

MANAGING HORIZONTAL GOVERNMENT: THE POLITICS OF CO-ORDINATION

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... no phrase expresses as frequent a complaint about the federal bureaucracy as does 'lack of co-ordination'. No suggestion for reform is more common than 'what we need is more co-ordination' (Pressman and Wildavsky 1984, p. 133)

Without interest opposition, co-operation would not be necessary, and without interest interdependence it would not be possible (Marin 1990, p. 60)

The administrative Holy Grail of co-ordination and 'horizontality' is a perennial quest for the practitioners of government (Jennings and Crane 1994). From the time at which governing structures began to be differentiated into departments and ministries there have been complaints that one organization does not know what another is doing, and that their programmes were contradictory, redundant, or both. Despite the centrality of co-ordination problems in government the issue paradoxically is almost never a high priority for key actors (Challis *et al.* 1988, p. 106) in government. As Hanf noted almost two decades ago (1978, p. 14) the under-involvement of political actors in co-ordination is but one of many paradoxes in the study of co-ordination in the public sector. Hanf pointed out that advocates of enhanced co-ordination tend to call for intentional actions that would extend well beyond those possible through only voluntary co-ordination. However, when structural problems inherent within the public sector blocked effective co-ordination the same advocates would fall back upon the argument that the only solutions for co-ordination were voluntary actions by individual organizations. This co-ordination cycle would then begin again.

The nature of contemporary government exacerbates their inherent co-ordination problems. A number of changes in government make co-ordination more difficult:

- Despite pressures to reduce their activities, governments have become involved in more aspects of the economy and these multiplying activi-

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ties mean that the probabilities that any one programme will generate significant effects for other programmes have increased.

- Governments are adding to their co-ordination burdens by disaggregating previously existing ministerial structures into multiple 'agencies' (Greer 1994; Boston 1991, 1992, 1996) expected to act more or less autonomously.
- The fiscal problems that many governments now confront make co-ordination more important, given that it may be an easy means of eliminating redundant and inconsistent public programmes, and eliminating some seemingly unnecessary government costs.
- A more subtle change in governance is also making co-ordination and interorganizational politics more important (Pollitt 1995). The market model has become the dominant approach in the public sector, but there are competing approaches (Peters 1996a). One alternative is enhanced participation. Participation by clients is used as a means of ensuring that government 'serves the customer', while maximizing involvement by government employees within their organizations increases the quality of the services being produced. That focus on clients and workers within the single organization makes co-ordination less probable.
- Governments also are accentuating the general trend towards incoherence by decentralization. In many instances decentralization can have positive effects, but it may also produce difficulties in effective policy making, especially co-ordination (Sen (1976)).
- Finally, the structural changes have been confounded by the issues which governments must process. Issues are becoming increasingly 'cross-cutting', and do not fit the ministerial boxes into which governments, and policy analysts, tend to place policies. Many such issues are structured around client groups, for example the elderly, immigrants, aboriginal populations, women, etc. who require services from a variety of departments.

CONCEPTS AND THEORY

Before proceeding further I should first define what I mean by co-ordination. This term is used with almost universal approbation but less often defined. I refer to co-ordination as an end-state in which the policies and programmes of government are characterized by minimal redundancy, incoherence and lacunae. Some definitions of co-ordination, for example Mulford and Rogers (1982) and Dunsire (1978, p. 16), refer to that concept as a process but for this analysis it appears more appropriate to focus on the degree to which co-ordination is achieved and then assess the importance of different potential 'causal' factors. Other definitions (Kochen and Deutsch 1980) emphasize the hierarchical nature of co-ordination, ignoring alternative mechanisms for achieving the desired outcome through more loosely coupled interorganizational processes. In this discussion co-ordination is a

continuum, not a dichotomy, and programmes are called more or less co-ordinated based upon the extent to which they achieve a specified end state (Metcalf 1994). At a minimal level organizations are cognizant of each others' activities and make good faith efforts not to duplicate or interfere. This is a desirable pattern of behaviour and an improvement over much existing behaviour, but appears unlikely to address most serious problems in government.

A maximalist definition is too severe for most scholars and most practitioners. It requires tight controls over organizations and a means of enforcing jurisdictional controls over disputed turf or of demanding services in service gaps. A maximalist definition also might require developing substantial uniformity in the standards of treatment across a country. Further, this level of co-ordination might require a level of omniscience and omnipotence that few public sectors possess. Who, for example, could enforce such a system, even if it were acceptable to the actors involved? That is especially true given the current mood of empowerment, decentralization and entrepreneurship in the public sector.

Co-ordination questions were central to some seminal work on inter-organizational politics (Hanf and Scharpf 1978). Analysing public sector co-ordination requires thinking about interactions among not just single organizations but also about how 'networks' of organizations interact. Milward (1982) and others (Hjern and Porter 1980) have argued that the appropriate unit for analysis within the public sector is not the 'single, lonely organization'. Rather networks or implementation structures comprising organizational 'sets' or 'fields' are argued to be more appropriate analytic units. When researchers conceptualize co-ordination in this theoretical context interactions within and across networks become central components of the analysis. At one level networks of organizations exist within the public sector itself; the standard hierarchical response to a co-ordination problem is one form of interorganizational politics (see Considine 1992; Chisholm 1989). Further, even when hierarchy is the dominant reaction to co-ordination problems there is still bargaining and negotiation among ministries and other organizations involved in policy making and implementation (Fournier 1987; Davis 1995; Hecllo and Wildavsky 1974), as well as negotiation with central control organizations. The intellectual justifications for network thinking may be rather recent but the basic pattern of behaviour is certainly not.

INTERORGANIZATIONAL POLITICS AND CO-ORDINATION

This article examines policy and programme co-ordination through the theoretical lens of interorganizational politics. Scholars have argued that co-ordination can be a product of hierarchy, markets, and networks (Gretschmann 1986; Thompson, Frances *et al.* 1991). It is also conceptualized as the product of political institutions if values held in common by the members produce greater interaction than encountered in a less insti-

tutionalized system (Hegner 1986). Each of these models of social action provides different insights into the process of co-ordination. In all these models, however, there is an assumption of some difference of interests of the participants, whether that is a result of differences in policy preferences or simply defence of bureaucratic 'turf'.

The typical conceptualization of co-ordination in government is as a top-down hierarchy dependent upon central agencies (Davis 1995). Within individual organizations hierarchy is often replicated, with a minister or 'bureau chief' charged with providing central direction. This approach to co-ordination functions well analytically so long as the organization or organizations involved are well integrated from top to bottom and they have a clear mandate about what to do. If organizations are structured more loosely or are involved in complex policy areas requiring multiple information exchanges and interactions with a number of different organizations the efficacy of hierarchy is reduced (Chisholm 1989).

The market is the most commonly proposed alternative to hierarchical co-ordination. The basic assumption is that co-ordination can be achieved through the 'invisible hand' of the self-interest of participants in the policy process. This type of co-ordination involves the willingness of the participants to exchange resources in order to attain higher levels of collective welfare (Marin 1990). Exchange in a public-sector market may be in a variety of 'commodities' – including but not limited to money and contracts. For programme co-ordination clients are a medium of exchange; clients can be sources of power, especially in social policy. Finally, information can be a major commodity for exchange, especially in public sector organizations (Stinchcombe 1990).

In many cases that capacity for direct exchange is absent in a policy field and market-like mechanisms are not readily applicable. Markets imply 'buyers' and 'sellers' willingly entering into exchange relationships and that may occur infrequently in government. Most public employees do not conceive of their roles as buyers and sellers, but rather as service providers, or as public servants. In addition although there can be exchange, the conventional pattern of behaviour in government has been to conform to law rather than to bargains. Market co-ordination is acceptable in some places, but would be less so in countries with strongly legalistic administrative cultures.

The 'new institutionalism' does not address policy co-ordination directly, but its underlying principles are relevant. The March and Olsen (1989; Peters 1996b) variant of new institutionalism is especially relevant. March and Olsen argue that the best way to understand institutions is through the values that shape the behaviour of their members. A 'logic of appropriateness' created by each institution guides the behaviour of its members and hence the behaviour of the institution itself. These logics are relevant for co-ordination in at least two ways. First, if there is a common logic across organizations then co-ordination is more likely to occur without using auth-

ority (Gupta, Dirsmith and Fogarty 1994), and if organizations share common policy values co-ordination is also likely to occur with less disruption of organizational routines.

It is also crucial to remember that hierarchies are often ineffective at producing co-ordination, even when they are assumed to have the resources to do so (Hanf 1978). Numerous studies of 'bureaucratic politics' point out that organizations can muster resources to counter the presumed power of control organizations and pursue their own policy goals in spite of opposition. This absence of control can be found even in organizations such as the military (Allardt 1990; Smith, Marsh and Richards 1993) in which hierarchy is assumed to be a dominant organizational value. Hierarchy may not be as important a value as survival, or even as pursuing some policy goals, and thus, while hierarchy is sometimes seen as the ultimate weapon for co-ordination more loosely coupled structures such as networks may be as effective.

From a co-ordination perspective network linkages that constitute a major political advantage for individual public organizations also constitute a major part of the problem for enhancing co-operation among aggregates of organizations. Linkages to other organizations, public and private, may produce an interorganizational version of the 'tragedy of the commons' in which individual (here read single organization) rationality conflicts with collective rationality. Each organization may be serving its network but that will inhibit co-ordination within the larger population of organizations. The problem for practitioners, as opposed to academic analysts, is to find ways to produce governance within such a system (de Bruijn and ten Heuvelhof 1995, p. 162), and particularly to be able to do this without imposing a decision.

The network perspective on co-ordination has the additional advantage of being more open to the role of non-governmental organizations than are more traditional conceptions of the process. The 'corporate' model of co-ordination (Rogers and Whetten 1982; see also Gage and Mandell 1990) through hierarchy and command assumes that the non-governmental sector will have little to say about the policy. As more open conceptions of 'governance' (Rhodes 1997) become the norm then networked versions of co-ordination involving interest groups also become more of the norm. This involves substantially more negotiation and mediation than would be true in the more traditional conception. Even in the interaction of interest organizations with government the pattern appears to have shifted from hierarchical, corporatist models to more diffuse network patterns of interaction, and hence of co-ordination of public and private action.

Finally, Scharpf (1997, pp. 254ff) argues that networks can contribute to 'positive co-ordination' of public programmes in which problems of distribution and common value creation are solved simultaneously. That is, the continued interaction of the members of networks and their sharing of at least some values may generate sufficient trust to permit more effective

problem solving and positive-sum solutions to potential conflicts among programmes than would otherwise be possible. Scharpf may be optimistic about the capacity of networks in many settings to produce these desirable outcomes, but they are certainly more likely than in market or hierarchical processes of co-ordination.

THE POLITICS OF CO-ORDINATION

As well as examining theoretical issues in co-ordination, I must also remember that co-ordination in the public sector is also inherently a political process. One study of co-ordination in social policy (Challis *et al.* 1988), for example, contrasted the rationality inherent in most thinking about co-ordination with the political decision-making characterizing co-ordination decisions. Challis *et al.* argued (pp. 29–31) that when co-ordination is emphasized during policy formulation, rather than at the administrative stage, conflict of interests inherent in politics dominate the rational considerations that may appear in administrative actions (Bogason 1991).

The political nature of co-ordination is well-expressed in Gary Wamsley's discussion of interorganizational relationships. He argues (1985, p. 77) that: 'In the horizontal relations the interested parties most often struggle over the general parameters of value allocation, striking statutory and even constitutional arrangements, major compromises and bargains and just plain 'deals', and resolving the irresolvable with rhetoric and symbol manipulation'. In this view policy co-ordination is not a matter of rationality but rather is an intensely political exercise, involving negotiations within networks and aggregations of groups. This political dimension is especially significant for policy formation in which competing interests are manifest; programme co-ordination and implementation may be more solvable through rational means (see O'Toole 1996).

The politics of co-ordination also reflect the relative powers of interest groups. Some groups promoting service co-ordination are relatively powerful – children, the elderly, women – and are able to manipulate political systems effectively. Other groups, however, border on being social and political pariahs and are unable to command positive attention from government. Depending upon the political power of groups pressure politics may not be effective in generating co-ordination and coherence. For example, attempts to co-ordinate government responses to racial attacks in British cities had to be from within the bureaucracy itself – the Home Office and the Crown Prosecution Service – as opposed to coming from the political power of the groups in question.

These observations raise questions about the political strategies available to would-be co-ordinators. The political denigration of public administrators makes it difficult to argue that the bureaucracy can be responsible for making programmes perform well. Further, dismantling the traditional public service makes it difficult to rely upon lower echelon workers to have the experience and commitment needed to co-ordinate effectively. With

many administrative functions performed by contract workers and firms with incentives to 'shirk', the tasks of principals in monitoring become more extreme, and effective policy co-ordination becomes less likely.

HYPOTHESES AND CONJECTURES

In this article, I will concentrate this discussion of co-ordination on the network, interorganizational perspective. In thinking about networks within the public sector and their role in co-ordination it appears that there are several important dimensions of variation in those networks that will influence their likelihood of producing effective co-ordination. Alexander (1993) discusses some of those defining characteristics, as do de Bruijn and ten Heuvelhof (1995). The most important characteristics are:

- (1) *Pluriformity*. Some networks are more integrated than are others, so that it is possible to treat some networks as if they were a single organization while others must be treated as little more than collections of autonomous organizations. Alexander (1995, p. 340) refers to these structures as 'feudal'.
- (2) *Interdependence*. Networks also differ in the extent to which their members are truly interdependent (see Scharpf 1978). Networks may exist even if the components function autonomously; the styles of interaction and the relationships with external actors will, however, be very different from a more closely interconnected network. Closely related is the idea of *self-containment*, or the capacity of network members to shield themselves from influences from the network.
- (3) *Formality*. Even poorly integrated networks may be formal, while others depend more upon informal relationships among the actors. Formal networks may be apparently more manageable (less pluriform) but their mechanical connections may actually make them less predictable and manageable.
- (4) *Instruments*. As well as looking at the character of interactions in a network, one can also look at the instruments used to achieve co-ordination. Alexander mentions a number of those instruments, including the use of planning, formal regulations and contracts.

These alternative ways to characterize networks provide a way of understanding different political patterns within and between networks. As I will point out below these characteristics will influence the extent to which networks can act in concert, and the extent to which they are likely to be co-ordinated even in the absence of direct political pressures and involvement.

Although analysts have denigrated hierarchy and praised alternatives such as networks and markets, one must remember that there are still virtues in hierarchies. Coase (1937) argued that in firms transaction costs were minimized and within public hierarchies those costs may be minimized, relative to alternative structures. In a formalized structure the need to bargain and to develop *ad hoc* understandings is reduced, while the negotiation

and bargaining associated with both markets and networks impose high transaction costs. Institutions, in the meaning advanced by March and Olsen, appear to fall somewhere between the two extremes, with somewhat higher transaction costs than hierarchies. Those costs are associated with creating and then maintaining the common values within the organization. Institutions will, however, have lower transaction costs than markets or networks.

NETWORK INTEGRATION

The fundamental hypothesis here is that strong vertical linkages between social groups and public organizations makes effective co-ordination and horizontal linkage within government more difficult. This is in large part because reaching an understanding within the network involves substantial accommodation. Once that agreement within the network has been reached the latitude for negotiation by public organizations at the top of the network is limited. The government organization may have some latitude, given that network members have few options if they want to continue to participate directly in government decision-making, but that latitude is still limited. That makes co-ordinating with other similarly constrained organizations difficult and some failures of horizontal co-ordination can be understood through the success of vertical co-ordination.

Another way of stating the same point is that less pluriform networks are less likely to co-ordinate effectively than are others. Unless a network is fortunate enough to be integrated through other factors – a community as opposed to a network – integration occurs through extensive bargaining and in all likelihood side-payments to the participants in the network, including those in the private sector. Having invested in creating an elaborate set of mutual agreements and understandings, it is unlikely that any representative of the network, when bargaining with other networks, is likely to want to upset that structure. This is all the more true given that trust becomes an important element of the relationship, and would be threatened by any defections during bargaining.

These network patterns can be seen in the ongoing administrative reforms around ideas of participation and empowerment in Canada (Tellier 1990). Public consultation on policy issues has increased dramatically in Canada as a result of these reforms. These consultations increasingly involve a range of competing interests so that extensive negotiation is required before solutions can be reached within areas such as the environment (Hunold 1997) and rights of 'First Canadians'. One difficulty is that after negotiations the results must be validated through a political and administrative process that may not recognize the delicate balance of interests, and that may be willing to sacrifice that balance for other political causes.

The United States has had a relatively open government for some time but ironically does not appear to be facing as many problems of network

management as does Canada. This is in large part because the input side of the political system still tends to select a limited number of groups as the most appropriate representatives of that policy area. The over-used, albeit still useful, characterization of 'iron triangles' in the United States describes a system in which network membership is more restricted and in which bargaining tends to be a series of bi-lateral discussions rather than multi-lateral bargaining. There are emerging contrary examples, for example negotiated rule-making, but these are still the exceptions to the basic pattern.

TYPES OF CO-ORDINATION PROBLEMS

I have the one fundamental hypothesis but there are several subsidiary conjectures to be considered. One such conjecture concerns the nature of the co-ordination problem faced. Co-ordination may fail when two organizations perform the same task (redundancy), when no organization performs a necessary task (lacunae), and when policies with the same clients (including the entire society as the clients) have different goals and requirements (incoherence). These different situations have varying relationships with networks, and imply different types of interorganizational politics.

Everything else being equal, redundancy should be the easiest co-ordination problem to solve. Indeed, there are well-known arguments on behalf of redundancy (Landau 1969; Bendor 1985). If, however, the intention is to improve co-ordination, redundancy tends to be more visible, especially when the redundancy imposes costs on powerful 'clients', for example multiple regulatory requirements for businesses (Pildes and Sunstein 1995). On the other hand, incoherence may be the most difficult co-ordination problem to address effectively. Each organization has a rationale for its action, and is linked with a clientele. It may be that what it is doing is proper while the actions of the other organization(s) are the ones that need to be changed. There may be no easy bargaining solution for a problem of this nature, especially when the client bases are, or are perceived to be, different. For example, in the United States the Department of Agriculture still works to keep some land in the East and Midwest out of production, while the Bureau of Reclamation (Department of the Interior) works to put land into production in the West, often to grow the same crops. These programmes are incoherent and inconsistent, but each serves its own clientele. These organizations also link into government in different ways, for example have different oversight committees, so that solving the co-ordination problem becomes very difficult. The best outcome one might hope for in this case is 'negative co-ordination', in which the organizations respect each others commitments but do nothing to integrate their actions (Scharpf 1997, pp. 113-4).

The study of policy lacunae represents a particularly interesting question from the perspective of interorganizational theory. First, the absence of a policy in an area appears increasingly improbable, given the diversity and

range of public action. That having been said lacunae do exist. In some instances agencies run away from the problem as being insuperable, fearing that any additional resources that might come to the organization would be outweighed by potential failure – AIDS policy fits the profile of organizations rejecting the poisoned chalice. In cases in which the probable outcomes are positive, organizations may compete to frame (Schon and Rein 1994) the question as a part of their own policy profile, and hence incorporate it into their own networks.

SUBSTANTIVE POLICY CONCERNS

Following from the above, I also expect differences among networks and interorganizational politics based upon the substantive nature of policies and membership of the networks. This fundamental expectation can be elaborated through a number of subsidiary points. First, there are differing degrees of agreement around some policy areas from around others, although there tends to be substantial agreement within most policy areas (Mueller 1985; Freeman 1985). In addition, areas that have a more unified 'epistemic community' (Haas 1992) are capable of generating co-ordination more easily than policy areas that have conflicting views or have no substantial vision about the nature of cause and effect within their area.

Somewhat in contrast to the above observation, I argue that co-ordination is less likely when organizations are in similar policy areas but lack common ideas about service delivery. This situation is likely to activate the familiar problem of turf-fighting among organizations (Bardach 1996). Thus, the proliferation of service delivery organizations from reforms such as 'Next Steps' not only removes a hierarchical source of co-ordination but also tends to trigger conflict among organizations over resources and even clients. Organizations that usually do not serve the same clienteles or who are not funded through the same ministerial organizations can afford to co-operate more readily than those which compete more directly, and may find appropriate side payments that can facilitate bargaining.

For example, the recent 'Programme Review' exercise in Canada (Savoie and Peters 1998) has forced organizations to think about programme co-ordination. The general experience has been that organizations that were closest together ideologically and that provided similar types of service were the most difficult to co-ordinate. They tend to fight over the same policy (and budgetary) turf, while more diverse organizations have found co-operation less threatening. Further, turf-fighting among similar organizations solidifies positions about the relative importance of their services, and the associated desirability of delivering them in familiar ways, rather than through more creative approaches (even in the face of reduced resources).

Raising the spectre of 'turf-fighting' is to trade in one of the older clichés about government. Like most clichés there is some element of truth in this characterization, but be careful not to accept the conventional wisdom too

readily. Organizations do attempt to preserve their own prerogatives, and perhaps most importantly their own budgets, but they are also more open to co-operation than sometimes assumed. Several factors bind organizations and individual officials across agencies, including a role definition as a professional and a primary concern for clients. Social welfare agencies may, other things being equal, find it easier to work with each other than with transportation agencies, just as transportation organizations find it easier to talk to each other.

The other could be the definition of the public service as a profession and the common values that unite its members regardless of where they work within the structure. The now common denigration of the public service and down-sizing governments is helping to break down one of the most important horizontal networks in government. Many people in government express concern about the loss of informal mechanisms for co-ordination. They note that down-sizing is reducing opportunities for movement within government so that individuals remain in one post for longer periods than in the past, and that the vision of government has narrowed accordingly. Further, the increasing technical content of most programmes means that greater expertise is required, and individual civil servants may have fewer fungible skills usable in other settings. While the public service may be becoming more expert it is also lessening the chances of effective co-ordination from within its own ranks.

ITERATIVE CO-ORDINATION POLITICS

The changing nature of politics and policy problems raises another issue about co-ordination, having to do with the extent to which co-ordination is a one-off event or a part of an ongoing series of interactions. Everything else being equal I would expect co-ordination processes to be more effective when each event represents one in a continuing series of interactions. This is true for several reasons. Perhaps the most obvious is that in these cases networks overlap and create either broader networks, or networks conceptualized as being structured horizontally rather than the usual vertical linkages between societal organizations and one or a few government organizations.

Several theoretical traditions emphasize the importance of iterative decision-making for organizational co-ordination (or at least co-operation). In the rational choice literature Gary Miller (1992, pp. 213ff.) argues that iterative decision-making is a useful alternative to hierarchy, given that it provides co-operation incentives for participants in the process to achieve long-term gains (individual as well as collective). If decisions are seen as entirely one-off and separable each participant has incentives to maximize gains on each decision and not to co-operate. The same logic has been expressed in game-theoretic analyses of behaviour (Axelrod 1984; Calvert 1995), arguing that the likelihood of defections from implicit or explicit bargains are less when there are repeated 'plays' of the game. Interorgani-

zational theory appears to argue that the repeated interactions define the existence of a network. Hierarchies or even markets are able to allocate resources in a single interaction, but for networks to form there must be some repetition and stability. In this sense the network analysis approaches some versions of institutional theory in arguing for the need to institutionalize a pattern of relationship that can then define mutual expectations and mutual dependence.

The changing nature of policy making in most industrialized democracies is making co-ordination more difficult because of the shifting nature of the issues. First, some conventional 'central agencies' are becoming relatively less important while other, less conventional ones are gaining importance (Doern 1993). 'Globalization' means that foreign ministries become increasingly central players in what had been domestic policy concerns, i.e. industrial policy and even education and training (Savoie 1995a). In addition, the environment has become an overriding issue and environmental agencies now play central roles much as financial ministries have in the past. Also, globalization as well as changes in the domestic political economy are creating needs to co-ordinate that may never before have been as evident. For example, economic success is increasingly dependent upon education and job training, so that education is moving from a social portfolio into the economic portfolio. Also, the end of the Cold War means that defence organizations may become more important for law enforcement and international aid than for protection against foreign aggression, with a need to create new alliances. All these changes mean that organizations must continue to adjust to new demands for, and patterns of, co-ordination that may not appear as natural as the ones they had used in the past.

ROLE OF INTERNATIONAL LINKAGES

Another important source of change in the politics of co-ordination is the increasing importance of international and regional associations in domestic policy. These interactions place different co-ordination burdens on governments, especially within Europe (Metcalf 1994). In particular, the need for governments to have consistent stances vis-à-vis proposals in Brussels (Derlien 1991) means that governments must co-ordinate policies in advance, while in purely domestic policies there is usually the luxury of co-ordinating during implementation. This moves co-ordination into 'high politics' and emphasizes hard political choices rather than more manageable decisions common in administration (Regens 1988).

The same logic operable in international co-ordination is seen in intergovernmental relations within one country. These relationships were one of the first loci for interorganizational analysis (Rhodes 1988; Scharpf, Reissert and Schnabel 1978), and continue to be a major locus for co-ordination. The changing nature of governance and policy, with continuing devolution of policy to lower echelons of government means that creating coherence and some level of equality across subsystems will be a growing

concern for national policy makers. In both international and intergovernmental relations a country's individual organizations are less self-contained than they are in the typical relationship that occurs at only a single level of government. That is, it is difficult for any organization in a network to make decisions in isolation but rather there must be an extensive level of discussion. In this setting co-ordination becomes an imperative, but it is especially problematic because of the legal autonomy of actors in the process.

SERVING THE SAME CLIENTS

There are also differences in the co-ordinative capacity of interorganizational networks based upon the extent to which they serve a common clientele or not. The typical image of co-ordination is as a 'top down' process, with central agencies or lead ministries forcing co-operation among subordinate organizations. In practice, however, co-ordination is often a function of negotiations among the lower echelons of organizations around specific issues or clients. Thus, to the extent that organizations are required to interact directly over implementation issues they may be more effective in co-ordinating than are organizations that do not receive feedback from their organizational networks.

Many co-ordination problems can be solved by bargaining among affected organizations, often at the lower echelons. This is a conscious strategy for some governments, such as Australia, that minimize the role of central agencies in negotiating common delivery of social services, given the political and turf problems that arise. Therefore, the best strategy appeared to be to allow local organizations to devise their own plans, subject to central monitoring. The basic concept was that each client should receive co-ordinated public services with representatives of the various social service agencies required to orient their activities towards the client, rather than the organizations providing the services. Similarly, regulatory organizations develop means of serving their 'customers' through one-stop shopping for permits and licences with little involvement from the centre of government.

From the perspective of interorganizational politics these co-ordination efforts at lower levels of organizations represent efforts to create local, horizontal networks that supplement other structures of interaction in service delivery. These structures again appear to replace the conventional picture of government organization with a looser conception of interaction. Those interactions replace authority as the central element guiding decisions, often made on a client-by-client basis. The essential element required for this type of co-ordination to function is a substantial latitude for local action, whether the decentralization is to local governments or to lower echelons of organizations. That decentralization appeared less frequent in the United Kingdom.

ACCOUNTABILITY

Finally, interorganizational co-ordination efforts have a profound impact on the capacity of governments to hold organizations accountable. One obvious issue in accountability is the capacity to identify who did what, and that simple faculty is often lost when organizations meld their actions and use complex networks for service delivery. An interorganizational perspective is both descriptively and analytically useful for dealing with co-ordination, but that perspective also poses difficulties for the interpretation of accountability, especially in financial administration. How does government ensure that money is being spent in the ways intended when it was appropriated? More fundamentally, are conventional ideas about parliamentary accountability the best ways to think about accountability in the emerging world of the public service and if not, what principles are better suited for this task?

SUMMARY AND CONCLUSIONS

Co-ordination is one of the central concerns in the contemporary study of interorganizational politics. Although most analyses of networks and policy communities are concerned with the vertical interactions of interest groups and government organizations, one of the most important questions in the analysis of the public sector is co-ordination among public organizations. The effective integration of networks vertically may limit the capacity of the constituent organizations to co-ordinate successfully with other organizations and other networks. Thus, as the demands for greater attention to horizontal government become manifest the reliance of governments on managing networks to achieve policy goals may be more suspect.

In addition to the fundamental point that integration *within* networks may reduce the capacity to co-ordinate *across* networks, there are several other points relating networks and their capacity to co-ordinate. First, co-ordination issues conceptualized as implementation issues are more likely to be resolved successfully than are issues that are considered at the policy levels. Implementation issues tend to be addressed at a lower level of organizations and settled around individual client issues, while policy debate emphasizes issues of turf and organizational survival. In addition, the growing importance of the international connections of countries and programmes places additional demands on co-ordination. This is true not only because there are a greater number of issues that must be co-ordinated but also because of globalization a whole range of policy issues must be interrelated. In addition, globalization and the formation of regional international organizations force connections of programmes that had never been connected before. This, in turn, means that organizations unfamiliar with each other must now find ways to connect and to work together.

Co-ordination has been a continuing problem for the public sector, and it is not going away. The paradox that Hanf identified several years ago has not been resolved – if anything the contradictions have been intensified

by changes in the environment of the public sector. Governments can depend upon the formal structure of the public sector to produce co-ordination even less than in the past, but the incentives of individuals have at the same time become less collective and more personal. At the very time that an efficient, effective and well-co-ordinated government is perhaps most needed it is ever more a quest rather than a reality.

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