of urban governance for sustainable development in the DISCUS project (Evans *et al.* 2004).

We claim – backed by those comparative studies - that the state continues to play a role alongside ‘new governance’ practices, the latter which are also independent of the state’s influence. The interesting issue here is: what is the nature of the relationship between the state [central, local, regional] and new governance practices, processes and actors? This is not much explored in the literature, which has been more concerned about whether or not governance is now dominated by ‘traditional’ or ‘new’ forms (ref needed here). If it is both forms, as we suggest, then the issue that is important for research is: how do they interact? What is their relationship and mutual influence? We will further explore these issues in the following sections.

### **‘Old’ and ‘new’ governance**

Governance, it should be pointed out, is something governments have always done. The term governance involves the three main modes: through hierarchies, markets and networks, and is used both as a descriptive label, as a theoretical concept to try to explain empirical patterns of governing, and as a normative prescription, seeking to formulate rules and features of ‘good governance’ (Jordan 2008). Traditionally, governments have engaged in steering by regulation and sanctions. Guy Peters makes a useful distinction between ‘old’ and ‘new’ governance (Peters 2000). Old governance is about steering and control from the centre, wherein the state steers society and the economy through political brokerage and by defining goals and making priorities. Analysis of traditional

governance focuses on the extent to which the state has political and institutional capacity to steer and how the role of the state relates to the interests of other influential actors (Pierre 2000: 3). 'New governance' differs from this in that it refers to new patterns of interaction between state, economy and society.

The term new governance is, however, used in a variety of ways and has a variety of meanings (Rhodes 1996; Stoker 1998). Despite these differences, there is general agreement that new governance refers to the development of governing styles in which the boundaries between and within public and private sectors have become blurred (Stoker 1998:17).

The emergence of new governance is, it is claimed, a result of the increasing complex, dynamic and interdependent nature of contemporary policy making (Kooiman 1993). Globalisation and Europeanization are part of this process (Kohler-Koch and Eising 1998). Its emergence is also attributable to the fiscal crisis of the state, particularly in welfare state regimes, towards the end of the twentieth century. This led to new strategies for public service production and delivery, including privatisation and public/private partnerships (Kooiman 2000: 150). These strategies formed part of the neo-liberal waves of reform that swept many European states in the latter half of the twentieth century, designed to improve efficiency, effectiveness and accountability of public service provision (Mydske *et al.* 2007). Under these conditions, governance becomes an interactive process, because no single actor has the knowledge and resource capacity to tackle problems unilaterally (Kooiman 2000; 2003). It is these interactions that give rise to new patterns of governance.

New governance makes use of governing mechanisms that do not rest on the authority and sanctions of government alone. Rather, it involves the use of 'softer' steering instruments, combined with decentralisation and the engagement of stakeholders and civil society in policy making and delivery (Lafferty, 2004), also characterised as 'soft law' (Mörth 2004). These administrative reforms have displaced political and institutional policy capacity downwards in the political system, outwards to agencies and NGOs and upwards to trans-national institutional systems such as the EU (Painter and Pierre, 2005: 1). This, it is argued, has resulted in major shifts in the role of government. As a result, the 'steering' role of the state changes, because governments can not impose its policy but must negotiate both policy and implementation with partners in the public, private, and voluntary sectors (Stoker, 2000: 98). The tendency for the state to withdraw from direct provision or to provide through public/private partnerships in a number of sectors is of direct relevance to the theme of this paper. Many of the sectors are of critically important for the promotion of sustainable development, including the energy, waste and transport sectors. We are keen to investigate whether the 'steering' capacity of governments in these critical sectors has been reduced and the impact that this has had on the promotion of sustainable development at the sectoral level.

This discussion links the research presented in this paper to themes to four specific themes within the new governance literature: (1) multi-level governance; (2) networks and public / private partnerships; (3) participation and (4) new environmental policy

instruments (NEPIs). In the following, we expand on these themes and discuss their relevance for the promotion of sustainable development. In part, this discussion is stocktaking: letting the reader know how far the literature has advanced in terms of discussion on each of the four sub-headings; in part, we are also showing how this discussion relates to a specific theme, namely sustainable development. In particular, this discussion shows how useful the governance lens actually is [the analytical value added of this lens, as it were] for gaining insight into the promotion of sustainable development in complex political structures and processes [in nation states that are characterized by multi-level governance, are members of the EU, and with competing and overlapping political goals and policy sectors]. Hence, the discussion also identifies what the new governance literature in this specific case has *not* been able to do or what still needs to be examined.

### (1) Multi-level governance

The concept of multi-level governance is useful to emphasize the increased interdependencies between national, regional and local government. This is particularly relevant in the context of the deepening of the EU integration process, where policies cross traditional jurisdictional boundaries (Smith 2003: 619). The EU is increasingly conceptualised as a system with interdependent, multiple levels or spheres of governance, including European, national and sub-national policy arenas (Hooghe 1996; 2001; Hooghe and Marks 2001; 2003). This conceptualisation has led to new explorations of the power sharing and resource dependencies between the levels of government within the member states and across the EU (Bache and Flinders 2004). It is now recognised that many policies and programmes in the area of sustainable development require management activities that move beyond a single level of government or a single jurisdiction, leading to alternative approaches to autonomous and separate governmental authority (Radin 2003:608). Hence, it allows us to take this complexity into account, and explore national governance for sustainable development while taking account of governance processes at the European Union level. In addition, it focuses our attention on the dynamics involved in setting framework policies and objectives at the EU and national levels, while at the same time, distributing roles and responsibilities across the different levels of governance in ways that are consistent with the resources and capacity of each level (Meadowcroft 2002).

In addition, the lens of ‘multi-level governance’ turns our attention to the fact that, not only has authority within the EU has been transferred from the national to the supra-national but also to the sub-national level (Pierre and Peters 2000: 77; Rosenau 1997: 31). This enables us to frame our study of sub-national, regional and local pursuit of sustainable development within a multi-level EU governance context. It thus focuses our attention directly on issues of interdependencies, resource sharing and the political dynamics of policy making between the sub-national level, the centre and EU institutions. In this way we hope to investigate whether we are witnessing a ‘hollowing out of the state’, as is often claimed in the new governance literature, or whether the state is restructuring to remain viable in the face of the changing role of the sub-national level and the deepening of European integration (Smith 2003; Pierre 2000).

## (2) Networks and public/private partnerships

In addition to its attempts to capture the interactions between levels of governance, the concept of new governance also attempts to capture the dispersal of policy making and delivery among a variety of private and public actors (Rhodes, 1997; Rosamund 2004: 121). We should note, however, that several of the features associated with 'new' governance are actually well established models of exchange between public and private actors (Painter and Pierre 2005: 2; Peters and Pierre 2003: 3). Schmitter's work on corporatism in particular drew our attention to the institutionalised system of exchange across the public: private divide in western European states (Schmitter 1989).

New governance can be distinguished from these established features by its focus on the role of policy networks, which include public/ private partnerships and policy communities, in policy making. More specifically, new governance focuses on the play of power involved as public and private actors, at various institutional levels, formulate and implement policy. The aim of 'new governance' arrangements is also different, in that they focus less on developing regulatory measures and more on consultation, which can often lead to voluntary measures. What becomes of interest here for the theme of this paper is the extent to which the promotion of sustainable development can be pursued not just by political institutions but also by other actors involved in such network governance. We are particularly keen to see the outcomes of local authorities' attempts to draw upon the resources of other actors in the private and voluntary sectors to both formulate and implement policies in the pursuit of sustainable development.

It is generally recognised that strategies to promote sustainable development need to include provisions for improving capacity, especially given the explicit link between capacity-building and sustainable development that was stressed in Agenda 21. The study of network governance also needs to look at the issue of capacity. To do so, we need to be clear on what is understood by 'capacity'. There are different ways of looking at capacity. State capacity refers to the state's ability to mobilize social and economic support and consent for the achievement of public goals. We are less interested in this form of capacity and more interested in what we may term 'policy capacity', which is the ability to marshal the necessary resources to make intelligent collective choices about, and set strategic directions for, the allocations of scarce resources to public ends (Painter and Pierre 2005: 2). Within this, we are particularly interested in 'administrative capacity', which is the ability to manage efficiently the human and physical resources required to deliver the outputs of government (Painter and Pierre 2005: 2). Policy capacity is particularly relevant to the issue of governance, not least because new governance arrangements, particularly those that involved joint public: private action, have the potential to impact on state capacity to steer collective action.

The concept of capacity can also take on a non-institutional dimension, especially when we consider that the considerable policy capacity that rests outside the state has to be mobilised in new governance processes. Recently, considerable attention has been given to the notion of 'social capital' to describe those features of society, particularly at the community level, that facilitates collective action and the types of changes necessarily to

promote sustainable development. Drawing upon the work of Putnam (2004), social capital refers to networks, shared norms, values and understandings that facilitate co-operation within and between groups. Local Agenda 21, in particular, has addressed the need, particularly within rural communities, to foster the accumulation of social capital, so as to enable local communities to promote sustainable development.

### (3) Participation

The issue of social capital brings us directly to the fact that enhanced participation of civil society in policy making is seen as an essential component of new forms of governance. The shifting boundaries between the state and civil society in the policy making process is seen as reflective of dramatic changes in the way in which both citizens and governments think about the role of government in democratic societies (Radin 2003:608). Here the term 'new governance' also tries to capture the enhanced role of civil society in policy making processes. However, since sustainable development is a process that is directed towards the involvement of all of society, participation in governance for sustainable development can refer to an array of contexts. We are directed by Meadowcroft's focus on increased societal participation in processes of making and implementing decisions involving 'official' or 'public' bodies, institutions that have some recognised mandate to act for the public good (Meadowcroft 2004). In the context of participation in such official bodies, we are keen to see whether and to what effect 'new' governance for sustainable development encompass the representation of concerned interests, the encouragement of deliberative interactions, the integration of different forms of knowledge and the promotion of societal learning (Meadowcroft 2004).

### (4) New environmental policy instruments

It is argued that the development of less bureaucratic, more flexible, more effective instruments favours and legitimises the formation of new forms of governance (Lenschow 1999). The use of these new instruments emphasises a closer co-operation between public and private actors in the formulation and implementation of policy.

The use of NEPIs aims to create positive incentives for actors to voluntarily cooperate and participate in policy making. Many of the EU member states have moved towards the use of more co-operative approaches with the private sectors. This means that hierarchical intervention is increasingly combined with cooperative arrangements and legally non-binding agreements between public and private actors, particularly through voluntary agreements. This contrast with the more adversarial relationship between government and economic actors that is characteristic of 'command and control' regulatory approaches. This harnessing of market forces for environmental protection is, as discussed above, in keeping with a neo-liberal, economic reform agenda (Mydske *et al.* 2007). Making increased use of a variety of instruments also helps cope with the growing complexity of environmental policy, against a background of limited state institutional and administrative capacity. Their use can thus also be seen as part of renewed attempts to address the implementation deficit in existing environmental policy.

This means that the use of NEPIs is not necessarily an indication of the emergence of new governance processes. However, while there has been some empirical investigation of the use of NEPIs (Lenschow 1999; Jordan *et al.* 2003; OECD 2006; Holzinger *et al.* 2006) there remains urgent need to investigate whether, in what ways the use of such NEPI is related to new governance patterns. The relationship between the use of NEPIs and the emergence of new forms governance should not be taken *a priori*, but needs to be investigated through an empirical lens. This paper explores the relationship between the adoption of new policy instruments and whether and to what extent we are witnessing the emergence of new patterns of governance.

We thus need to be clear about what is ‘new’ in so-called new governance. Of late, there are increasing claims and discussion in the literature about a continuing need for, and actual role played by, the state in governance. Some claim that the state role is not in decline, however, these claims are not always backed up by empirical evidence. Our comparative research across Europe provides such evidence as further described below (Baker and Eckerberg 2008a).

### **‘New’ governance as value added to sustainable development**

The question to be raised here is to what extent the empirical research showed evidence of the use of new governance in efforts to promote sustainable development. In other words, has the use of mechanisms of new governance helped in the promotion of sustainable development in practice? In the following, we refer to the said case studies and comparative research while leaving the more detailed information aside due to limited space (see also Baker and Eckerberg 2008a).

#### **(1) Multi-Level Governance**

When Berger and Steurer (2008) examined the steering capacity of the central state to promote sustainable development at the regional level, they found that other strategies, such as national development or spatial plans, have a greater influence on regional models of economic development than the National Sustainable Development Strategies. They also revealed that the EU Structural Funds have helped to increase capacities at the regional level, especially in establishing institutional know-how and in implementing projects in the regions. This conforms to the more general role that the EU has played in supporting the development of regional governance (Keating and Loughlin 1997). However, the EU Structural Funds were found to be more concerned with the implementation of traditional economic development and, more recently, the promotion of social cohesion, rather than sustainable development (Berger and Steurer 2008). Research also revealed that the European integration process can have a negative impact on the sub-national level. In her study of the impact of Local Agenda 21 on the pursuit of sustainable development among the German federal states, Kern (2008) pointed to the fact that *Länder* competences have been restricted rather than extended in the process of European integration, as this process has tended to strengthen the hand of Federal government. Connaughton *et al.* (2008) also confirm that compliance with EU environmental regulation not only ensures that central government continues to play a

strong role, but that the need for regulatory compliance can distort new governance arrangements at the sub-national level.

In contrast, the comparative research by Evans *et al.* (2008) on local governments' social and institutional capacity to promote sustainable development did see that multi-level networking in the context of Europeanization played a role in supporting innovative approaches. Towns and cities that are consistently high in achievement in pursuit of sustainable development are those that have worked in European networks. Networks such as these can become conduits for the transfer of best practice at the horizontal level, revealing the important role that European networks play in policy transfer.

Although Norway is not a member of the EU, Hovik also found in her study of rural sustainable development that through European networks, the Norwegians share experiences and knowledge with other European communities facing similar challenges. Kern discussed similar patterns of policy transfer, in particular as they relate to inter-organizational policy learning. This discussion pointed to the need to take account of new moves towards governing through policy transfer and benchmarking, particularly at the sub-national levels, as an integral part of the governance process. Hanf and Morata (2008) also saw policy transfer as an essential tool of new governance. The role of policy learning and transfer needs to be given more attention in the literature on new governance practices, especially given the increased reliance of the EU on the so-called 'open method of communication', which promotes horizontal policy transfer and learning as integration tools (cf Nilsson and Eckerberg 2007). The open method of communication was defined as an instrument of the Lisbon strategy, and implies that EU member states jointly identify policy objectives to be achieved, measuring instruments and benchmarking. It thus involves 'soft law' instruments in areas which fall within the competence of member states.

However, within such process of policy transfer there can be a tension between, on the one hand, exploiting past learning to standardise around best practice and, on the other, maintaining adaptability and avoiding 'lock in' to outmoded routines. This problem was seen with the use of Award Partners in the UK, where public/private partnerships were in widespread use, particularly for the distribution of funding towards sustainable development at sub-national level. However, the desire to build upon past success and established forms of best practices was shown to work against the adoption of innovative approaches and new initiatives, as discussed by Baker and Eckerberg (2008b).

## (2) Networks and public/private partnerships

The governance perspective forces us to take account of the role and importance of policy networks. New governance processes place emphasis on bargaining, compromise and networking in policy making, facilitated by the development of inter-organisational networks that include both public and private actors. Rhodes' understanding of new governance in particular emphasises the role of network governance (Rhodes 2000; 1997).

All the studies contained in our European research shows some evidence of enhanced co-operation between the private and public sectors in support of sustainable development (Baker and Eckerberg 2008a). This co-operation can extend from the engagement of interest groups in policy formulation to construction of public/private partnerships for programme delivery. In particular, Hovik's (2008) exploration of the emergence of governance networks shows that such networks provide new opportunities for local politicians and private stakeholders to influence policy, representing new efforts to take shared responsibility for sustainable development in rural Norway. However, she drew our attention to the fact that governance will always be conducted under 'the shadow of hierarchy' (Scharpf 1997). This undermines Rhodes' claim that we are witnessing the emergence of governance without government (Rhodes 1996). In addition, Hovik pointed out that the presence of networks does not in itself indicate the development of new governance patterns. The composition of the network, its role and the influence of government actors as partners are all important in ascertaining whether the use of networks indicate a development towards new governance. In many instances, the activity of networks are subject to hierarchical steering by government, and government actors make use of their privileged position to promote their own interests within these networks (Hovik 2008).

This is in line with Stokers caution that we need to take account of the constraints, whether direct or indirect, that governments can impose on the role of networks and their activities (Stoker 2000). Baker and Eckerberg's research on economic instruments from central government to promote sustainable development at sub-national level also supported these arguments, pointing out that capacity enhancement measures by central government, particularly those that involve the provision of grants and subsidies, may strengthen the hand of central government in steering the engagement of network in governance processes (2008b). Similarly, the Irish study of waste management policy indicated that hierarchical steering from central government remains an integral feature of policy processes that make use of such networks (Connaughton *et al.* 2008). Evans *et al.* (2008) also voiced concern that an exclusive focus on 'new governance', understood as policy networks, holds the danger of underplaying the essential roles that local governments play in innovating, supporting and nurturing sustainable development processes.

The case of waste management in Ireland illustrated the difficulties of relating these new methods and practices of participatory governance to the existing structures and processes of government. In the Irish case, the growing dependence on the private sector and proliferation of private sector companies may reduce the control that local authorities exercise over waste management (Connaughton *et al.* 2008). It may thus undermine their role in the promotion of sustainable development. Tensions also exist between partnership arrangements and traditional practices of representative democracy. This is in line with Rydin's (2006) concern that such networks require continuous reinforcement and transparency to overcome problems of fragmentation, integration and democracy (Rydin 2006: 213-215). Evans *et al.* (2008) pointed out that new governance arrangements can create ambiguity and uncertainty in the eyes of both policy makers and the public about who is responsible and accountable for policy. Given that accountability

and legitimacy are key tenets of democratic governance, maintaining a strong steering role for the state, at both the central and the local levels, becomes all the more important.

The Irish case also directed attention to the need to explore the underlying rationale for partnership arrangements between the public and private sectors. In practice, these arrangements often involve privatisation and contracting-out, actions which are driven by new public management principles and not necessarily by the pursuit of sustainable development. Indeed, the neo-liberal belief in the power of the market in driving new partnership arrangements is visible, particularly in the UK (Baker and Eckerberg 2008b). Moreover, Coenen (2008) stressed that many new governance practices are driven by concerns about public distrust in government and aim at enhancing the legitimacy of policy making processes while simultaneously improving their efficiency. Again, this shows that evidence of experimentation with new modes of governance is not necessarily stimulated by the principles of sustainable development alone. Rather, it highlights the difference between countries that give priority to the market as a mode of governance, and those that give a more significant role to the state or to networks (Gamble 2000: 121). The UK has a strong attachment to neo-liberal economic models. This is often contrasted with Germany, Sweden and the Netherlands, where there is greater readiness to promote long-term economic development, whether through formal planning, corporatist arrangement or information networks, to promote consensus on national goals and to steer the economy by long-term subsidies and support (Gamble 2000: 121). Here there is also a greater willingness to invest in new capacity, including in relation to new technology and to human capital, as evident both by Baker and Eckerberg, Evans *et al.* and Coenen in their respective studies (2008).

In short, these research findings suggest that while we may find new modes of participatory governance, their presence does not necessarily imply a causal connection with the commitment to promote sustainable development. The discourse of sustainable development has helped to open up a new political space within many European local governments, legitimised through the vocabulary contained in Agenda 21. But, this new way of working is not necessarily stimulated by, nor is it confined to, the sphere of sustainable development policy making.

### (3) Participation

A key characteristic of new governance is that it affords increased opportunities for citizens, or the public, to have a more direct input in the making of public policy. This participation aims at reducing the distance, both physical and intellectual, between the bureaucracy and civil society. This is seen as evidence of a strong felt need to strengthen the legitimacy of public sector institutions (Peters and Pierre 2003: 3). Current Dutch policy of political renewal, as discussed by Coenen (2008), provides an excellent example of this trend.

As discussed by Kern (2008), in some German *Länder* extensive consultation processes were started which aimed at the development of a sustainable development strategy for the *Land* (Landes-Agenda 21). In these practices, evidence of governing through

participation and representation as well as governing through partnerships and voluntary agreements were found (Kern 2008). Several authors emphasize that participation involves not just the more traditional focus on local government capacity enhancement but also capacity building within civil society (Evans *et al.* 2008; Hanf and Morata 2008). As a shift in the relationship between state and civil society, new governance is also about 'active' citizenship. It is therefore linked to issues of social capital, understood as the social underpinning necessary to achieve effective economic and political performance (Putnam 1993; 2000). Evans *et al.* (2008) in particular were also concerned to address the role played by government institutions in the creation and function of social capital. However, they revealed that, in the majority of cases, the capacities of civil society to successfully participate in local policy-making processes for sustainable development were limited, both in terms of the capacities of organizations and in terms of the options available to them for cooperative policy-making (Evans *et al.* 2008). Similar limited participation of civil society was found in the majority of the studies of central funding programmes in key European states to promote sustainable development, however, with the two smallest Dutch and Danish initiatives providing interesting exemptions (Baker and Eckerberg 2008b).

The findings of Evans *et al.* (2008) suggested that, effective, or what they refer to as 'dynamic', governing for sustainable development is most likely to occur when governments work closely with civil society agents in a process of governance. This reinforced the idea of 'bracing' social capital (Rydin and Holman 2004), where a strong relationship is formed between a limited group of actors with an interest in local sustainable development issues. Similarly, in their study of the UK lottery funds, Baker and Eckerberg (2008b) revealed that local authorities tend to be over-reliant upon a limited number of groups to participate in funding schemes, although the extent to which these formed an example of 'bracing' social capital that is orientated towards the pursuit of sustainable development remained open to question.

Despite the key role of civil society, Connaughton *et al.* (2008) emphasize that it is not easy to establish new relationships between community and the state. In Ireland, NGOs tend to remain outsiders, especially those operating at the local level. Organisations that present radical views, for example, proposing 'zero waste' strategies, remain on the fringes, with fewer opportunities to influence the agenda or policy outcomes. The Norwegian case also exposed similar problems (Hovik 2008). Here participation practices, particularly the inclusion of private sector actors, tended to be driven by emphasis on problem-solving capacity rather than on principles of stakeholder participation. Additionally, local councils tend to put the interests of their local constituency above the will to deliberate and negotiate agreements with external actors in a network. Hovik also noted that strong links to representative democracy at local and regional levels seems to be the preferred alternative to extensive participation.

These findings again point to the difficulties of combining the logic of representative democratic government and the logic of network governance. As noted by Connaughton *et al.* (2008), while new modes of governance are starting to co-exist with traditional practices, they remain difficult to combine. Yet, there is ample evidence to suggest that

those cases of local governments where there are high levels of achievement are also those that have high social capacity and where a strong relationship between local government and civil society organisations exists (Evans *et al.* 2008).

#### (4) New environmental policy instruments

There was evidence of the use of new policy instruments for the promotion of sustainable development in all of the studied cases (Baker and Eckerberg 2008a). Increased use of new environmental policy instruments form part of a broader context of promotion and integration of sustainable development principles within local authorities (Evans *et al.* 2008). However, their use predates the commitment to sustainable development, stemming more from concerns about the deficiencies of the traditional ‘command-and-control’, regulatory approaches (Kern 2008; Coenen 2008). Kern also pointed to the influence of the changing concepts on global governance, which focuses on various forms of governance beyond the traditional forms of intergovernmental cooperation, such as global policy networks or private-public partnerships.

Baker and Eckerberg (2008b) found that it is difficult to maintain a sharp distinction between new and old policy tools in that so-called ‘old’ tools may be used to promote ‘new’ governance approaches. Despite this, however, they were aware that the way in which some tools are used can present difficulties for new governance processes. The use of competitive procedures for the allocation of funds can be disruptive to new governance processes. They can lead to short-term, self-interested behaviour among partnerships, which can in turn, threaten to destroy the basis of future partnerships (Stoker 2000: 101). Competitive processes can also have a disabling impact on losers, as they may find it difficult to regain a sense of commitment (Stoker 2000: 102). This was confirmed in the research by Baker and Eckerberg, who also noted that funding allocation tends to favour quantifiable measures over more vague qualitative measures built into the purpose of partnership (2008b).

Research further revealed that the use of new instruments can have unintended consequences. In the Irish case, the use of public / private partnerships for the management of waste has diminished the control of Local Authorities over the strategic management of waste. In addition, privatisation, which often brings increased charges, can lead to an increase in illegal dumping, while commercialisation turns waste into a profitable commodity, a process that does little to encourage waste reduction. The use of new environmental policy instruments may not, in fact, always be good for the promotion of sustainable development, as the case of developing public/private waste partnerships in Ireland shows.

### **Institutional Capacity at Sub-National Level**

There is increased emphasis in national sustainable development strategies on the inclusion of the sub-national, regional and local levels of government, described as ‘vertical policy integration’ in the promotion of sustainable development. Even in the

Irish case, long recognised as one of the most centralised states in the EU, there is growing emphasis on the role of regional authorities in promoting partnership and in identifying sustainable development priorities for their regions, as discussed by Connaughton *et al.* (2008).

Nevertheless, as Berger and Steurer (2008) argued, the engagement of the sub-national level should not be taken for granted, in that stimulating such engagement presents several challenges. Central government, for example, faces the difficult task of securing commitment from, and enhancing the competence of, the sub-national levels, especially in relation to policy objectives and measures, without which *national* sustainable development trajectories could be blocked. Baker and Eckerberg (2008b) pointed to a further role over and above building capacity in local authorities and their partners to implement nationally defined sustainable development strategies. Central government funding schemes also aim to empower the local level to act as an independent actor in promoting locally relevant strategies.

Several of the chapters in the book emphasised the issue of capacity enhancement (Baker and Eckerberg 2008a). Capacity building instruments are widely used instruments of public policy and play a role in the enhancement of governance processes (Painter and Pierre 2005). They usually involve national or state government efforts to strengthen the capacity of state or local officials to manage programmes on their own. They can include provision of technical assistance through giving grants for skills training. Their advantage is that they help ensure that those given discretion over specific tasks have the appropriate skills and ability to carry these tasks through. They also increase accountability by developing the management skills that facilitate compliance with national government grant requirements (Radin 2003:608).

Institutional capacity was found to be important because the process of mainstreaming a sustainable development ethos within institutional cultures is quite slow, typically extending far beyond a normal electoral term of office (Evans *et al.* 2008). Hanf and Morata (2008) also paid particular attention to the role of institutions and found evidence of ‘path dependency’, in that sustainable development became interpreted through existing structures, procedures, and patterns of interactions. The need to be aware of the institutional framework in which policies are prepared, developed and implemented was also pointed out by Baker and Eckerberg, particularly in relation to the steering role of the central state in the Swedish study (2008; 2007).

We are particularly pleased that these chapters were able to explore the role of political institutions in new governance processes, particularly as Rhodes’ understanding of governance has been criticised for ignoring this aspect (Pierre and Peters 2000). Collectively, our research points to the need to combine discussion of governance processes with acknowledgement of the centrality of formal institutional structures and processes in framing the pursuit of sustainable development. As Smith has argued, institutions structure political situations and also shape political outcomes, as they influence not just actors’ strategies but their goals and they mediate their relations of co-operation and conflict (Smith 2003). In other words, political institutions matter to the

governance of sustainable development. Here the role of government in shaping governance processes is reaffirmed.

This argument has a direct bearing on current disagreements on the role of the nation state in the context of multi-level governance. On the one hand, Hooghe and Marks argue that ‘formal authority has been dispersed from central states both up to the supranational institutions and down to the sub national governments’ (2001: 1). On the other hand, there is the argument, represented by Pierre and Peters (2000), that the nation state still retains important resources for guiding policy structures and processes. Our findings support the argument of Pierre and Peters that the ‘steering capacity’ of the nation state remains critical in order to establish a coordinated form of policy-making in the promotion of sustainable development. Central government still plays a key role through its formal exercise of power, the establishment of framework legislation, through sustainable development strategy formulation and funding mechanisms, and through its catalysing role in spurring the sub-national level to engage in the implementation of appropriate policies.

There are also issues of a more structural or constitutional nature that have to be taken into account when discussing the role of the sub-national level in the pursuit of sustainable development. The German case provides the most obvious example of the need to look at different constitutional distributions of power and authority (Kern 2008). Evans *et al.* (2008) also reiterated that strong governance processes for, and achievements in relation to, sustainable development, are chiefly found among local governments that have a high level of fiscal, legal and political autonomy, Connaughton *et al.* (2008) provided another way of getting to the same point, the Irish case being illustrative of a highly centralised administrative system that continues to obstruct action at the sub-national level. Similar findings were reflected by Baker and Eckerberg (2008b), who pointed out that the extent and nature of the external resources available to local government through central government funding regimes, and the constraints these place upon local governance, must not be ignored in discussion on new governance processes. Moreover, the study of rural sustainable development networks in Norway shows that the compromises that are required by the different interests involved in network governance point to the play of power and politics as governance processes are acted out (Hovik 2008).

Hence, our research supports the argument that local level engagement remains structured by the degree of autonomy granted by the national level to local governments and/or to the regional/provincial level (Lafferty and Eckerberg 1998). This draws our attention to the distinction between multi-level governance, which refers to steering and public management, and multi-level politics, that is, to the distribution of power across the different levels of government (Smith 2003). The multi-level policy making process in the EU is not just a process that involves policy networks, but also negotiations in and between these all levels. In other words, the study of policy making for sustainable development is not only a study of regional or local government and of combining this with a study of regional or local governance for sustainable development. Rather, it is the study of how these processes are shaped by the power relations between actors of public,

private and associative status across all levels of member state governments (Smith 2003: 620) and upwards to the EU level.

### **Conclusion: The role of the state**

Having provided the reader with a discussion about the relationship between ‘new’ governance and the pursuit of sustainable development, and drawing upon research at the sub-national level in EU member states and Norway in particular, it is now time to return to our initial research questions. First, do we have evidence for emerging new governance? Our answer is yes, at least to a certain extent. We found ample examples of new forms of governance being used, although it may also be questioned to what extent all those themes of multi-level governance, networking and public/private partnerships, participation and new policy instruments are really new or represent, at least in part, traditional governance as well. Still, however, we did find a value in the new governance perspective in that it provides a framework for understanding changing processes of governing and helps to reveal new tendencies.

Second, are such new forms of governance helping to promote sustainable development? Here, we are less certain in our verdict since our research points both to competing policy goals in practice and to frequent inconsistency between declaratory level-commitments and actual policy measures for sustainable development. The results were mixed, and we did not find it possible to establish any causal connection between the pursuit of sustainable development and the emergence of new governance practices. Even if there was evidence of new governance practices, they may not necessarily be connected with the commitment to promote sustainable development.

Third, we wish to restate our initial argument about the role of the state in new governance forms, and expand on this role in relation to the promotion of sustainable development. Our research both revealed the influence of political leadership and confirmed that national legislation and policy priorities remain key drivers for sustainable development, as are central government steering mechanisms and instruments (cf Carter 2007). Our findings thus suggest that we need to infuse discussion of new governance with a good dose of politics, that is, with a discussion of traditional political themes of power, political processes, constitutional arrangements etc. In short, we find that it looks like discussions on new governance have ignored the major, traditional themes of political science and forgot that these themes were important to political science precisely because they have a material significance.

Our findings can be summarized as follows:

1. Our research has shown that there is a continuing role for the central state: How, then, does the state act as a facilitator? We have some answers in our research:
  - the state initiates and co-ordinates sustainable development planning processes (Berger and Steurer 2008);

- the state provides financing for sustainable development at sub-national levels (Baker and Eckerberg 2008b);
- the state contributes to capacity-building through expertise and special resources towards sustainable development (Hanf and Morata 2008; Evans *et al.* 2008);
- the state initiates and co-ordinates networking (Hovik 2008);
- the state provides political leadership. politics of the state [both at national and sub-national levels] matter for the allocation of resources towards sustainable development. Political leadership remains important in this regard (Kern 2008; Baker and Eckerberg 2008b), and the absence thereof has discernable negative effects on the implementation of sustainable development (Hanf and Morata 2008; Connaughton *et al.* 2008; Evans *et al.* 2008).

This role is played, or needed:

- when central state is absent;
  - because this role follows from the logic of the way competences are divided between the different levels of government;
  - because the local level has the expertise, much of which is built up from the legacy of Local Agenda 21.
2. Our findings from the joint research relate not just to the continuing role of *central* governance, but show that *sub-national* authorities – ranging from the local level to the state level in federal systems – play an important role.

We argue, in line with several others (Pierre and Peters 2000; Jordan 2008), that the governance of sustainable development at sub-national levels is still highly dependent on traditional national and supranational government structures and policy priorities. Thus, rather than a shrinking role of government, we are witnessing a shifting role as private and third sector engagement and interactions in policy-making increase. Moreover, we find no causal relationship between new governance practices and the pursuit of sustainable development. Despite all new forms of new governance, we claim that there is still a role for the state, and that the instruments of new governance seem to have their limits.

This implies that there is a continuing role for traditional methods of governance through, and because of, the system and structures of multi-level governance.

3. We also find that the relationship between the political and administrative level in the multi-level governance context has bearing on the role of the state in that the ‘policy capacity’ is affected by the relative independence of the administrative level in relation to each political level. This relationship affects the scope for discretion at sub-national level in deciding about reforms and market-based solutions such as benchmarking, reliance on experts etc. in other words, power and politics matter!

4. Further, we make a normative argument for the continuing role of the state in traditional governance in the context of the sustainable development agenda. The state [be it central, local, regional] is needed to play a continued role in promoting sustainable development because of market failure, the logical of planning [requiring coordination, steering, oversight etc.] and the quest for environmental policy integration.

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