

# CONSOLIDATING GOVERNANCE CAPACITY IN COMPLEX NETWORKS: CHANGING PERCEPTIONS, RELATIONS AND INSTITUTIONS IN DIFFERENT CONTEXTS

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## ABSTRACT

*In this article we address the question how differences in organizational contexts influence the consolidation of governance capacity and thus the sustainability of successful governance reforms. We analyze the outcomes (in terms of consolidation of governance capacity) of two change trajectories in the Dutch public domain in rather different institutional contexts. The first case is a bilateral planning process between Flanders and the Netherlands in which a new way of collaborative decision-making for the Schelde estuary was established. After decades of stalemate negotiations, the governments of Flanders and the Netherlands decided to initiate a collaborative governance process with a variety of public, private and societal actors which was intended to result in an integral (broadly supported) vision on the future of the estuary. The second case assessed is a program in the Dutch ministry of Housing, Spatial Planning and the Environment (VROM), intended to get more interaction between policy-makers and citizens as well as to improve citizen orientation with the organization. A variety of projects were launched to experiment with new ways of working and to enhance the openness of the policy process with regard to environmental policy.*

## INTRODUCTION

In the past few decades two major types of change in public sector organizations can be distinguished: public management reform (based upon the New Public Management doctrine) and governance approaches of reform (Klijn & Snellen, 2009). The NPM-reforms are directed at securing greater productivity and value for money, while in the governance approach the development and strengthening of inter-organizational partnerships and networks are emphasized (Ferlie et al., 2003; Klijn and Teisman, 2000; Pierre & Peters, 2000; Kettl, 2002).

The starting point for governance reforms can be highly different. They can be introduced in a highly bureaucratic and state-oriented environment. In such a context they often include the development of new organizational arrangements to involve new actors in the process of policy-making or implementation. But they can also be introduced in a fragmented network context in which multiple stakeholders already are involved in the decision-making process but in which arrangements have to become more collaborative, more open and transparent, more inclusive etcetera.

When change trajectories succeed, they result in changed (inter)organizational repertoires to realize existing ambitions more efficient or to realize new, more sophisticated ambitions. During a successful change trajectory an organization or network ideally gets more grips on the objectives of the intended reform and the way it can be realized. In this sense, change trajectories can be looked at as learning processes in which new competencies are developed by individuals, organizations and networks to realize their goals. In the public domain these competences ultimately have to do with

realizing legitimacy and effective public policies. These competencies are labeled in the literature as governance capacity (Innes & Booher, 2003; Van Buuren, 2009).

However, when the results of this learning process are not consolidated, the ‘capacity’ to continue governance successes evaporates and the ability to realize the purposes of the change trajectory across a longer time period dissipates. Thus the ‘sustainability of change’ can be considered as the extent to which the change results in durable renewed, adjusted or extended forms of governance capacity.

In this article we answer the question how differences in organizational contexts influence the consolidation of governance capacity and thus the sustainability of successful governance reforms. We analyze the outcomes (in terms of consolidation of governance capacity) of two change trajectories in the Dutch public domain in rather different institutional contexts. The first case is a bilateral planning process between Flanders and the Netherlands in which a new way of collaborative decision-making around the Schelde estuary is established. After decades of stalemate negotiations, the governments of Flanders and the Netherlands decide to start a collaborative governance process with a variety of public, private and societal actors which had to result in an integral (broadly supported) vision upon the future of the estuary.

The second case is a program at the Dutch ministry of Housing, Spatial Planning and the Environment (VROM), intended to get more interaction between policy-makers and citizens as well as to improve citizen orientation in the organization. A variety of projects was launched to experiment with new ways of working and to enhance the openness of the policy process with regard to environmental policy.

With their objective to improve policymaking by intensifying the involvement of stakeholders in the policy processes both trajectories fit in the broader trend towards governance and horizontal organizational arrangements aimed at collaboration and interaction. Although they are rather different in context and structure, they show remarkable resemblance in management strategies and orientation on collaborative governance. In both cases improving the cooperation between actors and developing new routines for joint problem-solving were crucial objectives. Both cases are exponents of new ways of governance in which cooperation, dialogue, and interactive policy-making are central elements. In both cases changing existing habits, strategies and structures, based on old-fashioned routines and values – as we will show – is difficult. Retaining changed practices and learned competencies is even more difficult due to the dynamic context in which these changes take place.

In this article we first theorize about the relation between governance reforms and the development and consolidation of governance capacity (as a result of learning processes). We also reflect upon the possible relations between organizational context and the possibilities for capacity consolidation. We suppose that change is more difficult in a bureaucratic context (the VROM case) due to the ingrained routines which dominate the working practices, but that consolidating governance capacity is much more difficult in a network context (the Schelde case) due to the volatility, highly dynamic constellations, the temporariness of arrangements, and strategic uncertainty of a governance network.

We then analyze the development of the two change processes within the public domain, and how these change processes result in new organizational ‘capacity’, i.e. competencies and knowledge. We compare the consolidation of governance capacity in these two trajectories and reflect upon the differences we found. These differences (but

also the similarities) teach us more about managing and sustaining governance change in different contexts.

## LEARNING FROM CHANGE

Change trajectories do not only result in new or changed organizational structures, arrangements, strategies or ambitions. They do also result in second-order effects: new or changed perceptions about crucial variables for realizing strategic goals, the organizational environment and about the own position within this environment, new competencies to implement strategies, new relationships with other actors et cetera.

These second-order effects are crucial for maintaining the realization of the change objectives in the future and thus for consolidating the success of a specific change program (Nahapiet and Ghoshal, 1998; Healey, 1998; Hennestad, 1998). Knowledge development plays a central role in this. We see knowledge as the ability to fulfill a task, may it be individually, social or organizational (Kessels, 2001). Change trajectories are aimed at learning to perform an existing task more effectively or efficiently (doing things right), or finding new tasks that meet the organizational goals better than the current ones (doing the right things). The outcome of such a trajectory consists thus not only in the realization of this specific goal but also in the knowledge and capabilities to do this.

This new developed knowledge becomes embedded in organizational practices, inculcated by members of these organizations, cultured into their habits and embodied in the structures of organizations or newly developed inter-organizational structures (Blackler, 1995). This interplay between knowledge development and change is acknowledged in many contributions to the literature about knowledge management and organizational resources. In this literature knowledge is seen as embedded in organizational members, relations, processes and structures. This type of 'embedded' knowledge is conceptualized with the notion of organizational competencies or capabilities or dynamic capabilities (Van den Bosch et al. 1999; Spanos and Prastacos, 2004; Grant, 1996; Teece et al., 1997). These capabilities are of crucial importance for an organization to survive in a dynamic environment.

In public management sciences the notion of strategic capabilities comes down to the concept of 'governance capacity'. Innes and Booher (1999: 413) describe it as follows: "A governance system with capacity is resilient – that is, it responds quickly to new conditions, events, opportunities and problems, and adapts and changes its procedures, heuristics and relationships as needed...It is in a constant state of institutional evolution as it adjusts to maintain a sustainable system". The most important elements of governance capacity are: trust, inclusive arrangements, active participants, collaborative relationships, mutually complementing roles and deliberative institutions (see also Connick and Innes, 2001).

More governance capacity makes a governance system (a network, platform or arrangement) more capable to realize collective goals in future, fitting in the dynamic context in which such a system has to operate and in which it has to cooperate to realize broadly supported and legitimate actions.

The concept of governance capacity is multi-faceted and multi-leveled. We conceptualize it on three levels (see Van Buuren, 2006). First of all, we see the

development of governance capacity in the mental frames and the competencies of persons, their perceptions and opinions about their goals and how they can be realized, their perceptions of other actors, the usefulness of some strategies compared to others et cetera. Actors develop intellectual capital (Klein, 1998) or human capital (Nahapiet and Ghoshal, 1998).

Secondly, we see governance capacity at the level of relations and interactions. People change the way in which they cooperate or compete. On a basis of mutual trust, and increased understanding of the added value of other actors, agents are willing to do things together. With the words of Cross and Baird (2000: 74): “Important relationships build up from experience as a result of working with members of a project team or functional department liaison. Two important features of these relationships make them useful in future organizational initiatives and thus a component of organizational memory. First, time spent interacting on work tasks helps establish a sense of reciprocity and trust with certain colleagues...Second, by working closely together, colleagues build up an understanding of each member’s unique knowledge and skills.”

The third level is the organizational or institutional level. On this level the development of competencies becomes visible in new organizational structures, new procedures, new or changed organizational arrangements and so on (see for example Healey et al., 2004). These organizational forms of new competencies are in the literature known as organizational capacities (Spanos & Prastacos, 2004), dynamic capabilities (Teece et.al., 1997) and strategic competencies (Amin & Cohendet, 2004).

This categorization will be helpful in reconstructing the consolidation of capacity. We summarize them in table 1.

Table 1. Governance capacity: levels and background

	<i>Perceptions</i>	<i>Relations</i>	<i>Institutions or arrangements</i>
<i>Indicators</i>	Changed or new frames of reference, interpretations, beliefs and values, embrained in agents or encoded in documents	Changed interactions, improved relationships, new forms of cooperation or competition, enhanced trust, encultured in relations.	New organizational structures and procedures, to facilitate interaction and joint action embodied in arrangements.

Change trajectories thus ideally results in increased levels of governance capacity: by formulating new goals and implementing tools to realize them involved actors develop new competencies, relations and arrangements or change existing ones in order to realize the change objectives. But to carry on and maintain these changes it is necessary that this capacity is consolidated.

### **CHANGE AND CONSOLIDATION IN DIFFERENT CONTEXTS**

Realizing change and consolidating the capacity developed in change trajectories can evoke highly different challenges due to differences within the organizational context the change trajectory is implemented in.

As noted in the introduction in this article we compare two change trajectories, implemented in totally different contexts. The first change trajectory regards the bilateral governance network around the Dutch-Flemish Schelde Estuary that for a long time was characterized by go-alone strategies, win-lose games, stalemate negotiations and so on. After the Port of Antwerp made a new request for deepening the fairway to Antwerp, both governments decide to invest in a process that had to result in better cooperation, consensual decision-making and integral solutions (Van Buuren & Warner, 2009).

The second regards the Dutch Ministry of VROM, a classical rule-based bureaucracy which had to shift towards a more open-minded, citizen oriented attitude. For a long time environmental policy was made in closed networks of officials and organized stakeholders. But after a decision of the Dutch parliament the ministry had to change this way of doing and started a citizen-orientation program in order to develop new routines and competencies in interactive policy-making.

Our assumptions with regard to the way these change trajectories result in new competencies or capabilities are twofold. First we assume that the challenges to realize change within these two contexts are rather different. In the Schelde casus change in the way stakeholders work together can be very beneficial for all of them. It can prevent for long-lasting and troublesome negotiations. It can result in solutions which are attractive for all of them. In the highly dynamic environment of international negotiations and complex policy games about the future of the estuary actors are experienced in adapting their strategies to new situations. A governance reform can contribute to faster decision-making and to fewer problems in the implementation phase. Its reception and thus its effects seems beforehand not problematic.

In the VROM case policy-making is by many assumed to be easier without involvement of citizens. Policy proposals which have to be approved by parliament can be more efficiently realized without input from many (inexperienced, non-involved) lay people. A bureaucracy is characterized by its many highly formalized procedures and standard operating procedures. These are difficult to change. Involving other actors into the process of policy-making conflicts with existing habits and practices and is therefore difficult to realize let alone to maintain in the long term.

However, secondly, for retaining the newly developed competencies the reverse seems to be true. Within a governance network – characterized by its dynamic composition, fast changing structures and arrangements – consolidating competences seems to be a difficult job. A governance network doesn't have much institutional embedding and depends on the availability of temporal forums, network arrangements and ad hoc arenas. After finalizing a specific governance episode, the newly developed experiences and competences lack a provision for their consolidation towards a new policy round. Conversely, a bureaucratic organization, with a clear organizational structure, clear managerial strategies, official guidelines and policy ambitions, seems to be a more fruitful context for retaining newly developed and proven competencies. When change in a bureaucratic context is successful it can easily be translated into new guidelines, arrangements and structures.

With these expectations about the relation between change, context and consolidation we start our empirical analysis. Both change trajectories took several years and we have studied them over a period of four years in which we conducted an in-depth case study approach. During these longitudinal case studies we carried out some 20 interviews per

case with involved managers, administrators and stakeholders during the change trajectory. We also observed a couple of official and informal meetings in both cases. Third, we conducted archival research and analyzed the numerous documents produced by both project organizations responsible for the change trajectory.

## **THE SCHELDE CASE**

The Schelde Estuary is a Flemish Dutch river basin that forms the access to the Port of Antwerp. In the change trajectory we analyzed the specific aim was to realize a more integral and cooperative way of policy making. The history of bilateral policy-making was for decades non-cooperative and politicized (Meijerink, 1998). The former deepening of the Schelde (1997) was approved by both national governments in a package deal about some transnational dossiers after years of grimly negotiations and despite fierce resistance from the regional governments and nature organizations.

The interests of the various parties are very different. The Flemish government supports the economic interests of the Port of Antwerp. The nature organizations are afraid about the deterioration of the estuary. Farmer organizations are not happy with a possible further deepening because when this causes loss of nature, this has to be compensated by developing nature on their pastures. The regional authorities of Zeeland have less interest in the economic growth of Antwerp and thus are they not enthusiastic about a further deepening because that could result in an European obligation to compensate for nature harm by reclaiming agricultural land to the estuary.

### **Long Term Vision 2030**

However, in 1999 both governments decide to develop a joint Long Term Vision for the estuary, to improve their mutual relations and to develop a better and integral policy and management strategy for the estuary. Most parties involved support the accomplishment of the Long Term Vision. An intensive process of deliberation and negotiation develops from which a document arise with rather broad ambitions for the future of the estuary. Future policy proposals have to offer solutions that give equal attention to the economic potential of the estuary, its safety and its quality of nature. Interventions in the system have to safeguard the dynamic behavior of the estuary. And finally, future policy and management has to be realized in good cooperation between the two national governments, the involved regional and local authorities and the diverse stakeholders.

In 2001 both governments approve the Vision and decide to work out a set of concrete proposals for the short term (2010), containing a further deepening of the fairway, as well as substantial investments in nature development and a proposal to improve the safety of the estuary. A temporal but autonomous project organization was set up and officials from the Flemish and Dutch government were posted at this organization.

A profound research process following the principles of joint fact-finding was set up. A Strategic Environmental Impact Assessment was made as well as an Integral Costs-Benefits Analysis. In consultation with experts from interest groups the researchers did their work. Three working groups and a Steering Committee unite stakeholders and experts and facilitated collaborative dialogues between them about the research results. From this process a broadly supported research report resulted. Compared to the history of intensive debates about research and data – best characterized by ‘fact-fighting’ instead of ‘fact-finding’ - this was a great leap forwards.

An intensive deliberation process was also set up in which the most important stakeholders and various governmental agencies participate. Two independent chairs directed this process and a neutral secretary facilitated it. The stakeholders had the competence to give a weightily advice to both ministers. They realized a unanimous advice about the Development Plan.

At the end of 2004 both ministers approved the Development Plan and took decisions about the continuation of the trajectory. A new project organization is set up and gets the mandate to work out and implement the Development Plan. Both the research and collaboration process is continued to fine-tune the various measures.

Most persons involved in realizing the Development Plan are also detached to the new project organization and its different forums. Their tasks are laid down in a new international treaty between Flanders and the Netherlands.

### **Visible changes**

Compared to the realization of the Long Term Vision the accomplishment of the Development Plan was still more characterized by stakeholder involvement and joint action. Especially the process of joint fact finding was intensified. And the project organization succeeds in integrating the insights of the main stakeholders in the analysis of the experts. All involved actors supported the research results. In addition the research process was organized as a real interdisciplinary process in which scientists were obliged to work together.

Second, a successful arrangement for involving stakeholders (including regional and local authorities) was set up and their input got a formal status. The intensive processes of deliberation change the frames of actors. Strong ‘enemy pictures’ are abandoned and nuanced perceptions develop. Actors begin to acknowledge the fairness of the wishes of other actors and try to find mutual attractive solutions (improving the economic potential of the Port of Antwerp and at the same time the ecological quality of the estuary). This frame reflection was furthered by the research findings. Environmental interest groups and regional authorities nuanced the negative impact of a deepening on the environmental value of the estuary. That opens the way to a joint search for solutions for the accessibility of Antwerp and the improvement of the quality of the estuary (Klinkers, 2006; Van Buuren, 2009).

These changes in frames of reference resulted in better actor relations. During the process relations between Flemish and Dutch researchers were intensified because actors see the added value of a better cooperation. The same holds true for the relation between the Port of Antwerp and the nature organizations. They recognize their mutual dependency and choose a more cooperative strategy. The national governments also try to find mutual attractive deals and intensify their interactions. The ministers met each other at least two times a year and regular contacts between Flemish and Dutch regional authorities emerge.

On the institutional level the change process results in new arrangements for interaction and collaboration. Although most of them were intended to be temporal, a couple of them remain functioning after the Development Plan was ready. The stakeholder platform was continued as well as the research working groups. A new long-term research and monitoring project was set up. A search towards a regional organization of the very centralistic organized “Technical Commission on the Schelde” (the official body for the daily management of the Schelde) was started.

## INDICATIONS OF KNOWLEDGE CONSOLIDATION

We see how on three levels changes were realized: on the cognitive level of perceptions, on the social level of relations and on the institutional level of arrangements and procedures. But can we also witness some indicators of consolidation of these changes?

### Perceptions

To sustain the presence of changed perceptions it is necessary to sustain the presence of their primary bearers within the governance network. In our case we see that a majority of the people involved remain available for the next round at least in the wider governance network. Roughly 60% of the involved persons stay active in the network after finalizing the Development Plan. After the preparation of the implementation phase some 30% of the original employees switched over to the subsequent arrangement.

Within the standing organizations (ministry, water board, RWS and so on) the continuity of staffing is even higher. In both countries there are closed circles of officials (in policy, implementation, and expertise functions) who rotate regularly but stay within this cycle. That implies the maintenance of their expertise in the governance network.

Another indication for knowledge consolidation is the continuation of the Consultation Group (with stakeholders). This group was set up at the start of the process and is continued to accompany the implementation process. In this group the main cleavages between the economical and the environmental interest groups are bridged and the sustained interaction between them guarantees the continuing of the learning process.

Changed frames are reflected in the Development Plan and the advice of the Consultation Group. These documents are formally approved and thus get an official status. In latter negotiations these 'frozen' images forms the starting point and the point of reference for other actors. So the development in frames is consolidated through documents and the way in which they get an official status.

### Relations

The continuing of fruitful forums or the creation of new ones in which actors can meet each other are important mechanisms for the consolidation of changed interaction patterns. The continuation of the Working Groups, consultations forums and the project organizations are important mechanisms for the consolidation of relations in the implementation round of the Development Plan. However, in 2008 most of them are abolished because the implementation actually begins.

The involved organizations develop new relations through new working patterns and the development of joint programs. An important example of this is the Long Term Research and Monitor Program on the Schelde Estuary, a research program in which public authorities and research institutes closely work together in order to get a better insight in the complex dynamics of the estuary. Their improved mutual relations are consolidated through this program in which they have to show these new relations.

However, after the preparation of the implementation of the projects only an Executive Secretary remains in function with some advising bodies. Most platforms are abolished. Therefore there seems to be an important loss of social capital because of the



termination of the project organization. Before new developments impel the involved actors to come together they fall back on their old routines.

## INSTITUTIONAL ARRANGEMENTS

A strong mechanism for knowledge consolidation was the juridical structure laid down in a series of international Treaties between the Flemish and Dutch government. In these Treaties the next step in the process is approved. The ministers follow a funnel structure: from an abstract Vision, to a more concrete Development Plan, to very concrete implementation proposals.

Another strong mechanism is the continuation of the project organization. The Long Term Vision is prepared by an ad hoc project group, composed of officials who work part-time for this group. The Development Plan and its implementation are prepared by a standing project organization with a body of assisting and administrative personnel. During the last months of the preparation of the Development Plan a “quartermaster” is active to safeguard a smooth transition to the implementation phase. His involvement is very crucial for the organization of the ‘memory’ of the temporal project organization, because an important shortcoming of temporal project organizations is its ‘amnesia’ after the termination.

Another institutional facility to consolidate knowledge is the Technical Commission on the Schelde (TCS). A discussion is started about its optimal organization. The regional authorities want to be involved in this Commission. Through their involvement in the policy process around the Development Plan they become known with the TCS and they realize that participation in the TCS enlarge their possibilities to influence the management of the Schelde in a much more direct manner. Therefore they try to change the structure of the TCS which can also be seen as a consolidation of the governance reform.

## POLICY WITH CITIZENS

The second trajectory that we analyze is a ‘citizen orientation’ program of the Dutch Ministry of VROM. This multiannual program started as a consequence of an amendment in the House of Commons to improve support and involvement of citizens in environmental policy development. During the elaboration of the amendment in the ministry two main objectives are set: to involve the citizens’ agenda in policymaking and implementation processes by applying a wide variety of participative and co-production instruments *and* to strengthen ‘citizen orientation’ among policy makers.

At the end of 2002 a program team was formed for the stimulation program ‘Citizen and Environmental Policy’ consisting of four employees of the Department of Environment and three hired experts. The initial strategy comes down to improving the relation with citizens by creating opportunities for participation within regular policy projects. The program management stimulated citizen orientation in more or less 30 projects, while project responsibility remained in the line-organization.

In most projects the actual organization of citizen involvement, however, appeared to be contracted out to consultancy organizations. There was almost no direct interaction between policy makers and citizens. The applied citizen orientation methodologies were

relatively passive. Participating citizens were consulted about their view on the ministerial agenda and didn't have the opportunity to put issues on the agenda.

During the first phase, the program almost immediately started with a learning evaluation to inform the House of Commons about program development and preliminary results, but also to learn as program team about their approach (see Edelenbos et al., 2003). This learning approach focused on frequently providing feedback to the program team by reflections on various projects (Edelenbos and Van Buuren 2005: 598).

The evaluation resulted in a phase in which the program management had to rethink their strategy in deliberation with the hierarchical organization (2004-2006). The program team started to prepare two prominent projects, 'Citizen Platform' and 'Public Agenda and Citizen Participation', that are proposed to have substantial impact on the policymaking process. In the "Citizen Platform" citizens and experts from the ministry select and elaborate a problematic policy issue in several meetings to work out concrete advices for the Minister. The 'Public Agenda and Citizen Participation' project started during 2005. By an extensive campaign the ministry asked citizens to express their interest and opinion on issues in the ministries' policy domains.

Besides the program team invested in a training and guidebook to prepare policymakers on working with citizens and to transfer knowledge. They also started preparations for a communication offensive to enforce top-down commitment and to inform and motivate policy-makers bottom-up. These diverse developments were not very successful and disappeared to the background when the program entered a new phase, although some of them return partially.

Together with the preparation of the major projects and inspired by the advices of the learning evaluation it was decided to broaden the program in 2006 to all policy related departments of the ministry. The name is changed into "Policy with Citizens" program and the new team consists of a new program manager, representatives from the diverse departments and project advisors.

The broadened program has continued with the original objectives, although with more focus on organizational change. It is acknowledged, by the program team, that the main problem in improving the relation with citizens is the ministry itself. During the preparation for the major projects many barriers against the programmatic change exemplified in the hierarchical organization. The program had to fight against high level managers who, very easily, expressed that the program would be superfluous rather soon. The program management has further to deal with lack of support from middle managers.

The program management has changed its strategy from stimulating into supporting projects and policy makers. It tries to shift attention to transferring and managing knowledge about citizen orientation, to prevent that the developed knowledge and expertise on citizen involvement will be lost after program expiration. For this reason they study on possibilities to generate more continued effects of citizens' advices in the policy-making process, since actual impact seems insignificant.

## **Visible changes**

The program started by spreading a message to involve citizens in policy-making over a multiplicity of projects from a belief that experiencing working with citizens would convince employees to absorb this in their policy-making routines.

In the initial program the ministerial agenda was clearly dominant in the citizen projects. The ministry had the perception that they have the best expertise for environmental policy making, which had the effect that most projects consulted citizens on the VROM agenda and not the other way around. During the intermediary phase this perception changed to an awareness that issues brought up by citizens can be of added value for the policy-making processes by reframing policy issues. Coproduction with citizens in the Citizen Platform and the Public Agenda projects led to a change of frames on some policy issues and an increasing openness in the agenda-setting phase of policy-making.

Also the perception about the program has changed. At the start the program was mainly seen as a stimulation program that financed efforts of citizen involvement in projects. Project managers were mainly focused on a successful accomplishment of their project without attention for the programmatic change process. In the third phase the need for cultural change is recognized in a meeting of the high-level management. Workshops and consultation with project managers has created awareness of the importance of an organizational change process.

The program management has broadened its orientation, which also result in changing relations. The other policy related departments became involved in the PwC program. The major projects created more participative relations of citizens. The Public Agenda project resulted e.g. in five coproduction processes with almost equivalent positions for citizens and policy-makers. In the third phase the program management has increased deliberation with project managers and line-managers in the ministry to improve the change process. The program management also started to interact with other citizen orientated projects to share knowledge and experiences.

Institutional changes are hardly visible. The only changes we witnessed have taken place regarding the program and the program management, but these changes are merely organizational.

## **INDICATIONS FOR KNOWLEDGE CONSOLIDATION**

On the three levels of perceptions, relations and institutions we now analyze which changes are consolidated.

### **Perceptions**

The SPCEP and PwC operate as a temporary program organization within the hierarchy of the ministry of VROM. During its development the program has to deal with diverse and continuous changing perceptions, which make it difficult to accomplish change and consolidation. Later the program management deliberates more actively with higher management levels to receive confirmation and commitment for their perception of a need for organizational change. Although these management layers officially acknowledge this need, their priority for citizen orientation remains doubtful.

The major projects were highly visible in the organization and created a feeling of urgency to listen to the public in the ministry's policy-making processes, which contributed to the awareness for citizen-orientation in the organization. This also resulted in more attention for continued effects of citizen advices in policy-making processes. There are nevertheless serious doubts about the consolidation of these frames in new policy projects. After the projects are finished in most cases old routines gain advantage. The program management has increased the monitoring of project results in general and started a study to increase continued effects to overcome these old frames. The training course was another attempt to consolidate a citizen orientation frame among policy-makers by enhancing knowledge, skills and competences. Since the training appeared not to match with the questions and needs of policymakers, this was not very successful.

It appears that a small group of people in and around the program is enthusiastic and works along a citizen-orientation frame of policy-making. These are also the policy-makers who are participating in the citizen-projects. Continuity and commitment of these people does contribute to consolidation of knowledge on citizen orientation among them, although it has limited effect on the organization.

### **Relations**

In the evaluation of 2007 e.g. it is noticed that despite the program is positioned at the Inspectorate department, the program management is able to maintain and create necessary connections through the organization (see also Pröpper et al., 2007). Contrary to these lasting internal connections the program management has variable relations with a diversity of consultants and experts from knowledge organizations. The discontinuation of cooperation with experts in the program team after the first phase is exemplary.

The relation between consultants and the program is also interesting in the light of interactions with citizens. For many projects consultants are hired to apply their methodology. This eventuates in that a great deal of interactions with citizens is done by consultants. This indirect way of interaction with citizens, does not contribute to relation-building between policy-makers and citizens.

Further, most of the projects are organized as part of their line-department, which makes it difficult to combine them in an integral program. The projects and involved policy-makers have their own arrangements for interaction and communication. Certainly in the first phase the program management does not actively stimulate knowledge transfer and mutual learning between projects in the realm of a programmatic change process. The program management gradually tried out workshops to bring project managers together, to discuss their projects and difficulties this approach up, although they have a tendency to apply formats and procedures instead of stimulating interactions.

Other mechanisms for knowledge consolidation are the relations in the bureaucracy of the ministry of VROM. The program management has invested in better relations with middle and higher management levels to improve the embeddings of the program and its results. The program management received acknowledgement of their objectives from the board of directors and started conversations with middle managers to anchor the program in the organization.

Mainly in the third phase the program management participates in an emerging network of citizen-oriented programs. Exchanging methodologies, knowledge and experience

among these programs creates possibilities for the survival of citizen-orientation knowledge in the diversity of national government departments.

### **Institutions**

The installment of the program organization within, but also relatively unattached to, the line-organization of VROM, is an important institutional mechanism. It is a driving and continuous factor in the citizen-orientation process in the ministry.

The broadening of the program is one of the most important institutional changes during the process. The involvement of the other policy departments of VROM creates opportunities for spreading knowledge. Although there is growing attention in the program for relational knowledge consolidation mechanisms, the program management still has a focus on determining explicit knowledge by procedural mechanisms like formats for projects, documentation of applied methodologies, et cetera.

Rather soon after the broadening the programmatic approach survived a tendency in the ministry to become defined as a success, without actual insight in the progress of the change process and clear sight on how the acquired knowledge could be consolidated. The program management succeeded to make this clear to the higher management levels and gained support to continue till 2010 with the intention to realize an institutionalized arrangement within the organization for citizen-orientation support and knowledge.

### **CASE COMPARISON**

As said, the contextual differences between our two cases are enormous. The Schelde case is a typical complex network setting, while the VROM case is posited within a complex bureaucratic context. When we compare the two cases with regard to their relative successes, the following table resulted.

Table 2. Case comparison

	<b>Schelde</b>	<b>VROM</b>
Overall trend	Quite substantive changes in behavior of actors and organization of the network	Only modest changes in the behavior of actors and no visible organizational changes
Implementation logic	New ways of doing are developed within the network and replace old routines.	New ways of doing are ‘contracted out’ to consultants and are not acquired by bureaucrats. Projects remain pilots – besides the daily bureaucratic routines
Organizational form	Strong project management that coordinates all activities part of the change trajectory.	Program management that initiates a lot of projects without strong connections to the line management.

The observed changes in the case of the Schelde are much more visible and straightforward compared to the VROM case. An important explanation for this difference is the perceived need for change in the Schelde case: everybody knew that another way of working was necessary to realize effective policy outcomes, while in the

VROM case most civil servants were hesitant to open up their own practices for the involvement of lay people.

The main differences in consolidated change between both cases are presented in table 3.

Table 3. Differences in consolidation

<b>Consolidation</b>	<b>Schelde</b>	<b>VROM</b>
Perceptions	Actors know their mutual dependency and are willing to look for mutual attractive solutions	No real change in perception about how to organize legitimate policy processes
	Actors have better understandings of the possibilities for mutual attractive deals	Citizen involvement remains framed as an additional difficulty in complex policy processes
Relations	New, collaborative relations are developed	Relations are temporal: within temporal projects new relations are build up but ended when the project is finalized
	Relations are consolidated in new, formalized arenas for interaction	Relations are mainly instrumental: aimed at realizing the project ambitions
Institutions	Some institutional changes are made, especially with regard to the structure of the TSC	The program approach is for the time being prolonged.
	A couple of agreements are institutionalized in formal treaties.	There are no visible organizational changes: the program remains as separate unit the only carrier of the new philosophy

Based upon this comparison we can conclude that both the changes realized in the Schelde case as the extent to which they are consolidated in changed perceptions, relations and institutions, are much more convincing than the VROM case. In the Schelde case the whole governance network was affected by the change trajectory and was even part of it where in the VROM case the change program was organized as an island in a highly inert organization which its own logic and routines.

An important observation has to be made. Although we characterized before the VROM case as a bureaucratic change process, in practice we can see that it is actually well conceivable as a complex governance network. The program management responsible for implementing the program was highly dependent upon the (voluntary) collaboration of other ministerial agencies and was actually constantly lobbying for support. The change process within the department was seen by many administrators as an experiment without formal obligations, a political hype without serious consequences. For many of them the change objective remains therefore on a distance.

## CONCLUSIONS

Based upon this case comparison we can nuance our assumption that ‘the organizational context is crucial for consolidating governance capacity’. There are other elements much more important for explaining the success of the change trajectory as such and its consolidation. These elements are fourfold.

First, we have to take into account the relative costs and benefits of a change trajectory for involved actors. In the case of VROM the costs were rather high: existing routines which were normally rather effective, has to be replaced by laborious experiments in which new actors has to be mobilized and heard. In the case of the Schelde nearly everyone was convinced about the necessity of changing existing routines to realize more legitimate and effective outcomes. That makes the willingness for change and the investments in consolidating its results much higher.

Second, and related to this point, we have to consider the origin of the desire for change. In the Schelde case this origin laid in the people involved in the network of decision-making. There was not only a political desire for change (expressed by Parliaments and Cabinets) but also by the stakeholders involved. In the case of VROM only a Parliamentary majority was supporter of reform. This intrinsic motivation in the Schelde case can also be seen as an important explanation for more consolidation efforts.

A third notion has to do with the organization of the change trajectory is organized. The VROM case shows an experiment in which the new philosophy is dispersed by ways of multiple local projects which functions as carriers of the new ideas. Although we can imagine that such an approach is helpful in ‘spreading the word’, we can learn from this case that it is very difficult to consolidate the effects of this approach. Many small initiatives don’t count towards a big one. The Schelde case is much more a coherent change project in which all activities to rearrange the network fit into a coherent project. However, at the same time the context of change in the Schelde is also an important barrier for real change: the learning process occurs in the temporal project organization in which only a small part of the involved officials are working and which keep up relatively loose couplings with the standing organizations. That means that the largest part of the network do not experience this learning process and thus that change in the broader governance network will depend upon a few ‘ambassadors’. The resistance against change in organizations which were no part of the change process can be substantially.

Finally, we need to reconsider our assumption about the possibilities for consolidating change in a network context. In fact, we can conclude that the volatility of a network is a strong stimulus to invest in provisions to safeguard the consolidation of successful changes. A wide variety of instruments is actually applied to consolidate the newly developed governance capacity. Within a bureaucratic context, consolidating change cannot without strong commitment of the top and real organizational reshuffle.

We conclude that consolidating the revenues of change processes not so much depends upon the organizational context of the changing governance system in terms of more hierarchical or network characteristics, but on the more specific characteristics of the change program and its implementation, the motivation of its members and the degree of attachment of the people involved to the change program.

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