

The New Governance, Subsidiarity and the Strategic State

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September 2000

Paper prepared after the OECD Forum for the Future conference on 21st Century Governance: Power in the Global Knowledge Economy and Society held in Hannover in the Spring of 2000. This paper draws significantly on the work done over the last few years at the Centre on Governance. The help of the Fellows of the Centre is gratefully acknowledged although they should be spared any guilt by association for the use I have made of their counsels. The most helpful critical comments of Riel Miller are also gratefully acknowledged.

“Anchor new solutions
in stand-alone principles”

A.J. MacEachen

Introduction

Many observers have announced the demise of the Westphalian nation state as the dominant system of territorial governance. Supposedly, the erosion of this dominant jurisdiction is ascribable to a nexus of forces: from the pressure emanating from the ever expanding expectations of the citizenry to the weaker capacity to govern of the nation states in the face of greater mobility of the factors of production. The territorial nation state has become, if one accepts this scenario, less congruent with the contemporary realities, and less capable of providing an effective governance system.

It is our view that much remains in the existing process of governance that is mediated by the national state context, and by nation-state regimes (McCallum 1995; Nitsch 2000). While the governance capabilities are not necessarily as tightly packaged in national territorial niches as they were in earlier times, the territorial nation still plays a role of echo box through which much must be arbitrated (Paquet 2000a). However, there has been a rather fundamental transformation of the innards of the territorial governance systems in the last decades. New forms of distributed governance arrangements, based on a more diffused pattern of power and on a new valence for various meso-systems, have emerged (Storper 1996; Elkins 1995).

These new territorial connections have woven a new pattern of geo-governance that is still without a formal name. Some still insist on “national packaging” as a matter of convenience, but the new realities bear little resemblance with the old Westphalian construct. This new pattern has vested infra-national communities with new powers, has built on new principles of cooperation/competition within and across national boundaries, and has been rooted in new capabilities that are much less state-centered (Paquet 1999a).

The new dynamic involves more complex mixes of intertwined relations, networks and regimes, and governance capabilities that are more diverse and seemingly more disconnected than has been the case in the old nation-state-centered governance world. But these new complexities do not change the fact that territory remains a fundamental underpinning of the governance systems.

In this paper, we proceed in three phases. First we sketch a very simple geo-governance framework based on social learning as the most useful lens through which we can examine the current challenges. Second, we argue that the only workable governance scheme in this context is bottom-up governance based on a new strategic state capable of effecting major architectural repairs to the existing nation-state. Three, we examine the ecology of collaborative governance at the source of a more effective governability and a refurbished territorial governance.

1. A primer on geo-governance

By geo-governance (i.e. territorially-based governance), we refer to the ways in which effective coordination is effected in a world where knowledge and power are distributed. The technology of governance refers to the many ways in which (1) individuals and institutions (public, private and civic) manage their collective affairs, (2) the diverse interests accommodate and resolve their differences, and (3) these many actors and organizations are involved in a continuing process of formal and informal competition, cooperation and learning (Carlsson and Ramphal 1995).

Throughout the 20th century, geo-politics has attempted to make sense of the complex and at times seemingly chaotic political/economic realities, to define a map of how power is allocated. This map has echoed the dominant power/knowledge infrastructures of the day. It was shaped by imperialism in the early part of the 20th century, by the East-West divide and the Cold War in the post-World War II period, and by globalization and the erosion of the powers of the Westphalian nation-state in the more recent past. Geo-politics has proposed different faultlines of competition/ cooperation, various linkages between the local/regional and the world as a whole, and different discourses to rationalize them for these different eras.

But, as the compilers of a recent reader in geo-politics boldly state, “geo-politics is not a science”, it is “a field of contestation” (Ò Tuathail et al 1998). It presents very partial images of the geo-governance process, and this has never been more true than after the fall of the Berlin wall. The extensive recent literature on geo-governance continues to define faultlines and interfaces in unduly simplistic ways :Luttwak’s pronouncements that economic priorities and modalities are dominant; Luke’s insistence that security and political issues continue to dominate the scene; Huntington’s suggestion that clashes of civilization are the defining interfaces (Luttwak 1990; Luke 1991; Huntington 1993).

While each of these arguments has merits, each of these families of forces may at best be said to have completely dominated the scene only episodically. Strict geo-economic, geo-security and geo-civilizational arguments remain therefore unpersuasive in accounting for the evolving pattern of geo-governance. These analyses remain unduly crippled by overly macroscopic and Manichean (either/or) interpretations that provide none of the nuances necessary to take into account the extraordinary diffraction of the governance structures, and the new vertical (continental/regional/local) division of labour that has ensued on the governance front.

a. governance as pattern of power sharing

A problématique that explores deliberately the diverse sites over which the authority has become diffused and draws on a multiplicity of factors (in the economic, political and social spheres) to explain the vertical, horizontal, and transversal diffusion of the powers formerly vested in the nation-state, should prove, we suggest, more promising as a way to explore the geo-governance dynamics of the present world order (Paquet 1997a).

François Perroux and Kenneth Boulding have proposed a simple conceptual scheme to map out this terrain (Perroux 1960; Boulding 1970). Both identified three generic ensembles of organizations characterized by different mechanisms of integration: *quid pro quo exchange* (market economy), *coercion* (polity), and *solidarity* (community and society). These mechanisms had been explored by economic anthropologist Karl Polanyi (1957) as dominant features in concrete socio-economies of the past. Perroux and Boulding fleshed out the idea and applied it to the modern context.

This approach provides a rough cartography of the organizational terrain into three domains where the rules, arrangements or mechanisms of coordination are dominated (more or less) by these different principles: the economic/market domain (B) where supply and demand forces and price mechanism are the norms; the state domain (C) where coercion and redistribution are the rules; and the civil society domain (A) where cooperation, reciprocity and solidarity are the integrating principles. This corresponds roughly to the standard partitioning of human organizations into economy, polity and society. Each of these mechanisms of integration in its purest form is located at one of the apexes; all the inner territory represents organizations and institutions embodying different mixes of these integrative mechanisms. A lightly modified version of this sort of triangle is presented in Figure 1.

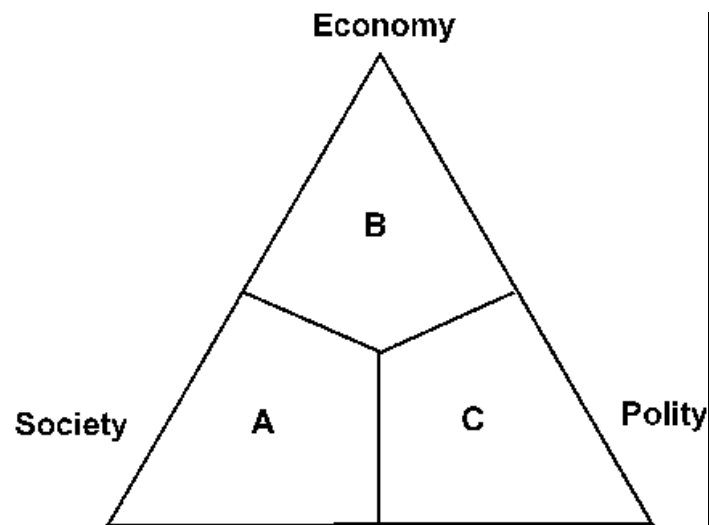


Figure 1

These three sectors need not have equal weight. A century ago, the state portion was quite limited, and the terrain was dominated by the other two sets of organizations. From the late 19th century to the 1970s, government grew in importance to the point where, at the end of the period, probably half of the *measured* activities fell into the general ambit of state and state-related activities. The boundaries have been displaced accordingly over time. More recently, there has been a vigorous counter-movement of privatization and deregulation that has caused a reduction of the state sector, and a reverse shift of the boundaries (Paquet 1996-97).

In parallel with these swings giving more valence to one or another of the family of integration mechanisms, there has been a tendency for the new socio-economy to trigger the development of an ever larger number of *mixed* institutions, blending these different mechanisms (market-based public regulation, public-private-civic partnering, etc.). This has translated into a much denser filling in of the Boulding triangle. Mixed institutions have emerged that are capable of providing the basis for cooperation, harmonization, concertation, and even co-decision mechanisms involving elements from the three sectors (Laurent et Paquet 1998: ch.8). This has entailed a fuzzification of the boundaries between A, B and C, and a new division of labour within and among the three sectors.

Contrary to the thrust that emerged from most of the recent analyses of geo-governance (Luttwak, Luke, Huntington), none of the sectors has had a dominant role in defining the faultlines, and in imposing hegemonic constraints on the others. In reality, the relationships among sectors have been *heterarchical*: it is not a world with a pecking order. Heterarchy introduces "*strange loops*" of authority "under conditions of time and place" very much like the "game of paper, rock, and scissors where paper covers rock, rock crushes scissors, and scissors cut paper" (Ogilvy 1986-87). *Any sector may at times have a dominium over the others: the three sectors co-evolve.*

Indeed, the ecological concept of *coevolution* provides an apt way to synthesize the links among these three universes. Coevolution in biology refers to an evolutionary process based on reciprocal responses of closely interacting species, as in the coevolution of the beaks of hummingbirds and the shape of the flowers they feed on. The concept can be generalized to encompass feedback processes among interacting systems (social, economic, political) going through a reciprocal process of change. The process of coevolution becomes a form of *organizational learning*: joint learning and interadjustment of economy, society and state.

The macroscopic analytical schemes in good currency have failed importantly in probing the infra-nation-state realities where much of the coevolution has occurred. While nation-states have been readily aggregated into broad ensembles when it has proved convenient for analytical purposes, there has been a reluctance to acknowledge the growing importance of the new network of city-regions that has redefined the map of the power world. This new texture of infra-national realities is clearly making the whole notion of territoriality much more complex, but this dimension is at the core of the new governance.

Moreover, such schemes have carefully expurgated the subversive content that the notion of governance has acquired as it has become associated with arrangements based on the recognition that knowledge and power are inevitably distributed, that no one is omniscient or omnipotent, that local and non-state actors are bound to become inevitably more important, and that collaboration is the new categorical imperative.

b. distributed governance and governability

In times of turbulent change, organizations (micro and macro, economic, political or civic) govern themselves by becoming capable of learning both what their goals are, and the means to reach them *as they proceed*. This is done by tapping the knowledge and information that active citizens possess, and getting them to invent ways out of the predicaments they are in. This leads to a more distributed

governance that deprives leaders of their monopoly on the governing of organizations: for the organization to learn quickly, everyone must take part in the *conversation*, and bring forward each bit of knowledge, wisdom and capabilities that he or she has that has a bearing on the issue.

Distributed governance does not mean only a process of dispersion of power toward localized decision-making within each sector: it entails a dispersion of power over a wide variety of actors and groups within the Boulding triangle. This diffraction of power has evolved because it triggers more effective learning in a context of rapid change through decentralized and flexible teams woven by moral contracts and reciprocal obligations negotiated in the context of evolving partnerships (Nohria and Eccles 1992).

In the transition period from the present nation-state-dominated era to the newly emerging era of distributed governance and transversal coordination, there has been a tendency (1) for much devolution and decentralization of decision-making (i.e., for the meso-level units in polity, society and economy to become prominent), (2) for the rules of the game of the emergent order to be couched in informal terms, and (3) for the emergent properties of the new order to remain relatively unpredictable as one might expect in a neural-net-type world (Ziman 1991; Norgaard 1994; Paquet 1993, 1995).

The new form of transversal coordination now in the making of necessity generates a loss of central control and a weakening of the national state *imperium*. A different sort of *imperium*, adapted to the network age, is emergent: reminiscent of the Roman empire under Hadrian, where the institutional order was a loose web of agreements to ensure compatibility among open networks (Guéhenno 1993). We are entering an era where the governance process is becoming a game without a master, and, for many observers, this diffraction of power has raised the specter of non-governability.

Governability is a measure of the organization's capability for effective coordination within the context of the environment within which it is nested: it corresponds to the organizations's capacity to transform, its capacity to modify its structure, its process, and even its substantive guidance mechanism and orientation (Kooiman 1993: 259-260). At any time, the gaps between governing needs and capabilities transform the governance pattern. This tends over time to trigger the emergence of a fitful degree of decentralization and differentiation, to bring forth a variety of partnerships and joint ventures to respond to the challenges posed by knowledge dispersion, motivation, and implementation problems and by the need to correct some of the important side-effects of the existing governance structure.

The central thrusts of this evolving process are *resilience* (the capacity for the economy-polity-society nexus to spring back undamaged from pressure or shock through some slight re-arrangements that do not modify the nature of the overall system), and *learning* (the capacity to transform in order to improve present performance through a redefinition of the organization's objectives, and a modification of behaviour and structures) (Paquet 1999b). Resilience and learning would appear to point in contradictory directions (maintaining coherence versus structural transformation) and they do. They must be balanced for they are both necessary to underpin sustainability.

The governance system has evolved considerably over the past few decades as a result of the

important shocks emanating from both the internal milieu and the external context, and of the need to learn faster (Paquet 1999c): a number of rounds of adaptation have been necessary to provide the requisite flexibility and suppleness of action. The ultimate result of these changes is a composite governance system, built on unreliable control mechanisms in pursuit of ill-defined goals, in a universe that is chronically in a state of flux: this composite governance process has emerged as the result of cumulative efforts to harness complexity that have blended in a new way the different integrative mechanisms within organizations (Axelrod and Cohen 1999; Paquet 2000 b).

c. social learning and coordination failures

In a learning economy, wealth creation is rooted in the mobilization of knowledge: learning is harnessing the collective intelligence of the team as a source of continuous improvement. This in turn commands new modes of production of knowledge and new modes of collegiality, alliances, and sharing of knowledge, a degree of cooperation to take advantage of positive externalities, economies of scale and scope, and strong cumulative experience-learning processes. But these processes do not necessarily work perfectly (Argyris and Schon 1978; Gibbons et al. 1994; Lundvall and Johnson 1994).

While much know-what and know-why has been effectively codified, and can be produced and distributed as quasi-commodity, know-how and know-who have remained tacit and socially embedded (Foray and Lundvall 1996). Consequently, the production and the distribution of this latter form of knowledge has been more problematic: it depends a great deal on social cohesion and trust, on much trespassing and cross-fertilization between disciplinary fields, and on the development of networks capable of serving as two-way communication links between tacit and codified, private and shared knowledge, between passive efficiency-achieving learning and creative/destructive Schumpeterian learning (Boisot 1995). In this complex world, there are ample possibilities for coordination failures that can slow down the process of learning.

Coordination failures may be ascribable to a variety of problems (legal, organizational, etc.), and, as they materialize, they are bound to generate dysfunctions and some performance deterioration. This in turn puts pressure on the learning organization to modify its conventions and relational transactions, i.e. its *functioning*. When such adjustments in the functioning of the governance system prove insufficient to restore good performance, more serious modifications to the *structure* of the governance of the learning economy become necessary.

But neither modifications in the functioning or the organizational structure are usually sufficient. In addition to these plumbing-type repairs, new forms of social ligatures must be put in place to forge a new dominant logic capable of replacing the logic of centralization-cum-redistribution of the old nation-state. This new “soul” or “imaginaire” or “north star” of the new governance system is unlikely to emerge solely as a result of some tinkering with structure/functioning, for it must construct nothing less than a new set of reference points to replace the fundamentally territorial coordinates of the nation-state.

In lieu of the administrative territorial order imposed by the logic of top-down control (with its

requirement that clearly delineated borders be respected, good fences be erected, inter-regional flows be regulated, and jurisdictions be enforced), one must invent a way to deal with the new fluid order, still anchored somewhat in territorial proximities but to a much lesser degree than ever before. This “revenge of nomadism over the principle of territoriality and settlement” (Bauman 2000:13) is the result of (1) the “révolution commutative” that is allowing each individual to disconnect at will and reconnect differently (Guillaume 1999); (2) the revolution in connexity that has transformed the way we maintain and develop a community – from raising barriers and boundaries to feeding relationships and networks (Mulgan 1997; Lévy 2000); and (3) the new diffuse “bridging capital” that has come to replace the old bonding tightly connected with the geography of proximity (Putnam 2000).

The new “lightness and fluidity of the increasingly mobile, slippery, shifty, evasive and fugitive power” (Bauman 2000:14) is not completely a-territorial: it is characterized however by new forms of belonging that escape the control and regulation of the nation-state to a much higher degree than before, by virtual agoras, liquid networks, variegated and overlapping terrains where citizens may “land” temporarily. The fabric of these new “worlds” is defined by the new dominant logic of subsidiarity in all dimensions: it welds together assets, skills and capabilities into complex temporary communities that are as much territories of the mind as anything that can be represented by a grid map.

In the shorter run, coordination failures may be eliminated through *process architecture*, i.e., eliminating obstacles to the collaboration of the different stakeholders within the learning cycle and developing the relationships, conventions or relational transactions required to define mutually coherent expectations and common guideposts. These conventions differ from sector to sector: they provide the requisite coherence for a common context of interpretation, and for some “cognitive routinization of relations between firms, their environments, and employees” (Storper 1996:259).

Such coherence must however remain somewhat loose: the ligatures should not be too strong or too routinized. A certain degree of heterogeneity, and therefore social distance, might foster higher potentiality of innovation because the different parties bring to the “conversation” a more complementary body of knowledge (Granovetter 1973). More fruitful synergies ensue. But too much social distance and too much “noise” can prevent an effective harnessing of collective intelligence and sabotage the learning process. Modifying relational transactions transform the very nature of the power map. But as collective intelligence comes to depend less on geographical proximity than on other proximities in cyberspace (Lévy 1994), the pattern of effective relational transactions is changed. This does not exorcise territoriality but it transmogrifies its role. “Smart communities” are a good illustration of the new comparative advantages derived from the compounding of these different types of proximity.

In the longer run, coordination failures may be eliminated more radically through *organizational architecture*, i.e., the transformation of the structural capital defining the capabilities of the learning economy. This redefines the networks and regimes to ensure the requisite coherence necessary for an effective learning economy.

Coherence and pluralism are crucial in the organizational architecture of a learning concern. This is what makes federal structures so attractive from a learning point of view: they provide coordination in a world where the “centre ... is more a network than a place” (Handy 1995a). This is also the

reason why federal-type structures have emerged in the different sectors in most continents. Potentially, federalism represents a sort of fit or effective alignment between the different components of structural capital in the sense of Saint-Onge (1996) – i.e., the systems (processes), structures (accountabilities and responsibilities), strategies, and culture (shared mindset, values and norms). And since there is always a significant probability of misalignment between these components, there is often a need to intervene directly to modify the organizational architecture in order to ensure effective learning.

But social learning is unlikely to proceed apace (despite process and organizational repairs) unless the new dominant logic of the strategic state generates a new public philosophy and *ouillage mental* capable of serving as a gyroscope in the learning process.

While these three ways of correcting coordination failures (process and organizational architecture, and a new public philosophy) are of necessity intertwined in the operations of the new strategic state, there is some merit in dealing with them separately for they represent different degree of intrusiveness by the state in the learning economy. We examine them separately and in a general way in the next section, but we attempt to deal with them together in the following section.

2. The Strategic State: process, organization and public philosophy

The existing coordination failures in the learning economy cannot be eliminated by the conventional panoply of policy instruments in good currency in the nation-states based on fence-keeping, centralization and redistribution. The new strategic state, focused on enabling effective social learning, must develop the required new instruments by effecting a significant reframing of the vocation of the state – away from tinkering with static resource allocation and redistribution toward a significant involvement in fostering dynamic Schumpeterian efficiency and enhancing the collective learning power of the economy.

As we suggested in the last section, this can be effected in different ways.

a. catalyzing the social learning cycle

Collective intelligence is defined by Pierre Lévy as “une intelligence partout distribuée, sans cesse valorisée, coordonnée en temps réel, qui aboutit à une mobilisation effective des compétences” (Lévy 1994:29). Such an intelligence is continuously producing new knowledge and sharing it with all the partners for its main purpose is social learning and the effective mobilization and coordination of the continually growing competencies of all the partners.

To catalyze social learning, one must have some view about the ways in which collective intelligence works, and be in a position to intervene to remove any obstacles likely to hinder social learning. In an effort to identify the major obstacles to social learning (and therefore to guide the process architecture interventions), Max Boisot has suggested a simple mapping of the social learning cycle in a three-dimensional space – *the information space* – which identifies an organizational system in terms of the degree of *abstraction*, *codification* and *diffusion* of the information flows within it. This three-dimensional space defines three continua: the farther away from the origin on the vertical axis,

the more the information is codified (i.e., the more its form is clarified, stylized and simplified); the farther away from the origin laterally eastward, the more widely the information is diffused and shared; and the farther away from the origin laterally westward, the more abstract the information is (i.e., the more general the categories in use) (Boisot 1995).

The social learning cycle is presented in two phases with three steps in each phase: phase I emphasizes the cognitive dimensions of the cycle, phase II the diffusion of the new information.

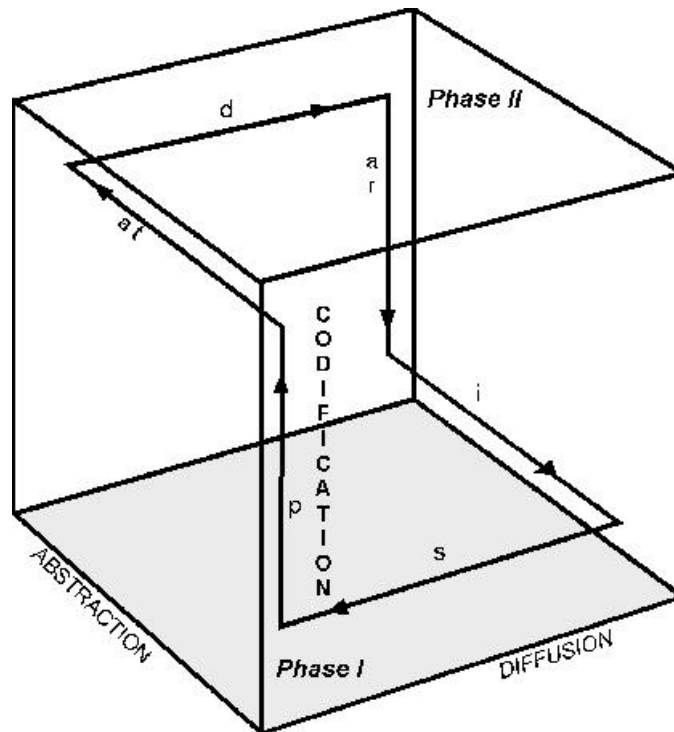
In phase I, learning begins with some scanning of the environment and of the concrete information widely diffused and known in order to detect anomalies and paradoxes. Following this first step (s), one is led in step 2 to stylize the problem (p) posed by the anomalies and paradoxes in a language of problem solution; the third step of phase I purports to generalize the solution found to the more specific issue to a broader families of problems through a process of abstraction (at). In phase II, the new knowledge is diffused (d) to a larger community of persons or groups in step 4. Then, there is a process of absorption (ar) of this new knowledge by the population and its assimilation so as to become part of the tacit stock of knowledge in step 5. In step 6, the new knowledge is not only absorbed but has an impact (i) on the concrete practices and artefacts of the group or community.

In Figure 2 below, one may identify the different blockages through the social learning cycle: in Phase I, cognitive dissonance in (s) may prevent the anomalies from being noted, epistemic inhibitions of all sorts in (p) may stop the process of translation into a language of problem solution, blockages preventing the generalization of the new knowledge because of the problem definition being encapsulated within the *hic et nunc* (at) may keep the new knowledge from acquiring the most effective degree of generality; in Phase II, the new knowledge may not get the appropriate diffusion because of property rights (d) or because of certain values or very strong dynamic conservatism which may generate a refusal to listen by those most likely to profit from the new knowledge (ar) or because of difficulties in finding ways to incorporate the new knowledge (i).

Interventions to remove or attenuate the negative effects of such blockages always entail some degree of interference with the mechanisms of collective intelligence. In some cases, like the modification of property rights, the changes in the rules appear relatively innocuous but government interferes with the affairs of the mind: correcting social learning blockages modifies relational transactions and therefore the psycho-social fabric of the organization.

These interventions at the cognitive level often have unintended consequences and may even aggravate the dysfunctions. At the core of these difficulties is the illegitimacy that is still attached to government being involved in the “politics of cognition” or in general in the realm of the mind (Tussman 1977). This has led to very costly delays in process through which the state has accepted to shoulder these new fundamental responsibilities in a knowledge-based and learning socio-economy, and has invested in discovering effective ways of intervening.

Learning cycle and potential blockages.



Source : Max Boisot, 1995, pp. 237, 190.

- b. redesigning the organizational architecture

But eliminating the blockages in the social learning cycle cannot suffice, and it should not lead one to minimize the relative importance of the required changes to the organizational architecture of the governance of the learning economy in the longer run. New structures are required to generate the

requisite collaboration among stakeholders, and to correct the high degree of disconcertion that has marred the operations of a large number of nation-states (Paquet 1997b)

The state, in the past, has played housekeeping roles and offsetting functions. These functions required minimal input from the citizenry. The state must now, in complex advanced capitalist socio-economies, play new central roles that go much beyond these mechanical interventions. It must become involved as a *broker*, as an *animateur* and as a *partner* in participatory planning, if the requisite amount of *organizational learning*, co-evolution and cooperation with economy and society is to materialize.

In order to be able to learn, the state must develop a new interactive regime with the citizenry to promote the emergence of a *participation-society* (where freedom and efficacy come from the fact that the individual has a recognized voice in the forum on matters of substance and procedures in the public realm, and more importantly an *obligation to participate* in the definition of such matters). The citizen should not be confined to living in a rights-society where the dignity of individuals resides exclusively in the fact that they have claims. (Taylor 1985).

The design principles for a social architecture in keeping with this mandate are clear.

First is the principle of *subsidiarity*, according to which “power should devolve on the lowest, most local level at which decisions can reasonably be made, with the function of the larger unit being to support and assist the local body in carrying out its tasks” (Bellah et al. 1991: 135-6; Millon-Delsol 1992). This applies in the three realms (private, public and civic), and the level of empowerment and decentralization may call for the individual or the family or a minute constituency in the market, the society or the polity to take charge.

The rationale for this principle is that the institutions closer to the citizen are those likely to be the closest approximation to organic institutions i.e., to institutions that are likely to emerge “*undesigned*”, to emerge from the sheer pressure of well-articulated needs, and likely to require minimal yearly redesigning. While subsidiarity reduces the vertical hierarchical power, it increases in a meaningful way the potential for participation.

This is not the death of central government, but the demise of big government as the morphological assurance of resilience. When the ground is in motion, the bulkier and the more centralized the government, the more it will flounder. The lean new central strategic state must deal with norms, standards, general directions, and values. The process of ministering to the public and of delivering a service well-adapted to its needs must be devolved to the local level.

The second design principle is that of an *effective citizen-based evaluation feedback* to ensure that the services produced, financed, or regulated by the public realm meet with the required standards of efficiency, economy and effectiveness, and are consonant with the spirit of the agreed standards or norms. Some may argue that it is essentially what democracy is all about. However the democratic political process is hardly a fast and always-effective machinery. The intent here is to strengthen considerably the cybernetic learning loop feature at the core of the refurbished state. It is essential

if organizational learning is to proceed as quickly as possible (Crozier 1987).

This sort of evaluation (rooted in collective reporting and a recognition of the necessity of collaborative governance) ensures that the process of participation is significantly strengthened. It provides partially some content to the *silent relation* or *implicit contract* that prevails between the state and the citizenry. This sort of feedback cannot be presumed to materialize organically. Its objective would be to ensure that the state activities, standards and rules have legitimacy in the beneficiaries' eyes, and that they are compatible with everyday morality, rather than incentives to lie or misrepresent their situations. It would allow the ordinary citizen to be heard better for "politics is not only the art of representing the needs of strangers; it is also the perilous business of speaking on behalf of needs which strangers have had no chance to articulate on their own" (Ignatieff 1985).

These sensible principles may entail a somewhat *decoupled organizational form* of social architecture: since the centre focuses on norms and the periphery on delivery, there is the serious possibility of lack of coordination unless (1) a clear sense of public purpose materializes; (2) new partnerships, new skills (strategic management, consultancy and advice, evaluation, etc.) along with new moral contracts binding the partners are developed to weave this whole enterprise together; and (3) the agencies are granted the necessary powers to organize activities in a way consonant with the principle of subsidiarity and become *negotiating arenas* in which there is (i) significant space for interaction between the agency and the citizens, (ii) scope for defining and redefining activities, and for re-orienting them "under conditions of time and place", and (iii) ample provision for dynamic monitoring from above and for continuing feedback from below.

Centrally important in this context is what Charles Lindblom has labeled "preceptorial politics": leaders become educators, animateurs, persons called upon to *reframe* our views of the public realm, to design the organization of mutual education, and to "set off the learning process" necessary to elicit, if possible, a latent consensus (Marquand 1988). Such learning is unlikely to occur easily and well in a postmodern society through a forum organized exclusively through national institutions. The requisite institutions will have to be *middle-range* or *meso* institutions, networks designed to promote communication and cooperation on a scale of issues that mobilizes existing communities, and meso-forums (regional and sectional) likely to remobilize the commitment of the citizenry in organizations "à leur mesure".

The strategic state must bet on a flexible exercise of control, and on extremely effective organizational learning through such meso-forums. Their triple role - as mediating structures, as setting patterns for the provision of services, and as educating individuals in their mutual and civil commitments - needs to be revitalized accordingly (Etzioni 1983).

Many officials have expressed great concern about the improper devolution of authority from elected officials to bureaucrats and citizens (Schaffer 1988; Auditor General of Canada 1991). Such complaints are ill-founded. This exercise of power is neither improper, nor illegitimate, nor inefficient. In fact, cumulative decision-making by bureaucrats and citizens, *working within and with a public philosophy appropriately defined*, enables the postmodern state to learn faster through decisions based on the particulars of the case, while maintaining basic standards. Clinging rigidly to the old "parliamentary control framework" of the Westminster model years is not necessarily

enlightened: what is essential is the development of a *modified* framework, better adapted to the needs of a strategic state.

The new *kind* of institutions requires the government to be satisfied with providing a problem setting, with framing the context of the situation and the boundaries of public attention, while allowing the bureaucrats and the citizens to use a lot of their tacit knowledge and connoisseurship to deal with specific situations, and to arrive at decisions on the basis of a “reflective conversation with the situation” (Schon 1983; Argyris et al. 1985). This in turn calls not only for a very decentralized structure but also for new forms of horizontal accountability for the system of governance to be effective.

c. rethinking foundational values

It is not sufficient to remove obstacles to social learning or to improve organizational architecture, one must also provide the dominant logic (requisite infrastructure + public philosophy) to ensure that the new centrality of social learning is a permanent feature of the new governance. For, these guiding values and design principles, and the language to articulate them, are not cast in stone. Any ideal can be dropped as learning proceeds: our desires and ideals “are not like our limbs: they are not a fixed part of us” (Schick 1984).

The challenge is that of producing a language adequate for our times, a language of belonging and common citizenship, a language of problem definition that provides the citizen with a translation of his needs, usually expressed in unspecialized language, into categories that are both relevant and inspiring. This would be a language of human good that would serve as an arena “in which citizens can learn from each other and discover an ”enlightened self-interest“ in common” (Dionne 1991).

The new dominant logic of the strategic state is a response to the failures of the Keynesian state. The main critiques of the Keynesian state that emerged in the post World War II period have been well documented. They may be subsumed under a few headings (Duncan 1985): (1) *overgovernment and government overload*: the state is presented as “a kind of arthritic octopus, an inept leviathan” unable, despite massive growth, to do much to meet the demands of the citizenry; as a result, it has triggered weakened citizen compliance, growing civic indifference and much disillusionment (King 1975); (2) *a legitimation deficit*: the depoliticized public has by now ceased to believe that the state has any moral authority or technical ability to deal with the issues at hand; this would explain the disaffection and the withdrawal of support by the citizenry (Habermas 1973); (3) *a fiscal crisis*: revealing the incapacity of the state to reconcile its dual obligation to attenuate social difficulties, and to foster the process of capital accumulation without generating fiscal deficits that are in the long run unbearable (O’Connor 1973); (4) *social limits to growth*: the three crucial dimensions of our social organization (liberal capitalism, mass democracy, and a very unequal distribution of both material and symbolic resources) cannot coexist easily: democratic egalitarianism (in society) generates compulsive centralism (in the polity) to redistribute more and more resources with little success in reducing inequality, but growing shackles on the productive capacity of the economic system (Hirsch 1976).

This overall crisis of the Keynesian state has been analyzed historically as a two-stage process: (1) it evolved first as a crisis in the *economic realm*: coordination failures became more and more

important in advanced market type economies, thereby creating a demand for intervention and regulation by the state; the economic crisis was therefore shifted to the state; (2) the *state crisis* developed as the legitimation deficit grew: the state was failing to mobilize the requisite commitment of citizens to be able to do the job; out of despair the state made an attempt to effect an “epistemological coup”, to obtain a “blank cheque” from the citizenry. The argument was that since the management problems were so technically complex, the citizenry should pay its taxes and demand no accountability from the professional experts. This coup has failed, and “cognitive despotism” has not succeeded in suppressing the autonomous power of the community to grant or withhold legitimacy (Habermas 1973; Wiley 1977; Paquet 1977). The polls have recorded this story line.

Why has such a situation developed?

The central reason would appear to be that the public institutional framework built by the Keynesians in the post Second World War was presented to the citizenry as designed for *instrumental purposes*: to combat a depression, raise standards of living, provide public goods not otherwise produced, assist the needy, etc. As a result, citizens have come to define the state in terms of *claims* they could make on it: “claimant politics began to overshadow civic politics”. By comparison, “the activities of the private sphere were seen as ends pursued for their own sake”. It is hardly surprising that the instrumental goods of the public sphere were regarded as subordinate to the intrinsic goods of private life (Bellah et al 1991).

Even though the governments were major funders, underwriters and regulators, and therefore the fundamental bedrock on which the economy and society prospered from the 40s to the 70s, a number of countries have continued to occlude the importance of the state. This ideology of Lockean individualism has continued to prevail despite the fact that government activities had grown so much by 1980 that very little remained absolutely private in a meaningful sense.

In a more and more globalized context, the private sector made ever greater demands on public institutions, at a time when the capacity to supply services from the public sphere could not expand further. This was due to the fact that participation, trust, and creative interaction (on which politics and the public sphere are built) had all but disappeared, as had the sense of community that underpinned civil society and the collective/private ways of meeting the needs of strangers.

In this world of rugged individualism where most citizens are strangely unaware that the government has been the prime mover in the postwar period of prosperity, *private enterprise at public expense has become the rule*. The lack of commitment of emotional, intellectual, and financial resources to refurbish the public infrastructure could only lead to demand overload, and the frustration generated by the policy failures of the 1970s set the stage for citizens to suggest that the best way to strengthen democracy and the economy was to weaken government.

At the core of our difficulties is a *moral vacuum*. The notion of public purpose is alien to us. We need first and foremost a *philosophy of public intervention*, a *philosophy of the public realm* (Marquand 1988): the recognition that despite statements from social scientists, and the fact that it is not fashionable to say so, *the state is a moral agent* and not a morally neutral administrative instrument. Both on the left and on the right, there is a longing for civil society to organically provide the well-

defined codes of moral obligations that underpin the realization of the good society. However, the “built-in restraint derived from morals, religion, custom, and education” that were considered by Adam Smith as a prerequisite before one could safely trust men to “their own self-interest without undue harm to the community” are no longer there (Hirsch 1976).

The disappearance of this socio-cultural foundation has been noted and deplored, and much has been written about the need to rebuild it, but it has also become clear that it is futile to hope for some replacement for these values to come about by ‘immaculate conception’ in civil society. So many have called on the state and on political leaders to accept their responsibility as second-best moral agents (Mead 1986; Wolfe 1989). Political leaders are called upon to provide a *vision*, to propose a *sense of direction*, a commitment to ideals, together with the *public philosophy* to realize them. Such a public philosophy is both *constraining* (in the sense that it echoes some fundamental choices and therefore excludes many possibilities) and *enabling* (in the sense that it provides a foundation on which to build a coherent pattern of institutions and decisions in the public realm).

The choice of a public philosophy must be rooted in the basic values of civil society, and on the criterion of *enlightened understanding*. This calls not for the least constraining public philosophy, but for one recognizing that the optimal amount of coercion is not zero. Such a position would be the choice of citizens if they had “the fullest attainable understanding of the experience resulting from that choice and its most relevant alternatives” (Dahl 1989). The challenge is to bring about that sort of “fullest understanding” in the population. It means that government can no longer operate in a top-down mode, but has a duty to institute a continuing dialogue with the citizenry.

This will require a language of common citizenship, deeply rooted in civil society: the citizens have goals, commitment and values that the state must take into account. But the citizens must also insist that they want an active role in the formation of these values, goals and commitments, and in the making of policies supposedly generated to respond to their presumed needs (Sen 1987). Only through a rich forum and institutions that enhance citizens’ competence as producers of governance can an *enlightened understanding* likely to prevail - both as a result of, and as the basis for, a reasonable armistice between the state and the citizenry.

The fluid and seemingly scattered -- baroque -- system of governance (Paquet 2001) likely to ensue must however be anchored in a clear sense of direction. So there must be a *plan*. Most state leaders in advanced socio-economies outside of North America have such a plan, a direction for strategic intervention, and a public philosophy that will articulate and rationalize it; “they do not publish their plan because it would never gain consent. Yet it is not what one ought to call a conspiracy... The plan is not entirely conscious or systematic, and it cannot be as long as it is not written, published, debated, revised and so on. But it is not what you could call a secret” (Lowi 1975).

The importance of this *unwritten plan* is that it serves as a gyroscope in the definition of actions taken by the personnel of agencies and ministries. It serves as the basis for a *double-looped learning* process, as organizational learning must be (i.e., not only finding better means of learning to do what we do better, but also, and more importantly, finding the right goals, learning whether the objectives we pursue are the right ones).

Such learning cannot be accomplished by elected officials alone. Elected officials, bureaucrats and citizens must work symbiotically, and elected officials must learn to devolve a greater amount of discretion to bureaucrats and citizens, not only in the delivery process, but in the governance process itself. Moreover, it must be recognized by all those who take on public service that the world is changing around them, that they need to refurbish continually their *outillage mental* in order to be equipped and able to develop new ways of getting things done -- without running into political walls

3. The ecology of collaborative governance

Whether one wishes to emphasize process architecture, organizational redesign, or the distillation of a new dominant logic, it is unlikely that anything will be accomplished without the development of new collaborative governance capabilities. But to foster the development of these new capabilities, one has to understand the ecosystem within which they blossom, and to optimize the ways in which organizations can capture the imagination of all the relevant players in order to make the highest and best use of collective intelligence.

As Dalum et al. suggests (1992), this entails intervening to improve the means to learn (and this goes much beyond the formal education and training systems), the incentive to learn (supporting projects of cooperation and networks), the capability to learn (promoting organizations supporting interactive learning, i.e., more decentralized organizations), the access to relevant knowledge (through bridging the relationships between agents and sources of knowledge, both through infrastructure and mediating structures), but also fostering the requisite amount of remembering and forgetting (act to preserve competencies and capabilities, but also compensate the victims of change and make it easier for them to move ahead). This in turn requires a well-aligned nexus of relations, networks and regimes.

States can be important catalysts in the construction of the new “loose intermediation” social capital: improving relationships here, fostering networks there, developing more or less encompassing formal or informal regimes at other places, and ensuring that the new dominant logic of the strategic state unfolds. This is the central role of what some have called the *catalytic state* (Lind 1992).

a. collaborative capabilities: relations, networks, regimes

Managers in the private, public and civic sectors have to exploit not only the favorable environmental circumstances but also the full complement of imagination and resourcefulness in the heart and mind of each team player; they had to become team leaders in task force-type projects, quasi-entrepreneurs capable of cautious sub-optimizing in the face of a turbulent environment. This sort of challenges has pressed public, private and civic organizations to design lighter, more horizontal and modular structures, to create networks and informal clan-like rapports, and to develop new rules of the game. In general, this has generated pressure for non-centralization, for an expropriation of the power to steer that was held by the top managers.

These new modularized organizations cannot impose their views on their clients, citizens or

members: they must consult, they must move toward a greater use of the distributed intelligence and ingenuity of the members. The strategic organization is becoming a broker, an animateur, and, in this network, a consultative and participative mode obtains among the firm, the state, and the communities (Paquet 1994, 1995, 1996-7, 1997a).

This entails a major qualitative change. It introduces the network paradigm within the governance process (Cooke and Morgan 1993; Castells 1996, 1997, 1998). This paradigm not only dominates the transactions of the civic sector, but permeates the operations of both the state and market sectors. For the network is not, as is usually assumed, a mixed form of organization existing halfway along a continuum ranging from market to hierarchy. Rather, it is a generic name for a third type of arrangement, built on very different integrating mechanisms: networks are consensus/inducement-oriented organizations and institutions.

In the best of all worlds, learning relationships, networks and regimes would be in place as a response to the need for nimbleness in the face of increasing diversity, greater complexity and the new imperative of constant learning. Moreover, in such a world, organizational culture would have become an important bond that makes these networks and regimes operative and effective at collective learning.

Organizational culture refers to unwritten principles meant to generate a relatively high level of coordination at low cost by bestowing identity and membership through stories of flexible generality about events of practice that act as repositories of accumulated wisdom. The evolution of these stories constitutes collective learning, an evolving way to interpret conflicting and often confusing data, but also a social construction of a community of interpretation.

Unfortunately, one does not live in the best of all worlds. The requisite relationships, networks and regimes do not necessarily fall into place organically. Moreover, at any time, the organizational culture may not serve as the best catalyst to make the highest and best use of relationships, networks, and regimes.

Arie de Geus uses an analogy from evolutionary biology to explain the foundations and different phases of collective learning and collaboration and to identify the loci for action in correcting learning failures: the ability of individuals to move around and to be exposed to different challenges (new relations), the capacity of individuals to invent new ways to cope creatively in the face of new circumstances (new networks), and the process of communication of the new ways from the individual to the entire community (new regimes) (de Geus 1997).

First, a certain heterogeneity is an important source of learning, since a community composed of identical individuals with similar history or experiences is less likely to extract as much new insight from a given environment. However, there must be a sufficient degree of trust to sustain learning. This in turn requires a cultural basis of differences that members recognize and share (Drummond 1981-82). This "cultural" basis of heterogeneity and trust, and the mastery of weak ties (i.e., the capacity to build strong relations on weak ties), are obviously dimensions that can be nurtured and represent a critical capability (Laurent et Paquet 1998).

Second, learning is not about transmission of abstract knowledge from one person's head to another person's head: it is about the "embodied ability to behave as community members". It is fostered by contacts with the outside, by facilitating access to and membership in the community-of-practice. Trust is at the core of the fabric of such networks and communities of practice that transform "labourers into members", an employment contract into a membership contract (Handy 1995b).

Third, belonging is one of the most powerful agents of mobilization. So what is required is an important "moral" component to the new membership contract, to make it less contractual and more interactive. This *new refurbished moral contract* is "a network of civic engagement...which can serve as a cultural template for future collaboration...and broaden the participants' sense of self... enhancing the participants' "taste" for collective benefits"(Putnam 1995, 2000).

These loose arrangements or regimes require a certain degree of interaction and proximity. These are important features of the learning process. Regime institutions facilitate the adjustment of the group to external shocks through policy coordination enabling the group to define more effective ways either to prevent a shock or at least to attenuate the impact through compensatory mechanisms, and collaboration capable of providing adequate forums for consultation and co-decision (Preston and Windsor 1992).

Relations, networks and regimes constitute layers of collaborative capabilities of the process of governance. They evolve as the socio-economy is transubstantiated but neither fast enough nor in an integrated way: the process is evolving *lentement et par morceau*. As a result, the emerging governance process is much like a patchwork quilt becoming ever more complex as the environment evolves from being more placid to being more turbulent (Emery and Trist 1965).

b. assets, skills and styles behind these collaborative capabilities

In our new turbulent environment, strategic management is no longer sufficient. What is required is the development of capacities for collaborative action in managing large scale re-organizations and structural changes at the macro level: the ground is in motion, acting independently not only may not ensure effectiveness, it may even make things worse and amplify disintegrative tendencies. What is required is collective action by "dissimilar organizations whose fates are, basically, positively correlated". This requires trust-enhancing mechanisms like stronger relationships, networks and regimes.

The challenge is to succeed in finding ways to pragmatically resolve the sort of reconciliation that is possible between different but somewhat compatible perspectives or frameworks. This is the sort of compromise promised by *design rationality* – "the kind of limited reason that is feasible and appropriate in policy-making" (Schon and Rein 1994). This is a pragmatic approach based on the assumption that there is no frame-neutral position in policy analysis.

Consequently, the only way to resolve these framework differences is to seek a "situated resolution" to these differences by efforts at reframing the debates in such a way as to make the differences manageable and agreement combining antagonism and cooperation reachable.

But this requires some probing into the assets, skills and styles of coordination that underpin

governance capabilities.

First, in order for these collaborative capabilities (relationships, networks, regimes) to be created, and maintained, there are some requirements: a mix of different sorts of (1) rights and authorities enshrined in rules, (2) resources, i.e., the array of assets made available to individuals and institutions like money, time, information, facilities, (3) competencies and knowledge, i.e., education, training, experience and expertise, and (4) organizational capital, i.e., the capacity to mobilize attention and to make effective use of the first three types of resources (March and Olsen 1995).

These various resources are obviously related in a dynamic fashion: governance through organizational capital both reflects the tensions between the rights and rules in place, the resources available and the competencies and knowledge defining other possible configurations, but it also affects the evolution of the system through an erosion of existing rules, and the distillation of new patterns of authority, asset-holding and expertises.

Second, Spinosa, Flores and Dreyfus (1997) have shown that the engines of entrepreneurship (private sector), democratic action (public sphere), and cultivation of solidarity (civil society) are quite similar. They are based on a particular skill that Spinosa et al call ‘history-making’ and that can be decomposed into three sub-skills: (1) acts of articulation -- attempts at ‘*définition de situation*’ or new ways to make sense of the situation, (2) acts of cross-appropriation -- to bring new practices into a context that would not naturally generate them, and (3) acts of reconfiguration -- to reframe the whole perception of the way of life. Such individual actions are necessary but not sufficient to generate new capabilities nor to trigger the required bricolage in the different worlds. As Putnam (2000) puts it, the renewal of the stock of social capital (relationships, networks, regimes) is a task that requires the mobilization of communities. This in turn means that we must be able to ensure that these actions resonate with communities of interpretation and practice -- what Spinosa et al call “worlds”.

This is at the core of the notion of institutional governance proposed by March and Olsen. For them, the craft of governance is organized around four tasks: developing identities, developing capabilities, developing accounts and procedures for interpretation that improve the transmission and retention of lessons from history, and developing a capacity to learn and transform by experiments and by reframing and redefining the governance style (March and Olsen 1995:45-46). In a turbulent environment, the styles of the different worlds but also the very nature of the equipment, tasks and identities are modified. This transforms the organizational capital but also the rest of the assets base of the system and stimulates a different degree of re-articulation, reconfiguration and enriches the possibilities of cross-appropriation.

c. disclosing new worlds

There is no way one can hope to transform these “worlds” (in the private, public and civic spheres) unless one can first disclose these “worlds” (in the sense that we use the word when we speak of the “world of business” or the “world of medicine”). By “world” we mean a “totality of interrelated pieces of *equipment*, each used to carry out a specific task such as hammering a nail. These *tasks* are undertaken to achieve certain *purposes*, such as building a house. This activity enables those

performing it to have *identities*, such as being a carpenter”. Finally, one may refer to the way in which this world is organized and coordinated as its *style* (Spinosa et al 1997:17-19). Articulation, cross-appropriation and reconfiguration are kinds of style change (making explicit what was implicit or lost, gaining wider horizons, reframing).

The distinctiveness of any territorial governance system is this ensemble of components: the way the system adopts certain patterns of assets and skills, distills capabilities, and constitutes a particular variety of partly overlapping and interconnected “worlds” corresponding to different games being played (political, bureaucratic, interest groups, media, electorate, etc.). All these worlds cast some sort of “territorial shadow” and disclose a particular space. The market economy space may not fit well with the political formation space or the contours of the civil society: indeed, the disconnectedness among these three spaces has been amply noted in the recent past.

The intermingling of all these worlds (with their infrastructures/equipments, their particular tasks or purposes, the variety of identities they bestow on individuals and groups, and the various styles they allow to evolve) adds up to a variety of spatial coordinates lending themselves to some extent to some sort of design. They all reflect frame differences (i.e. different notions of actors, criteria of effectiveness, etc.) and frame conflicts (when these perspectives clash). Indeed, the existence of the different frames corresponding to the different “worlds” or “styles of worlds” cause participants to notice different facts and make different arguments. The outcome of this cumulation of “worlds” is indeed what generates the territorial fabric that ensues. But these contours are truly unpredictable. This is especially clear when one realizes that those “worlds” are not disclosed only by reference to some underlying realities or facts, but may be contrived by perceptions and imagination. There are as many “imagined” economies, polities and communities as one may wish: with corresponding purposes, identities, styles and territorial imprints. In that sense, any entrepreneur, theorist or fanatic is a discloser of a new space that may or may not leave any scar on the territorial realities. But these in turn always have an impact (important or minute) on the world of assets, skills and capabilities.

We have synthesized this dynamic in the graph below

Radiography of the Governance Process

Assets

+

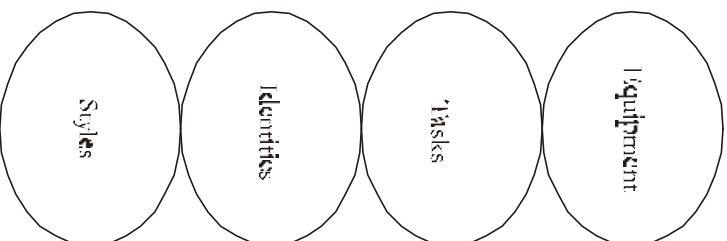
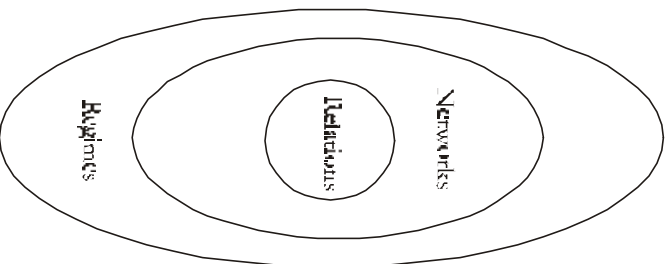
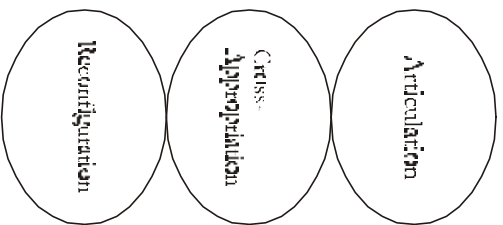
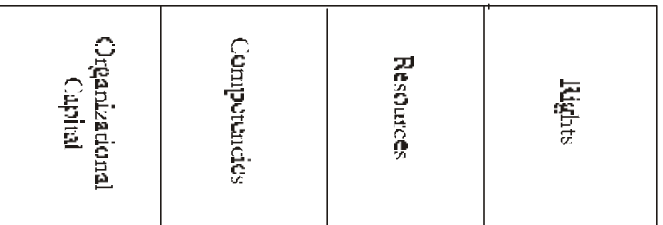
Skills

+

Capabilities

→

Worlds



It depicts the political socio-economy as an “instituted process” characterized by a particular amalgam of assets, adroitly used and enriched by political, economic and civic entrepreneurs, through skillful articulation, cross-appropriation and reframing activities, and woven into a fabric of relations, networks and regimes defining the distinctive habitus of a political economy as a complex adaptive system.

Such a complex world is disclosed by multiple examinations of its equipments, tasks and identities organized and coordinated in a variety of ways with particular styles. Modification in the structure of assets, skills and capabilities are echoed in a transformation of the “particular integrated world” that emerges as the synthesis of all these disclosed “worlds”, a transformation that impacts back on the pattern of assets, skills and capabilities.

These various forces contribute to the shaping of the territorial connections that ensue, but it is impossible to state *ex ante* which one will turn out to be the defining one.

Conclusion

The strategic state has undoubtedly a role to play in jumpstarting, catalyzing and steering the process of social learning, while allowing the other two domains (the private and civic sectors) to occupy their own terrains as fully as possible. It should obviously be remembered that the new bottom-up and distributed governance elevates the citizen to the inescapable role of producer of governance, and imposes on the citizenry *in toto* a key role in the transformation of the overall capacity to make and implement the decisions that . But there is still some margin of maneuverability left for creative initiatives. Indeed, one may envisage two broad avenues that might deserve to be considered: one that is modest and one that is more ambitious.

In the modest agenda, the strategic state does not aim at the *optimum optimorum*: in this context, but only strives for ways of avoiding excesses, for a loose codifying of a sense of *limits*, for some reframing likely to lead to some workable agreement. This modesty stems from the fact that very few political questions can be handled by simple rules. Therefore, even a wise public philosophy, and an efficient process of organizational learning, is regarded as at best capable of establishing by negotiation nothing more than an agreement on what is *not* moral, what is *not* acceptable. Since we understand intuitively what is unjust more easily than what is just, the challenge is to find the path of minimum regret, for that corresponds to the only hope a leader may reasonably entertain in a postmodern state (Shklar 1989).

In the more ambitious agenda, the challenge is a bit more daunting: the objective is not to seek the utopian just society of yesteryear, but to develop an active citizenship. This agenda is built on the following premises: (1) the *Tocqueville lament* about the peril of democracy is warranted: “not only does democracy induce to make every man forget his ancestors, it hides his descendants and separates his contemporaries from him; it throws him back forever upon himself alone, and threatens in the end to confine him utterly within the solitude of his own heart”; and (2) the *John Stuart Mill statement* about social obligations is also warranted: “every one who receives the protection of society owes a return for the benefit” (Buckley 1990).

From these premises, three sets of actions follow:

- the search for a way to frame a public philosophy aiming at nothing less than a change in the national ethos;
- the citizen needs to become an “official”, i.e., “a person with duties and obligations”, not only of foregoing private interests in the name of public duty, but also being capable of “getting the ruled to do what they don’t want to do” because what the public wants, or thinks it wants, or thinks is good for it, may not be what the public good requires; this entails a “*devoir d’ingérence*”;
- the citizen needs to be persuaded that he/she may act unjustly, not only by breaking a law, but also by remaining passive in the face of a public wrong; this means that the citizen has to be *educated* into an active citizenship that entails a “*devoir de solidarité*” (Tussman 1977, 1989).

The public philosophy in good currency suggests that the modest agenda is the only viable one. Dwight Waldo, one of the foremost observers of the public administration scene over the last 40 years, has reminded us recently that “we simply do not know how to solve some of the problems government has been asked to solve” (Waldo 1985). For Waldo, the central feature in the discussion of the boundaries between the private and public spheres is the “growth of the ‘gray area’... the fading distinction between public and private, caused and accompanied by increasing complexity of organizational arrangements where what is -or was - government meets and interacts with what is - or was - private, usually but by no means exclusively ‘business’”. And Waldo added somewhat sharply that any person who claims to have clear ideas about this ‘gray area’ is “suspect as ideologue, scenario writer, or a con artist”.

Yet the times may call for initiatives envisaging a real attempt at a somewhat immodest agenda: enlightened pragmatism, an emphasis on practice guided by a modest public philosophy, an on-going and somewhat directed conversation with the situation, “under conditions of time and place” are the bedrock of the new modern and modest strategic state. But this enlightened pragmatism need not be amnesic and myopic; it must forge new concepts and new symbols, new options, and as “options are thus changed or expanded, it is to be expected that choice behavior will change too, and changed choice behavior can in turn be expected, given appropriate time lags, to be conceptualized or ”habitualized“ into a changed set of values” (Mesthene 1970).

This hemi/semi/quasi immodest agenda is not echoed in the triumphant “politics of principle” developed by supposedly “great” political leaders, and likely to convulse society, but in the solution of “particular cases” in an innovative way. Already, there is an agreement on the profile of the new type of leader that the times call for, and the key features are (1) a capacity to listen, to learn and to entice others to learn, to change and adapt to change, and to inform the public clearly and serenely about the general orientation of the guiding public philosophy, (2) the courage to change one’s mind when circumstances and problems demand it, but centrally (3) an “ethical attitude” acting as a gyroscope and permitting no concession to opportunism (King and Schneider 1991).

It is not clear whether what is needed to kick start this transformation is a fully worked out “*projet de*

société”, an *avventura comune*, or nothing more than what Aristotle identified as “concord” (‘homonoia’ “a relationship between people who ... are not strangers, between whom goodwill is possible, but not friendship...a relationship based on respect for...differences” (Oldfield 1990). What is clear is that the leader of the strategic state needs to find a way to energize the nervous system of the economy, society and polity, for, as Joseph Tussman would put it, a modern democracy is committed to “governance not by the best *among* all of us but by the best *within* each of us” (Tussman 1989: 11).

GP/

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