

*Aldona Wiktorska-Święcka*

**EUROPEAN GOVERNANCE AS A PRINCIPLE  
OF INTEGRATED PUBLIC MANAGEMENT AT  
A EUROPEAN LEVEL.  
KEY ISSUES AND INSTITUTIONAL CONDITIONS**

**ABSTRACT**

The concept of *governance* is part of contemporary trends in public management. Its popularity has been growing since the early 1980s and it has become one of the main principles in modern approaches. *Governance* means the inclusion of actors, operating in different areas and at different levels, to achieve common aims at the interface with the public. In the Polish reality, the concept has got relatively little publicity; thus, it is worth promoting its objectives and showing how it can be implemented in the political and institutional practice. At present, it is identified with the improvement of management methods in the European Union in all aspects of the implementation of community policies, within the scope beyond the issues of administrative capacity and management efficiency. Such issues are becoming increasingly important as they relate to social participation and the question of legitimacy of public action in the European Union. The purpose of this article is to present the key issues related to the concept of European governance. It presents the key European documents on governance in the context of the search for its practical applications.

**Keywords:** new public management, the concept of *governance*, European institutional and legal conditions for the implementation of *governance*, development policy, competitiveness.

## INTRODUCTION

**DEVELOPMENT MANAGEMENT IS** becoming increasingly important in the face of the challenges posed by global competitiveness in the past several years, especially in the context of searching for effective solutions for the political and institutional praxis. In Poland, the issues of governance are relatively little known so it is definitely useful to promote the current state of knowledge in this area. Governance, which can be basically defined as *multilevel* or *integrated management*, is one of the most popular contemporary concepts of the managing the public sphere<sup>1</sup> as it takes into consideration the tendencies resulting from civilizational, political and economic change, especially under the influence of globalization processes. These changes are even more complex because of the fact that they cover particular areas in the horizontal and vertical dimension, because they occur at a local, regional, national and international level, and because they affect the shape and functioning of institutions and sectors. We may observe that they are more and more determined by the networks of coordination and political links. Social sectors are becoming mutually dependent, which leads to the emergence of interdependencies among the corresponding political sectors, e.g. between economy and the natural environment, between the educational system and the national insurance system, between economic policy and cultural policy. In the process of managing these dependencies and interdependencies, it is becoming increasingly frequent that, apart from traditional forms of law-making, resource allocation and management by means of the market, decisions are made through negotiating. Thus, the concept of governance appears in the discussions connected with political management and coordination in the territorial contexts of public politics. As social functional areas are highly interdependent and managing them requires network structures of coordination and interactions (see: Castells 2001), governance is viewed as an attractive concept of development management at a local, national and European level, as well as in the global context. As the debate on governance progressed, a few specialist research areas, such as *regional governance*, which is important for regions, *metropolitan governance*, which is of the key importance for stimulating their development, as well as the ones which are specific to particular sectors (*public governance* or *corporate governance*).

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<sup>1</sup> See: A. Bosiacki, H. Izdebski, A. Nelicki, I. Zachariasz, *Nowe zarządzanie publiczne i public governance w Polsce i w Europie*, Warszawa 2011.

*European governance* is at the heart of our deliberations as the European Union is an especially good example of a combination composed of the elements of hierarchy (managing through law), negotiations and political competition, in which subjects of public administration and representatives of social interest work together. Managing in networks of connections is an important feature of the multilevel governance in the European Union. Since the 1990s, it has taken into account the issues of *good governance* in its activity within the framework of development policies towards the least developed countries as well as towards accession states. As these issues were gradually becoming more widespread, problems related to governance were moved from the external to the internal sphere of the European Union's activities. Good governance began to refer to the improvement in the functioning of the institutional system and EU legislative processes, and at the same time to increasing standards of the implementation of EU policies, including the management of European funds at the Community level and in member states.

The aim of this article is to present the key issues related to the concept of governance. It presents the key European documents on governance in the context of the search for its practical applications.

### **GOVERNANCE: KEY DEFINITION ISSUES**

Governance is defined as a “kind or a way of controlling/governing/managing” or a “function of controlling/governing/managing”<sup>2</sup>. These terms imply that governance does not simply mean the government's actions, managing, controlling and coordinating, but the way they are performed. Besides, it also indicates the structural, functional and instrumental aspects of governing, controlling and coordination as it specifies the framework of practically relevant combinations of hierarchy, negotiations and self-governance. It also includes informal patterns of interactions among state, local and social actors. There are numerous definitions of the concept of governance and a multitude of their possible applications. The reason for such diversity of definitions might be the fact that this concept has a broad semantic scope. Governance refers not only to national states, but also to internal policy. The concept is applied in local, regional and supra-regional policy. It is also used for describing new forms of management in the European Union as

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<sup>2</sup> *The Concise Oxford Dictionary of Politics*, Oxford 1991, p. 511.

well as in the debate on the development of public administration, in organizations and their mutual relations, and in economic policy, labour market policy and environmental policy. The specific contents of the concept change depending on the characteristics of the field of application. Thus, if we want to go beyond its broad definition, we should refer it to particular contexts. However, the following common elements might be identified:

- governance means controlling and coordinating (or governing) in order to manage interdependencies among (usually collective) actors;
- controlling and coordination are based on institutionalised systems of regulation, which should guide actors; combinations consisting of various systems (market, hierarchy, majority principle, negotiation rules) are usually preferred;
- governance encompasses the models of interaction and the models of collective action which stem from the framework imposed by institutions (networks of connections, coalitions, contractual relations, mutual adjustment in competition);
- processes of controlling and coordinating, as well as patterns of interaction covered by the concept of governance, usually go beyond the boundaries of an organization, especially those of the state and society, which have become particularly liquid in political practice (politics in this sense takes place in the aspect of interactions between state and non-state actors, or between actors inside an organization and those outside it)<sup>3</sup>.

The concept of governance has become part of scientific and political discourse owing to widespread sociological and political science debates on controlling, which took place in Western Europe in the 1990s. They originated from the assumption that Western countries faced a problem of political governance caused by the creeping crisis of the state and market, and increasingly independent and comprehensive policy will be doomed to failure as long as it is conducted the way it was before – on the basis of hierarchy and subordination, at the same time excluding non-public actors. A widely supported approach promoted the departure from traditional views of political governance and proposed replacing them with increased social self-governance. The debate on governance has been characterised by the fact that it selects and recommends a mixture of different models at the level of implementation. States, societies and the market are becoming independent and

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<sup>3</sup> A. Benz, *Governance – Regieren in komplexen Regelsystemen: Eine Einführung*, Wiesbaden 2004, p. 18.

complementary mechanisms of politics, which appear to be appropriate depending on policies.

The concept of governance should be related to the research on new public management. Social sciences defined this concept as the application of political power and exercising control with regard to the exploitation of resources which are important for the social and economic development, for shaping the conditions for business activity and the principles of the distribution of benefits, as well as the relations between authorities and citizens<sup>4</sup>. Public management defined in this manner manifests itself as: a form of political regime; a process of exercising power and managing economic and social resources of a region for the sake of its development; and the authorities' capacity to design, formulate and implement political programmes, as well as to implement the functions they have been assigned<sup>5</sup>. Public authorities of different levels are becoming the dominant, but not the only source of power; they no longer have monopoly on decision making, and the actors previously viewed as external (agencies, committees, social and civil partners) are beginning to be perceived as equal. It necessitates deep reform of power structures in order to maintain their efficiency in managing public affairs, retain social cohesion and ensure the regional authorities' operational control over the events taking place on their territory. Therefore, the scholars who apply these models aim at emphasizing a qualitative change in the influence that public authorities exert. This change consists in slow departure from the state's direct engagement in economy and in transition (reproduction) to exerting indirect influence through regulatory norms and, ultimately, to structural improvement. Instead of unilateral orientation towards the market and private enterprises, the modernisation of administration should be focused on more complex combinations of controlling mechanisms<sup>6</sup>. The cooperation with the private sphere should be enhanced and the participants acting on the social and citizen level (e.g. non-government organizations, social movements) should be motivated and the procedures regarding social participation should be improved.

The term "governance" was developed in economy by Ronald Coase in 1937. He indicated that, apart from the market, it is also the structure of an enterprise that

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<sup>4</sup> A.P. Wiatrak, *Zarządzanie w jednostkach sektora publicznego i jego uwarunkowania*, [in:] Krukowski K. (ed.), *Zarządzanie organizacjami publicznymi*, Olsztyn 2006, p. 47.

<sup>5</sup> *Orientations on Participatory Development and Good Governance*, Paris: OECD, 1993, p. 14.

<sup>6</sup> See: *Public Government als Reformstrategie*, T. Klenk, F. Nullmeier (ed.), Düsseldorf 2003.

contributes to the effective implementation of transactions<sup>7</sup>. Coase believed that both of these factors should be analysed in the aspect of coordination mechanisms. Olivier Williamson<sup>8</sup> expanded on this concept, defining governance as institutional regulations within an enterprise, i.e. the structures of management and administration, as well as the patterns of vertical and horizontal interactions in a company, used for reducing transaction costs. In the economic aspect of governance, the key issue is the existence of rules and the way they are established in the economic process, with parallel emphasis on the aspects of controlling behaviour, coordination, power and government, i.e. the areas that are the domain of politics. The concept of governance in economic science does not basically differ from the one which functions in political science, within the objective scope of which it is assumed that this term encompasses the overall link between *polity* (institutions), *politics* (processes) and *policy* (political contents). From the analytical point of view, the term governance describes the aspect of regulations in comprehensive structures, including external controlling, as well as unilateral arrangement in hierarchies, resulting in mutual adjustment in the market and interdependent actions, the establishment of a shared viewpoint in negotiations and a consensus in socialisation processes<sup>9</sup>.

In social sciences, the concept of governance first appeared in international relations and was used to describe the structures of power, which unlike the term governance referring to the system of authority of a given country, regulated the relations among states with respect to international policy. The key features were believed to be:

- lack of explicit, hierarchical relations of subordination and superiority as well as of clear limitations of the scope of authority;
- governing and controlling through a mixture composed of unilaterally exercised authority and cooperation;
- communication and negotiations;
- dominance of processes over structures and systematic structural changes<sup>10</sup>.

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<sup>7</sup> R. Coase, *The Nature of the Firm*, [in:] *The Nature of the Firm. Origins, Evolution and Development*, O.E. Williamson, S.G. Winter (ed.), New York 1937, pp. 18–33.

<sup>8</sup> O. Williamson, *The Economic Institutions of Capitalism. Firms, Markets and Relational Contracts*. New York 1985.

<sup>9</sup> See: *Governance und gesellschaftliche Integration*, U. Schimank, S. Lange (ed.), Opladen 2004.

<sup>10</sup> J. Rosenau, *Governance and Democracy in a Globalizing World*, [in:] Held D., McGrew A. (ed.), *The Global Transformation Reader. An Introduction to the Globalization Debate*, Cambridge 2000, pp.

Apart from defining governance in the above ways, a narrower concept has also been developed. According to it, governance and government are perceived as the opposite types of the regulation of social operations. While government means the autonomous activity of the government, governance refers to networks of interactions among state and private actors. Hence, this concept clearly refers to the specific forms of political governance between the state and the society, thus to the reality of the *cooperative state*<sup>11</sup>.

**Table 1. Government and governance in political theory and practice**

	Government state vs. market/society	Governance state, market, networks of relations as complementary forms of management
polity (structural aspect)	state orientation; majority democracy and hierarchy as the most important institutions	institutional structure, which links elements of hierarchy, systems of formulating opinions and mechanisms of competition; networks of relations
politics (process aspect)	competition of parties for power and of interest groups for influence; regulating conflicts through decision making by authorised state bodies and the implementation of state decisions	conflicts between authorities/leaders and citizens/actors involved; controlling and coordinating in the context of the institutional systems of regulation; negotiations of state and/or social actors adjustment of the institutional systems of regulation
policy (political contents aspect)	legislation (bans and orders); social welfare distribution	Agreement (in networks of relations and in communities), compromise, swap transactions; coproduction of collective goods; managing networks of relations; institutional policy (managing institutional changes)

Source: Benz 2004, p. 21.

Governance may also be defined by distinguishing it from the so-called government perspective, which separates the state from the market and from the society. In the governance perspective, it is the state, the market, networks and social commonwealths that fulfil the function of the mechanisms of institutional regulations, which are in turn applied in various combinations. The emphasis is on the

181–90; J. Rosenau, E.O. Czempiel, *Governance without Government: Order and Change in World Politics*. Cambridge 1992.

<sup>11</sup> R. Mayntz, *Common Goods and Governance*, [in:] *Common Goods. Reinventing European and International Governance*, A. Heriter (ed.), Lanham 2002, p. 21.

function of governing and coordinating those institutional structures in which they might be linked into the elements of hierarchy, competition (whether in the case of the market, or competition among organizations with regard to quality) as well as on the function of managing procedural systems. Conflicts among actors, which may affect collective decisions, are usually settled through negotiations. Their aim is to find consensus among all actors involved rather than to let a single authorized body make all decisions. This consensus is reached through agreeing on mutual interests, finding a compromise, or through swap transactions, which might result from negotiations or from market processes.

The above concept of governance, used for describing forms of political management and coordination, has also been applied in the areas of collective action both inside and outside a country. An impulse for such process was given by the research on the sphere of policy, especially the analyses of programme development processes and implementation processes. They showed that, when performing complex social tasks, we cannot rely on the power of the state in the same degree as we used to. Governments and administrations can no longer carry out their tasks independently, but they have to cooperate with other actors from the public and/or private sector. Binding regulations may also be more and more frequently established and adopted without the state's contribution. Thus, in contemporary societies, which function without a separate governing centre, politics does no longer have to be defined as managing interdependencies. Governance and control are not unilateral actions undertaken by appropriate institutions, but the processes of interaction between collective actors. It is also impossible to clearly differentiate between the subject and object of governing<sup>12</sup>.

Since the mid-1980s the term governance has been more and more frequently used in political practice. It is also attributed with some prescriptive content. On the one hand, governance refers to the programme the objective of which is to improve the quality of governing in national and international political systems; on the other hand, it means the concept of extending management to increase the level of participation of private and social actors. From the prescriptive point of view, this approach was defined by the World Bank as *good governance*<sup>13</sup>. Such perspective has become the basis for establishing criteria for the effective and citizen-friendly policy of the state and administration. The World Bank has made it the condition on which it granted loans to developing countries and the coun-

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<sup>12</sup> Ibidem, p. 10.

<sup>13</sup> *Governance matters*, World Bank, Geneva 2009.



tries which are in the process of transformation. In the United Nations Development Programme (UNDP), governance is referred to as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences<sup>14</sup>. The United States Agency for International Development (USAID) defines governance as the ability of government to develop an efficient, effective and accountable public management process, which involves the participation of citizens and is aimed at strengthening the democratic system<sup>15</sup>.

### **IDENTIFYING THE MAIN TRENDS IN MULTILEVEL GOVERNANCE AGAINST THE BACKGROUND OF THE EUROPEAN UNION'S GUIDELINES**

The issues of governance are present in the documents and initiatives of the European Union, especially in the initiatives launched by the European Commission. Although the documents concerning governance are non-binding for member states, they are a valuable source of principles and standards, which they should use as guidelines in public management. Among the most important papers regulating this issue are:

- *European Governance*. A White Paper adopted by the European Commission on July 25, 2001;
- *The European Code of Good Administrative Behaviour* adopted by the European Parliament on September 6, 2001;
- *Better Regulation* initiative.

The fundamental document concerning *good governance* adopted by the European Union, i.e. *The White Paper on European Governance* published in 2001<sup>16</sup>, met the need for changing the way of exercising authority in the European Union in order to improve the effectiveness and transparency of its operations. As early as at the beginning of this century, the European Commission opened up the policy-making process to get more people and organisations involved in shaping and

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<sup>14</sup> H. Hill, *Good Governance*, [in:] *Good governance und Qualitätsmanagement – Europäische und internationale Entwicklungen*, H. Hill, H., Klages (ed.), Speyerer Arbeitsheft 132, 2000, pp. 1–10.

<sup>15</sup> *Democracy and Governance: A Conceptual Framework*, New York 1998.

<sup>16</sup> *Good Governance. A White Paper*, The European Commission, Brussels 2001.

delivering EU policy. The improvement of European governance was meant to support the process of adapting to global challenges and to help build European citizens' trust to the actions undertaken by public institutions, both at a community and a national level. As a result, it should lead to reaching a consensus, gaining support and understanding for the most important reforms initiated at the level of the European Union. The White Paper included the following actions to be taken in order to reform European governance:

- better involvement and more openness in the processes of formulating and implementing through stronger interaction with regional and local governments and civil society on the basis of partnership standards;
- improving the quality of EU policies through promoting greater use of different policy tools, simplifying further the existing EU law, publishing guidelines on collection and use of expert advice and more effective enforcement of Community law;
- applying the principles of good governance through improving the dialogue with third countries when developing policy proposals with an international dimension and through reviewing the Union's international representation in order to allow it to speak more often with a single voice;
- better cooperation between the EU institutions and between those institutions and member states in order to ensure policy cohesion and identify long-term objectives in the process of strategic policy-making.

The European Commission proposed five main criteria of good governance, which should first of all refer to the functioning of European policies, but should also help to improve governance in member states:

- *openness*, which means that the administrative institutions should work in a more open manner in order to be more transparent for the general public;
- *participation*, which refers to wide participation of a society throughout the policy chain – from conception to implementation, at all levels of public authorities (*multilevel partnership*). The Commission also emphasizes the participation of social and non-government organisations in the work of administration (so called citizen dialogue) and the contribution of the representatives of employers and trade unions (so called social dialogue);
- *accountability*, which means that roles in the legislative and executive processes need to be clearer and each of the EU institutions must explain and take responsibility for what it does in Europe;
- *effectiveness*, which concerns the improvement of state capacity with regard to the effective and timely implementation of public policies. This criterion

for good governance also encompasses two additional principles: *proportionality* and *subsidiarity*. According to the principle of proportionality, the choice of the level at which action is taken (from EU to local) and the selection of instruments used must be in proportion to the objectives pursued. In accordance of the principle of subsidiarity, actions taken at a higher level of administration are only subsidiary to those implemented at lower levels of management, thus they do not replace them);

- *coherence*, which means that policies and action must be coherent and easily understood. Coherence involves the integration of managing different public policies, both European and national ones, as well as of various levels of public authorities (within the framework of the multilevel governance system). It also refers to the integration of sectoral and territorial policies<sup>17</sup>.

Such approach should ensure that the citizens and institutions of the European Union will be able to tackle their concerns more effectively and adequately to their needs and expectations.

At the same time the European Parliament adopted the *European Code of Good Administrative Behaviour*<sup>18</sup>, which set the guidelines that the EU institutions should follow in their relations with the citizens of member states. According to the provisions set out in the Code, good administrative behaviour should be based on the principles of lawfulness, absence of discrimination, proportionality, absence of abuse of power, impartiality, independence, objectivity, consistency, fairness and courtesy. These standards are underpinned by inclusion of the right to good administration in Article 41 of the EU Charter of Fundamental Rights.

The implementation of the White Paper on *European Governance* is helped by the *Better Regulation* initiative<sup>19</sup>. Its objective is to improve the quality of regulations at the Community level and, consequently, to create a better regulatory environment for economic growth and employment in member states. The improvement in the quality of regulation is expected to reduce bureaucracy and help to construct better regulations both for consumers and enterprises. The main actions included in this initiative include:

- introducing the system of evaluating the influence of regulations with regard to bills of EU law;

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<sup>17</sup> Ibidem.

<sup>18</sup> *The European Code of Good Administrative Behaviour*, The European Parliament, Strasbourg 2001.

<sup>19</sup> *Better Regulation*, The European Commission, Brussels 2010.

- reviewing and simplifying the existing Community law, including improving its availability, transparency and clarity;
- the European Commission's organising multilateral consultations at the stage of legislative initiatives;
- assessing and reducing administrative costs and responsibilities resulting from the EU law;
- seeking alternatives to legal acts and regulations (such as self-regulations and making laws jointly by the legislator and the parties involved).

The above actions first of all refer to the Community institutions, but the Commission encourages other member states to take similar steps within the framework of their national law.

The issues of the application of governance in political practice at a European level are also regulated in some specific documents, such as the *Community Strategic Guidelines on Cohesion – Guideline 1.3.4 Administrative Capacity*<sup>20</sup>. It is of a horizontal character, i.e. it refers to all units of public administration and civil service at all levels of the state's territorial division as well as to a wide spectrum of administrative behaviour. The principle of governance is also the subject of the debate on the future of the cohesion policy after 2013, initiated by the publication of the *Fourth Report on Economic and Social Cohesion* by the European Commission<sup>21</sup>. The issues discussed in this debate, which concern the principles underlying this policy and the effective allocation of competence among different levels of authority – the Community, national, regional and local one – correspond to the discussion on good governance at the EU level. During this debate on the future of the cohesion policy it was emphasized that it added value in the area of building administrative capacity, especially among new member states. The institutions which are involved in the implementation of the cohesion policy and in the allocation of European grants transplant on the national ground modern models of multilevel strategic and financial management – which directly contribute to the modernisation and better effectiveness of administrative action in the area of the strategic management of development. It was emphasized that a debate on the implementation of the principle of good governance in Europe should be started. The definition of this term should also be formed and its scope should be specified as well as its potential influence on the reform of the institutional system. It was

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<sup>20</sup> *The Community Strategic Guidelines on Cohesion for 2007–2013*, The Council of the European Union, Brussels 2006.

<sup>21</sup> *The Fourth Report on Economic and Social Cohesion*, The European Commission, Brussels 2007.

also recognised that new indexes in the area of good governance should be developed and applied, including the indexes of the institutional development of regions and of the effectiveness of the cohesion policy.

We should also mention here the key strategic document concerning the development of the European Union up to 2020: *Europe 2020. A European strategy for smart, sustainable and inclusive growth*<sup>22</sup>. The Commission has proposed five measurable EU targets for 2020 that will steer the process. They involve employment, research and innovation, climate change and energy, education, and combating poverty. They represent the direction that the Union and its member states should jointly take. The strategy *Europe 2020* puts forward three mutually reinforcing priorities:

- *smart growth*: developing an economy based on knowledge and innovation.
- *sustainable growth*: promoting a more resource efficient, greener and more competitive economy.
- *inclusive growth*: fostering a high-employment economy delivering social and territorial cohesion.

The European Union maintains the principle of governance as a principle of attaining goals within the framework of the above priorities. The Commission assumes that all national, regional and local authorities should develop partnership, making parliaments an important part of this process. It is also important to engage social partners and representatives of the citizen society, who contribute to the development of national programmes of reforms.

The concept of multilevel management in the EU, outlined by heads of state in the *Berlin Declaration* of March 23, 2007, and expanded in *The Committee of the Regions' White Paper on Multilevel Governance* of June 16, 2009<sup>23</sup> also includes partners of the citizen society in the process of promoting the concept of governance. The White Paper reflects the real state of affairs: the position of territorial government in Europe, its economic and financial significance as well as its political role among member states. First of all, however, it indicates the role that citizens should play in the collective management of public affairs.

Although the above-mentioned initiatives and documents are not always obligatory and binding, they influence the actions undertaken among member

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<sup>22</sup> *Europe 2020. A European strategy for smart, sustainable and inclusive growth*, The European Commission, Brussels 2010.

<sup>23</sup> *The Committee of the Regions' White Paper on Multilevel Governance*, The Committee of the Regions, Brussels 2009.

states, becoming a model to follow, a source of standards, or an inspiration for national reforms. Moreover, as it is seen on the example of the cohesion policy, the European Union may exert a more direct influence on the way in which authority is exercised, especially on the functioning of administration in member states through transferring standards of the strategic management of development to the practice of national public administration. It is legitimate to say that discussions on multilevel governance on the national ground should take into consideration the European perspective.

### SUMMARY

The debate on multilevel governance is to a certain extent a sign of the times. It takes place when conventional forms of governing are viewed as inefficient and inappropriate to contemporary circumstances. It particularly concerns the following areas:

- modernisation of public administration;
- discussion on social governing (*governance by consent*);
- debate on new forms of multilevel governance in the world (*governance without government*);
- development aid (*good governance matters*);
- managing multinational corporations (*corporate governance*)<sup>24</sup>.

The concept of governance refers to a new perspective of governing, structures and processes of formulating policies at a European level and implementing them later. New forms of cooperation between state and non-state actors, horizontal coordination and integration, trust and legitimation, are all becoming subjects of research and are perceived as an opportunity for gaining areas of political action. As a modern concept of rule, governance questions the traditional understanding and tools of political behaviour as well as it expresses doubts as regards controlling, which concerns public administration in particular. This concept has certainly given a new impulse to the administrative policy, narrowing its scope to such key areas as: problem (effectiveness and cohesion), perspective (single organisations and relations between organisations), and solutions (outside the market, networks, community and a combination of all forms).

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<sup>24</sup> P. Hirst, *Democracy and Governance*, [in:] *Debating Governance, Authority, Steering and Democracy*, P. Jon (ed.), Oxford 2000, pp. 14–9.

Despite a multitude of definitions, in different contexts governance concerns similar issues:

- how institutionally linked regulation systems are shaped between actors;
- how regulations systems are respected or sanctioned;
- how actors shape strategies and act collectively through voluntary associations;
- how the results of self-governing are adjusted to political structures;
- how common agreements are put into practice.

Given the development of the contemporary society, it seems necessary to promote the concept of governance as an alternative to the hierarchical top-down approach. This concept is not only used when describing new forms of governing/controlling in the European Union, but also in the debate on the development of the public sector, in market and non-government organisations and relations between them, as well as in particular sectoral policies. The specific contents of this term change depending on the specific nature of the field of its application. If we want to go beyond the highly abstract and semantically empty definition of this concept, it will make sense to define it with reference to specific contexts. In the case of European governance, it must be remembered that the European Union was established as an institution consisting of member states, which aimed at achieving a clearly defined goal of creating a common market of sovereign states. However, while national constitutions, with all their diversity, focused on procedural rules of attaining, exercising and changing authority, EU treaties largely refer to specific principles, norms and regulations in the aspect of the substantive content of politics. Hence, the European Union does not have a “competence of competences,” but – unlike its member states – has narrow, constitutional and political guidelines. However, despite being increasingly popular, governance is a concept which is relatively little known in the practice of development management in the EU. There are no consistent and permanent forms of multilevel governance yet. In the face of external pressure and the increasing complexity of particular public areas, public entities have to implement new methods of integrated management, thus delegating authority. On the other hand, those state entities are too weak to ensure the coordination of task fulfilment. Established institutions have formal rather than real influence on development projects, which is caused by limited legal capabilities or scarce resources. Even if we take into account the fragmentary and incoherent provisions of the key documents which include guidelines for introducing the assumptions of governance to the institutional and political praxis, we must emphasize that its implementation is still in the introductory stage.