

THE CONCEPT 'GOVERNANCE' IN PUBLIC ADMINISTRATION

by

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DECLARATION

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I declare that THE CONCEPT 'GOVERNANCE' IN PUBLIC ADMINISTRATION is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.



04/07/2012

SIGNATURE

DATE

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SUMMARY

Governance has become a leading theme in policy development discourse and social science scholarship. Although the phenomenon is well established in South Africa, and despite the popularity of the phenomenon among both theoreticians and practitioners, there is still a lack of conceptual consensus. It has multiple meanings and there is uncertainty in its different usages. *Governance* was popularised in the 1980s by two of the main supporters and financiers of development, the World Bank, and the International Monetary Fund (IMF) after they had realised that the macroeconomic and fiscal policy reforms as applied to developing countries failed to produce the expected economic outcomes.

Governance is a conceptual *problematique*. In its original sense the word *governance* means steering or simply, navigating, giving direction. The aim of this study is to conceptualise *governance* in Public Administration; therefore, the object is *governance* and the context for its consideration is Public Administration. An attempt is made to find space for *governance* in Public Administration with the focus on the importance of theorising in support of a discipline. In conclusion to the study, the researcher propagates that *governance* in Public Administration means *governments and their officials exerting influence outside their jurisdiction to achieve policy and operational aims*.

KEY TERMS

Public Administration

public administration

Government

Governance

Good governance

Corporate governance

Theory

Meaning

Science

Paradigm

Concept

LIST OF ACRONYMS

ADB:	African Development Bank
ADB:	Asian Development Bank
ANC:	African National Congress
BWIs:	Bretton Woods Institutions
CoGTA:	Co-operative Governance and Traditional Affairs
DPSA:	Department of Public Service and Administration
G8:	Group of Eight
HIPC:	Highly Indebted Poor Countries
IIAS	International Institute of Administrative Sciences
IMF:	International Monetary Fund
IoDSA:	Institute of Directors in Southern Africa
JSE:	Johannesburg Stock Exchange
MFMA:	<i>Municipal Finance Management Act, 2003 (Act 56 of 2003)</i>
NEPAD:	New Partnership for Africa's Development
NPAI	New Public Administration Initiative
NPM:	New Public Management
ODA:	British Overseas Development Aid
OECD:	Organisation for Economic Co-operation and Development
PALAMA:	Public Administration Leadership and Management Academy
PFMA:	<i>Public Finance Management Act, 1999 (Act 1 of 1999)</i>
POSDCORB:	Planning, Organising, Staffing, Directing, Co-Ordinating,

Reporting, Budgeting

PRSP:	Poverty Reduction Strategy Paper
SAAPAM:	South African Association of Public Administration and
SAPs:	Structural Adjustment Programmes
SPMA:	School of Public Management and Administration
UN:	United Nations
UNCTAD:	United Nations Conference on Trade and Development
UNDP:	United Nations Development Programme
UNESOC:	United Nations Economic and Social Council
USAID:	United States Agency for International Development
WTO:	World Trade Organisation

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CHAPTER 1

INTRODUCTION AND RESEARCH DESIGN

1.1 INTRODUCTION

The known is finite, the unknown infinite: intellectually we stand on an islet in the midst of an illimitable ocean of inexplicability. Our business in every generation is to reclaim a little more land, to add something to the extent and the solidity of our possessions.

(Thomas Huxley, 1887)

This study focuses on the phenomenon *governance and* attempts to establish the meaning of the phenomenon within the context of Public Administration. This chapter provides a general overview and a rationale for the study. Subsequently, the research problem that the study will address is identified, accompanied by the specific research questions whose answers aim to throw light on the research problem. The broad purpose of the study is defined and broken down into specific research objectives. Key concepts used throughout the study are defined and an explanation is given of the research methods used. The chapter concludes with details about the organisation of the dissertation.

1.2 BACKGROUND AND RATIONALE FOR THE STUDY

This general overview provides a background and rationale for the study that aims to put the problem in context. *Governance* literature is confusing in its conceptualisation of *governance*. According to *governance* literature, for instance newspaper articles, books, theses and dissertations, *governance* has dozens of meanings. According to Mbatha (in Holtzhausen, 2007:25) *governance* refers to function, action, process or qualities of government. It does not refer to structures of government such as a cabinet, but to the

policies made and to the effectiveness with which these policies are implemented. Pierre has a broad definition which sees *governance* as "the sum of the many ways individuals and institutions, public and private, manage their common affairs" (Pierre, 2000:1-6).

A United Nations (UN) agency proposes a narrower definition: "*Governance* is viewed as the exercise of economic, political and administrative authority to manage a country's affairs at all levels" (Pierre, 2000:1-6). Peters (1996:3) defines *governance* as "institutions designed to exercise collective control and influence". *Governance* is defined by Lynn, Heinrich and Hill (2001:7) as the "regimes, laws, rules, judicial decisions, and administrative practices that constrain, prescribe and enable the provision of publicly supported goals and services". The two aforementioned definitions link *governance* to the exercise of authority or power and to the management of a country's economic and social resources for development (instead of the more general 'affairs' mentioned in the first two definitions) (Pierre, 2000:1-6). Pierre also argues that the quality of *governance* can be determined by the exercise of power over the quality of life enjoyed by the citizens (Pierre, 2000:1-6). Pierre settles for the 'steering' characteristics of *governance* as compared to government. According to Kikert (in Frederickson, 2004:9) *governance* is 'steering at a distance', and this steering is more pleasant politically in an era in which there is significant public resistance to the country and its more intrusive forms of intervention.

In the mid-1970s it was Harlan Cleveland who first used the word *governance* as an alternative to public administration. One of the themes in his thoughtful and provocative speeches went like this: "What people want is less government and more *governance*". Like many other authors, Cleveland saw the vague distinction between public and private organisations, and he associated this vagueness with his conception of *governance* (Frederickson, 2004:3). For Batley and Larbi (in Cloete & Auriacombe, 2007:194), *governance* is about the quality and performance of government and public administration. The issues of *governance* were high on the developmental agendas at the end of the 1980s after nearly a decade of concern with

macroeconomic policy reform. In Africa, the general public and leaders were joined by international donors in their calls for greater openness and transparency. In the World Bank's 1989 report on Africa's developmental issues, these issues were traced to a 'crisis of *governance*' (World Bank, 1989:60). At the time, it referred to illegitimate leadership, abuse of authority, lack of accountability, the control of information and the failure to respect the rule of law and human rights.

In improving the quality of life of a population, governments play a key role in the process of *governance*. For many scholars of Public Administration and policy makers in public administration, the concern here is with the effectiveness rather than the form of government because for them the ability to govern is more important than whether a country has a democratic or authoritarian government (Peters, 1996:18-19). While the proponents of *governance* acknowledge the critical importance of government capacity, they offer specific prescriptions on the form of government. The notion incorporates how decisions are made, how power and institutions are balanced and how politicians and managers are held accountable. Oluwo and Sako (2002:37) unpack the phenomenon *governance* as "a system of values, policies and institutions by which a society manages its economic, political and social affairs by interacting within and among the state, civil society and the private sector".

Governance is therefore a complex phenomenon 'encompassing' all aspects of the exercise of authority through formal and informal institutions in the management of the resource endowment of the state. It must be emphasised that *governance* is a broader term than government, extending well beyond how government conducts its activities, such as making and implementing decisions. There are three main actors involved in *governance*: the country (encompassing such institutions as the legislature, executive and judiciary), civil society, and the private and corporate sector. Each makes a critical contribution to human development.

To establish the meaning of *governance* is only significant if one proceeds to examine the meaning of the phenomenon of *good governance* also. It is

important, because some scholars, as will be seen in the wide review of the literature in Chapter 3, use the words *governance* and *good governance* interchangeably, unreservedly suggesting that they are synonyms and that they mean the same thing (see Bourgon, 2003:2-11; Leftwich, 1993:605; the World Bank, 2002). Some scholars are of the opinion that they are not the same and claim that it is easier to define *governance* than *good governance* (see Johnson, 1997:2; Cloete, 2003). Johnson (1997:2), in his observation on the two phenomena, states that unlike *good governance*, *governance* “facilitates dialogue and is less political”. The meaning of the adjective 'good' becomes apparent in the World Bank's definition where *good governance* is 'epitomised' as predictable, open, and enlightened policy making (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; with a strong civil society participating in public affairs; and all behaving under the rule of law (Peters, 1996:18-21).

Since most, if not all, Western democracies are assumed to meet the standards of *good governance*, this notion has consequently been applied (or 'exported') virtually exclusively to countries in the Global South, especially to Africa, the Asia-Pacific region and former communist states in Europe and Asia (Peters, 1996:18), therefore there is a need to discuss the phenomenon of globalisation also. Snarr and Snarr (in Ijeoma, 2002:21) define globalisation "as the intensification of economic, political, social and cultural relations across the borders and boundaries of a country". Globalisation as a concept provides certain developmental alternatives to countries. However, it is important that every country should have a major stake in policies and programmes that will enhance their own development and improve their own living standards because the needs of people are better identified at the grassroots level than in a global context.

Faced with these difficulties of the definition of *governance* in the public sector, one prerequisite for strengthening the rule of law and the credibility of the state, both internally and externally, is an efficient administration that serves the needs of all citizens. It must be transparent, responsible and

accountable, and be served by honest officials. In the current context of the globalisation of the world economy and the fluidity of cultural boundaries, administrations in all countries also face a variety of issues, including the ethical problems concerned with the protection of employees who expose malpractice or misconduct in the workplace. An issue that needs to be considered also is why countries in the Global South accept the *good governance* agenda. Is it simply because they have no choice but to comply with the conditions imposed by aid donors? Or are they, especially in Africa, influenced by the urgent need to improve their dire domestic situations?

In view of the above, there is a need to 'unpack' the phenomenon of *governance* in order to apply the notion to the real world of public administration; in other words, the concept has to 'operationalise' *governance* the phenomenon. This, in particular, is important if one considers that there are dozens of separate uses of *governance* relevant to the study of Public Administration: corporate governance; the new public management; '*good governance*'; international interdependence; socio-cybernetic systems; the new political economy; and networks, to name but a few (Pierre, 2000:1-6). This may lead to an identification and consideration of the components or elements of *governance*. This in turn provides the yardsticks or indicators against which the policies and actions of government can be measured to establish governance quality. *Good governance*, in other words, provides a set of standards for government behaviour. These standards of *good governance* can also be depicted as goals that all governments can be expected to pursue.

Although there is a lack of consensus on the precise number of elements of *governance*, most proponents agree on certain core components. For the purposes of this dissertation certain core elements such as accountability, public participation, effectiveness and efficiency, transparency, the rule of law, ethics, access to information, democracy, and *decision making* will be emphasised. Over the years, the study of Public Administration and its object, public administration, has seen many fashions come and go, sometimes instructive, sometimes long-lived. This study focuses on the

current fashionable notion of *governance*. It is widely used, supplanting the commonplace 'government', but does it have a distinct meaning? Most important is that the phenomenon *governance* has unfortunately a large number of meanings. It can refer to a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed, but the problems of definition are unclear when specifying this new process, condition or method (Rhodes, 1997:57).

1.3 RESEARCH PROBLEM AND RESEARCH QUESTIONS

By drawing upon relevant theories in literature that concern the dilemmas of defining *governance*, the main research problem to be theoretically researched is to determine the meanings and relevance of the phenomenon *governance* in Public Administration, which is the scientific study of public administration.

Researchers are generally prompted to ask questions that may help to answer and provide possible solutions to the research problem under study through the application of a primary and secondary literature research, namely:

- relevant published textbooks and other literature
- unpublished dissertations and theses
- scholarly articles from scientific journals
- published and unpublished research reports
- speeches and papers where appropriate
- Internet sources.

The following questions, which could lead to the possible resolution of the problem statement, were pursued:

- How can the growth/development of the explanation of the phenomenon of *governance* in literature be explained?
-

- What are the theories and principles related to the phenomenon of *governance* in existing literature?
- Are the phenomena *governance* and *good governance* synonymous?
- Is the emphasis on *governance* in recent literature in Public Administration new?
- How is *governance* in Public Administration conceptualised?

1.4 OBJECTIVES OF THE STUDY

In order to explore, describe, analyse and explain the phenomenon *governance*, this study aims to investigate and expand on the important ideas advanced by the literature with regard to the phenomenon of *governance*. The findings of research into official, primary and secondary sources are integrated and presented in the context of the specific problems associated with the dilemmas of defining and finding a general consensus in the explanation of the phenomenon *governance* in the public sector. In order to achieve the aim and purposes of the study, the objectives of the study are stated as follows:

- to review the literature on *governance* relevant to the study of Public Administration
 - to explain the growth/development of the phenomenon *governance* in literature to do a theoretical scouting of the paradigm shifts from public administration to the recent governance debate
 - to explain the core theories, principles and key dimensions related to the phenomenon of *governance* found in existing literature
 - to provide an analysis of the phenomenon and different meanings of *governance* and *good governance* to conceptualise *governance* within the context of Public Administration.
 - to provide a validation for the phenomena *governance*.
 - to conceptualise *governance* in Public Administration.
-

1.5 SIGNIFICANCE OF THE STUDY

While it is acknowledged that the results of this study do not aim to be entirely or finally conclusive, it is hoped that this research on the phenomenon *governance* will provide valuable and useful indicators of the levels of general consensus among scholars of Public Administration about the process of interaction between *governance* and public administration.

The potential value of the study lies in the following: To foster a common definition of the phenomenon *governance* in order to address the current lack of shared understanding of the concept by identifying and addressing 'grey' areas where scholars of Public Administration are unsure of the appropriate meaning as well as to identify and challenge explanations used to explain *good governance* in the public sector. The different interpretations of *governance* referred to above typically reflect the ideology and culture of each funding agency or institution.

1.6 DEFINITIONS OF KEY CONCEPTS

Comprehensive conceptual clarification of terms pertinent to the research occurs in the appropriate chapters. Key terms utilised throughout the dissertation, however, are concisely defined below as well.

1.6.1 Transparency

In government operations, transparency can be defined as openness towards the public about government structures and functions, policy intentions, public sector accounts and projections. Transparency therefore is closely linked to the ability of all citizens to access information relatively easily (Cloete & Auriacombe, 2007:194).

1.6.2 Accountability

Accountability is one of the prerequisites of democracy. It entails holding elected or appointed officials charged with a public mandate responsible and answerable for their actions, activities and decisions. It is the role of civil society to hold those in public office accountable. Accountability seeks to know who is liable for what and what kind of conduct is illegal (United Nations Development Programme, 2004:10).

1.6.3 Rule of law

According to Hussein (2005:10), the rule of law is one of the key elements of good governance. It involves enforcing the provisions that the constitution and legislation make that provide a predictable and secure living and working environment for planning and *decision making*.

1.6.4 Government

Government refers to the institutions responsible for making and carrying out the laws supporting a particular policy and for adjudicating disputes that arise under those laws (Collin, 2004:106).

1.6.5 Ethics

Ethics refers to a system of moral principles. This is based on values relating to human conduct, with respect to rightness or wrongness of certain actions and to the goodness and badness of the motives and ends of such actions. It constitutes the basic principles in undertaking the right action based on written and unwritten rules of conduct (Smith & Cronje, 2005:442).

1.6.6 Public participation

Bourgon (2003:5) is of the opinion that public participation addresses how government institutions can put the principles such as transparency and access to information into practice. It is therefore about encouraging communities and community organisations to become involved in government matters.

1.6.7 Access to information

Access to information refers to the right of the public to access information, documents and records held by administrative authorities, except for specific privileged information relating to defence, fiscal policy, international relations, or information held in confidence or of a personal nature (Fox & Meyer, 1995:1).

1.6.8 Public Administration

Public Administration involves the study of the activity of public administration in government institutions, where government institutions refers to the legislative, executive and judicial authorities of the central government and the legislative and executive authorities of provincial and local governments (Du Toit & Van der Waldt, 1998:47).

1.6.9 Public administration

According to Fox, Schwella and Wissink (1991:2) public administration can be defined as “that system of structures and processes, operating within a particular society as an environment, with the objective of facilitating the formulation of appropriate governmental policy and the efficient execution of the formulated policy”.

1.7 INFORMATION GATHERING AND LITERATURE RESEARCH METHOD

In this section the following aspects will be dealt with: the approach to the study, the literature study and the organisation and frame of reference.

1.7.1 Approach to the study

According to Kaplan (1964:24), the most important contribution that methodology can make to science is to help clear the road to inquiry. The research methodology used in this study includes an extensive review of the literature dealing with *governance* and *good governance* from a number of points of view. This includes a historical perspective, a synthesis approach to explain *governance* dilemmas, a consideration of the individual elements of *governance*, and an examination of the origin of the paradigm shift from public administration to *governance*. Also included are extensive reviews of the *governance* phenomenon as defined by other scholars and the process of *governance*. This review was conducted to determine the nature and extent to which research has dealt with and defined the *governance* phenomenon. Also, a conceptual analysis will be done of the phenomenon of *governance*. This conceptual analysis is relevant because it raises awareness of one's own prejudices and irrationality by discussing and illustrating the dangers of bias, fallacies, irrelevance, not checking the facts and so on. According to Mouton (2005:175), conceptual analysis deals with the analysis of the meanings of words and concepts, whereas Neuendorf (2002:1) describes content analysis as the systematic, objective, quantitative analysis of message characteristics. According to Lawrence and Magrolis (2000:1), there is a growing interest in conceptual analysis by philosophers because they do not see themselves as merely restating old ideas. Conceptual analysis in this study is applied in two contexts:

- Conceptual criticism of passages written by other people
 - The answering of conceptual questions (Wilson, 1963:vii-ix).
-

The chapters that examine the views of authors who focused on public service ethics and corruption are used as the touchstone for the development of the practice of *good governance*.

The first step in any research process involves a careful examination of the problem during which “we reconsider what we know about the problem and what other scholars studying it have learned. A systematic review of the literature will unearth different answers, conflicting results and multiple opinions” (Manheim & Rich, 1981:191).

1.7.2 Literature study

The material consulted in the literature review, as an aid to gaining a better understanding of *governance*, reveals the most important literature on the *governance* process. The literature is divided into the following categories:

- Relevant books and published materials on *governance*: these include a host of publications related to the global and political appreciation and related debates on *governance* in South Africa and elsewhere. Descriptive works that attempt to describe and outline *governance* are mostly theoretical, but also include publications of a more practical nature. In this instance, articles from journals and newspaper reports are relevant.
 - Unpublished dissertations and theses
 - Official and unofficial documents and reports
 - Research reports
 - Political speeches, where appropriate
 - Electronic information available on the Internet. Works in this genre, will, for the purpose of this study, represent publications that have become available since 1989.
-

1.7.3 Organisation and frame of reference of the study

As may be expected, the research methods to be adopted for the collection and interpretation of the data required for the study will be determined by the nature of the study. The principal means employed in this dissertation were from the study of primary and secondary sources, including a comprehensive literature study of literature material and theoretical models. Seeing that the activities of government to achieve *good governance* today are concerned with many aspects of public administration, the study rests on a variety of sources and the literature consulted covers a wide spectrum of themes. After completion of the research, the collected material will be integrated and coordinated so that the facts and observations cover the core issues of the study. The results will be divided into the following chapters, forming a logical continuous unit.

Chapter 1 of the dissertation gives the general introduction and background to the study. It includes the rationale of and motivation for the study; the significance of the study; the statement of the problem; the research questions and the research objectives. The research method and literature information gathering process are also provided.

Chapter 2 provides a theoretical scouting of the literature, depicting the paradigm shift from public administration to the *governance* phenomenon. It focuses on the writings of Public Administration scholars to determine how and why there was a paradigm shift from public administration to *governance*. It relies heavily on international literature because the topic of *governance* has emerged as a key concept dominating the international community.

Chapter 3 offers a conceptual analysis of various theories, principles and key dimensions found in existing literature related to the phenomenon of *governance*. It is necessary to provide this since the World Bank identifies six dimensions of *governance* indicators including accountability, transparency, the rule of law, and the control of corruption (World Bank, 2003), and also the

fact that there can be 'good' or 'bad' *governance*, according to Nsubuga (in Kuye, 2008:632).

Chapter 4 presents a review of the literature on the meaning of the phenomena of *governance* and *good governance*. This chapter entails a critical analysis of the writings of Public Administration scholars and a look at how they assign meaning, theorise, conceptualise and contextualise *governance* in Public Administration.

Chapter 5 provides a validation of the phenomenon of *governance* in Public Administration. This chapter seeks to find space for the *governance phenomenon* in Public Administration.

In Chapter 6, the findings of the study are presented, and conclusions are drawn. Conceptualisation of *governance* and *good governance* in Public Administration will also be done in this chapter. Recommendations are made for further investigations into this topic.

1.8 CONCLUSION

In conclusion, this chapter introduces the nature of the study. It presents the question that this study wants to look at. It provides the reason or rationale for undertaking this study. The aims, objectives, significance of the study, research problem and research questions were identified. This study seeks to get rid of the 'grey' area or the confusion that currently exists in the body of knowledge on the meaning of the *governance* phenomenon in Public Administration.

CHAPTER 2

PARADIGM SHIFT FROM TRADITIONAL PUBLIC ADMINISTRATION TO GOVERNANCE

2.1 INTRODUCTION

There is nothing more difficult to plan, more doubtful of success, more dangerous to manage than the creation of a new system. The innovator has the enmity of all who profit by the preservation of the old system and only lukewarm defenders by those who would gain by the new system.

(Machiavelli, 1513)

The administration and management of public services is experiencing an intriguing and disorienting period worldwide. Governments have been launching major public sector reform projects now for decades. Traditional public services are feeling the pressure to transform and seem to be evolving – but into what? In the 1970s one could generally talk of public administration. In the 1980s came the new move to the new public management, and some to public administration and management. Recently some have argued that there is a further shift from a new public management perception to a *governance* perspective. The aim of this chapter is to provide a historical background to the shift away from the concept of public administration to the phenomenon of *governance* by looking at the theories and approaches that have dominated the public administration arena from the traditional administration approach to the current *governance* approach. This chapter relies heavily on international literature, because the topic of *governance* has emerged as a key concept preoccupying the international community.

2.2 PARADIGM SHIFT FROM PUBLIC ADMINISTRATION TO GOVERNANCE

This section focuses on the paradigmatic shift from public administration to *governance*. According to Nicolas Henry (in Thornhill, 2006:793-806), scholars of Public Administration need to know that the discipline is not static, but dynamic, because a new direction has emerged since the 1980s in response to the political changes and the increasing needs and demands of society. According to Babbie and Mouton (2006:6) a paradigm is the “authority of a certain theoretical tradition”, which directs the efforts of scientists away from solving the serious administrative problems there are to the study of theories. Then there are those scholars who proclaim that Public Administration cannot be given paradigmatic status because it does not have universally accepted theories and can be regarded as more of an art than a science (Gulick & Urwick, 1937:191). This is said because, according to Barton and Chappell (1985:273) and Lorch (1978:57), the theoretical foundation of Public Administration is not appropriately determined and expressed. The two afore-mentioned observations about Public Administration contrast with Babbie and Mouton’s perception of what a paradigm is. However, in order to establish a meaning of the phenomenon *governance* in the context of Public Administration, it is important to consider the theories and approaches that have dominated the public administration arena from the traditional administration approach to the current *governance* approach, because various terms are given by both scholars and practitioners to describe old paradigms of Public Administration, from Woodrow Wilson’s 1887 essay until the *governance* phenomenon.

2.2.1 Public Administration and public administration

The study of public administration is hardly new because it can be traced back to the contributions of Kautilya in India, Herodotus and Aristotle in Greece, Machiavelli in Italy, and Ibn Khaldun in the Middle East (Raadschelders, 1998:18-22). As a profession and a field of study, public administration developed through two major epistemological phases at the

beginning of the 20th century which shaped the discipline of public administration, referring to Woodrow Wilson and Frank W. Goodnow (Dwivedi & William in Dwivedi, 2011:22). Both Wilson and Goodnow place emphasis on the separation of administration from politics as the single most essential reform in achieving efficiency and removing the objectionable and unethical practices of spoils and patronage besetting the democratic system of governing. According to Holzer and Schwester (2011:174-176), Wilson and Goodnow believed that more attention should be paid to the 'science' of public administration. They believed that it was important for governments not only to decide on what policies should be implemented but also to implement those policies with the 'highest degree of efficiency and responsiveness to citizenry'.

Gildenhuis (1988:33) is of the opinion that the beginning of Public Administration dates back to Wilson's 1887 essay which he published in the *Political Science Quarterly* entitled 'The study of administration'. Wilson wrote that "it is the object of administrative study to discover, first what government can properly and successfully do and secondly, how it can do these proper things with the utmost possible efficiency and with and at the least possible cost of money or of energy" (Wilson, 1887:197-222; Hughes, 1994:27). Wilson in his article argued that:

- politics should be separated from administration
- a comparative analysis of political and private organisations should be done
- efficiency should be improved with business
- public servants should be trained with the use of merit-based assessment to determine the appropriateness of their qualifications in the need for placement in the administration of government.

To Wilson it was important that public administration "needed to emerge as a profession and that public administrators needed to conduct themselves as such, that is, public administrators must be responsible, professional and

efficient” (Holzer & Schwester, 2011:174-176). Wilson’s and Goodnow’s politics–administration dichotomy has been the subject of lasting debate. Their idea of apolitical public administration proved to be unrealistic, utopian and naïve (Pauw in Wessels & Pauw, 1999:22; Holzer & Gabrielian, in Rabin, Hildreth & Miller, 1998; Holzer & Schwester, 2001:176-178). More realistic views would be that politics is very much a part of administration. As Holzer and Schwester (2011:177) state, legislation is written by public administrators as much as by legislators. Most public administrators would admit that bureaucratic decisions are to some extent influenced by politics. Pauw (in Wessels & Pauw, 1999:22) concurs by stating that because public administration takes place in a political environment, Public Administration should take cognisance of politics.

According to Thornhill and Van Dijk (2010:100-101), Wilson has only “re-invented the science that had been developed much earlier in Europe”. Thornhill and Van Dijk (2010:98-99) are of the opinion that the discipline is much older than the view that Wilson held in his famous 1887 article. They argue that the history of the science of Public Administration can be traced back to the 16th century where Western European national states had ‘specialist’ knowledge in the administration of government and became instrumental in effectively and efficiently carrying out public functions. According to Pauw (in Wessels & Pauw, 1999:9), Public Administration is the scientific study of public administration. P(p)ublic A(a)administration is both a practice (and profession) and an academic discipline (Pauw in Wessels & Pauw, 1999:9; Greene, 2003:49). Hanekom (in Gildenhuis, 1988:69) states that Public Administration as an academic discipline and as it is known today was established outside Europe in the United States. The development of Public Administration as an academic discipline is recognised by Wilson’s 1887 article. According to Botes *et al.* (1997:119), Wilson’s 1887 article, *The study of administration*, led “to the inception of Public Administration as a science to be taught at academic level”.

More examples by reputable authors are given in making a distinction between 'Public Administration' and 'public administration'. The term 'Public

Administration' (with a capital P and A) refers to the academic discipline studied at universities, technikons, technical colleges and universities of technology. The term 'public administration' (with a lower case p and a) refers to both the strategic and operational activities within the public service (Van Wyk *et al.*, 2002:60). As mentioned above, according to Nicolas Henry, (in Thornhill, 2006:794), scholars of Public Administration need to know that the discipline is not static, but dynamic, because a new direction has emerged since the 1980s in response to the political changes and responses to the increasing needs and demands from society. Henry traces the beginning of these developments to Wilson whose essay set the tone for a separate field of administration while advocating that Public Administration was worth studying (Thornhill & Van Dijk, 2010:27-30).

According to Pauw (in Wessels & Pauw, 1999:22), Public Administration investigates public administration, which he refers to as the "organised, non-political, executive functions of the state". Pauw is of the opinion that in choosing the word 'functions' he deliberately casts the net as wide as possible. He sees 'functions' as a higher-order category under which concrete services, institutions, activities and people may be included. For Pauw other concepts in the definition, namely *executive* and *non-political*, "limit the extension or denotation of the definition" (Pauw in Wessels & Pauw, 1999:22). He further states that the functions of the state range across many disciplines and that makes Public Administration "inherently multidisciplinary". Many scholars in Public Administration are of the opinion that Public Administration has developed and is still developing. Some label 'management' and the 'new public management' as a market-based form of public administration.

According to Mtembu (2001:2), a shift from public administration to public management is highly admirable, since South Africa, like other countries, is not immune to the impact of globalisation on the public service. He also adds that public management appears to be a strategy aimed at meeting the challenges of globalisation and promoting professionalism, accountability,

transparency and a service-oriented public service. The following section reviews literature on the concept 'public management'.

2.2.2 Public Management

Management is an old approach. Since the beginning of time men have formed groups to achieve certain goals not possible through individual effort alone (Kroon, 1994:3-4). Du Toit and Van der Waldt (1997:25) and Robins and Decenzo (2001:27) share the same viewpoint and state that the core of management can be traced back to the time when people first tried to work as a team to satisfy their common needs. Du Toit and Van der Waldt focuses as an example on the Egyptians in the building of the great pyramids (4500BC). It required planning, mobilisation, organisation and coordination of natural and human resources from them. According to (2005:27-28), a history of the field of public management can arguably refer to the following statements:

- That the current study of public management has its origins in the 1970s: in America, in the curriculums and research of the new public policy schools and in Europe in efficiency-driven managerial reforms having their origin in Great Britain and New Zealand.
- That the origins of the field of public management are to be found in the methodical study and practice of *cameralism* and *Staatswissenschaften* in the beginning of the 17th and 18th century in Germany and Austria.
- That the field of public management is rooted in early appearances of bureaucratic governments and of administrative doctrines and 'best practices' in ancient China.

According to Ferlie, Lynn and Pollitt (2005:28-29), looking at the above-mentioned starting points pleads two questions of definition: of 'field' together with its limitations and of 'public management' as separate from both public administration and private or generic management. Hood (in Rhodes,

2011:17) is of the opinion that 'field' means 'an arena for the play of intellectual forces and power relationships'. This evidence includes the common knowledge of the educated élite on how to conduct the interaction of state. Arguments to the effect that management and administration are in fact different have a long history in American literature although the distinction sometimes seems subjective.

Many early explanations either view the two terms as synonymous or regard management as the more general concept (Hood in Rhodes, 2011:16-17). In 1926 in a Public Administration textbook, Leonard D. White writes, "The study of administration should start from the base of management rather than the foundation of law . . ." (White, 1926: vii). Here he disagrees with the idea that public law is the proper foundation of public administration. For Henry Fayol (1930) "it is very important not to confuse administration with management". For Fayol, to manage is to "conduct [an organisation] toward the best possible use of all the resources at its disposal", therefore ensuring smooth working of the essential functions. Administration is only one of these functions (Wren, 1979:232). During the 1940s Roscoe C. Martin saw management equal to administration but not without noting that there was comparatively little talk about the nature of the technique used to compare the two concepts (Wren, 1979:233).

According to Waldo (1984:12), "as much as any other one thing, the 'management' movement has moulded the outlook of those to whom public administration is an independent inquiry or definable discipline". For many scholars in Public Administration, of the two concepts, "public administration is unique and primary" and "public management is novel and specialised". It is Ott, Hyde and Shafritz (1991:1) who argue that 'public management' is a major segment of the broader field of public administration and that public management focuses on public administration as a profession and on the public manager as a practitioner of that profession. The concept 'public management' is widely viewed.

According to Gulick and Urwick (1937:205) management can be defined as an act of planning, organising, directing, and controlling the resources and activities in an organisation. Thornhill and Hanekom (1995:14) concur by stating that “management aims at directing an institution towards its predetermined aims and objective(s) by keeping the operations of an institution in equilibrium with the environment”. Roux *et al.* (1997:10) made the following observations about management:

- Public officials in high echelons in an institution have management tasks in addition to their administrative and functional responsibilities.
- The management should also have specialised functional processes so that institutional goals are reached. Management therefore gives direction to administrative demeanour.
- Management is a social process which involves judgement, *decision making*, guidance, integration and motivation.

It can be deduced from the afore-mentioned aspects that management is not equal to administration but part of administration. Ferlie, Lynn and Pollitt (2005:29-30) are of the opinion that the older view of public management is that it is the responsible exercise of administrative discretion, whereas the newer conception focuses more on the concern for decisions, actions and outcomes and for the political skill needed to perform effectively in specific managerial roles. They further state that the newer notion is more concerned with the immediate, pragmatic concerns of managers at the executive levels of government organisations.

Rosenbloom (1998:16) argues that “those who define public administration in managerial terms tend to minimize the distinctions between public and private administration”. Pauw (in Wessels & Pauw, 1999:14) throws more light on the research question. He is of the opinion that according to the famous 20th-century philosopher, Ludwig Wittgenstein, philosophical perplexities and problems are caused by language, and if one is not critically aware of the orthodoxy of language it can lead to various invalid conclusions

and absurdities. He goes on to say that “terms and concepts are unfortunately also subjected to fashions in the sense of fads”. For Pauw (in Wessels & Pauw, 1999:15-17), the first problem started when new names were given to the subject of Public Administration, for example 'Public Management' and 'Public Administration and Management'.

The assumption by Cloete cited in Pauw (in Wessels & Pauw, 1999:15-16) is that “public administration should be freed from politics and directed by the same motives as those of business administration/management and that the teaching and training of public managers should become the same as that for private business managers”. Pauw disagrees with Cloete and says that to him the word 'management' is not necessarily of a higher order than the word 'administration' because 'administration' in the term 'public administration' was never meant to refer to paperwork. What stands out in Pauw's arguments on 'management' and which is true, is that 'management' has been considered more glamorous than 'administration' in certain countries (for instance, South Africa) at a certain point in time, but this is barely an academic reason to change the name of a subject (Pauw in Wessels & Pauw, 1999:16).

From the above discussions it is evident that public administration and management are not synonymous and that a distinction can be drawn between 'management' and 'administration'. Then there is the 'New Public Management'.

2.2.3 New Public Management

In the early 1980s a new managerial approach to public administration, commonly known as the 'New Public Management'(NPM), became known (Perry & Kraemer, 1983; Rainey in Lynn & Widavsky, 1990; Pollit, 1990; 2000). NPM has been randomly referred to as: a paradigm, a movement, a reform programme and even as an industry (Patterson & Mafunisa, 2005:540). It became popular during 1979 when Margaret Thatcher came into power and introduced the macroeconomic policy of reducing public

expenditure with various public sector reforms (Frederickson in Ferlie, Lynn & Pollitt, 2005:112-115). Margaret Thatcher, Ronald Reagan and Brian Mulroney all ran political campaigns for office that were strongly critical of bureaucracy.

These three ushered in an administrative reform agenda that included privatisation, deregulation, and the reconceptualisation of the appropriate role of a government in the economy and society. Thatcher attacked what she has called the 'greedy and parasitic public sector'. Civil servants were shocked because they perceived themselves as nonaligned administrators within the framework of the law. Several countries have implemented major and inclusive public service reforms since the mid-1980s (Caiden, 1969:8; Frederickson in Ferlie, Lynn & Pollitt, 2005:112-115). These reforms received greater attention in the entrepreneurial management model outlined in Osborne and Gaebler's popular book, *Reinventing government* in 1992, and later in Gore's *National performance review*, set out in 1993 to make government institutions more performance-based and customer-oriented (Moe, 1994:111). Haruna (2003:344) concurs by stating that NPM can be seen as the practical result of the 1980s normative idea of 'private is better than public'. The implementation of NPM was not only restricted to developed countries but has also expanded to developing and transnational societies in Asia, Latin America and Africa. The whole idea was that the tools used in the private sector must be successfully implemented and used in the public service.

NPM started taking roots in the form of administrative reforms by downsizing bureaucracy and starting a process of privatisation (Dwivedi & William in Dwivedi, 2011:31). According to Haruna (2003:345), NPM was seen by several people as a set of tools and by some as a political theory. Hood and Peters (2004:268) are of the opinion that NPM, like most administrative labels, is a 'loose' term and that its usefulness lies in its convenience as a shorthand name for a set of broadly similar administrative doctrines which dominated the bureaucratic reform agenda in many of the Organisation for Economic Co-operation and Development (OECD) group of countries from

the late 1970s. According to Hood (in Rhodes, 2011:199-214), NPM was said by some authors to be the only way to correct the irreversible failures and even moral bankruptcy in the 'old' public management.

Then there were those scholars who dismissed much of the force of NPM as a polite and philistine demolition of more than a century's work in developing a distinctive public service and ethic. Peters (1996:1-6) mentions that most of these ideas of reform are founded absolutely on the assumption that government will function better if it is managed more as if it was a private sector organisation guided by the market instead of the hierarchy. To get better results in the public service, government should operate like a business. It is difficult to find any country where there have not been some efforts to promote significant change in the public service (OECD, 1993; Pollitt, 1990:56). This is even true for developing countries, which are being required to implement administrative reform as a condition of receiving aid from organisations such as the World Bank or International Monetary Fund (Peters, 1996:18-21; Kamark, 2003:4). Paterson and Mafunisa (2005:539) and the United Nations Development Programme (UNDP) (2004:4) are of the opinion that the nature of public administration reform in developing countries as a condition of receiving aid has been influenced by the relating of three globally significant events, of which implementing NPM was a part, which include:

- Firstly, the enforcement of the Structural Adjustment Programmes (SAPs) of the mid-1980s where the support of international financial institutions was intended to reduce the cost of government primarily through privatisation of state-owned enterprises and through reduction of the public service wage bill, so that resources could be freed for other purposes. But these programmes had extremely limited success and were strongly opposed.
 - Secondly, the implementation of NPM which emphasises the following core aspects: a client/consumer focus, a result driven process, and an accountability orientation. NPM promotes decentralised organisational
-

functions by means of various contracted-out service delivery mechanisms (e.g., quasi markets) in which public and private service providers compete for resources to do the work.

- Thirdly, the dissolution of socialist economic policy and the adoption of market principles in countries in Central and Eastern Europe which were associated with political and administrative reform. This transition was associated with reforms in public administration.

These three events have contributed to the strong focus on public administration reform since the 1980s. Therefore, during the period in question, any developing country could have been subject to the power of the SAPs in the 1980s.

This new approach to management emphasising teams and customer service challenged traditional public administration in the following ways:

- Significant shifts in the economy forced governments to respond
- Demographic change and the decline in government's capacity to regulate society effectively (Peters, 1996:115; Kapucu in Farazmand & Pinkowski, 2007:893).

Another set of realities that faced governments and which resulted in NPM, are summarised by Hlope and Chikulo (in Patterson and Mafunisa, 2005:542) as follows:

- public sectors too large and expensive
 - the need to use information technology to increase efficiency
 - the demand by the public for quality service
 - the general collapse of centrally planned economic systems which underscored the poor performance of government services worldwide
 - the quest for personal growth and job satisfaction by public service employees.
-

Critique against NPM is that it lacked a single definitive 'manifesto' (Pollitt, 2000:191). Pollitt (2000:191-193) identifies four main counter-claims:

- First is the contention that NPM is like the Emperor's New Clothes in the well-known Hans Anderson story – all hype but no substance, and therefore a true product of the style-conscious 1980s. Nothing has changed apart from the language in which senior managers speak in public. Underneath, all the old problems and weaknesses remain .
- Second is the contention that NPM has damaged the public service while not being successful in its ability to deliver on its fundamental claim to lower costs per (constant) unit of service. According to Nethercote (1989:363-367), the cure lies in applying to the NPM system the disciplines that it urges on service-delivery bureaucracies but so evidently fails to impose on itself, mainly strict resource control to determine the overall costs and benefits of the system.
- The third contention is that NPM, in spite of its apparent claims to promote the 'public good', (cheaper and better public services for all) is in fact a vehicle for particularistic benefit. According to Dunleavy, Yeatman and Keller (in Pollit, 1990:184-187), NPM is a self-serving movement intended to promote the career interests of an élite group of new 'managerialists' (including top managers and officials in central controlling departments, management consultants and business schools) rather than the mass of public service customers or low-level staff.
- Fourth is NPM's claim of universality opposed to its claim of being a public management for all seasons. These critics argue that different administrative values have different implications for fundamental aspects of administrative design, implications that go beyond altering the 'settings' of the system (Pollit, 1990:183-184).

In South Africa the NPM was seen as an administrative agenda that included privatisation, deregulation, and the re-conceptualisation of the appropriate role of a government in the economy and society. The *Batho Pele* framework

in South Africa associated itself with the global trend of adopting the NPM philosophy. The emphasis was on the 'reinvention of government' and infusing private sector ideas into the public service, therefore referring to citizens as customers or clients. The ideological and value-based assumption of NPM rests on the presumption that management can be applied to both the public and the private sectors and that it is possible to use the economic market as a model for political and administrative affairs. NPM is just another management fad, a trend, another thing promising everything. It is nothing more than just a set of management gear found to be appropriate for the public service. NPM is the practical result of the normative idea of the 1980s that 'private is better than public' (Pollit, 1990:183-184). The basic idea here was that the same instrument that was used in the private sector must be used in the public service. The *governance* phenomenon followed NPM, which is discussed next.

2.2.4 Governance

The word *governance* was first used by the Greeks and means 'steering', or simply, 'navigating', 'giving direction'. *Governance* has become a leading theme in policy development discourse and social science scholarship. Although the phenomenon is well established in South Africa, and despite the popularity of the phenomenon among both theoreticians and practitioners, there is still a lack of conceptual consensus. It has multiple meanings and there is a good deal of uncertainty about its different usages. From the literature it is clear that the meaning of *governance* has three different origins, that is, the study of institutions, network theory and corporate governance. *Governance* was popularised in the 1980s by the World Bank and the IMF after they had realised that the macroeconomic and fiscal policy reforms as applied to developing countries failed to produce the expected economic outcomes.

According to the World Bank (2002:18), the reason for the failure of the free-market system is the neglected role of the institutions which form the foundation of effective private markets. According to Kauzya (2003:53-54),

institutionalism sees *governance* as the exercise of authority and control. Hood (in Rhodes, 2011:199-214) is of the opinion that the motive of a *governance* system is to control authority by setting up incentive schemes and commitment instruments. Ostrom (1990:41-42) and the World Bank (2002:6-8) are of the opinion that when there are institutional weaknesses there are 'government failures' because incentive systems can be inappropriate. Institutional arrangements can create different incentives and cause individuals to react either productively or unproductively, therefore putting institutionalism at the centre of *governance* debates.

Naidoo (2009:73-74), in her book, *Leadership and good governance in public administration*, differs and states that *governance* is more than institutional design in public administration. To her it considers the interactions between both the public and private institutions and concentrates on issues such as transparency, control and accountability. According to Naidoo (2009:74), *governance* in public administration can be viewed as "the study of the structural and procedural manifestations of the public service's adaptation to its external, internal, social, cultural, political, economic and technological environment". Kickert, Klijn and Koppenjan (1997:9-10) see network theory as policy to be made and implemented in networks of interdependent actors (public agencies, individual businesses, non-profit organisations, etc.), but mainly with contradictory rationalities, interests and strategies. These networks, to name but a few, include public-private partnerships, intergovernmental programmes, and complex contracts. The phenomenon *governance* has also been widely used in the corporate governance literature. When looking at the corporate approach to political governance, the emphasis rests on increasing accountability and greater participation. Government can take a position of responsibility to its 'stakeholders', that is, citizens, in the decision-making process, which forces government to be involved in partnership governance.

As mentioned in section 1.2 of this study, it was Cleveland who first used the word *governance* as an alternative to 'public administration' (Frederickson, 2004:3). According to Kickert (2002:1472), "public governance has a broader

meaning than the restricted business-like, market-oriented approach of the term NPM". According to Kuye (in Naidoo, 2009:74), public governance is also related to legality, equality, and legitimacy rather than only strict business values. It is important to also make reference to the term 'public governance', because some authors make use of *governance* and 'public governance' interchangeably, although 'public governance' is detached from the *governance* phenomenon (Apreda, 2007:17-18). A comprehensive conceptual analysis of *the governance* phenomenon is provided in Chapter 4 of the study.

The following sections, 2.3 and 2.4, review literature on the World Bank's perspective of *governance*, followed by the IMF's perspective of the phenomenon. It is relevant to do so in this study, because *governance* was popularised by the World Bank and the IMF, both international development agencies in the 1980s.

2.3 THE WORLD BANK AND GOVERNANCE

The World Bank is one of the main supporters and financiers of development. The collapse of the Berlin wall on 9 November 1989 set off the disintegration of the Soviet Union which led to the decay of the political and economic coalition of the Eastern bloc (World Bank, 2002). These political changes created the breeding ground and paved the way for a discussion on how a government has to be structured in order to achieve (economic) development, hence a discussion on *governance*. In the World Bank Report of 1989, the developmental problems of Sub-Saharan Africa were discussed. During the 1980s, the economic performance of the countries in the region had worsened despite the implementation of the SAPs. The SAPs were introduced by the World Bank and the IMF and were the first set of economic policy recommendations by these international financial institutions to deal with the slow development in Africa.

According to Abrahamsen (2000:37) and Moyo (2010:11-28), the SAPs focused mainly on stabilisation and structural adjustment policies.

Stabilisation policies were short-term programmes endorsed by the IMF and aimed at immediate results on the economic sheets of a country through ways such as devaluation, deflation, and fiscal and monetary control (Moyo, 2010:11-28). At the same time, the Bank changed its lending policy from project financing to programme financing, where 'project' is defined as a temporary undertaking to create a unique product or service and a 'programme' as a group of related projects managed in a co-ordinated way to obtain benefits not available from managing the projects individually.

In the 1989 World Bank report, *governance* was defined as “the way in which power is exercised in the management of a country’s social and economic resources for development” (World Bank, 1989:60). This definition highlights the role that governments play in establishing a framework for economic activity and deciding how the benefits of such activities are distributed. Moyo (2010:20) is of the opinion that the notion of *governance* was first used to describe the need for institutional reform and a better and more efficient public sector in Sub-Saharan countries. Two years later, the Bank authenticated this definition. In the Bank’s 1992 publication 'Governance and Development', *governance* was characterised by predictable, open and enlightened policy making (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; a strong civil society participating in public affairs; and all behaving under the rule of law (World Bank, 1992:1-13). Today, more than 20 years later, these definitions still signify the basis of the Bank’s perception of *governance*.

The 1989 study on Sub-Saharan Africa introduced *governance* without openly referring to the connotation 'good'. It was only in the preface that former World Bank president Conable used the term *good governance*, referring to it as a “public service that is efficient, a judicial system that is reliable, and an administration that is accountable to its public” (World Bank, 1989: xii). In subsequent publications the Bank firstly avoided the frequent use of the word 'good' together with *governance*. According to Frischtak (1994:11), a motive for this reluctance could have been that the use of the

adjective 'good' referred to a subjective view on the performance of a state and that interpretations of the meaning of *good governance* could differ. Grindle (2005:1) questions the essentialist message of *good governance* and suggests that 'good enough governance' may be good enough. However, the Bank started using the term *good governance* more and more frequently. The need for *good governance* was seen as a solution to the 'crisis of *governance*' and the socio-economic predicament as put forward by the World Bank.

The next section will review literature on the IMF's perspective on *governance*.

2.4 THE IMF AND GOVERNANCE

In an address to the United Nations Economic and Social Council (ECOSOC) on 2 July 1997, Michel Camdessus, IMF managing director, said the following about *governance*:

Governance is important for countries at all stages of development. . . . Our approach is to concentrate on those aspects of good governance that are most closely related to our surveillance over macroeconomic policies – namely, the transparency of government accounts, the effectiveness of public resource management, and the stability and transparency of the economic and regulatory environment for private sector activity. (IMF, 1997)

From the above statement it can be deduced that the IMF's primary concern is with macroeconomic stability, external viability and orderly economic growth in member countries. For the IMF, *governance* is mainly concerned with the economic aspects of member countries. The declaration 'Partnership for Sustainable Global Growth' that was adopted by the IMF's Interim Committee at its meeting in Washington on 29 September 1996, identified "promoting *good governance* in all its aspects, including ensuring the rule of law, improving the efficiency and accountability of the public sector, and

tackling corruption” as an essential element of a framework within which economies can prosper. The role of the IMF in *governance* issues revealed a strong consensus among executive directors on the importance of *good governance* for economic efficiency and growth (IMF, 1997). It can be observed that the IMF’s role in these issues had been evolving practically as the IMF was more involved and paid greater attention to *governance* issues that could create macroeconomic stability and sustainable growth in member countries. The IMF contributes to promoting *good governance* in member countries through different channels, mentioned below.

- Firstly, in its policy advice. The IMF has assisted its member countries to create systems that limit the scope for *ad hoc decision making*, for rent seeking, and for undesirable preferential treatment of individuals or organisations.
- Secondly, the technical assistance that the IMF provided has helped member countries to enhance their capacity to design and implement economic policies, in building effective policy-making institutions and in improving public sector accountability.
- Thirdly, the IMF has promoted transparency in financial transactions in the government and public sector more generally (IMF, 1997).

In doing these, the IMF has helped countries to limit the opportunity for corruption.

The next section will focus on corporate governance as *governance* is used in both public and private organisations, and also because corporate governance has greatly influenced the analysis of political governance. It is also relevant in this study to look at the objectives of the King I, II and III reports because in South Africa, *governance* was the subject of the so-called King reports and a topic of great national interest.

2.5 CORPORATE GOVERNANCE AND THE KING I, II AND III REPORTS

The phenomenon *governance* has also been widely used in the corporate governance literature. According to Hart and Moore (1995:867), corporate governance finds its origin in the 'world of incomplete contracts'. Incomplete contracts can exist when managers possess more information than shareholders do and the interests of shareholders have the potential to deviate from the objectives of the company.

With reference to the agency theory, managers are believed to be self-serving and opportunistic, often failing to act in the best interests of shareholders and creating agency problems under ownership and control. In this context agency theory is concerned with the so-called agency conflicts or conflict of interests between manager and shareholders. According to Lubatkin *et al.* (2005:867-888), the theoretical foundation of corporate governance is based on agency theory, transaction cost economics, resource dependence theory and stakeholder theory. For the purpose of clarification, the concepts agency theory, transaction cost economics, resource dependence theory and stakeholder theory will be explained. Agency theory argues that "the owners are the principals, and the managers are agents. There is an agency loss which is the extent to which returns to the remaining claimants and the owners and fall below what they would be if the principals and the owners exercise direct control of the corporation" (Donaldson & Preston, 1991: 65-91). With the transaction cost economics theory, the purpose is to economize on the sum of production and transaction costs (Williamson, 1979:245). Resource dependence theory refers to the need to have environmental linkage as a direct function of the levels and types of dependence facing an organisation (Hillman, Cannellia & Paetzold, 2000:238). According to Brenner and Cochran (in Donaldson & Preston, 1995: 65) "the stakeholder theory describes how the organizations operates and helps predict organizational behaviour."

Over the last few years corporate governance has become a growing area of public interest and academic research. Several universities offer not only

undergraduate modules but whole LLM or MBA streams on this topic. More and more PhD students specialise in this area, borne by the fact that outstanding academics dedicate their research to corporate governance issues (Kostyuk *et al.*, 2007: iii). The financial crises of Enron, WorldCom and Parmalat at the beginning of the 21st century have heated up the debate about the proper *governance* of companies. The collapse of these businesses in the United States led to calls for greater government involvement to keep the private sector honest (Hughes, 2003:97). Corporate governance is a highly topical subject which concerns the management of large companies and the way in which they use their power and influence in society today. It encompasses a wide range of issues extending from company law to business ethics. Generally, the term corporate governance deals with issues borne by the separation of ownership and control, and solving agency problems between shareholders and their management, between majority and minority shareholders, as well as between shareholders and other stakeholders. The importance of monitoring institutions which range from supervisory boards to external monitors, such as institutional investors, is emphasised by several authors (Millgrom & Roberts, 1992; Kostyuk *et al.*, 2010: iii).

According to Kostyuk *et al.* (2010: v), boards of directors, specifically supervisory boards, are seen as a link between the different interest groups within a company to guarantee *good governance*, where a board is seen as an economic institution that can help solve the agency problems inherent in managing an organisation. In their paper 'A survey of corporate governance', Shleifer and Vishny (1997:737-783) identify two approaches to corporate governance that are most common:

- 1) to give investors power through legal protection from expropriation by managers
- 2) ownership by large investors (concentrated ownership).

The former approach involves giving minority shareholders the power to control management through legal means, as well as creating an

environment conducive to aligning the incentives of management with those of shareholders.

According to Apreda (2007:45-53), it is improbable that a mainstream definition of a subject so young, and still in search of its epistemological foundations can be claimed, and therefore he only recalls one functional definition that deals with the main tasks and problems on which corporate governance focuses. He is of the opinion that corporate governance “is a field of learning and practice about organizations concerned with the Founding Charter, the ownership structure, control and decision rights, the role of the board of directors and management, the conflict of interests that arises from the interrelationships of owners, directors, managers, creditors and, to a lesser extent, other stakeholders, the regulatory and reputational environments, as well as the avoidance of rent-seeking, soft-budget constraints and tunneling” (Apreda, 2007:v).

In many instances the term corporate governance is used to refer to the private or business sector. The King Reports and New Partnership for Africa’s development (NEPAD) also make reference to the term corporate governance. According to Barrett (in Koma, 2009:456), the development of corporate governance has influenced the analysis of political governance. During the 1990s the Anglo-Saxon model of corporate governance was submitted to much criticism. Well-known scholars in the field have supported the notion of the stakeholder’s business whereby the board is not only responsible to the firm’s shareholders but to all those who have a stake in the firm, from the employees, consumers and suppliers to society at large (Wixley & Everingham, 2002:1-2).

It is agreed that because the firm has borrowed resources from society, it becomes immediately accountable to all the stakeholders in its manufacturing process. Cronje (2007:48) concurs by stating that, in its broadest sense, corporate governance refers to the informal and formal relationships between the corporate sector and its stakeholders and the impact of the corporate sector on society in general. In the corporate

approach to political governance the emphasis rests on increasing accountability and greater participation. Government can take a position of responsibility to and including its stakeholders, for example, the citizens in the decision-making process, and so force government to be involved in partnership governance.

According to Koma (2009:452), the introduction of the principles of corporate governance into the public sector is increasingly becoming international practice. He is of the opinion that governments have adopted these corporate governance principles to control the activities of organisations that operate like parastatals or public entities and others that function as business units within the broad contexts of the government sector. In 1992 the King Committee was formed in South Africa, in line with international thinking, and considered corporate governance from a South African perspective (Dekker, 2002:1-3). The Institute of Directors in Southern Africa (IoDSA) established the King Committee on Corporate Governance in July 1993. This Committee, headed by the High Court Judge, Mervyn King, produced the first King Report on corporate governance which was published on 29 November 1994.

This first King Report marked the institutionalisation of corporate governance in South Africa. It aimed at promoting corporate governance in South Africa, and establishing recommended standards of conduct for boards and directors of listed companies, banks and state-owned enterprises, emphasising the need for companies to become a responsible part of the societies in which they operate. The King I Report promoted an integrated approach to *good governance*, taking into account stakeholder interests and encouraging the practice of good financial, social, ethical and environmental practice. The King Committee on Corporate Governance launched the King Report on Corporate Governance for South Africa in 2002, known as the King II Report at an IoDSA Conference attended by 700 delegates at the Sandton Convention Centre, on 26 March 2002. This report only pertains to certain categories of business enterprises, namely:

- companies listed on the Johannesburg Stock Exchange (JSE)
- banks, financial and insurance entities
- public sector enterprises governed by the *Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)* and the *Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)*.

The report refers to seven characteristics of good corporate governance:

- Discipline – a commitment to behaviour that is universally recognised and accepted as correct and proper.
- Transparency – the simplicity with which an outsider is able to analyse a company's actions.
- Independence – the mechanisms to avoid or manage conflict.
- Accountability – the existence of mechanisms to ensure accountability.
- Responsibility – processes that allow for corrective action and acting responsibly towards all stakeholders.
- Fairness – balancing competing interests.
- Social responsibility – being aware of and responding to social issues (King Code, 2002).

The release of the King III report on 1 September 2009, with an effective date of 1 March 2010, represents a significant milestone in the development of *corporate governance* in South Africa and brings with it significant opportunities for organisations that embrace its principles. The changing trends in international governance and the anticipated *New Companies Act* are seen as the driving forces behind the King III Report (King Code, 2009). The King Committee, as with the King I and King II reports, endeavoured to be at the forefront of *governance* internationally and this has again been achieved by focusing on the importance of reporting annually on how a company has both positively and negatively affected the economic life of the community in which it operated during the year under review. Furthermore, emphasis has been placed on the requirement to report on how the company intends to enhance those positive aspects and eliminate or improve any possible negative impacts on the wealth of the community in which it will

operate in the year ahead. The King III report has opted for an 'apply or explain' *governance* framework.

The framework recommended by the King III report is principles-based and there is no 'one size fits all' solution. Entities are encouraged to adjust the principles of the Code as appropriate to the size, nature and complexity of their organisation. This is good news for companies in South Africa as it avoids some of the pitfalls seen in the United States where a 'one size fits all' approach was initially adopted (King Code, 2009). *Corporate governance* calls for proper checks and balances and sound decision making among the decision makers and role players in an organisation, whether private or public.

The following section briefly reviews literature on global governance. It is relevant in this study to do so because *governance* "does not only refer to the domestic entities or actors in the national policy development and implementation processes, but also to the international ones" (Wallace, 1996:11-13). This means global actors are also key role-players in the *governance* debate.

2.6 GLOBAL GOVERNANCE

The driving force of global governance, according to Gaye (2005:56-57), is the globalisation of the international community, which became a leading intellectual paradigm during the 1980s. According to the UNDP (2004:10), the debate on global governance started after the collapse of communism and the start of a new world order dominated by liberal philosophy and principles. 'Global governance' and the 'international community' are words that can be used to conceal rather than reveal meanings. Many sins are committed in the name of global governance. They are part of diplomacy by language, used to "dignify the sordid processes of international politics". (UNDP, 2004:10). Today there are a number of regulatory and decision-making bodies, named 'institutions of global governance', that are operating outside and above national governments. According to Thomas and Grosse

(2001:18), nine bodies dealing with global economic governance can be listed, including the World Bank, the IMF, the G8, the OECD, the World Trade Organisation (WTO), and the United Nations Conference on Trade and Development (UNCTAD), to name but a few.

These institutions aspire to deal with the following issues: the great depression, unrealistic exchange rates, strong protectionism, the collapse of trade, and the rise of extreme nationalism (World Bank, 2002). The intention is to avoid these problems by encouraging the formation of an open world economy. However, these institutional arrangements geared towards free trade specifically suited the interests of the United States of America. And the question still remains as to whether these institutions of global governance address the needs of the global community, especially the global south. The African Development Bank (ADB) defines *governance* by taking globalisation into account, “whereby states are bound together through multilateral and bilateral agreements which create mutual obligations that in turn have implications for *governance*” (ADB, 1999).

Thus, global governance can be defined as how a country manages its affairs and its relation to other nations. Ekpo and Ibom (2002:14) concur in that they define globalisation as “a process of integrating economic decision making such as the consumption, investment and saving process all across the world; it is a global market in which all nations are required to participate”. Moyo (2010:11-28) and Davis and Ozer (in Soleyman, 2005:43-58) give critique and are of the opinion that the current system of global governance has to be reformed as it is dominated by private agendas, of which the main concern is the promotion of free movement of commodities and trade to the disadvantage of poor countries.

2.7 CONCLUSION

To conclude, as a field of study and as a practice, public administration has been influenced by many approaches and paradigms, all of them aiming at improving the functioning of public institutions and improving their

effectiveness and efficiency. This chapter provided a historical background to the paradigm shift from public administration to the *governance* phenomenon by looking at the theories and approaches that have dominated the public administration arena from the traditional administration approach to the current *governance* approach.

CHAPTER 3

THE VARIOUS THEORIES, PRINCIPLES AND KEY DIMENSIONS RELATED TO THE PHENOMENON OF GOVERNANCE

3.1 INTRODUCTION

Many men have imagined Republics and principalities that never really existed at all. Yet the way men live is so far removed from the way they ought to live that anyone who abandons what is for what should be pursues his downfall rather than his preservation; for a man who strives for goodness in all his acts is sure to come to ruin, since there are so many men that are not good. (Machiavelli, 1469-1529)

The notion of *governance* continues to capture vigorous attention in the development and academic discourse. The World Bank identifies six dimensions of *governance* indicators including accountability, transparency, the rule of law, and the control of corruption (World Bank, 2003). *Governance* is generally used in developmental circles to refer to the manner in which power and resources are used towards the realisation of developmental objectives and could therefore be 'good' or 'bad' *governance*, according to Nsubuga (in Kuye, 2008:632). As mentioned before, the 1989 study on Sub-Saharan Africa introduced *governance* without openly referring to the connotation 'good'. It was only in the preface that former World Bank president Conable used the term *good governance*, referring to it as a “public service that is efficient, a judicial system that is reliable, and an administration that is accountable to its public” (World Bank, 1989:xii). Randall and Theobald (in Maserumule, 2005:201) saw the call of the 1989 World Bank Report for *good governance* as focusing mainly on fighting corruption and promoting accountability and efficient administration. This chapter will examine the different theories and principles of development

related to the phenomenon of *governance*, as well as the key dimensions of *governance*, by reviewing existing public administration literature on both *governance and good governance*. This was done to establish the meaning of the *governance* phenomenon that will be discussed in Chapter 6.

3.2 THEORIES RELATED TO THE PHENOMENON OF GOVERNANCE

From the various literatures it is clear that the phenomenon *governance* has its meaning from three different origins, that is: from the study of institutions, network theory and corporate governance. In 1992 the World Bank introduced the notion of *governance* as part of its criteria for giving aid to developing countries (World Bank, 1992; Moyo, 2010:11-28). According to the UNDP (1997: iii), *governance* refers to the formal and informal arrangements that determine how public decisions are made and how public actions are carried out from the perspective of maintaining a country's constitutional values. The next section will focus on the theories, principles and characteristics relating to the phenomenon of *governance* found in the literature. It is also important to mention that some authors see *governance* and *good governance* as concepts that are inextricably connected, and use them interchangeably, therefore the referral to both *governance* and *good governance* in this chapter. For the purpose of clarity, corporate governance will not be discussed again in this chapter as it has already been discussed in subsection 2.4 of this study.

3.2.1 Traditional theory

The traditional theory of *governance* developed in three successive phases. In the 1960s it began largely as a theory of planning and of how to steer, while in the 1970s it was policy development that became more important and focused primarily on the different policy instruments, particularly the rule of law, and finally in the late 1980s policy implementation became a new research area (Mayntz in Bang, 2003:28). It is clear that this theory, concerned with planning, policy development and policy implementation

adopted a top-down or hierarchical approach. Therefore, a government, as the lawful source of authority, is the only source of *governance* in these models. Law and coercion are the instruments of this theory of *governance* and the assumption is that the government, even if it meets resistance from political parties or any interest groups, is the control centre of society. In practice, to govern from above (top-down approach) is forced, and “the state therefore is only 'semi'-sovereign by both the constitution and the power of groups in society that are given legitimate power to participate” (Bang in Mayntz, 2003:19; Dlalisa, 2009:30).

3.2.2 Network steering

Networking became a key term in development policies and activities in the early part of the 1990s. Consequently, the public sector has become increasingly dependent on cooperation and mobilisation of resources that involve actors that are outside their hierarchical control (Börzel, 1998:260). Kickert, Klijn and Koppenjan (1997:9-10) see network theory as policy to be made and implemented in networks of interdependent actors (public agencies, individual businesses, non-profit organisations, etc.), but mainly with contradictory rationalities, interests and strategies. These networks include public–private partnerships, intergovernmental programmes, and complex contracts. Therefore, when policies and contracts are negotiated and implemented, negotiation and bargaining are often required from these actors. *Governance*, according to this perspective, takes place in networks and consists of collaboration for the successful implementation of policies.

According to Anttiroiko (in Malkia, Anttiroiko & Savolainen, 2004:18) *governance* by self-organising networks is characterised by the following features:

- **Interdependence:** Public governance is about intersectoral relations, i.e., actors from public, business and voluntary sectors working together, which leads to the blurring of institutional and sectoral boundaries.
-

- **Interactivity:** Actors need to utilise other actors' knowhow and resources and to negotiate about common goals which brings about a need for continuous communication and interaction.
- **Reciprocity:** Networks bring about 'game-like' interactive relations that are based on trust, reciprocity and commonly accepted rules.
- **Autonomy:** Networks are independent of the state and other public entities. Yet, public authorities within their jurisdictions and competences have a special role in policy networks. Their ultimate power in network is, however, power to initiate, persuade and co-ordinate rather than to impose orders on actors of the network.

The network approach highlights the interactive nature of policy procedures. However, a lack of hierarchy among actors creates problems when policies need to be implemented. Another concern that the network theory raises is the issue of public accountability. Private actors are not subjected to the same constitutional and legal as well as oversight controls as government actors.

3.2.3 Policy instruments

Policy instruments were already popular in some of the states as far back as the 1970s. According to Howlett (1991:2), policy instruments can be defined as the 'myriad techniques' at government's disposal on how to implement their policy objectives. Here the assumption is that governments can govern and that they can govern most effectively and efficiently. Zito *et al.*, (2003:509), identifies policy instruments as "benchmarking, co-regulation, voluntary codes of conduct and negotiated agreements". For example, the utilisation of public-private partnerships for policy is an indication of the willingness of governments to develop alternative ways to make and implement policy. It also indicates a willingness to be more innovative than to focus only on the more traditional role of the public sector. This theory also assumes that there is a government process in place that is making choices about policy goals and the means that will be used to implement these goals.

3.2.4 Institutional analysis

Another approach to the question of *governance* is to look at the role that institutions play. According to Kauzya (2003:53-54), institutionalism sees *governance* as the exercise of authority and control. Therefore, the motive of a *governance* system is to control authority by setting up incentive schemes and commitment instruments. Institutional arrangements can create different incentives and cause individuals to react either productively or unproductively. According to Tandon (2000:2), the institutional dimension of *governance* is also called *effective governance*. Here the concern is with the ability of government institutions to manage and get things done institutionally. Boeninger (1992:268) and Edralin (1997:111) concur as according to them the focus is on the government's institutional capacity, structural adjustments, decision-making processes and the interaction and relationship between government and its people. It highlights the effective management of development and political and administrative structures of a country. Brantingam (in Ndulu & Van De Walle, 1996:83) shares his view on the institutional component of *governance* as "the ability of government agencies, structures and systems to implement their policies and to accomplish its goals". In this context *governance* can be viewed as efficient and effective public administration, the ability to design and implement appropriate developmental policies and the capability to manage both the public and the private sector (Leftwich, 1993:612; Erickson, 2002:13).

3.2.5 Rational choice theory

The rational choice theory according to Akokpari (in Milazi, Mulinge, & Mukamaambo, 2002:18) postulates an 'economic man', who in the course of being 'economic' is also 'rational'. This man is assumed to have knowledge of the relevant aspects of his environment. He is assumed also to have a well-organised and stable system of preferences, and a skill that enables him to calculate the alternative courses of action that are available to him. According to the ADB (1995:4-9), rational choice theory is also known as rational action theory and is a theory for understanding social and economic behaviour. It is

the leading theoretical paradigm in microeconomics, is also central to modern public administration, and is widely used by scholars in other disciplines such as sociology and philosophy (ADB, 1995:4-9). This theory's approach to *governance* is based on the top-down or hierarchical view, assuming that a political office bearer is attempting to control his/her agents' contracts through performance contracts or agreements. These political office bearers have their own incentives and have their own goals in mind. This theory is also based on the assumption that policy intentions are formulated at the centre of government but then deviate from those intentions.

3.3 PRINCIPLES RELATED TO THE PHENOMENON OF GOVERNANCE

The principles of *governance* are emphasised by agencies such as the World Bank, UNDP, United States Agency for International Development (USAID), the British Overseas Development Aid (ODA), and other OECD countries (IDS Bulletin, 1993:7). According to Hope (1997:128) and Robinson (in Sorensen, 1993:90), *good governance* exists where there is political accountability, bureaucratic transparency, the exercise of legitimate power, freedom of association and participation, freedom of association and expression, sound fiscal management, public financial accountability, respect for the rule of law, a predictable legal framework, the encompassing of an independent and credible judicial system, respect for human rights, an active development of pluralistic forces including civil society.

As mentioned in section 2.3 of this study, the meaning of the adjective 'good' becomes apparent in the World Bank's definition where *good governance* is being 'epitomised' as predictable, open and enlightened policy making (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; a strong civil society participating in public affairs; and all behaving under the rule of law (Peters, 1996:18-21). The ADB has identified five basic elements of *good governance*, namely, accountability, transparency, participation, fighting corruption, and an effective legal and judicial framework (ADB, 1995:11).

From the above, the *good governance* agenda can be summarised in the following principles which are not necessarily discussed in their order of importance.

3.3.1 Democracy

This concept is derived from the Greek word *kratos* meaning power or rule and *demos*, meaning people. Democracy, according to Lincoln (in Heywood 2002:68), is thus government of the people, by the people, and for the people. The principle of democracy emphasises elements such as the constitutional division of power between the legislature, executive and judicial branches of government, a multi-party system, regular free and fair elections, and a vibrant and vigilant civil society (Leftwich, 2002:281). Dahl's 'polyarchy' is one of the most widely used definitions of democracy (Dahl, 1989:221). He defines a 'polyarchy' as a regime that has seven attributes, namely: "elected officials, free and fair elections, inclusive suffrage, and the right to run for office, freedom of expression, alternative information and associational autonomy". Dahl's definition contains many elements that are of value to the public but also leaves out many other variables that are equally important. One important principle that is left out in Dahl's conception of democracy is the state's adherence to the rule of law as it is viewed as generating public support, because a government ruled by elected officials is likely to be legitimate (O' Donnell, 1996:35).

Schmitter and Karl (1993:82-83) also built on the definition of Dahl and argue that democracy must have citizens who hold their rulers accountable during elections. This principle of democracy highlights the importance of competition for public office. The above definitions raise another question. How can the people who are supposed to be the rulers of government have power over their government? Grugel (1999:159) attempts to answer this question in her conception of democracy and states that democracy incorporates civil society as a watchdog for the government since an active civil society makes it difficult for a government to engage in illegitimate acts. Leftwich (2002:18) concurs and argues that if there is no civil society that

holds the government accountable, democracy will not be the 'rule by the people', but rather the 'rule by the élite', thus becoming a system of power. *Good governance*, according to Maserumule (2011:292), advocates that democracy is an essential condition preceding or similar to development and not a result of it.

3.3.2 Decision making

The organisational purpose of decision making in *governance* should include organisational strategic direction (Hoebink, 2001:18). Information becomes very important in decision making so that decisions taken are based on reliable evidence. According to Howell and Pearce (2001:63), in making such decisions leaders must be informed because such decisions support suitable systems in order to make sure that resources are used legally, effectively and efficiently. In decision making, the accuracy and reliability of information is imperative, so that options or alternatives are made on the basis of such reliable information. In organisations, cost-benefit analysis is important, as in forecasting it assists organisations to understand if cost related to a particular project is too costly or beneficial for the organisation, and the risk related to such a decision. Hoebink (2001:18) is of the opinion that it is equally important to illustrate an analysis between personal and organisational decisions, because personal decisions undermine *good governance*, and organisational decisions promote organisational efficiency if operational risks are calculated accurately in the process of decision making. However, what is essential when using public money to deliver services to people is that choices and alternatives must be made when organisational decisions are made.

3.3.3 Accountability

Public accountability is a subject of importance in democratic governance, as it attracts attention in academia, among practitioners and members of the public (Kalema, 2007:250). According to Pierre and Peters (2000:21), accountability is defined as the imperative to hold public officials (elected or

appointed), individuals and organisations charged with a public mandate, accountable to the public for actions and decisions from which they get their authority. Accountability therefore means establishing criteria to measure the performance of public officials, and also establishing oversight mechanisms to ensure that the standards are met. Accountability strengthens the rule of law. The notion of public accountability is generally understood as the obligation on the part of government – elected office bearers, appointed and professional career officials – to answer for the discharge of responsibilities assigned to them by those who are authorised to hold them accountable (Kalema, 2007:250-255).

Van der Waldt (2004:3) supports the view that *governance* can be seen as the acquisition of and accountability for the application of political authority, to the direction of public affairs and the management of public resources. In his view, there should be a strong and effective working relationship between the executive authority and the accounting officer so that the public is directed by a specific shared visionary and organisational agenda. This is imperative because, according to Mafunisa (2003:11), the major challenge that is facing governments globally is the lack of trust in government. According to Kalema (2007:258), trust in governments is challenged by the mere fact that citizens' access to information and public debate are moving from government control into the hands of the global market place, revealing power structures. It can be deduced from the above definition by Kalema of trust in governments that it is not an easy phenomenon as it exposes those in power. Mafunisa (2003:11-12) further states that the important aspect in developing adequate accountability practices will be the development or incorporation of “better ways to measure to what extent public officials are actually performing their duties”. However, the fundamental factor for successful implementation of accountability is the development of a democratic culture in a political community.

3.3.4 Transparency

Transparency is built on the free flow of information. Transparency should also ensure the active involvement of government to make the necessary provision to ensure that public information can have a feedback effect on government's performance, because transparency allows the public to put pressure on government to deliver services and to do so effectively and efficiently. This means that the public is able to monitor government progress and weaknesses. Transparency can strengthen the legitimacy of government (UNDP, 1997:40-45). According to Auriacombe and Cloete (2006:3), transparency involves "access to reliable, timely, comprehensive, understandable and internationally comparable information on government activities" and is necessary for sound government and *good governance*. For them, transparency is linked to the ability of all citizens to have access to information relatively easily. According to Van der Waldt (2004:18), transparency refers to the availability of information to the public on the transactions of government and the transparency of the decision-making processes.

However, the media can also play a role in obliging public officials to disclose or make available all relevant information. From the above discussions it is evident that transparency is crucial to uphold democratic government. If society is able to gain access to the results achieved through governmental action, government would be sensitive to the success achieved, because a lack of success could have serious consequences at the next election (Thornhill, 2008:105-128). Transparency is viewed by many scholars in public administration as synonymous with 'openness'. With openness, holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

3.3.5 Ethics

According to Mafunisa (2003:25-26), ethics is being defined as the “carrying out of socio-professional acts in a manner defined as acceptable”. Romzeck and Dubnick (1987:227-238) are of the opinion that ethics is a study of what is good or right for human beings. According to Thornhill (2008:105-128), one of the traditional principles of public office bearers and officials is that they adhere to ethical conduct. In most codes of conduct it is required that the basic values governing public administration should be honoured. In South Africa, the public service’s Code of Conduct requires *inter alia* that:

- an employee should be faithful to the Republic, put the public interest first, loyally execute the policies of government, and abide by all statutory and other instructions applicable to his/her conduct and duties
- an employee should promote the well-being of society, serve the public in an unbiased manner, be polite, helpful and reasonably accessible, and not discriminate unfairly against any member of the public
- an employee strives to achieve the objectives of his/her institution cost effectively, is punctual in the execution of his/her duties, executes his/her duties in a professional manner, and does not engage in activities that are in conflict with the execution of his/her duties
- an employee does not use his/her official position to obtain private benefits and does not disclose official information for personal gain.

These guidelines are broad and should encourage ethical conduct in the public service. However, many public officials are unaware of these guidelines or openly ignore them, and in doing so cultivate an environment favourable to corruption, which is a potential danger to developing countries.

3.3.6 Rule of law

According to Dlalisa (2009:20), the rule of law is a principle; the law establishes a framework to which all conduct and behaviour should conform, applying equally to all members of society. Dlalisa (2009:20-21) further states that the rule of law is fundamental in a democratic society in order to instil *good governance*. Social institutions (or simply institutions), the rule of law, together with accountability and curbing corruption are seen as primary mediators for development (World Bank, 2002, 2003; IMF, 1997). According to these institutions, these principles are considered the central beliefs in international institutions' policies on development and *good governance*. As also mentioned in Chapter 1 of the study, Hussein (2005:10) is of the opinion that the 'rule of law' is one of the key elements of *good governance*. It involves enforcing the provisions that the constitution and legislation make for a predictable and secure living and working environment for planning and *decision making*. *Good governance* highlights the supremacy of regular law as opposed to the influence of arbitrary power (Dlalisa, 2009: 20).

3.3.7 Public participation

Robinson (2007:532) views public participation as the connection between civil society and the state. Therefore, it is essential to engage the citizens in activities concerning their overall welfare. "Participation legitimises authority and, in the process, emancipates the individual and/or community and helps to create a free and just society. Participation thus gives a sense of ownership, a sense of responsibility and accountability, and a positive sense of attainment and thus causes the community to act against destructive forces which social alienation can induce" (Robinson, 2007:532). The notion of participation requires the involvement of all stakeholders from the initiation to the implementation of policy. Through this, public participation will enhance political guidance of popular sovereignty, political equality, popular consultation and majority rule (Clapper in Bekker, 1996:54). According to Jensen (2003:587-616), governmental policies stimulate human development only if they bring the masses into the mainstream of society. That involves

participation in decision making at the regional and local levels. Legitimacy goes hand-in-hand with participation.

3.3.8 Effectiveness and efficiency

According to Mimicopoulos (2006:18), three dimensions of *governance* are isolated as essential, including efficiency, transparency and participation. For the purpose of this subsection, the focus will only be on efficiency and effectiveness as transparency and public participation have already been discussed in subsections 3.3.4 and 3.3.7, respectively. Efficiency can be measured in a narrow as well as a broad sense. According to Kauffman and Mastruzzi (2003:12-14), a narrow conception of efficiency refers to specific measures such as cost per case, for example, cost per patient or inmate, or cost per service type, for example, unit cost per refuse collection. A broader approach to the concept of efficiency looks at the allocation of public spending, and the institutions of government and its capacity to manage the economy, and to implement its policies in a predictable manner (Kauffman & Mastruzzi, 2003:22).

The focus of the broader definition is that it is more important to do the right thing than to do things right. In the broader approach, efficiency is linked to transparency, accountability and corruption. Efficiency should be understood as a government's ability to establish predictability in the institutional and policy environment (Mimicopoulos, 2006:16). This is brought about by an economically efficient system of production and distribution as well as a fair and consistent legal system. Efficiency is also a question of correctly prioritising government services to correspond with citizen needs (Alfonso, Schuknecht & Tanzi, 2006:88). This includes the provision of services such as security, healthcare, and education. According to Tandon (2000:2), the institutional dimension of *governance* is also called *effective governance*. Here the concern is with the ability of governmental institutions to manage and get things done institutionally. These principles are important as they support fiscal responsibility, improve financial management, and ensure that

public funds are accounted for, and government resources are used effectively, efficiently and economically.

3.3.9 Access to information

According to Martin and Feldman (in Auriacombe & Cloete, 2006:199), for states to commit themselves to democratic good governance, they should adopt a legal regime promoting access to information and ensure that the requirements of such a regime embrace:

- constitutional or statutory recognition of the right to information in the possession of the state
- right of access to information generally defined and extended to all organs, departments and agencies of the state
- a narrow definition in exact and precise language of exemptions to the right of access
- statutory language that makes it clear that access is to be the norm and exclusion needs to be resorted to only in exceptional cases
- prompt processing and disposition of requests for access
- autonomous review of denial of access
- minimal or no fees or other charges for the processing of documents requested
- the creation and training of a cadre of officials to assist persons making requests
- extensive publicity about the right of access and explanation of the procedures to be followed.

It is evident from these requirements of access to information as a principle of good democratic governance that the right to access to information is to foster a culture of transparency and accountability and to promote a society in which the people have effective access to information to enable them to more fully exercise and protect all their rights. If a government is not able to provide the right information at the right time when requested, the citizens'

rights to participate in the decision-making process would be adversely affected.

3.4 DIMENSIONS OF GOVERNANCE

From the above analysis in 3.1 to 3.3, it is evident that *governance* is a multi-faceted phenomenon that includes state and society at all levels of government. Boeninger (1992:268) and Leftwich (1993:606) identify three dimensions of *governance*, namely, the political, institutional and technical.

3.4.1 Political governance

According to Leftwich (1993:606-608), the political dimension of *governance* is concerned with the form of political authority in a country, the country's system of politics, and how it relates to public administration, laws and regulations, accountability mechanisms and its people. This dimension is also called democratic governance, and it embraces the fundamentals of Western democratic practice. These include the promotion of a decentralised *governance* system, the rule of law, human rights, freedom of expression and association, accountability, transparency, citizen participation and civic and political rights, such as the right to vote, to run for office, to access relevant public information, and to participate in free elections (UNDP, 2000:23). Democratic governance, according to Leftwich (1993:606-608), can be viewed from three different perspectives, namely, systemic, political and administrative:

- The systemic perspective on democratic governance requires a wider distribution of both internal and external political and economical power. The systemic view of democratic governance is broader than the conventional view of government, which traditionally is restricted to formal structures and location of authoritative *decision making* in modern branches of government, namely, the judiciary, executive and legislative (Dlalisa, 2009:21).
-

- Politically, democratic governance entails legitimacy and authority, derived from a democratic mandate, which is based on the separation of powers among the legislature, executive and judiciary (UNDP, 2000:23).
- The administrative view of democratic governance emphasises effectiveness and efficiency, accountability and transparency in public administration, and bureaucratic proficiency to manage, design and implement appropriate policies in the public sector (Leftwich, 1993:612). This viewpoint is part of the institutional dimension of *governance*, which will not be discussed again, as it has already been discussed in subsection 3.2.4. Technical governance, as one of the three dimensions of *governance*, will be discussed next.

3.4.2 Technical governance

This dimension of *governance*, according to Boeninger (1992:268-269), is also an element of state capacity and focuses on resource constraints and technical knowhow on resource mobilisation and utilisation, quality service delivery and economic development. Here the concern is with the level of education, manpower competencies, and the means through which authority is put into effect in the management of the economic and social resources. It includes the expertise and knowledge required to make and implement technical decisions effectively (Boeninger, 1992:268). According to Adamolekun (1991:285), *governance* “requires expertise and technical capacity in the public administration system in order to promote efficiency and cost-effectiveness in its operations”. He is also of the opinion that the human resource and capacity-building measures in management and leadership in public administration are important elements of *governance*. Factors to motivate, such as better remuneration systems, qualification structures and promoting and improving accountability and transparency in the administrative machinery, are key issues in public sector management and *good governance* projects in many developing countries according to Adamolekun (1991:285).

As mentioned above, the need for *good governance* was seen as a solution to the 'crisis of *governance*' when Africa's socio-economic predicament was put forward by the World Bank (1989). On 15 September 2006, the World Bank released a report, titled, 'A decade of measuring the quality of governance'. This report was aimed at measuring the quality of *governance* in over 230 countries across the world, including South Africa. In this report Kauffman and Mastruzzi (2003:2) uses five indicators to measure the quality of *governance*: voice and accountability, political stability and absence of violence, government effectiveness and regulatory quality, rule of law, and control of corruption. This report reveals that Africa faces enormous *governance* challenges. Also, in South Africa *governance* challenges manifest in many ways, including nepotism.

From the literature it is evident that promoting *good governance* and improving *governance* in Africa are seen as a new approach to solving a variety of problems, including poverty, corruption and slow economic development. The World Bank and the IMF turned to SAPs in the 1980s to make development projects function effectively and efficiently. Their introduction of conditionality to all aid programmes was to ensure *good governance* in aid-funded projects. Auriacombe and Cloete (2006:1), in their article 'Measuring transparency in public governance: Lessons from South Africa', advocates that *good governance* requires a transparent, responsible and accountable government served by honest officials. In this article, they further state that public administration in all countries also faces a wide array of issues including ethical dilemmas of *governance*.

3.5 CONCLUSION

As seen in the literature, *governance* is very complex and has many related theories, principles, dimensions and characteristics. These include traditional theory, network steering, policy instruments, accountability, ethics and the rule of law. According to the literature reviewed, there is 'good' and 'bad' *governance* and the difference between these two depends on whether government allows for an open, transparent, accountable and democratic

management of public affairs with a strong rule of law or not. If unethical conduct such as corruption remains, the investment aimed at development can end up in individuals' pockets, at the expense of service delivery. These inter-related theories, principles and dimensions relating to *governance* help in the better understanding of the phenomenon in order to arrive at a concept of *governance* in Public Administration, which will be discussed in Chapter 6.

CHAPTER 4

CONCEPTUAL PROBLEMATIQUE

4.1 INTRODUCTION

“And I think that you too would call it propaganda when people are enticed into a change of opinion by promises of pleasure, or terrified into it by threats?”

“Yes, propaganda and deceit always go together.”
(Plato, Republic)

It is evident from the literature and the reviews in the previous three chapters where Chapter 1 introduced the research question to be investigated, Chapter 2 focused on the paradigm shift from public administration to *governance* and Chapter 3 looked at the various theories and principles related to the *governance* phenomenon, that for at least the last two decades *governance* has been a prominent phenomenon in public administration discourse. Although the phenomenon is well established in South Africa, and despite its popularity among both theoreticians and practitioners, there is still a lack of conceptual consensus. It has multiple meanings and there is a good deal of uncertainty about its different usages. In order to have conceptual clarity on the phenomenon of *governance* in Public Administration, this chapter will consider the different meanings of the phenomenon of *governance* to eventually arrive at a suitable concept of *governance* in Public Administration in Chapter 6. In this chapter various definitions of the phenomenon of *good governance* will also be examined because of the fact that the two phenomena are used interchangeably by some authors. It is also the aim of this chapter to differentiate between meaning and conceptual analysis in order to assist the researcher in conceptualising *governance*. It was also the choice of the researcher not to embark on an epistemological framework for the review of Public Administration scholarship on *governance*.

4.2 MEANING AND CONCEPTUAL ANALYSIS

Pauw (in Wessels & Pauw, 1999:11) states that “conceptual clarity is a form of planning, and that conceptual clarity is one of the most facilitating factors there is”. Through this statement Pauw emphasises the fact that one cannot simply get on with the job and get the facts later, because to get clarity is important since things are not usually what they seem, and the truth is not always obvious. Pauw (in Wessels & Pauw, 1999:11) is also of the opinion that words used in context give concepts contextual meanings. According to Wilson (1963:54) it is important to note that when one talks about meaning, one refers to those noteworthy elements in all the various and different usages of the word. In the same way when one talks of the concept of a thing one often refers in an abbreviated way to all the different concepts of that thing which individual people have and the extent to which these concepts coincide (Wilson, 1963:55-57). According to Fox and Meyer (1996:11) “a concept is about the thoughts of humans or abstractions of reality”.

Wilson further states that it is important to note that a concept of a thing is not a separate entity on its own. One example that Wilson makes in explaining conceptual analysis in his book titled, *Thinking with concepts* is through analysing the word 'tiger'. According to Wilson, someone who does not know what a tiger is, or someone who has formed no concept of a tiger, could be taught in two ways. “Either you can take the person to the zoo, point to each animal in the tiger-house and say that’s a tiger, and that, and that and then take the person around all the other houses in the zoo but not that, or that, or that.” However, according to Wilson this would be a very uncertain and difficult method. Wilson goes further and states that “if you show the person things that might naturally be mistaken for tigers (jaguars, leopards, tabby cats, etc.) and said no not that, the person would probably get a fair idea in the end”.

The second way could be used if the person understood enough words for one to say, “Tigers are four-footed wild animals, quite like domestic cats but only bigger with stripes and long tails”. It is important to notice here that

meaning and concept are very closely related. Wilson (1963:9-12) further states that “words do not have only meaning: indeed, in a sense they do not have meaning in their own right at all, but only in as far as people use them in different ways”. These sentences are supposed to show that mental pictures or pictures in general, do not hold meaning. Meaning is not an act which accompanies a word or thought; rather, it is the use that a word is put to in the context of a given situation.

For Pauw (in Wessels & Pauw, 1999:11) a concept is a ‘tool of thinking’. Concepts are used to lay bare philosophical and ideological suggestions, but if they are used incorrectly, particularly in developing policies, the thinking that undergirds them would be inexact (Blackburn, 2005:267; Maserumule, 2004:76-78). Pauw (in Wessels & Pauw, 1999:11) also states that “while one word may have different meanings, a concept has one meaning that can be expressed by different words”, and that “a word is a language tool and that a concept is a thinking tool”. Pauw ‘s two above-mentioned facts might sound philosophical, but it is important to note that philosophy is significant in reminding one how language works so as to stop one from worrying about meaningless paradoxes. However, despite the existing conceptual confusion of the *governance* phenomenon, it would still be possible to appropriate a meaning to it. As mentioned in subsections 1.4 and 1.7.2 of this study, the context in which *governance* will be engaged in is Public Administration, where Public Administration symbolises the theory or subject, whereas public administration refers to that which is investigated by the theory or subject.

For Maserumule (2011:4), despite the recognition of Public Administration as an important variable in the contemporary development paradigm, its theoretical and pedagogical focus as a field of study lacks developmental perspective. Maserumule argues that as an academic discipline, Public Administration is limited to administration, which merely studies government activities or functions. It ignores the development dimension or approach to the study of government. This, according to him, emphasises the reason for a scholarship endeavour to determine the meaning of *governance* in the context of Public Administration. It is evident from the literature review on

governance that not much has been written about *governance* from the Public Administration perspective, even though according to Chakrabarty and Bhattacharya (in Chakrabarty and Bhattacharya, 2005:1), conceptualising contemporary public administration has become important. As demonstrated in the previous three chapters, *governance* is a conceptual *problematique*. Warfield and Perino (1999:221) explain *problematique* as a “graphical portrayal – a structural model – of relationships among members of a set of problems”; “a name for the array of problems”. *Problematique* according to them is one component of a larger system for exploring and managing complexity and has its origin in the roots of Western philosophical thinking. The meaning of *governance* is burdened with ideological, philosophical and theoretical contestations. According to Maserumule (2011:4), a search for contextual meaning of scientific phenomena such as *governance* is about conceptualisation, which is an exercise that examines concepts used to understand social reality.

Because of the fact that the two phenomena, *governance* and *good governance* are used interchangeably by some authors, in the next subsections, 4.3 and 4.4, an attempt is made to understand the meaning of the two concepts, so as to assist the researcher to ultimately conceptualise *governance* in the context of Public Administration.

4.3 GOVERNANCE

In the guest editorial of the 2008 edition of the *Administratio Publica Journal*, Auriacombe writes that “it is also necessary to extend the scope of the debate to the concept of *governance* as a contextual influence that shapes the practices of public administration in the same way as already established perspectives in public administration, although in a different language” (in Maserumule, 2011:122). For Maserumule, with such a reflective context for the discourse, one already expects a more theoretical and conceptual viewpoint on the phenomenon of *governance* and what it means or ought to mean from a Public Administration perspective, and also because of the fact that Cameron (2008:43-68) so vehemently states that “there is a lack of

theoretisation in the field of Public Administration as an academic discipline". In an article, entitled 'Alternative service delivery mechanisms' Thornhill (2008:117) states that although the phenomenon entered the Public Administration literature in the 1980s, a detailed conceptual analysis of *governance* has not yet been provided.

The phenomenon became popular through its use by the World Bank and the IMF in their SAPs in Sub-Saharan Africa during the 1980s (World Bank, 1989:60-61). The Bretton Woods Institutions (BWIs) were of the opinion that the problems of poverty, unemployment, corruption and slow economic development would not be solved by governments alone. Governments had to recognise and align their private sectors in the pursuit of eradicating these problems. The predicament was that the BWIs demanded from their partners (governments) reforms that were impossible without the private sector, while requiring them to uphold the capitalist ideology of the free market at the same time.

Promoting *governance* in Africa has drawn increasing attention from the international community as a new approach to solving a variety of problems such as poverty, unemployment, inequality, corruption and slow economic development. While the World Bank and the IMF continued to register a concern for the appropriate economic policies that had characterised earlier reports, it also argued that a 'crisis of governance' underlay the litany of Africa's development problems (Williams & Young, 1994:85).

The World Bank further argued that economic development would be wasted if not accompanied by political reform and therefore it urged bilateral donors to be selective and direct aid only to countries that undertook both economic and political reforms. Member states of the UN that provide development assistance to recipient countries are often referred to as bilateral donors. The question remains: Why did the Global South accept the *governance* agenda? Is it simply because they have no choice but to comply with the conditions imposed by aid donors? Or are they, especially in Africa, influenced by the urgent need to improve their dire domestic situations? In

1999, the World Bank shockingly acknowledged that despite its effort to direct large sums of money to developing countries, poverty and inequality are increasing (World Bank, 2000:14-21). In their Development Report of 1999/2000, the World Bank states that “development has multiple goals and processes and goes beyond economics to address societal issues in a holistic fashion”. For the Bank, given a stable economy, successful development now includes the following elements:

- the emphasis on beneficiary participation
- responsiveness to gender concerns
- government ownership of projects
- the role of social capital
- networks of trust and association.

For the World Bank now, the thinking is that improving gender equality will strengthen other elements of the development agenda because women who have low levels of education and training, poor health and nutritional status and limited access to resources have the effect of reducing the quality of life of the entire population. For the World Bank, discrimination against women then impairs other elements of sustainable development (Govender, 2006:41).

In a fresh approach by both the World Bank and the IMF (IDS, 2001), involvement in shaping and executing national anti-poverty strategies is being offered to civil society. Countries were being asked to produce a Poverty Reduction Strategy Paper (PRSP), drawing on inputs from all levels of society. This new anti-poverty framework was announced late in 1999 by the World Bank and the IMF, and which in effect replaced the previous SAPs. The intention of this framework was to ensure that debt relief provided under the enhanced Highly Indebted Poor Countries Initiative (HIPC) and concessional loans from the international financial institutions would help to reduce poverty in the poorest, most indebted Southern countries. The focus of the World Bank has been more explicitly on political concerns with

legitimacy, participation, pluralism, a free press and human rights, and these issues have become, for the Bank, key factors in explaining Africa's current crisis (Williams & Young, 1994:86-87). However, as with the elaborate statements by politicians, there are problems in understanding exactly what the Bank means by *governance*. The World Bank's position is a rather confusing one. The Bank is a large and diverse organisation, so much so that even to talk of the Bank's position at all is to oversimplify. Even during the period when most observers would have considered the Bank as having an unbroken commitment to cost, there were departments within it which did not reflect orthodox thinking (Williams & Young, 1994:88-89). Therefore it is likely there will be differences over *governance* as well.

For Peters (1996:16-17), governments play a key role in the process of *governance* in improving the quality of life of a population. For many scholars of Public Administration and policy makers in public administration the concern here is with the effectiveness rather than the form of government because for them the ability to *govern* is more important than whether a state has a democratic or authoritarian government (Peters, 1996:18). When looking at the conception of *governance* by different scholars, one notes that for some *governance* "has become a floating signifier, carried this way and that way by the shifting currents of global policy making" and "this vagueness contributes to complacency and contradictoriness (Goldsmith, 2007:171). Rhodes (1997:124) and Newman (2001:24) (Bang in Mayntz, 2003:2) are of the opinion that the connection between steering and the practice of freedom in a high modern world, globalisation and localisation of power relations have placed immense pressure on the state as the "natural centre of ruling the nation". They summarise the literature on *governance* as involving among others:

- an acknowledgment of the blurring borders between public and private, state and civil society, and national and international, and thus also of responsibilities for handling social, political and economical issues
-

- the acknowledgement and integration of network issues and policy networks into processes of governing
- substituting traditional modes of hierarchical control and command by 'governing at a distance'
- the development of more reflexive and responsive policy tools
- the shifting role of government to a focal point on providing leadership, building partnerships, and steering and co-ordinating activities through networks and partnerships
- the opening up of *decision making* to better participation by the public
- a broadening of focus by government beyond institutional concerns to include civil society's involvement in the process of *governance*.

The above-mentioned views held by Rhodes and Newman (Bang in Mayntz, 2003:2-5) on *governance* explain that governments should steer at a distance to allow the public access to *decision making* and better participation, and for the private sector and international institutions to influence economies through networks and partnerships. Pierre also has a broad meaning, which sees *governance* as "the sum of the many ways individuals and institutions, public and private, manage their common affairs" (Pierre, 2000:1-6). To Pierre, *governance* refers to "sustaining coordination and coherence among a wide variety of actors with different purposes and objectives". Such actors may comprise of political actors and institutions, interest groups, civil society, non-governmental and transnational organisations. The UN, however, proposes a narrower explanation: *Governance* is viewed as the exercise of economical, political and administrative authority to manage a country's affairs at all levels (Pierre, 2000:1-6; UNDP, 1997). To them it comprises the mechanisms, processes and institutions, through which citizens and groups express their wellbeing, exercise their legal rights, meet their obligations and arbitrate their differences.

Other meanings link *governance* to the exercise of authority or power to manage a country's economical and social resources (instead of the more

general 'affairs' mentioned in the above definitions). For Olowu and Sako (2002:37), *governance* is a system of values, policies and institutions by which society manages its economical, political and social affairs through the interaction within and among the state, civil society and the private sector. Naidoo (2004:78) contends that *governance* is more than institutional design in public administration. She considers it to be the interface between both public and private institutions concentrating on issues such as accountability, transparency and control. The two above-mentioned definitions of the phenomenon of *governance* entail two distinct but inextricably intertwined dimensions. One is political and relates to the commitment of the system to participation, equity and legitimacy. The other is technical and relates to issues of the efficiency of the public management system.

While the definition by Pierre mentioned above is more society-centric, Pierre and Peters (2000:18) give a more state-centric conception when they state that to them, "*governance* relates to changing relationships between state and society and a growing reliance on less coercive policy instruments" and they emphasise that "the state is still the centre of considerable political power". They see *governance* as procedures in which the state plays a leading role, making precedence and defining objectives. Maserumule (2005:200), in his observation on the *governance* phenomenon, says that scholars in development studies and other related disciplines, for example, are vigilant in committing themselves to a single definition of *governance*, though in many instances "semblances of similarity of perspectives regarding its meaning do exist among them". That is true because it is evident in the conception of *governance* by Peters and Pierre mentioned above.

An observation made by the researcher is that in the *governance* literature attempts are often made to distinguish it from *government*. Examples of such research by scholars in Public Administration are encapsulated in articles such as, 'Governance without government'; 'Governance: Rethinking public administration' and 'The rise of 'new' policy instruments in comparative perspective: Has governance eclipsed government?' to name but a few. According to Carrington, DeBuse and Lee (2008:19), "while both concepts

[*government* and *governance*] involve intentional behaviour on the part of an organisation and its members to achieve certain goals, *governance* is a broader concept than *government*". Cloete (1993:14) is of the opinion that before the meaning of 'government' can be considered the meaning of 'state' should be considered. According to him, an independent state, therefore, is a territory (country):

- with boundaries recognised by the inhabitants of that territory and the inhabitants and governments of other recognised areas
- with permanent inhabitants who are accepted as its citizens
- which is not part of or controlled by another recognised state
- with a hierarchy of government institutions capable of maintaining law and order and rendering services to the inhabitants.

The above definition by Cloete (1993:14) means that a state comprises of the following three elements:

- A recognised demarcated territory
- Citizens who live permanently in that territory
- A hierarchy of government institutions.

Then what is a government? Ranney (1971:26) describes government as "a body of people and institutions that make and enforce law for a particular society". The conception by Fox and Meyer (1995:55) is almost the same as Ranney's in that they define government as "... a body of persons and institutions who make and implement all enforceable decisions for a society". The above-mentioned two definitions therefore imply that a government is more than just people exercising certain functions because institutions and people are collectively a government which is responsible for the making and execution of policies in order to deliver services to the inhabitants of the country or area governed by a specific level of government (national, provincial or local government).

For Pierre (2000:5), government fits in with the new era of *governance*, but its form and function vary in several important aspects. Pierre and Peters (1998:1-9) argue that the popularity of the term *governance* derives from 'its capacity – unlike that of the narrower term government – to cover the whole range of institutions and relationships involved in the process of governing'. There are many theorists in the field that believe that *governance* is an organising concept that directs administrators as administrative practices shift from the bureaucratic state to what is called the "hollow state" or what Osborne and Gaebler (1992:18) call "third-party government".

For Frederickson and Smith (2003:224), "*Governance* refers to the lateral and inter-institutional relations in administration in the context of the decline of sovereignty, the decreasing importance of jurisdictional borders and a general institutional fragmentation". Frederickson and Smith further state that, with more emphasis on *governance*, "the administrative state is now less bureaucratic, less hierarchical and less reliant on central authority to mandate action". To them, accountability for conducting the public's business is more about performance than discharging a specific policy goal with the confines of the law.

When Cleveland (in Frederickson, 2004:3), as mentioned in subsection 1.2 of this study, saw *governance* as an alternative to public administration he meant the following:

The organizations that get things done will no longer be hierarchical pyramids with most of the real control at the top. They will be systems – interlaced webs of tension in which control is loose, power diffused, and centres of decision plural. "Decision-making" will become an increasingly intricate process of multilateral brokerage both inside and outside the organization which thinks it has the responsibility for making, or at least announcing, the decision. Because organizations will be horizontal, the way they are governed is likely to be more collegial, consensual, and consultative. The bigger the problems to be tackled,

the more real power is diffused and the larger the number of persons who can exercise it – if they work at it. (Frederickson, 2004:3)

Cleveland clearly saw the challenges that a horizontal multi-organisational system could have, including individual accountability and he boldly argues that “Public entities are in the hearts and minds of individual public executives, and the ultimate court of appeals from their judgments is some substitute for people-in-general”. He further states that the moral responsibility of public executives includes four fundamental principles: “a sense of welfare; a sense of equity; a sense of achievement; and a sense of participating” (Frederickson, 2004:3-4). That, according to him, will give public executives freedom, which is the power to choose, and the future executive will be making the most choices – who to bring together in which organisations to make what happens happen and also to decide in whose understanding of the public interest.

According to Pratchett and Wilson (1996:1-4) and Hyden (in Hyden and Bratton, 1992:5-7), *governance* emphasises the emerging system of self-governing networks with civil society instead of old forms of managerial control which are bureaucratic, top down and centralised. To them, *governance* symbolises democracy, enabling the participation of people in *decision making* and the fragmentation of power to the lowest level of government, i.e. at the local government level. According to Frederickson and Smith (2003:225), in modern scholarship, *governance* has become “a virtual synonym for public management and public administration”. Heinrich, Laurence and Lynn (in Frederickson, 2004:6) concur and state that to them *governance* is widespread in both public and private sectors, in characterising both global and local arrangements, and in reference to both formal and informal norms and understandings. Also, to them, because it has such a strong perceptive appearance, accurate definitions are seldom considered to be required by those who use it. Heinrich, Laurence and Lynn also further state that as a result, when authors recognise *governance* as important in attaining policy or organisational objectives, it may be unclear whether the reference is to organisational structure, administrative

processes, managerial judgement, systems of incentives and rules, administrative philosophies, or a combination of these elements.

The following conceptions of the *governance* phenomenon are to substantiate that *governance* can mean anything to anyone. According to the National Research Council (1999), “*governance* is the structure of political institutions”. For Brinton and Provan (2000:366), Salamon (2002:22), Frederickson (1999:701-711) and Rhodes (1997:18) “*governance* is the shift from the bureaucratic state to the hollow state or to third-party government”. For Kettle (1993:17), and Donahue and Nye (2002), “*governance* is market-based approaches to *government*”. Osborne and Gaebler (1992:7) are of the opinion that “*governance* is the work of empowered, muscular, risk-taking public entrepreneurs”. According to Hirst (in Pierre, 2000:13-35), Kooiman (in Hodges, 2005:61-83) and Sorensen (2004:52), “*governance* is the development of a social, capital, civil society and high levels of citizen participation”. Kernaghan, Marson and Borins (2000:35), and Considine and Painter (1997:38), in their conception of *governance*, concur with the concept of Frederickson and Smith mentioned above because to them “*governance* is the new public management or managerialism”. For Heinrich, Laurence and Lynn (2000:22), “*governance* is public-sector performance”.

Rhodes (2000:55-60) initiated seven uses of *governance* in the field of public administration. These are: the new public management or managerialism; *good governance*, as in efficiency, transparency, meritocracy, and equity; international and inter-jurisdictional interdependence; non-government driven forms of socio-cybernetic systems of *governance*; the new political economy, including shifting from state service provision to the state as regulator and networks. Though there are numerous applications of *governance* in public administration, these few demonstrate the large variety of concepts, ideas and theories related to it. Frederickson (2004:26) mentions that Hill and Lynn perused 800 articles in 70 journals over a period of twelve years in doing their literature review of *governance*.

In reviewing the literature on *governance*, one also comes across words such as 'govern' and 'governing'. Looking at language in this context is relevant because in recent years there has been a vast increase in the number of specialised terms and new words, and new meanings being given to old words thus, according to Fox and Meyer (1995:2-3), language is alive. The need to consult various dictionaries in what follows in this chapter is because "a dictionary seeks to help build a common terminological base" (Fox & Meyer, 1995:55-57). The *Shorter Oxford English Dictionary* (2007:280) defines 'to govern' as "to guide, direct or steer society". According to the *Oxford Advanced Learner's Dictionary* (2005:646-647), 'to govern' (verb), is "to legally control a country or its people and be responsible for introducing new laws, organising public services, etc". An example would be, "The country is *governed* by elective representatives of the people". Or (grammatically), "if a word *governs* another word or phrase, it influences how that word or phrase is used". Here 'to govern' means 'directing', 'guiding' or 'steering'. The *Oxford Advanced Learner's Dictionary* (2005:646-647) also explains 'governing' (the adjective), as "having the right and the authority to control such a country or an institution".

It is political scientists who treat *governance* as a synonym for government. However, for Stoker (in Pierre, 1998:34-35) the phenomenon of *governance* is wider in meaning for the following reasons:

- It directs attention to the allocation of power both internal and external to the state
- It focuses on the interdependence of governmental and non-governmental forces in meeting economic and social challenges
- It concerns itself with how collective action is met and the issues and tensions associated with this shift in the pattern of governing.

Both the *Collins Dictionary* (2004:183) and the *Thesaurus* (2006:121) see 'government' as "the executive policy-making body of a state", or "exercise of political authority over a country or state". In the *Oxford English Dictionary of*

Current English (1996:587) *governance* is defined as “the act or manner of governing, of exercising control or authority over the actions of subjects; a system of regulations”. This dictionary definition appears to be a synthesis of various connotations that have appeared over many centuries of the etymological evolution of the phenomenon. The *Oxford Advanced Learner’s Dictionary* (2005:646) sees *governance* (noun) as “the activity of *governing* a country or controlling a company or an organisation” the way in which a country is governed, or a company or institution controlled.

Both the latter two dictionary definitions see *governance* as the control or authority over actions or institutions. According to Fox and Meyer (1995:55) in the *Public Administration Dictionary*, in broad terms *governance* refers to the ordering of a group, community or society by a public authority. To them, the purpose of *governance* includes maintenance of law and order. It is the opinion of the researcher that when making use of language the word government is believed to be adequate for the following reasons: ‘government’ as a word is not necessarily limited to the noun signifying the persons – elected officials or executive authority – that are in charge of a country – that ‘govern’ that country. The word ‘government’ quite normally refers to their actions in governing. *Governance* does exactly the same job. So sometimes the two are synonyms. In this sense *governance* does not carry a separate meaning.

As mentioned in subsection 1.2 of this study, it was Cleveland who first said that *governance* has become the practice formerly known as public administration. According to Frederickson (2004:5), it would be a slight exaggeration to say so because a famous academic journal, now in its 21st year, holds the title, *Governance, an International Journal of Policy and Administration*, and it is clear that when one looks at its content, it mostly focuses on what is called public administration. When one also looks at the content of the *Journal of Public Administration* (JOPA), one finds that though it mainly focuses on issues of public administration it also finds space to debate about *governance* and its meaning. The same goes for the journal, *Administratio Publica*, and as mentioned in the beginning of this section,

Auriacombe in 2008, as guest editor of this journal, wrote that “it is also necessary to extend the scope of the debate to the concept of *governance* as a contextual influence that shapes the practices of public administration in the same way as already established perspectives in public administration, although in a different language”. The theme of the 12th annual conference of the South African Association of Public Administration and Management (SAAPAM) held at the University of the Free State from 7-9 March 2012 was: 'The state of governance in Africa at the turn of the centenary of the African National Congress (ANC): Reflective perspectives from scholarship and practice'. The guest speaker at the conference, Professor Sibusiso Vil-Nkomo, in his address, spoke of the fact that Public Administration is interdisciplinary and therefore needs to be part of the global dialogue. He also alluded to the fact that to make an important impact on the development of an appropriate intellectual capital which is crucial in a developmental state, the Public Administration scholar in South Africa should affirm him- or herself in the face of globalisation. Public Administration scholars should master the art of contextual discourse, conceptualisation, theorisation and philosophising (see also Maserumule, 2010:91).

Some of the debates revolved around finding space for *governance* in Public Administration discourse and also on whether science informs practice. Some of the subthemes of the conference included: 'Public Administration in the 21st century and the question of relevance'; 'Does science always matter in the questions of governance?'; 'Governance and Public Administration, do they mean the same thing?'; 'Unresolved questions of political-administrative interface: Are there answers in the government paradigm?'. The titles of some of the papers presented at the conference include: 'The ANC at the turn of the centenary: The impact of the politics of the ANC on Public Administration in South Africa'; 'Governance theory and policy practice in Africa: A contradiction?'; 'From Public Administration to governance: Science or ideology?'; 'The paradigm of public administration re-examined: A reflection'; 'Governance and public administration: Twins, but not Siamese twins' and 'Public Administration scholarship in South Africa: An inevitable postulation of prospects'.

From the above it is evident that both scholars and practitioners in South Africa are mindful of the public administration problems of countries in Africa and are therefore trying to seek answers to solve these problems. Could these problems perhaps exist because of a lack of theoretical knowledge, because theory informs practice? What also stood out for the researcher as a participant at the conference is that it is important for academics to reflect on the challenges in the discipline and to break the knowledge-application barriers that exist. The conference should be noted for its effort to get rid of the 'confusion' that currently exists in the body of knowledge through the belief that Public Administration and *governance* are synonymous, and that '*governance*' is the new Public Administration, and also to make sure that the field of Public Administration will be appropriate in South Africa, strengthening the link between theory and practice. Because in essence, whichever concept is chosen, there is a moral obligation to try to work out what the practical consequences of the concept would be. It is the researcher's opinion that 'Public Administration' and *governance* are indeed not synonymous. Public Administration is the science and *governance* is the paradigm and therefore *governance* guides public administration research.

What stood out for the researcher as important questions asked at the conference include: Are what academics teach students at universities, technikons, technical colleges and universities of technologies in South Africa and the rest of the continent relevant to what is needed in the public service? Can academics through their teachings improve public administration and therefore improve the dire domestic conditions of countries because the students that they teach will eventually become public servants? Are academics in South Africa failing to put a science together to solve societal problems, for example, fraud, corruption and nepotism, because as reported by the *Sunday Times* of 4 March 2012, the "Public Service is in a state of credibility". If science does inform practice, what are academics in Public Administration doing about the science? Because it is true that public administration is very important in the lives of people and Public Administration theorists can hardly stand aloof from public administration in some sterile and neutral position outside society.

It is also worth looking at the names of certain Public Administration departments at universities, government departments, and institutions. For example, at the University of Pretoria the department is called School of Public Management and Administration (SPMA), at UNISA Department of Public Administration and Management, and at the North-West University the Department of Social and Government Studies. In contrast, at the University of Johannesburg it is called the Department of Public Management and Governance. One of South Africa's own government departments fell prey to this trend of name changing. The previous Department of Provincial and Local Government (DPLG) in 2009 changed its name to Co-operative Governance and Traditional Affairs (CoGTA). That is despite the fact that their 'business' is still the same and also the fact that the *Constitution of the Republic of South Africa, 1996* only makes reference to public administration; also in Chapter 3 it only refers to 'Co-operative Government'.

The motive for the change in name is not clear, but the assumption could be that it was done because it was *chic* to do so. *Chic* is a French word meaning stylish, smart, style, elegance or skill and usually indicates a kind of style. Could the department not have been named Co-operative Government and Traditional Affairs instead? Or is it that to them also, *governance* is regarded as synonymous with 'public administration'? Or could the occurrence of changing the government department's name not also be what Maserumule (2010:80) calls political *ipsedixitism*? According to Maserumule (2010:80) political *ipsedixitism* is based on the doctrine that no truth exists beyond that approved by [political] authorities, who may have the power to redefine reality. He goes further and states that "*political ipsedixitism* is even more severe in that it literally stifles free thinking and knowledge". Kuye (2005:529) is of the opinion that political *ipsedixitism* is evident when political power takes precedence and dictates the scholarship agenda.

It continues to create more confusion over the meaning of the *governance* phenomenon, especially because in South Africa there still is a Department of Public Service and Administration (DPSA). Also, the previous South

African Management Development Institute (SAMDI) in 2008 changed its name to Public Administration Leadership and Management Academy (PALAMA), because as mentioned before in this study, while their main focus-to train public servants in the interest of better service delivery for all South Africans – basically remains the same. It is the researcher's view that the same confusion that exists now between Public Administration and *governance* also existed between Public Administration and management in South African public administration scholarship. According to Pauw (in Wessels & Pauw, 1999:9-11), by giving new names to the subject, such as 'Public Management' and 'Public Administration and Management', certain value positions, and certain directions for university curricula are added. Pauw goes further and states that Cloete, a well-known academic in the previous generation of Public Administration scholars in South Africa, explains that "public administration should be freed from politics and directed by the same motives as those of business administration/management and that the teaching and training of public managers should become the same as that for private business managers" (Cloete, cited in Pauw in Wessels & Pauw, (1999:11)). According to Pauw, Cloete specifically influenced the Afrikaans-speaking academics and students of Public Administration.

Why is it that *governance* and *good governance* as what the World Bank and the IMF define them to be, or corporate governance as the King reports define it to be, became dominant intellectual paradigms? Could the answer to this question that the researcher poses also not be what Maserumule (2010:78) calls *ipsedixitism*? In his article published in the *Journal of Public Administration* titled, 'The impact of ipsedixitism on Public Administration scholarship', Maserumule (2010:78-80) defines *ipsedixitism* to be "he himself said it". According to him, the concept was created to apply to all nonutilitarian political arguments and it means self-referential appeal to authority, as in trust me, without reasoning or citation; it is an implicit assumption, accidentally made explicit; it assumed general agreement, as in a sermon; it is unstated dogma, or believed to be a matter of fact; it is a stubbornly unconfirmed repetition of a disputed claim, asserting the user's power or disinterest in objections; and it is a deliberate sophistry, attempting

to smuggle assertions into an argument. (Maserumule, 2010:78-80; see also Copi & Cohen, 1998:165-166)

Therefore, academic *ipsedixitism* according to Maserumule (2010:80) is about “scholarship fixation to a particular dominant intellectual paradigm” simply because Professor X is its proponent. He goes further and states that

Ipse dixit refers to an unsupported or dogmatic assertion or statement usually said by a person of standing. The acceptance of such assertion or statement as part of the epistemology is determined solely on the basis of one’s authority, glamour, prestige, rank or popularity. *Ipse dixit* is an appeal to authority, which, in Latin means *argumentum adverecundiam*. Its English translation is argument from authority rather than reason. It is a logical fallacy based on the proposition that something must be true simply because some eminence said it or wrote about it. Examples of *ipse dixit* statements are: “if Aristotle said it was so, it is so”; and “my teacher said so, therefore it must be right”. (Maserumule, 2005:18-19; see also Bachman (in Hanson, & Pinto, 1995:274-286; Blackburn, 2005:22)

Frederickson (in Ferlie, Lynn and Pollitt, 2005:300) refers to almost the same trend when he states that “one must be cautious of the activities of those academics called concept entrepreneurs” because according to him they will “promote the use of certain terms or concepts in a way that will further their careers and reputations but not necessarily the subject”. According to Rhodes (2000:3-5), *governance* is a “power word, a dominant descriptor, and the current preference of academic tastemakers”, and therefore there has been a rush to change the names of departments and institutions.

Then there are some authors who see *governance* and *good governance* as inextricably intertwined, and use the two terms interchangeably in various books, journal articles, conference papers, reports, etc. However, the two are not the same. The next subsection will discuss the meaning of *good governance* because as previously mentioned in Chapter 1, section 1.2 of

this study, to establish the meaning of *governance* is only significant if one proceeds to examine the meaning of the phenomenon of *good governance* also.

4.4 GOOD GOVERNANCE

Good governance was popularised by the World Bank in its 1989 report titled 'Sub-Saharan Africa: From crisis to sustainable development', which saw it as the answer to the "crisis of *governance*" (World Bank, 1989). According to Abrahamsen (in Maserumule, 2011:291) it was seen as an answer to describe the post-cold-war paradigm for a 'just and good society'. Maserumule (2011:291) is of the opinion that *good governance* is not a new phenomenon and that it dates back to the ancient Greek history of politics where *Plato's* concept of 'good' and *Aristotle's* concept of 'common good' were used to explain the same course for a just and good society.

Just as with *governance*, the phenomenon of *good governance* has always been the focus in all ideological, philosophical and political discourses with the focus on attaining a just and good society (Carozza, 2003:41-43). *Good governance* was introduced in the developmental discourse by the World Bank because it was seen as a prerequisite for development (World Bank, 1989:90) and because development efforts will not have the desired outcome if the political context is not favourable. According to Nzomo (in Nyangoro & Shaw, 1992:100) this seems to be the acceptance by the World Bank's critique against SAPs. Is it why the World Bank in 1999 asked countries to produce Poverty Reduction Strategy Programmes (PRSPs), so as to draw on inputs from all levels of society?

This new anti-poverty framework, namely PRSPs, was announced by the World Bank and the IMF to replace the previous SAPs because the World Bank assumed that economic growth would foster development. This conditionality to aid as imposed by the World Bank was that of democratisation and multi-partyism to create a better and more governable world. But this *good governance* idea of political conditionalities was not easy

to achieve. The idea sounded easier in theory than it is in reality. According to Bayart (1993:5), in many countries there was a 'willy-nilly' reception of and compliance with various donor-instigated projects for political reform. As with the *governance* phenomenon, the focus here is also on the meaning of the phenomenon of *good governance*. What follows is a range of concepts and theories of the phenomenon as identified by various authors.

For Olowu (in Olowu & Mukwena, 2003:4), "whether a government is good or bad is judged not only by the outcomes but also by processes: the use of state and non-state institutional resources to solve social problems". Therefore the perception of the conception of *good governance*, as mentioned by Olowu, should involve processes such as the rule of law, accountability, transparency and human and civil rights. Hakim (in Maserumule, 2011:57) is of the opinion that *good governance* refers to "a government that lives up to its responsibilities by ensuring the promotion of the public welfare, the effective delivery of public goods and services, the maintenance of law and order and the administration of justice". For Maserumule, what stands out in Hakim's conception of the *good governance* phenomenon when he states that "*good governance* transcends government to encompass an efficiently functioning market and a society that is responsible, engaged and empowered to take part in the formulation and implementation of decisions affecting them", is his proliferation of the 'state-market nexus' and 'societal-state nexus' dimensions that underpin the conception.

Good governance according to Cloete (2003:15), "is the achievement by a democratic government of the most appropriate developmental policy objectives to develop its society in a sustainable way by mobilising, applying and coordinating all available resources in the public, private and voluntary sectors, domestically and internationally in the most effective and efficient way". In Cloete's formation of *good governance* his focus is on policy formulation and the sustainability thereof. What is interesting is that Maserumule (2011:506) sees that *good governance* in NEPAD is used as a principle rather than a concept because, according to him, in the NEPAD

document there are no attempts to determine its meaning as a concept. Maserumule, though, states that "the philosophy of Pan-Africanism should also be taken into consideration in conceptualising *good governance* in the context of NEPAD, especially the 21st century thinking on Pan-Africanism, whose main preoccupation is with the development of Africa rather than the politics of decolonisation rendered obsolete with the total independence of Africa when South Africa became a democratic state in 1994". Maserumule (2011:506-507) goes further and states that for him the contribution of the 21st century Pan-Africanist thinking to the contemporary development discourse makes it clear that the meaning of *good governance* in NEPAD exceeds the neo-liberal conceptions and theorisations of the concept and that it should not be limited to the economic and political aspects of the concept. As stated, before in the introduction to this chapter, the researcher will not embark on an epistemological framework for the review of Public Administration scholarship on *governance* and *good governance*.

The next paragraphs will briefly look at the conditions under which the criterion of *good governance* first became adopted. Specific attention will be given to the policy thinking of the World Bank which popularised this phenomenon in the 1980s.

Good governance was first launched in a donor discourse which came just after the fall of the Berlin wall because, prior to that, aid agencies were not approaching their programme relations with counterparts in terms of criteria of *good governance* or for that matter *governance* (Doornbos, (in Doornbos, 2001:93). Doornbos goes on to say that prior to the popularisation of the word by the World Bank, the word had a dictionary existence and that it carried "legalistic connotations" such as "... in respect of the *governance* of an estate or a philanthropic foundation". The way in which Doornbos (in Stokke, 1995:381) puts it indicates his shock at the change in meaning of the phenomenon *good governance*: "But then all of a sudden the notion of *good governance* refers to the way in which whole countries or cities or provinces for that matter are being governed, or are to be governed" (Doornbos, in Doornbos, 2001:254). According to Doornbos (in Stokke, 1995:389); and

Doornbos (in Doornbos, 2001:96), it became unambiguously clear that with the adjective 'good' added to *governance* the phenomenon *good governance* could be used to invite judgement about how the country, city or agency is being governed. It therefore allowed for evaluative questions about appropriate measures, transparency and the quality and procedures of *decision making* to be asked. Today, more than two decades since the launch of the *good governance* discourse, it is surprising to note how *good governance* has become a household term, featuring on top of the list of concerns of aid agencies, governments, researchers and the media (Doornbos in Stokke, 1995:389; Doornbos in Doornbos, 2001:96).

As mentioned in section 1.2 of this study the 1989 study on Sub-Saharan Africa introduced *governance* without openly referring to the connotation 'good'. It was only in the preface that former World Bank president Conable used the term *good governance*, referring to it as a “public service that is efficient, a judicial system that is reliable, and an administration that is accountable to its public” (World Bank, 1989:xii). In subsequent publications, the Bank firstly avoided the frequent use of the word 'good' together with *governance*. According to Frischtak (1994:11), a motive for this reluctance could have been that the use of the adjective 'good' referred to a subjective view on the performance of a state and that interpretation of the meaning of *good governance* could differ. Grindle (2004:525-548) questions the 'essentialist' message of *good governance* and suggests that 'good enough governance' may be good enough. However, the Bank started using the term *good governance* more and more frequently.

The need for *good governance* was seen as a solution to the 'crisis of *governance*' and the socio-economic predicament as put forward by the World Bank. It is evident from the literature reviewed on the phenomena *governance* and *good governance*, that the two are indeed not synonymous. However, 'good' was merely an adjective added to the word *governance* so that the meaning could differ and also that the countries in the global South merely accepted this *good governance* agenda as proposed by the World Bank in order to improve their dire domestic conditions by having a public

administration that is effective and efficient. It is also clear that the World Bank did not succeed with its *governance* and *good governance* agenda and as it is sometimes true with new buzzwords, there is hardly a consensus about the meaning of *good governance* and less of a universal idea as to how it could be used correctly. In principle *governance* stays *governance*. The addition of 'good' emphasises a desired condition which eventually leads to the two phenomena not being exactly the same.

A good use for the word *governance* would be in the corporate sector, in a situation, for example, where boards of directors did not sufficiently fulfil their fiduciary, and even social responsibilities had to be turned around through more effective *governance*. Here it would be clear and necessary. Why weaken the power of the word by applying it in contexts where 'government' was good enough? For the purposes of this study, finally a public sector example of the use of the word *governance* will be provided after it has been conceptualised. Frederickson (in Ferlie, Lynn & Pollitt, 2005:1) claims that some authors have started using the word but stick to what they were doing under the name Public Administration and that practice according to him is not in the spirit of scholarship.

4.5 CONCLUSION

The aim of this chapter was to consider the different meanings of the phenomenon of *governance* and *good governance*, because of the fact that they are used interchangeably by some authors, so as to eventually arrive at a viable concept of *governance* in Public Administration in Chapter 6 of this study. In order to do this, the focus was on meaning and conceptual analysis and it is indeed the case that *governance* is a conceptual *problematique*. It is therefore the researcher's opinion that Public Administration is in a state of 'constructivism', based on the fact that all people conceive of the external reality somewhat differently based on their unique physical and social experiences with the world and their beliefs about them.

CHAPTER 5

THEORISING IN PUBLIC ADMINISTRATION

5.1 INTRODUCTION

A conception not reducible to the small change of daily experience is like a currency not exchangeable for articles of consumption; it is not a symbol, but a fraud.

George Santayana (1863-1952), American philosopher and poet

Research, observation and knowledge acquisition concerning a particular phenomenon lay the foundation for theories to develop over time. Looking at the natural sciences proves that the search for theories comes with uncertainties and that some postulations on which such theories are founded prove to include inconsistencies. According to Thornhill and Van Dijk (2010:108-109) “theorising in the social sciences is equally or even more complex than in the pure (natural) sciences because a discipline such as Public Administration is researched and practiced within a social and political environment and that both these environments are unstable as they are subject to continuous change”. What should also be kept in mind is the fact that the discipline of Public Administration as a part of the social science fraternity is directly linked to human action and human behaviour. This chapter will look at the possibility of developing theories within the discipline of Public Administration, with the focus on *governance* within Public Administration.

5.2 THE IMPORTANCE OF THEORIES IN SUPPORT OF A DISCIPLINE

According to Hanekom and Thornhill (1983:65), the word 'theory' is derived from the Latin word *theoria* and the Greek *theo* meaning contemplation, speculation and sight. Van der Waldt (2010:13) is of the opinion that theory is “a systematic and formalised expression of all previous expressions and is

predictive, logical and testable". For him theories are in principle always tentative and under construction or "inclusion in a yet wider theory". For Thornhill and Van Dijk (2010:96), discussing the development theory for scientific study means giving attention to more relevant explanations of the term. They give the following examples:

- a frame of reference
- a synonym for thoughts, conjectures or ideas
- an abstracted generalisation or a kind of shorthand that may be used in lieu of facts
- a summary of statement providing an explanation of a phenomenon, or a range of phenomena that co-varies under particular conditions.

According to the researcher, what Thornhill and Van Dijk mean is that each theory has some distinctive qualities but that it also has generalisations and therefore excludes particular exceptions. For Welman, Kruger and Mitchell (2005:12), "a theory represents a mental view of the phenomenon or system and will form the basis for a chain of reasoning" and would result in understanding a phenomenon, explaining its characteristics and "even predicting particular outcomes". Welman, Kruger and Mitchell (2005:20) are also of the opinion that "concepts are the building blocks of any theoretical model, for example, an abstract representing an object or phenomenon". For them concepts are crucial in theorising for the following reasons:

- to form the foundations of meaningful communication
- to introduce a perspective on the object under discussion
- to provide means of classification and generalisation
- to serve as components of theories and concomitantly of explanations and predictions.

From the above-mentioned definition it is clear that for a theory to exist it has to describe the phenomenon being deliberated on and has to theorise about it. Theories also predict, generalise and at the same time form the basis of

meaningful debates. For Fox and Meyer (1995:128), a theory is an explanation of reality in order to be able to make a prediction. Over time scholars even went as far as developing classifications or levels of theories so that these levels should be seen as an array ranging from the simplest to the most multifaceted. Grover and Glazier (in Van der Waldt, 2010:14) distinguish between the following levels of theory:

- Substantive theory: a set of propositions that furnishes an explanation for an applied area of inquiry
- Formal theory: a set of propositions that furnishes an explanation for a formal or conceptual area of inquiry, that is, a discipline
- Generalisations: typically, more data-connected than grand theory or paradigms
- Grand theory: a set of theories or generalisations that transcends the borders of disciplines to explain relationships among phenomena
- Paradigm: a framework of basic assumptions with which perceptions are evaluated and relationships [and values] are delineated and applied to a discipline or profession
- World view: an individual's accepted knowledge, including values and assumptions, which provides a 'filter' for perception of all phenomena.

For Van der Waldt (2010:14), these levels of theory initiate an individual's insight in contrast to broader social perspectives and, for a theory to clarify phenomena, it should have both individual and social perspectives. It is the view of the researcher that establishing levels of theory makes it difficult to find a universally accepted theory of any discipline as theory is an essential requirement for scientific study. For Thornhill and Van Dijk (2010:97) for a theory to be universal it should "be able to describe the phenomenon or activity, to explain why a particular activity has taken place or has been unsuccessful and [to] predict what could happen if a particular condition applies in regard to the phenomenon under scrutiny". Their idea of a universal theory with reference to Public Administration as an applied science means that the discipline has to relate any theory to the practical situation in

which public administration is experienced. For Thornhill and Van Dijk (2010:97) it does not mean that theorising is unnecessary, but that it is a prerequisite for scientific study. They validate this as follows:

- It facilitates the orientation of knowledge by explaining administrative phenomena and related activities
- It provides a framework for ordering facts and values related to administrative phenomena
- It provides a mechanism with which to transfer knowledge on the basis of scientifically tested grounds
- It emphasises significant similarities and differences among related phenomena (e.g. human beings and the social environment within which they work)
- It generalises the causes of actions or attitudes and explains the circumstances causing deviations from the norm (see also Hanekom & Thornhill, 1983:70; Smit, Cronje, Brevis & Vrba, 2007:28).

Thornhill and Van Dijk (2010:98) go further and state that theory can contribute towards improving the practice of public administration by serving as warning sensors for the practitioner. For them the fact that public administration takes place in a political environment (see also Pauw in Wessels & Pauw, 1999:22) means that the discipline concerned with the administration has to take its direction from an inexact basis and this therefore makes the discipline responsible to unproven facts, even the unpredictability of politics. It is the opinion of Thornhill and Van Dijk (2010:98) that any theory should be tested and should be testable, and only if it can withstand rigorous attempts to prove it wrong can it justify its existence. In addition, they believe that any theory should be able to explain a particular phenomenon or set of events and forecast a possible outcome should a procedure or system fail to fulfil the generalised characteristics. A theory should ultimately submit to scrutiny and be regarded redundant if it is not practical in favour of more valid or relevant findings. An example of such would be the scientific management theory proposed by F.W. Taylor after the

Hawthorne Studies at the Western Electric Company's Hawthorne Works. Thornhill and Van Dijk (2010:98) allude to examples in the natural sciences to stress this point. One such example is that for a theory such as Public Administration to be accepted in the social sciences, it should be tested against the same criteria as Newton's three laws of motion which state that an object moves in the direction in which it is pushed; that it will keep moving in a straight line until some other force acts to slow it down or deflect it; and that every action has an opposite and equal reaction (Bryson, 2003:73). It therefore shows that Public Administration should continuously be critically analysed to establish its relevance in the imperfect environment in which public administration is practised.

5.3 THE PUBLIC ADMINISTRATION ENVIRONMENT

It is true that people live and experience life in a particular environment. This is also an environment in which government operates. This environment is constantly changing in terms of time and place, and one of the main reasons for government's existence is to create an environment in which all citizens can thrive and live a full life. According to McCurdy (1977:174) the environment of public administration can be described as 'the world' – the entire environment in which the government and its institutions struggle to function effectively, efficiently and economically. In the Public Administration Dictionary, Fox and Meyer (1995:105) refer to public administration as the executive branch of government; civil service; bureaucracy charged with the formulation for, implementation, evaluation and modification of government policy. According to Fox, Schwella and Wissink (1991:2) public administration can be defined as “that system of structures and processes, operating within a particular society as an environment, with the objective of facilitating the formulation of appropriate governmental policy and the efficient execution of the formulated policy”. These terms therefore refer to government and its relationship with society promoting government policy responsive to societal needs. As mentioned in Chapter 2, subsection 2.2.1 of this study, according to Pauw (in Wessels & Pauw, 1999:22) Public Administration investigates public administration, which he refers to as the “organised, non-political,

executive functions of the state". In the *Handbook of Public Administration*, Rabin, Hildreth and Miller (2006:5) are of the opinion that the 1880s were the starting point of public administration. Also again as mentioned in subsection 2.2.1 of this study, for many scholars in Public Administration Woodrow Wilson's essay, 'The study of administration', published in 1887 in the *Political Science Quarterly* laid the foundation for a study of Public Administration.

The essay set the tone for a separate field of administration while advocating that Public Administration was worth studying. The views that Wilson held in 'The study of administration' led to many controversies, interpretations and ideological bases for reforms in administration in the 19th century (Prasad *et al.*, 1989:3-4). In South Africa the development of Public Administration education has been through many stages of development. According to Cloete (in Van Jaarsveldt, 2010:56) the University of the Free State was the first university to create a Department of Public Administration separate from the Department of Political Science in 1962. Cloete also states that the first courses in Public Administration presented at the University of Pretoria were a number of randomly selected facets by lecturers in agreement with students and officials working in various state departments and municipalities. Various authors, including Nicolas Henry in his book *Public Administration and public affairs*, wrote widely on the development of Public Administration. Frank J. Goodnow (1900) and Leonard J. White (1926) wrote on the politics/administration dichotomy from 1900-1926, for example, Goodnow, in his book *Politics and administration: A study of government* separates politics from administration (Shafritz & Hyde, 1992:7-9). It is Luther H. Gulick and Lyndal Urwick, in their book titled, *Papers on the science of administration*, who proposed the seven principles of administration and gave students the anagram POSDCORB. Public Administration has also been threatened with being absorbed into other branches of administrative sciences such as Business Administration.

Gladden (in Thornhill and Van Dijk, 2010:93) maintains that "public administration is concerned with the activities of government and that the word *administration* means to care for or look after people, to manage their

affairs and that an *administrator* is a servant and not a master". For Stillman (1980:3) public administration speak about the activities of the executive branch of government, deals with the formulation and implementation of public policies and absorbs issues of human behaviour and cooperative human effort. Thornhill and Van Dijk (2010:93), in their viewpoint on public administration, state that "when the adjective *public* is added to administration, it refers to these functions or phenomena being practiced in a political environment, aimed at satisfying societal needs as perceived in a specific period".

It is Waldo (1994:4-5) who elucidates that public administration is both an area of inquiry and an activity. He states that for a theory to exist, it must illustrate and clarify the boundaries for inquiry as determined by the activity itself. Waldo (1994:4-5) also shifts attention to the challenge of theorising on public administration and is of the opinion that it is found in the duality of its existence, and that the art of administration describes and explains its human interaction and that the science of administration is embedded in its generic functions and operation within a political environment. For Thornhill and Van Dijk (2010:102-103), more recent attempts at developing Public Administration theory relate to the accepted organisation theory, and in support of their argument they focus on the work as proposed by Smit *et al.* (2007:30-49) who identified different administrative theories, divided into classical and contemporary theories. These theories include:

- Classical theories, schools and approaches:
 - a) scientific management promoting the one best way of performing a task with its champions: F.W. Taylor, Frank and Lilian Gilbreth and Henri Fayol who contributed to the shaping of administrative theory (Murphy, 1981:23)
 - b) the bureaucratic approach promoted by Max Weber proposing the adherence to legal authority, strong control, hierarchy and unity of command
-

- c) the human relations movement identifying the need to consider the human element in an organisation, as promoted by Mayo, Maslow and McGregor
 - d) quantitative management theory, proposing the development of mathematical models to assist managers with *decision making*.
- Contemporary models and approaches:
 - a) the systems model, with Ludwig von Bertalanffy as one of its staunchest proponents, developed in the 1950s to eliminate the deficiencies of the classical models by requiring that any organisation should be viewed as a system and its actions performed in such a way that it remains in equilibrium
 - b) contingency approach, which is based on the systems model, but positing that management principles depend on circumstances and that there is no one *best way* to manage
 - c) total quality management, as promoted by W. Edwards Deming, implying that everyone and everything is involved, and the management's responsibility is to manage quality and to inspire
 - d) the learning organisation adapted from Peter Senge's *The fifth discipline*, based on the systems theory and arguing that the learning organisation is a management approach requiring that individuals learn continuously
 - e) re-engineering (with its experts Hammer and Champy) which argues that the way in which organisations operate should be fundamentally reappraised, requiring that every function and procedure should be re-engineered if it does not work and should be started all over.

5.4 GOVERNANCE IN PUBLIC ADMINISTRATION THEORISING

It is evident from the historical foundation of Public Administration that it originates in political ideology, but it is also true that the current capacity of the state extends beyond its original confines. Current arguments regarding the role and responsibility of government are conceptualised in a *governance*

perspective and are mentioned throughout the study. In the 1989 World Bank report, *governance* was defined as “the way in which power is exercised in the management of a country’s social and economic resources for development” (World Bank, 1989:60). This definition highlights the role that governments play in establishing a framework for economic activity and deciding how the benefits of such activities are distributed. Thornhill and Van Dijk (2010:91) mention that the definition posed by the UNDP (1997) highlights the specific nature of the *governance* concept, in defining it as the exercise of political, economic and administrative authority in the management of a country’s affairs at all levels. To them *governance* comprises the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, mediate their differences and exercise their legal rights and obligations. It is their opinion that this definition can be used as a basis upon which a feasible theory of public administration can be developed, namely:

- exercising administrative authority in a complex environment
- based on the needs expressed by a community
- in an attempt to ensure accountability, transparency and the protection of legal rights.

From the following definition by Stoker (in Pierre, 1998:18) it can be deduced that *governance* has become a perspective for the study of government exercising its public/private relationships to ensure organisational effectiveness and efficiency as well as customer satisfaction. His definition proposes that *governance* is premised on five propositions, namely:

- *governance* as referring to a set of institutions and actors that include both the public and private sectors
 - *governance* as identifying the blurred responsibility in tackling social and economic issues
 - *governance* identifying the power dependence between actors involved in collective action
-

- *governance* identifying self-governing networks of actors
- *governance* recognising that achieving goals does not reside with government alone, but entails government using new tools and techniques to steer and guide relationships.

The importance of organisational effectiveness and efficiency and customer satisfaction can also be noticed in Naidoo's (2004:180) explanation when she postulates that effective *governance* ensures popular welfare and promotes “the greatest happiness of the greatest number of people in society”. Stoker (in Pierre, 1998:19) mentions a very important point when he states that *governance* cannot be used as a blanket justification for the role and responsibility of the state, because *governance* cannot solve the problems of the state as well as being accountable for the responsibilities of the public and private sectors. Thornhill and Van Dijk (2010:93) concur by stating that the bureaucracy (appointed officials) still remains the essence of the governing structure and that the policy implications proposed through a *governance* perspective might not address the realities of the structure responsible for implementing it.

5.5 CONCLUSION

The aim of this chapter was to look at the possibility of developing theories within the discipline of Public Administration, with the focus on *governance* within Public Administration. For reasons of contextualisation, this chapter focused on Public Administration as a science, and it became apparent that the theoretical basis of Public Administration is a subject of contestation. This can be substantiated by the fact that theorising in the social sciences is even more difficult than in the pure (or natural) sciences, since a discipline such as Public Administration is researched and practised within a social, political and an economical environment. The most important question is therefore not whether a theory is indeed possible, but rather whether that theory is practical. The next chapter will conclude the purpose of the study.

CHAPTER 6

SUMMARY AND CONCLUSIONS

6.1 INTRODUCTION

Everyone else's ideas, theories, and arguments must confront the work we consider correct. Yes, theory is the lifeblood of what we do, and we must inevitably interact with it. However, within the framework of this interaction, we must remember it is only a tool for us to use

Dr Gordon Ede-Ojo, 2012

Scientific research has two general goals: to increase knowledge and to increase an understanding of the world in which one lives (Thornhill & Hanekom, 1996:5). In the previous chapter, the researcher looked at the viability of the *governance* phenomenon in Public Administration. This chapter marks the peak of the study because the findings, conclusions are presented. In this chapter, the researcher will provide an overview of the meanings ascribed to the word *governance* over the various decades, from the 1960s to the present. The researcher will also provide a brief description of each of the chapters in the study and will attempt to point out the existing gap in the body of knowledge on *governance* in Public Administration. The researcher concurs with Mouton (2008:124), that a concluding chapter is perhaps the most important because it presents the result of the research effort.

6.2 CONTEXTUALISATION OF THE STUDY

The purpose of this study, as was mentioned in Chapter 1, is to conceptualise *governance* in the context of Public Administration. In the *Handbook of Public Administration*, Rabin, Hildreth and Miller (2006:5) are of the opinion that the 1880s were the starting point of public administration. As

mentioned in the previous chapter, many scholars in Public Administration are of the opinion that Woodrow Wilson's essay, 'The study of administration', published in 1887 in the *Political Science Quarterly* laid the foundation for a study of Public Administration. This view is strongly contested in Maserumule's (2011:100-103) thesis entitled '*Good governance in the New Partnership for Africa's Development (NEPAD): A Public Administration perspective*' and by Thornhill and Van Dijk (2010:99) in their article entitled 'Public Administration theory: justification for conceptualization'.

Wilson's essay set the tone for a separate field of administration while advocating that Public Administration was worth studying. The views that Wilson held in 'The study of administration' led to many controversies, interpretations and ideological bases for reforms in administration in the 19th century (Prasad *et al.*, 1989:3-4). Also, as pointed out in the previous chapter, various authors, including Nicolas Henry in his book *Public Administration and public affairs*, wrote widely on the development of Public Administration. Frank J. Goodnow (1900) and Leonard White (1926) wrote on the politics/administration dichotomy from 1900-1926. In his book *Politics and administration: A study of government*, Goodnow argues that administration should be separated from politics (Shafritz & Hyde, 1992:7-9). It is Luther Gulick and Lyndal Urwick in the publication *Papers on the science of administration*, who proposed the seven principles of administration and gave students the anagram POSDCORB. It was at this time that Public Administration was threatened with being absorbed into other branches of administrative sciences such as business administration.

For Schwella (1999:337-338), the 1990s were momentous for South African Public Administration with the New Public Administration Initiative (NPAI) that originated from the Mount Grace conference that was held in the Magaliesburg in November 1991. The NPAI was a response to the transformation that took place in South Africa during that time. The Mount Grace Papers that were read at the conference indicated that Public Administration should focus on scientific analysis, explanations and

predictions. The Mount Grace conference should be noted for its effort to ensure that the field of Public Administration will be appropriate in South Africa and to strengthen the link between theory and practice (Mc Lannan & Fitzgerald, 1991:5-24). The Mount Grace II conference was held in 2000 and the debates were published as a continuation of the Mount Grace I conference held in 1991 (Thornhill, 2006:801). According to Schwella (in Wessels & Pauw, 1999:337-339) the conference presentations focused on current affairs and the challenges facing the discipline, the training needs of public servants, and meeting the changing needs of the South African society. This is also the focus of this study which is to look at the current debates on the *governance* phenomenon in Public Administration, also taking into account the changing needs of the South African society and that the discipline is not static but dynamic, as was propagated by the Mount Grace Papers. The results of this study are divided into the following chapters forming a logical continuous unit.

Chapter 1 of this study presented the general introduction and background. It includes the rationale of and motivation for the study; the significance of the study; the statement of the problem; the research questions and the research objectives. The research method and literature information gathering are also provided. From this chapter it can be deduced that the purpose of the study was to conceptualise the phenomenon *governance*.

Chapter 2 provided a theoretical scouting of the literature illustrating the paradigm shift from Public Administration to Public Management to the NPM and then to *governance*. It focused on the writings of Public Administration scholars to determine how and why there was a paradigm shift from Public Administration through to *governance*. This chapter relied heavily on international literature because the topic of *governance* has emerged as a key concept dominating the international community. It was found in this chapter that the aim of the shift away from public administration to *governance* was to look for new ways on how to improve the public service (improving the effective and efficient functioning of public institutions).

Chapter 3 offered a conceptual analysis of various theories, principles and key dimensions related to the phenomenon of *governance* in existing literature. The World Bank identifies six indicators of *governance* including accountability, transparency, the rule of law, and the control of corruption (World Bank, 2002). It was found in this chapter that because of the complex nature of *governance*, where complex refers to “consisting of many different and connected parts” according to the Concise Oxford Dictionary (2009:232), it has many related theories, principles, dimensions and characteristics. It was also found from the literature reviewed that there is 'good' and 'bad' *governance* and the difference between these two depends on whether government allows for an open, transparent, accountable and democratic management of public affairs with a strong rule of law or not.

Chapter 4 provided a review of the literature on the meaning of the phenomenon of *governance* and *good governance* because of the fact that some authors use the two phenomena interchangeably. This chapter entailed a critical analysis of the writings of Public Administration scholars and looked at how they assign meaning, theorise, conceptualise and contextualise *governance* in Public Administration. It was found in this chapter that *governance* is indeed a conceptual *problematique*, with the emphasis on the different meanings assigned to it by different authors. The emphasis here was that whichever definition of *governance* is chosen, there is a moral obligation to be able to practically implement the definition.

Chapter 5 looked at the possibility of theorising in Public Administration with the focus on *governance* in Public Administration. In this chapter it was found that theorising in the social sciences is more difficult than in the pure (natural) sciences, and more so in Public Administration because of the fact that Public Administration is researched and practised in a social and political environment.

The focus of the next section is on the meaning of *governance* in the context of Public Administration.

6.3 THE CONCEPT *GOVERNANCE* IN PUBLIC ADMINISTRATION

This section of the study will provide an overview of the meanings ascribed to the word *governance* in Public Administration over the various decades, starting from the 1960s to the present. Public Administration takes place in a highly dynamic environment which is influenced by political, social and economic factors. As mentioned in the previous chapter, according to McCurdy (1977:174), the environment in which public administration operates is described as 'the world', and he further refers to the environment as how government and its institutions struggle to function effectively, efficiently and economically. Hanyane (2009:9-11) describes the above mentioned environments as follows:

- Political environment: Politics is about the power to constitute a government.
- Economic environment: The economic environment is manmade and is constantly involved in the distribution of scarce resources for the maximum satisfaction of community needs.
- Social environment: The social environment refers to the social arrangements of groups of human beings to meet their biological and physiological needs.

It is these relationships between the three environments and the actions of people in these environments that give rise to various social problems that could hamper the general welfare of society. According to Maserumule (2011:504), Public Administration scholarship is largely concerned with empirical questions, and is "engaged in little theory testing" as is the objective of this study.

It is obvious in the literature review in the various chapters that the usage of *governance* in Public Administration literature has expanded, and there seems to be no consensus on what it means in Public Administration. *Governance*, as proposed by the World Bank and the IMF, was used in

developing countries to undertake political, economical and administrative reforms. It is the researcher's opinion and was alluded to in section 2.3 of this study, that these policy prescriptions as proposed by these two financiers of development did not have the desired outcome. In contrast to its objectives, it impoverished the continent. It is in the light of the same argument that Moyo (2009:x-xi) in 2009 wrote the book entitled, *Dead aid. Why aid is not working and how there is a better way for Africa*. As Ferguson writes in the foreword of the same book, *governance* as described by the World Bank and the IMF, is the "disease of which it pretends to be the cure", which answers the question that the researcher poses in Chapter 1 of this study as to why the countries in the global South accepted the *governance* agenda. It is the opinion of the researcher that these countries accepted the *governance* agenda because they thought it was the cure for their dire domestic conditions, and still the majority of African countries 'splash in a seemingly endless cycle of corruption, disease, poverty and aid-dependency' Moyo (2009:x-xi).

As mentioned in subsection 3.2.1 of the study, the traditional theory of *governance* developed in three successive phases. In the 1960s it began largely as a theory of planning and of how to steer, while in the 1970s it was policy development that became more important and so it focused primarily on the different policy instruments, particularly the rule of law, and finally in the late 1980s, policy implementation evolved into a new research area (see also Mayntz in Bang, 2003:28). The researcher further states that in the 1990s it was the changed role of government and the changed environment that was under scrutiny in attempting to define *governance*. At the turn of the century, the focus was on using the term *governance* as synonymous to government. During this period, it was argued that the term 'government' is no longer relevant. The researcher argued this point in section 4.2 of this study and is of the opinion that government and *governance* are not synonymous. In recent debates there is a tendency to use the phenomenon *governance* as being synonymous with Public Administration, locally as well as internationally. Internationally, if one were to look at the current themes of the conference of the International Institute of Administrative Sciences (IIAS)

held during April 2012, the focus was mainly on global governance and sustainable development. It is the same locally as the researcher alluded to in section 4.2 of this study when she refers to the themes of the recent conference of SAAPAM held in Bloemfontein from 7-9 March 2012. In an article published in the *Journal of Public Administration*, entitled, 'From Public Administration to governance: science or ideology?' Louw (2012:89-102) strongly defends the fact that Public Administration and *governance* are indeed not synonymous. Louw, in her article, contends that Public Administration is the science, and that *governance* is a paradigm and that a paradigm directs the science.

Maserumule in his doctoral study which he completed in 2011 entitled 'Good governance in the New Partnership for Africa's Development (NEPAD): A Public Administration perspective' focused his attention on *good governance* as used in the context of NEPAD though he also makes reference to the *governance* phenomenon. It is interesting to note that in his study he found that *governance* is used in NEPAD only as a principle and not as a concept. From all the definitions on the *governance* phenomenon the researcher refers to in this study, it is Frederickson (in Ferlie, Lynn & Pollitt, 2005:289) in his analysis that assists the researcher to arrive at a feasible concept of *governance* in Public Administration. For the researcher, his definition underscores the following points:

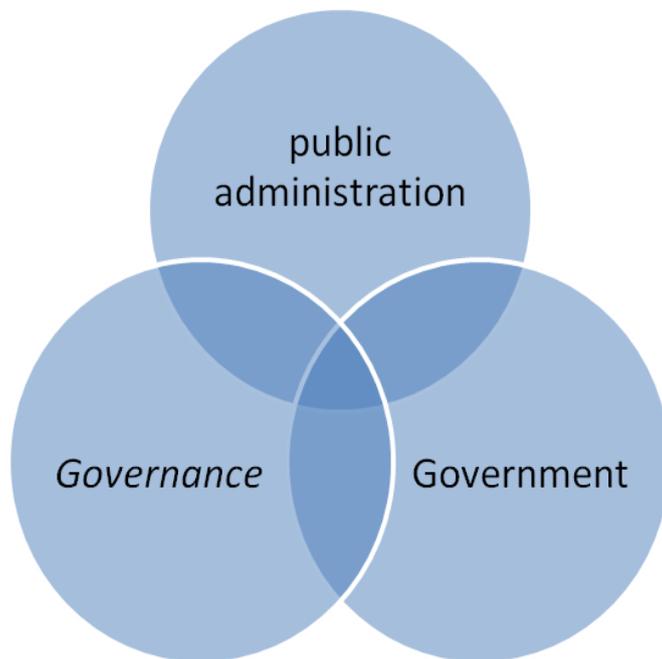
- There are powerful forces at work in the world.
- These are forces that the traditional study of politics, government and public administration cannot explain.
- The states are losing elements of their borders.
- Social and economic problems are seldom contained within jurisdictional boundaries.

For the researcher his analysis of the phenomenon is balanced where 'balanced' refers to 'being in a state of equilibrium'. The researcher therefore propagates that *governance* in Public Administration means *governments*

and their officials exerting influence outside their jurisdiction to achieve policy and operational aims. This the researcher relates to the transformation of government and globalisation. However, *governance* as the researcher defines it has always been part and parcel of governing a democratic state. This is so by definition because democracy implies that many activities and sectors are not under the jurisdiction of the government or its bureaucracy. Politicians and their officials who know their trade know how to exert influence on aspects where they do not have jurisdiction. The researcher is of the opinion that fiscal and monetary policy is arguably the most important example of this, as there are very few, if any government departments that do not need partners outside public administration – or even outside the country – to achieve their goal of serving the public. Accounting officers at the national and provincial levels of government in South Africa pay over large sums of money in transfers to other countries. Their influence on the spending of that money is referred to as *governance*. Fiscal policy can be defined as government's decisions about the nature, level and composition of government expenditure, taxes and loans in the pursuit of specific objectives. Monetary policy has to do with government's decisions about the money market, which has a particular influence on the value of the national exchange and interest rates (Bernyardt, 2009:32). Therefore fiscal policy refers to government action by means of the appropriation of government income and expenditure in order to influence the economy and steer it in a particular direction. It therefore includes all financial transactions by the government. With the monetary policy, not all revenue is depleted immediately. Part of it is held back (savings) to finance consumption at a later stage (Bernyardt 2009:35). According to De Wet and Oosthuizen (1990:57), other participants in the economic process may experience difficulties, however, if their expenditure exceeds their income, it will force them to borrow money to finance transactions. Financial institutions collect excess funds and make them available to those who need funding. Such processes are controlled by the central banks of the state by means of monetary policy, as is the function of the South African Reserve Bank in South Africa. Therefore, the training of elected and appointed officials and the study of public administration as a phenomenon must include *governance*, but *governance* can never be the

whole of Public Administration. The critical point that needs to be emphasised is that *governance* does not replace Public Administration.

Figure 6.1: The interrelatedness of public administration, government and governance



Source: Researcher's own compilation

The above diagram is an illustration of the researcher's discussions in section 6.3. It portrays how the researcher views the relationship between public administration, government and *governance* – a relation of dependence; one cannot function without the other. Public Administration, which is the science of public administration defined by Pauw (in Wessels & Pauw, 1999:22), and as mentioned in 2.2.1 of this study where he refers to it as the “organised, non-political, executive functions of the state”, is relevant here. Pauw sees *functions* as a higher-order category under which concrete services, institutions, activities and people may be included. When referring to government in this diagram, the definitions by Ranney (1971:26) as discussed in section 4.3 of this study, in which he describes government as “a body of people and institutions that make and enforce law for a particular society” and the conception by Fox and Meyer (1995:55), which is almost the

same as Ranney's and where they see government as "... a body of persons and institutions who make and implement all enforceable decisions for a society" have reference.

These two definitions therefore imply that a government is more than just people exercising certain functions; because institutions and people are collectively a government which is responsible for the making and execution of policies in order to deliver services to the inhabitants of the country or area governed by a specific level of government (national, provincial or local government). The researcher's conception of *governance*, which is ***governments and their officials exerting influence outside their jurisdiction to achieve policy and operational aims***, is relevant here. The environment that the researcher alludes to in section 6.3 of this study is where these three phenomena (public administration, government and *governance*) meet. McCurdy (1977:174) refers to the environment in which public administration operates as 'the world', and in this illustration, the 'world' is the political, economical and social environment in which all three phenomena operate.

In essence, **government is not synonymous with governance and governance does not replace Public Administration as a science.** As stated in Chapter 1 of this study the researcher will also attempt to find meaning for *good governance* in Public Administration although it is not the aim of the study. It is therefore the opinion of the researcher that *good governance* refers to *governance*, which is good, and as defined above, the adjective good in front of *governance* refers to 'proper' which could refer to a set of principles that are yet to be defined.

6.4 SUGGESTIONS FOR FURTHER RESEARCH

The researcher would like to make the following suggestions, which are in line with the discussions which have preceded this discussion, for further research:

- To test the feasibility of the concept *governance* as proposed by the researcher in this study.
- To test through an empirical study how the concept *governance*, as proposed by the researcher in this study, is operationalised in government.

6.5 CONCLUSIONS TO THE STUDY

As a field of study and as a practice, public administration has been influenced by many approaches and paradigms, all of them aimed at improving the functioning, effectiveness and efficiency of public institutions for better service delivery. In future, if the discourse on *governance* were to open new opportunities for resolving the current crisis of livelihood and governability anywhere, it seems necessary to move away from standard blueprints of *governance* that are applicable everywhere, and towards encouraging the creativity and originality of people in real social settings; away from the 'technification' of institutional reform and towards a more open debate on the needs and changes in specific institutions and programmes; away from the preference for analysing institutional reform and towards a clearer recognition of the interrelatedness between the three spheres of government. It is important that whichever concept is chosen, there is a moral obligation to try to work out what the practical consequences of the concept would be. Therefore, the researcher poses the following questions: Are Public Administration academics failing to put together a science that can solve societal problems, for example, fraud, corruption, disease, poverty, unemployment and aid-dependency? Is it true that academics are failing practitioners because Public Administration is failing to give answers? It is the researcher's opinion that Public Administration is in a state of 'constructivism', based on the fact that people all conceive of the external reality somewhat differently based on their unique physical and social experiences with the world and their beliefs about them. The concept *governance* in Public Administration, as proposed by the researcher, illustrates how government and its officials operate outside their boundaries

in order to ensure policy aims are achieved. To conclude, government and *governance* are not synonymous and should not be used interchangeably, neither are *governance* and Public Administration, as *governance* and government take place in the environment of public administration.

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