

ESRC Professorial Fellowship Scheme

The aim of my research is to address a key concern of social science across a range of disciplines, namely how decisions in collective settings can be made both legitimately and effectively. Governance concerns have become commonplace in a range of institutional settings. From the boardrooms of private business, through the executive boards that run some of our major public services and on to the executives and assemblies that populate the formal organs of government at local, sub-national, national, European and international levels, there is evidence of disquiet. Current systems of governance are seen as inadequate and in need of change.

Post-Enron the Anglo-American model of corporate governance is seen to be in need of an overhaul. The Higgs report (DTI, 2003) reflects a UK response, although criticism of its findings indicate that neither the evidence nor level of theory is currently up to task of supporting strong prescription (FT 24/03/03). The structures of public service delivery agencies are undergoing profound changes in the UK. Local authorities in England have since 2000, under legislative pressure started to implant far reaching changes in their governance structures. The new institutions of devolved government in the UK have been concerned to get their governance procedures right. The Europe Union has launched a great governance debate around the publication of its White Paper on that subject in 2001. Internationally governance is a focus of concern for the World Bank and other organisations.

Getting governance right-organising collective decision-making in these various settings- is seen as important to improve both effectiveness and accountability. Governance matters because it can deliver more effective decision-making within a system and because it can provide the key to ensuring that decisions are in accord with the wishes of those that have a stake in the system and need to see collective decisions made in their name as legitimate and appropriate.

My aim during the term of a three year fellowship, based on a 80 per cent time commitment, would be to advance the debates about governance that are taking place in the various settings outlined above. The debates tend to take place in both separate practitioner/policy making worlds and in separate academic circles. The world of formal government arrangements, and the governance debate associated with it, is the one where I can claim to have made a number of substantial interventions, on which my reputation has been built. As my CV makes clear I have made contributions to both academic and practitioner debates, particularly at the local level. There is a need be me to extend and stretch my knowledge of such debates. However, the core aim of the fellowship is to give me the time and space to extend and develop my understanding outside the world of local governance and to take into account the debates about governance in the private corporate sector and those governance issues associated with the management of large-scale service providers in the public sector. My aim is to initially map some of the differences and similarities in the debates by way of a literature review.

The second stage of my work plan is to pull out some of the broad principles that underlie these governance debates. Principles are often not clearly or consistently articulated in exchanges about governance. Thus for example the Higgs report in the UK (DTI, 2003) on corporate governance suggests a series of changes but not on the basis of design principles but more on the basis of pragmatic judgement driven by the key author's years of practical experience as a businessman. The EU White Paper (European Commission, 2001) reference

to principles but makes judgements based on developments of the existing practice of EU decision-making. Governance debates are often driven by the judgement of practical reformers reflecting on their own experience, backed by a little evidence presented to them to aid their considerations. In many respects governance is an intensely practical matter so the aim of my research is not to suggest there is no value in that approach. It is to suggest that practical judgements often reflect implicit choices and that those involved would benefit from a more explicit understanding of the principles around which they are assembling their understanding of appropriate rules, systems and styles of decision-making.

Where do I expect to find these guiding principles for governance? In part the review of existing governance debates will provide much of the raw material through which to sift and then refine some key principles. These principles may not all be complimentary. There may well be a choice to be made between principles. To aid my review of the governance debates I propose to examine broader literatures from institutional theory. The first is that of rational choice theory or as Pettit (1996:54) puts it 'social science by economic means'. That same author goes on to identify some of the key issues identified by that tradition and indeed begins to enunciate some of its principles of intuitional design. There are various literatures that draw on the rational choice tradition and many have directly addressed issues of institutional design (Peters, 1999). The perspective of principal agent theory has informed much of the debate on corporate governance (Keasey et al, 1997). In the political sector public choice theory and Ostrom's work on governance structures provide key contributions from that tradition (Ostrom, 1990). A second tradition of institutional analysis is what Rothstein (1996) identifies as the school of cultural theory, which also has found various expressions. There has been an important contribution by March and Olson (1989, 1997). Several writers have made use of Mary Douglas's grid group frame. Douglas's work (in particular 1987), derived from her experience as a social anthropologist, deserves to be mined more thoroughly for insights stretching beyond grid-group. There have been some tentative attempts to derive some institutional design principles from this literature (Hood, 1998, Thompson et al, 1990; Perri 6 et al, 2002) and the aim of the fellowship would be to extend that work with which I have been associated but also explore thoroughly other literatures.

The third stage of the research will be to examine the various principles that might drive governance choices in order to develop an audit framework and then examine the institutional expressions of these principles in practice against a range of settings and across sectors by using secondary sources and other available research material. The aim would be to provide an audit of these institutions and make suggestions for reform. It is not assumed that wholesale reconstruction from scratch will always be appropriate as a reform option, as Pettit (1996:55) suggests alterations rather than wholesale reconstruction may be a better response. The aim is to avoid utopian blueprints and demonstrate the practical potential of the principles in the context of established policy and practitioner debates. It may be that different principles can be developed for different sectors or circumstances.

In this respect the work undertaken for the ESRC fellowship will be supported by other work commitments that I have during the period of the research fellowship. My main other research is a five year evaluation of the new governance arrangements in local authorities in England. The 2000 Local government Act required all local councils to establish a separate decision-making political executive to be matched by overview and scrutiny function given to the remaining political representatives. The large scale research project funded by ODPM to the tune of £650k started in April 2002 and is led by myself. Its challenge is to assess the

impact of the new governance arrangements on the effectiveness and accountability of local government (for further details see www.elgnce.org.uk).

As a final stage of the research I propose to explore governance arrangements for those institutions at the cutting edge of public service delivery in the UK. Here I recognise that to understand governance arrangements in full in a particular organisation requires an understanding of their construction and maintenance through discourse and culture. There have been several institutional innovations in terms of public private strategic partnerships at the local and national level to provide public services. There are also experiments on the horizon in terms of foundation hospitals and other attempts to provide innovative forms of service delivery in part influenced by the concept of a new institutional form of public service interest company (Corrigan et al, 2002). This form stands in contrast to the public organisation, private firm or charitable body that dominant our institutional world. I would expect to find in these settings a playing out of a conflict between older versions of governance drawn from earlier institutional experiences and the new governance arrangements associated with the new institutional form. I would explore these conflicts using discourse analysis (Wetherall et al, 2001). The aim would be to gather texts from interviews, documents, advertisements and other sources and use qualitative analysis software to code and annotate the data. The aim would to undertake a minimum of 40 interviews in three organisations selected for investigation, facilitating an audit of the governance arrangements against the principles derived in the early part of the fellowship.

I am confident I will be able to devote four days a week to the ESRC Fellowship. The total number days I am committed to during October 2003 and September 2006 as part of the ODPM project is 110 days. This amounts to the equivalent to less than 1 day a week for the three year period. I am confident that my existing writing commitments connected to earlier research can be completed by December 2003. If I obtain the fellowship I will have no teaching duties to undertake in Manchester. My only other responsibility will be to contribute to the development of the Institute for Political and Economic Governance at the University of Manchester (see www.ipeg.org.uk). The Institute was established in December 2002 and has a full time director. My role is a co-director has been changed to that of Associate Director in order to limit my time commitment. It is possible that I may be involved in other research projects and activities such as conferences and seminars as part of my involvement. However, I will ensure that any commitments involves a reduction to time spent on the ODPM contract rather than the ESRC Fellowship. My involvement in IPEG will facilitate the work of the fellowship in two ways. First the connections to staff working across faculties from business through social policy to economics on governance will continue, as it has already done, to enrich my understanding of the issues. Second the outward facing user engagement that is at the heart of what IPEG will undertake will also provide a platform for my own user engagement plans.

A more detailed work plan is outlined in Section 16. Generally I will need some research assistance at a post doctoral level given the range of tasks I have in mind. The aim would be for the research assistant to begin work four months into of the fellowship, helping to complete the literature review and initial work programme that involves the application of the principles to a variety of institutional settings to produce a set of governance audits. Using available sources and the support of colleagues in the university the research assistant and I will be trained in how to use the software to code and annotate the data collected in the last stage of the research. The assistant would take a share of the interviews connected to the fourth stage of the research. In addition the research assistant would be responsible for

scanning selected documents and images into the computer formats for coding. The research assistant would spend some of their time towards the end of the contract preparing the qualitative data we have collected for archiving. The research assistant may co-author the research monograph promised at the completion of the research.

Outputs and dissemination should be built into the whole period of the fellowship. My intention is to use practitioner and academic workshops organised through the capacities of IPEG to inform the initial literature review and trawl of issues. Thereafter my attention is within the first half of the fellowship to produce three papers aimed at leading academic journals drawing on the literature reviews and the application of institutional theory to the issue of governance. During this period my aim would be to place several articles in quality news outlets in order to ensure that a variety of practitioner audiences are aware that the work is going on. By the end of the second year of the project I would aim to complete the final draft of a book on the principles of governance aimed at student and practitioner audiences but also as a catch up reference book for academic colleagues already involved in parts of the field. Once the detailed application of the audit framework is completed my aim is to provide the first draft of a research monograph covering the research findings and the general argument by the end of the fellowship. During the last year of the research a range of seminars and publications in appropriate outlets would inform policy and practitioner audiences of some of the main themes that have emerged. Throughout the fellowship the IPEG web site would be used to post more detailed papers that they could consult.

The research would enable me to offer to supervise a PhD student interested in governance issues and their application in a variety of settings and sectors. The general nature of the call for applications would attract a wide variety of candidates and enable an excellent candidate to be selected. If the fellowship is confirmed the aim would be to advertise immediately and use contacts throughout the academic profession with a view to interviewing and choosing the best candidate in September 2003 for a registration in October 2003. If the candidate was in a 1+3 category the Faculty of social Science and Law is an ESRC approved training establishment and IPEG would fund the PhD student for the last year of their studies in return for some research activities. Such an approach would also allow the candidate to gain experience in a research institute.

In Section 16 I set out a timetable for the work. I would propose that during the period of the research I produce six monthly reports that detail my activities and attach the research papers and other outputs as proposed in Section 16. These materials should be sent for assessment to an officer in the ESRC and an advisory committee formed at the start of the research for a judgement about whether progress on the work had been satisfactory. In order to attract appropriate representatives from the public, private and voluntary sectors it is proposed that the advisory group will meet in London. Failure to satisfy the advisory group would provide an opportunity for the ESRC to consider whether it is getting value for money from the award. It hopefully will also provide a formal basis for helpful advice and support on a regular basis.

References

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