



Research Brief

Government and Governance: A Guide for the Perplexed

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January 2016

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The author gratefully acknowledges Indigenous and Northern Affairs Canada for their financial support of the project on which this research brief is based, as well as the two reviewers who assessed its content and accessibility to a general audience. The author bears sole responsibility for its contents.

Key Points

- Government and governance are related yet distinct terms that are easily confused.
- Governments serve states via an authority granted by sovereigns.
- Governance can occur in many contexts. Public governance refers to patterns, roles, and processes of rule.
- Governments, though distinct, depend increasingly on working with organizations beyond them to govern effectively.

Introduction

WHAT makes a government a government? How do governments differ from the many organizations that fill functions and provide services that governments used to? And how do *governments* differ from *governance*, a concept that is related but distinct?

In an era of extensive outsourcing, devolution, collaboration, and private/public partnerships, we could be forgiven if we were longer wholly sure what governments are. Yet our confusion might undermine relationships. Understanding the specific character of governments—even where they partner with non-government organizations—can help clarify their role, potential and limitations in relating with non-government actors.

This research brief approaches the question by comparing Western notions of “government” on the one hand, and “governance” on the other—in terms of some core doctrines that gave rise to them. It then considers the distinctions of the two terms in the context of the Canadian state. To ensure that its task

remains manageable, this brief does not present alternative views arising from non-Western political traditions. Nor does it explore the many critiques of the doctrines described—including the contested doctrines of state and sovereignty. At this stage, the brief seeks simply to describe and distinguish. It also provides a concrete instance of how the distinction between government and governance plays out in our contemporary Canadian context.

What Are Governments?

THE WORD *government*—as with its close relative *governance*—originated with an ancient Greek word that referred at once to a governing entity and the rudder of a ship. Governments arise from a fundamental need to order human communities, which are prone to conflict and yet capable of cooperation. Governments serve our collective survival, and ideally also our shared ends and aspirations. As “old as human beings themselves,” governments make decisions that are regarded as binding by the communities and societies they govern (Mady 2008).

How do governments achieve this? Political science textbooks tell us that they rely on *power*, or the ability to bring about an effect that would not happen otherwise (Brodie 2013). Power occurs in three forms. The first two, *influence* and *conciliation*, entail the “soft” skills of persuasion, negotiation and compromise. The third form, *coercion*, involves such measures as expulsion, fines, confinement, and—in the limit—physical harm. Different governments use these three forms of power to widely differing degrees. Yet it is doubtful that any government can do entirely without one of the three forms of power in governing (Crick 1962, Dickerson, Flanagan & O’Neill, 2013).

If they are to endure, governments must be seen as having the *authority*, or right, to govern. The German sociologist Max Weber identified tradition, charisma and legality—or belief that both a law and its executor are valid—as the three sources of authority. Modern states rely heavily on legality as their primary source of authority. That said, as the spectacles of state ceremonies and popular elections indicate, tradition and charisma still also play large roles (1919, 1922).

Notably, Weber did not regard *consent* as the basis of authority. In democracies, as in other governments, people are often subject to a government without providing their consent. That said, if the proportion of those who do not recognize the authority of their government grows large and influential enough, the challenged government will have to rely more and more on coercion as its chief form of power. In the limit, such a government courts its overthrow by revolution.

States and Sovereigns

Modern Western concepts of government are closely associated with doctrines of *state* and *sovereignty*. The doctrines were born of a period of prolonged turmoil in seventeenth-century Europe. To end that turmoil, the Treaty of Westphalia set up states, led by sovereigns, as the supreme powers in a given territory.

According to Weber’s classic definition, states hold a *monopoly on the legitimate use of physical force within a given territory* (1919). Physical force is “certainly not the normal or only means of the state.” Yet, in Weber’s view, the monopoly on force is the sole means that *defines* the state. Sovereigns are the supreme powers of a state. They conduct wars and diplomacy on its behalf and govern through it.

In a famously stark passage, Weber stressed the all-encompassing claim of the modern state:

This system of order claims binding authority, not only over the members of the state, the citizens, most of whom have obtained membership by birth, but also to a very large extent, over all action taking place in the area of its jurisdiction. It is thus a compulsory association with a territorial basis (1922).

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In our international system of nation-states, governments and all their administrative organs (bureaucracy, police, military) exercise authority by virtue of their association with the state and its sovereign (Harder 2013).

In *constitutional democracies*, the concentration of state power in the sovereign is recognized as subject to abuse. Institutional devices such as federalism and the separation of powers seek to disperse the sovereign’s power across different orders of government. Use of free and regular elections seeks to ensure that government representatives are bound, at least periodically, to the will of those they govern. Some states also use tools of direct democracy (referendum, initiative and recall) for the same purpose. Adherence to the rule of law binds even the sovereign—also, paradoxically, the source of laws—to an established constitution.

Government Functions

At their most basic, the primary purposes of governments are external defence, internal rule-making/enforcement, and dispute resolution. Bearing in mind that governments are defined

by the *means* at their disposal rather than the functions they perform, readers are invited to consult the list of typical government functions in Appendix A.

In even limited constitutional states, modern governments act as a major—likely even the dominant—organizing force of societies. Yet their reach has been challenged in the past few decades. That challenge has arisen, in part, under the banner of “governance.”

What is Governance?

ACCORDING TO the Oxford English Dictionary, the terms *government* and *governance* were long used as synonyms. Use of the word *government* became predominant roughly along with the rise of the modern state in Europe. By contrast, the term “governance” was declared obsolete by the 1950s—but it enjoyed a huge resurgence in the 1980s and 90s (Taylor 2002). From the 1980s to the present, use of the term “governance” has often been associated with calls for a reduced role for governments.

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What is governance? In its most general terms, like *government*, it involves an *activity of steering*. Beyond this, the term’s meaning is far from settled (Bevir 2009, Robichaud 2011). Some recurrent themes in the literature are:

- Governance occurs in *multiple spheres*, not just that of political authority;

- When referring to political authority, it focuses on *processes and roles* rather than institutional structures or organs;
- Governance assumes (and promotes) a *dispersion of governing authority* beyond governments;
- Governance entails a more fluid understanding of institutions as *patterns of rule*.

Crisis to Government Authority

As with the doctrine of the state, reliance on the term “governance” arose from a specific situation: the critique of the modern welfare state. Beginning in the mid 1970s, Western democracies faced such crises as rising unemployment, inflation, global environmental and security threats, and unprecedented public debt. One influential response held that governments had become too large and unwieldy to respond. Various sources called for enlisting *non-government organizations*—private and civil society actors—as untapped resources to assist governments in governing. These actors could help governments address the many issues facing them and could also perform some functions that governments used to fulfill (Peters 1995; Steger & Roy 2010).

Reforms beginning in the 1980s sought to make governments more efficient, largely through introducing *market principles, business structures and privatization* of some functions. Later reforms encouraged governments to work with so-called “stakeholder” groups in order to improve the responsiveness of policies and service delivery (Robichaud 2011).

The Hollow State?

In light of the developments described above, some argue that Western states are now shells

of their former selves, “hollowed out” by a profound restructuring over the past thirty years. Others stress the more intense *steering* roles governments have now assumed. While they may have devolved many of their former functions, governments have increased their financial controls and extended their regulatory and monitoring functions (Jordan et. al. 2005).

Indeed, in interacting with private and civil society organizations, governments do not act merely as partners. Relying on all three forms of power, they continue to exert a large measure of control through laws, regulations, policies, and fiscal arrangements. Yet this is also consistent with the theories that underpin their authority. Doctrines of state and sovereignty maintain that governments, by their nature, remain distinct from non-state actors—whether for-profit or not-for profit ones. Though the latter may assume many functions that governments used to fill, they do not enjoy the same tie to states and sovereign authorities that governments do.

What about Canada?

CANADA IS A MODERN constitutional state with all the hallmarks of limited government. Our Constitution, which includes both written and unwritten elements, embodies the rule of law. Sovereign power is vested in the Crown, now embodied by Queen Elizabeth II. The Crown is represented in Canada by the Governor General nationally and Lieutenant Governors in each province. These figures govern at the advice Cabinets, which are comprised of Ministers. Ministers are almost always elected members of Parliament or of provincial legislatures. They are supported by organs of government exercising delegated state authority: bureaucracies and agencies, police and military (PCO 2015, Forsey 2010).

In the past decades, indigenous leaders in Canada have pressed for a third indigenous order of government within this system. Some assert sovereign power outside it, by virtue of their prior occupation of the land. In Canada, the courts have so far resisted recognizing the sovereignty of Canada’s first peoples. This is in stark contrast to the United States, where the sovereignty of Native American tribes is an accepted principle (RCAP 1996, Tully 2008).

Political scientists in Canada have noted the comparatively *strong political executives* of the Canadian state. Such influences as strict party discipline, the 1990s national unity crisis, a fairly deferential media, and continual government restructuring have left the federal Cabinet, especially the Prime Minister, with few rivals in power among its Western counterparts (Savoie 2009). The federal government also features a *powerful bureaucracy* coordinated by strong central agencies.

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Owing to these influences, perhaps more than in other Western democracies, the character of our governments in Canada *works against a “hollowing out” of the state’s power*. Specific to the federal government, testimony to its enduring steering role is evident in the current policy governing grants and contributions payments to societal actors. Excerpts of the 2008 Treasury Board Policy on Transfer Payments appear as Appendix B. The policy illustrates in practice the theoretical distinction between government and governance as it is applied and understood by the federal government in Canada.

Conclusion

This research brief has provided a primer—a “guide for the perplexed”—on government, governance, and the distinctions between the two. Governments are the organs of states. They exercise state authority as delegated by the sovereign. Governance, by contrast, can occur in various contexts. In public affairs, it focuses on roles, processes and patterns of rule.

This research brief was drafted with the goal of promoting better understanding on both sides of the “state” line. The doctrines that underpin our governing institutions draw a bright line between government and non-government actors. This line makes itself felt in manifold ways—even where the two kinds of actors work collaboratively across it. At the same time, democratic governments *depend more and more on private and civil society actors*. They do so, first, to fulfill key governance functions. But second, and more deeply: in an era when public trust in government continues to wane, governments depend on collaborations with private and civil society actors *to enhance the legitimacy of the decisions and actions they take*—even of the overall regime. How far affected groups need to be involved will vary by the policy area in question. *That they need to be involved has become a given.*

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Appendix A: Typical Government Functions

The list provided below is drawn from the “political systems” entry in the *Encyclopedia Britannica, Academic Edition*, Dickerson and Flanagan, *Introduction to Government and Politics*, and Eugene Forsey, *How Canadians Govern Themselves*.

1. Preservation and defence:

- External – Conducting external relations and diplomacy, maintaining armed forces, gathering intelligence, controlling borders, issuing/withdrawing passports, waging war (including conscripting forces, imposing extraordinary controls on the economy, media, and internal movement of citizens).
- Internal –defining, administering and enforcing citizenship and naturalization, defining and enforcing criminal/civil codes, maintaining police forces, establishing and maintaining land/property regimes; ensuring civic education and political socialization of citizens; environmental/wildlife protection and enforcement.

2. Supervision and resolution of conflicts:

- Via political processes themselves – conducting elections, assemblies, congresses, public hearings, negotiations, deliberations, commissions and tribunals.
- Via legislation – establishing and enforcing laws and regulations governing conduct of political leaders, social interactions such as marriage/divorce, abortion, human rights, labour relations, etc.
- Via judicial processes – establishing and maintaining court systems to interpret and apply law/constitution, determine remedies (criminal, constitutional, tax, patent law, etc.), protect minority and individual rights.

3. Regulation of the economy:

- Basics – issue currency, establish weights and measures, census and population statistics, taxation/royalty regimes, regional fiscal redistribution regimes, central banking (interest and lending rates, etc.) and consumer protection regimes.
- Sector regulation – regulate interstate and international trade, transportation (rail, air, sea and road), communication (telephone, radio, television, internet, newspaper), commercial and investment banking, extraction, agriculture, fisheries and other industries; provide subsidies and set tariffs for specific sectors and goods.
- Labour regulation – working conditions, labour-management relations, collective bargaining rules, worker compensation, pension, disability and unemployment.

4. Provision, procurement and/or regulation of goods and services:

- Procure defence materials other strategic goods
- Provide public functions such as public education, fire protection, traffic control, weather services, flood control, postal services, public utilities (where applicable), lending and insurance, health care, hospitals, operation of public transport, public works, airport and port maintenance, water supply systems, pollution prevention.
- Operate public recreation and arts facilities, garbage disposal, golf courses, sale of alcohol, gambling facilities.

The list is not complete, but it provides a sense of the broad range of activities that modern governments take on. Even within a limited state, governments are a “dominant organizing power in all contemporary societies” and have become an “active force guiding social and economic development.”

Appendix B: The Federal Policy on Transfer Payments

In 2006, the Independent Blue Ribbon Panel on Grant and Contribution Programs stated that the federal government spends nearly \$27 billion on grants and contributions to Canadian non-government organizations each year. Supporting, among others, the work and policy capacity of non-profit organizations, the investments “make it possible for Canadians to help themselves in ways that are more efficient and more effective than governments could ever hope to achieve through direct programming.”¹

The statement marks a classic expression of a shifting emphasis on enlisting non-government actors in the state’s *governance*, complete with a more entrepreneurial style of service delivery and a reduced role for the state. And yet the dominance of the government as a steering force within society is exemplified in the policy that governs the grants and contribution programs. The 2008 *Treasury Board Policy on Transfer Payments* evinces *both* government inclusion of a broader array of partners in governance *and*, very clearly, Cabinet’s retention of the power to steer: in this case, to direct resources according to its objectives and desired outcomes.

...

3.3 Transfer payments are one of *the government's key instruments in furthering its broad policy objectives and priorities*. They enable and engage a wide diversity of skills and resources outside the federal government that are well-placed to further Canadian aims, contribute to building a strong society and a competitive nation that is inclusive and respectful of Canadian values and Canada's linguistic duality.

3.4 *Cabinet determines when transfer payment programs are the most appropriate policy instrument. Cabinet also determines the objectives and outcomes to be achieved by means of transfer payments* within legislative authorities provided by Parliament.

3.5 Transfer payments are a major commitment of federal government resources. As such, they are subject to periodic spending reviews, such as strategic reviews. These reviews *support improved management of the government's resources and their regular alignment with federal priorities and services*.

Source: Treasury Board of Canada Secretariat, “2008 Policy on Transfer Payments.” Available at <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=13525§ion=text>. Emphasis is the author's.

¹ “From Red Tape to Clear Results: The Report of the Independent Blue Ribbon Panel on Grants and Contributions,” vi. Available at <http://publications.gc.ca/collections/Collection/BT22-109-2007E.pdf>