From hierarchy to heterarchy: The state and the Municipal Reforms Programme, Karnataka, India

Anjali Karol Mohan *, Balaji Parthasarathy

Centre for Information Technology and Public Policy, International Institute for Information Technology, Bangalore, 26/C, Electronics City, Hosur Road, Bangalore 560100, India

ABSTRACT

Responses to wicked problems of development are increasingly rooted in 'e-governance for good governance' rhetoric that emphasises partnerships between state and non-state actors. Empirically, this rhetoric finds expression in 'new' and 'positive' modes of governance, with the 'heterarchy' being one such mode. As a central node in the heterarchy, the state is responsible for 'meta-governance'. Yet, how the state's centrality manifests empirically to meta-govern and, the implications of these manifestations for the efficacy of this mode of governance are not known. Drawing on the Municipal Reforms Programme in Karnataka, India, this paper highlights the varied manifestations of the state's centrality to argue that not all manifestations facilitate meta-governance. The paper points to the conditions that can potentially lead the state to meta-govern, for the heterarchy to emerge as an effective mode of governance.

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1. Introduction

Development discourse (and practice) since the early 1990's has increasingly relied on (good) governance to address development challenges (The World Bank, 2000). In the 21st century, amidst processes of contemporary globalization triggered by information and communication technologies (ICTs) and localization,[1] this discourse adopted the "e-governance for good governance" (Madon, 2009; Sreekumar, 2008) rhetoric on the premise that e-governance has the potential to provide efficient, transparent, and timely government services (Kuriyan, 2008; Ranganathan, 2010). Thus, good governance through e-governance has emerged a key priority area in most developing countries (Madon, 2009).

Empirically, this priority has manifested in new governance arrangements that fail to conform to traditional definitions of markets or hierarchies (Podolny & Page, 1998). Prominent amongst these is the network form of governance, also referred to as heterarchy (Ansell, 2000; Jessop, 1998). Based on the premise that "no single actor, public or private, has the knowledge and resource capacity to tackle problems unilaterally"

(Kooiman, 1993b in Stoker 1998, 38) heterarchies are wide ranging collaborations between the public sector, the private sector, and civil society, each of which constitutes a node in the collaboration. Cited as alternatives to hierarchical and market modes of governance, heterarchies are capable of addressing development challenges that are 'wicked' in nature i.e. challenges that are ill-defined and evade solutions (Rittel and Webber, 1973, 60).

Heterarchies differ from the hierarchical and market modes of governance both in the relationship between the various nodes and in their operating and decision making processes (Mayntz 1999; Rhodes 1997b; Jessop 2002 in Sørensen & Torfing, 2005). In a heterarchy, the relationship amongst the various nodes is pluricentric as opposed to the unicentric system of state rule and the multicentric system of market competition (Kersbergen & Waarden 2004, in Sørensen & Torfing, 2005).[2] Similarly, heterarchies rely on reflexive rationality that deploys dialogue, negotiation and knowledge sharing as its operating code, whereas hierarchies rely on substantive rationality that operates through administrative fiat and bureaucratic routines, while markets rely on procedural rationality that operates through contracts and legal systems (Jessop, 1998, 2003). It is this pluricentric structuring relying on reflexive rationality that allows heterarchies to disseminate and interpret new information quickly, thus enabling this mode of governance to respond to the wicked problems of development (Cristofoli, Mandell, & Meneguzzo, 2011). What this implies, in effect, is that

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* Corresponding author.
E-mail addresses: anjalikmohan@iiitb.ac.in (A.K. Mohan), pbalaji@iiitb.ac.in (B. Parthasarathy).

[1] The The World Bank (2000) defines globalization as the progressive integration of the world's economies which requires national and international partners to work together and manage changes relating to international trade, finance and global environmental issues. Localization is the desire of people for a say in their government. It requires national governments to decentralize political power to sub-national levels, to manage growth patterns, such as the movement of population and economic energy towards urban areas, and to provide essential public services.

[2] While state rule is based on the undisputed centrality of the sovereign state, and market regulation is based on an infinite number of self-interested actors who are not bound by any common agenda, heterarchies involve a range of interdependent nodes who partner and negotiate to achieve a common objective (Sørensen & Torfing, 2005).

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heterarchies are capable of producing outcomes that cannot be achieved through markets or hierarchies. Hence, these emerge as "new" and "positive" mode of coordination (Provan and Kenis, 2008, 233).

Within heterarchies, the state is one amongst the several actors, although a central one (Ansell, 2000; Fountain, 2001; Jessop, 1998, 2003; Rhodes, 2007). Centrality implies that the state play an important role in encouraging the nodes of the heterarchy to work collectively to deliver on mutually agreed upon objectives (see Fig. 1). To assume this centrality, the state is required to shift from the operational principles of capacity, command and control which guide the bureaucratic state (Fountain, 2001) to a node that can steer (and manage) the various nodes of the heterarchy to function collectively. In forging this collaboration, the state is expected to rely on reflexive rationality i.e. it relies on negotiation, dialogue and knowledge exchange as its operating code (Jessop, 1998).

Conceptually, this process of steering or managing through reflexive rationality is referred to as meta-governance (Jessop, 1998, 2003). Thus, the effectiveness of heterarchies relies on how the state operationalises meta-governance through negotiation, knowledge exchange and dialogue. The state, therefore is crucial to the effectiveness of the heterarchy. Yet, there are few studies that discuss (or demonstrate) how or what conditions can lead to the state meta-governing the heterarchy. On one hand, there is a body of work that discusses network forms of governance as alternatives to hierarchies and markets (Ansell, 2000; Börzel, 1998; Burns & Stalker, 1961; Jessop, 1998, 2003; Lowndes & Skelcher, 1998; O'Toole, 1997; Podolny & Page, 1998; Powell, 1990; Raab & Kenis, 2006). This scholarship positions the state as a central node in the heterarchy, although it neither discusses how the state operationalises meta-governance to manage the heterarchy, nor does it provide any empirical evidence of meta-governance.

On the other, there is a growing body of literature that discusses the management or governance of network forms of governance (Agranoff, 2005; McGuire & Agranoff, 2007; Milward & Provan, 2003; O'Toole, 1997; O'Toole & Meyer, 2006; Provan & Kenis, 2008). However, this body of work does not even allude to the concept of meta-governance or the role of the state as a meta-governor. It is therefore not surprising that, meta-governance was treated as a mere theoretical concept – no more than a "verbal innovation" having proven its "communicative value in academic debate and appeal to practitioners" (Klijn and Koppenjan, 2012, 594) – that lacks empirical evidence.

Thus, understanding how the state operationalises meta-governance is crucial to establish the efficacy of heterarchies as alternatives to states and markets. To do so, unpacking the empirical manifestation of the state's centrality in a heterarchy, and the implications of these manifestations, on meta-governing or managing the heterarchy, is a

good starting point. It will not only help to ascertain whether heterarchies can emerge as 'new' and 'positive' modes of governance, capable of addressing wicked problems of development, but also provide empirical evidence supporting meta-governance.

We use the Municipal Reforms Programme (hereafter Programme) of the Directorate of Municipal Administration (DMA) of the Government of Karnataka, India, to gain this understanding. The Programme is an e-governance intervention that aims to strengthen municipalities as units of good governance capable of efficient urban service delivery (retrieved from http://www.devex.com/en/projects/41487). To do so, the Programme advocates the implementation of e-governance administrative reforms in 213 municipalities across Karnataka and, is therefore demonstrative of the good governance through e-governance agenda.[3]

There are two other reasons why the Programme constitutes an appropriate case to understand the manifestations of the state's centrality in heterarchies and the implications of these manifestations for the efficacy of this mode of governance. First, the conception and implementation of e-governance reforms in the municipalities relies on collaborative organisational and institutional arrangements that resemble heterarchies (refer Fig. 2). Second, the state (as represented by the DMA) is the initiator and driver of reforms and, therefore, constitutes a central node in the heterarchy. Going by the theoretical claims, the DMA should meta-govern the heterarchy that it has forged to deliver on the objective of strengthening municipalities. Therefore, studying this case, with a focus on the role that the DMA assumes in the heterarchy will serve the dual purpose of ascertaining how and under what conditions, the state as a central node meta-governs (or not) the heterarchy and, furnishing empirical evidence supporting meta-governance.

The paper is divided into four broad sections. Section 2 reviews the scholarship on network forms of governance and the role of the state within these. Section 3 provides an overview of the Programme and its structuring as a heterarchy. In particular, it traces the evolution of the heterarchy, with a focus on the role of the state (as represented by the DMA). In doing so, we point to the varying manifestations of the state's centrality and demonstrate how these manifestations are a function of the "structural patterns of relations" (Provan & Kenis, 2008) between the state and the other nodes in the heterarchy. The concluding section discusses the implications of these varied manifestations for meta-governance and, by extension, for the effectiveness of heterarchies. We argue that not all manifestations of the state's centrality are conducive to meta-governance. To meta-govern, the state needs to operate reflexively which requires it to create conditions that facilitate meta-governance. Building 'fluid' relations amongst the nodes, blending tacit and explicit knowledge, promoting social capital, and adopting an iterative process of problem definition and solving are some of the conditions that the Programme emphasises. We argue that, in the absence of these conditions the state can fall back to functioning as a hierarchy, thus undermining the potential of heterarchies to emerge as effective modes of governance.

2. The transitioning role of the state: contemporary globalization and localisation

2.1. Good governance through e-governance

Since the last decade of the 20th century, processes of contemporary globalization and localisation have impacted the context for development in at least two significant ways. First, both these have facilitated

Fig. 1. The state's centrality in heterarchies.

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[3] The Programme implements reforms that aim to improve the day-to-day functioning of municipalities. In India, municipalities are responsible for provision of basic services like water supply and sanitation, street lighting and solid waste management. To provide these services municipalities are expected to raise finances through taxation (mainly property tax) and service charges. The Programme implements reforms that aim to enhance efficiency in service provision while increasing the rev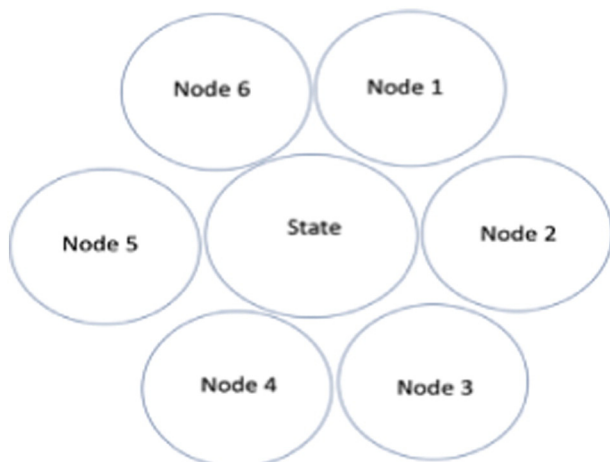enue collection capacity of the municipalities.