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Co-governing common goods: Interaction patterns of private and public actors

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Abstract

This article addresses co-governance which can be defined as a dynamic interaction between public and private actors to secure the provision of common goods. Which types of relationship between public and private actors exist? Do the forms of co-governance change over time? When is the relationship between public and private actors cooperative, when is it competitive, and when do we witness conflictual relationships? These research questions lie at the heart of this introductory article, which seeks to shed further light on the origins and impacts of the various co-governance patterns. By reviewing the body of research on this topic, we show that different relationships between public and private actors exist, and that the forms of co-governance can also change over time. While the dominant form of co-governance is cooperation, one can also observe instances of competition or even conflict between public and private actors. Most importantly, we find that both public and private actors are ready to reclaim competences in areas where they perceive the other actor to have gained too much influence. As we discuss in this article, the degree of cooperation and competition mostly depends on the existing regulatory arrangements, the congruence of goals of the different actor groups, and the institutionalization of industrial relations. These insights help us to better understand the role co-governance can play in addressing complex public problems.

1. Introduction

Ever since Mancur Olson's (1965) path-breaking book on the logic of collective action, social scientists have elaborated on how individuals in a given group can be induced to provide common goods instead of taking the bait of free-riding on the efforts of the others in the same group. The most straightforward approach to impeding free-riding is to have public authorities define, monitor, and enforce legally binding rules – a type of state activity known as regulatory governance (see Levi-Faur, 2011: 16). The global climate is widely regarded as a common good that is typically under-supplied by markets since it is hard to exclude those who do not pay for emitting carbon dioxide (Sterner, 2003: 2). Preserving common goods reflects the central aim of sustainable development, defined by the

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Brundtland Report as ''minimizing the use of natural resources, toxic materials, and emissions of waste and pollutants over the life cycle, so as not to jeopardize the needs of future generations'' (OECD, 2002: 16). Therefore, to provide a favourable global climate or to achieve sustainable development in general, state regulation is needed, which equally entails monitoring and enforcement to ensure that the regulatees comply which the regulation (Goeschl & Jürgens, 2012; Tosun, 2012). The effectiveness of regulation for the provision of common goods, however, depends on effective government (see, e.g., Andonova & Tuta, 2014; Börzel, Hönke, & Thauer, 2012; Krasner & Risse, 2014; Mayntz, 2002; Mills & Koliba, 2015; Tosun, 2013). Yet, governments often fail in securing common goods – for example, due to capture by interest groups, territoriality of jurisdiction, or a situation characterized by ''a combination of inefficiency, high transaction costs, poor information and high delivery costs'' (Bénabou & Tirole, 2010: 2).

How can common goods be provided and managed when states lack the adequate government capacity to do so? This is the key question posed by different strands of research, which nevertheless share the common interest in the question as to why non-state actors, such as consumers, workers, and corporations, take matters into their own hands and act as substitutes for government. The involvement of non-state actors is an essential component of the governance literature, which, despite a myriad of definitions (Kohler-Koch & Rittberger, 2006; Weiss, 2000), can actually be defined in a rather straightforward manner: the cooperation of state and non-state actors in solving societal problems, which, according to Biermann and Pattberg (2008: 278), also ''generally implies some degree of self-regulation by societal actors'' (see also, e.g., Colebatch, 2014; Howlett & Ramesh, 2014; Levi-Faur, 2011; Papadopoulos, 2013a: 86; Peters, 2014; Pierre, 2000; Steen-Johnsen, Eynaud, & Wijkström, 2011). The focus here is on a specific strand of research on governance, one which places particular emphasis on the diffusion of global production chains and therefore brings the importance of corporations to the fore. To overcome what some have called the 'global governance gap' between global markets and the territoriality of jurisdiction (Ruggie, 2007: 35), the past decades have witnessed an increase in the governance of common goods involving public and private – or state and non-state – actors (Bartley, 2007; Lim & Tsutsui, 2012; Waddock, 2008). This phenomenon has been analysed by many different terms including private governance (see, e.g., Green, 2014; Pattberg, 2005; Vogel, 2008, 2010), civil regulation (see, e.g., William, Heery, & Abbott, 2011Williams et al., 2011), voluntary governance (see, e.g., Potoski & Prakash, 2005; Prakash & Gugerty, 2010; Prakash & Potoski, 2007; Töller & Böcher, 2013), co-governance (see, e.g., Ackerman, 2004; Bode, 2006; Johnson & Osborne, 2003; Kooiman & Bavinck, 2005; Somerville & Haines, 2008), transnational or global governance (see, e.g., Andonova, Betsill, & Bulkeley, 2009; Bartley & Smith, 2010; Betsill & Bulkeley, 2004; Bulkeley et al., 2014; Graz & Nölke, 2007; Hale & Held, 2010; Held & Young, 2013; Hickmann, 2015; Kay, 2005), or even corporate social responsibility (CSR; see, e.g., Auld, Bernstein, & Cashore, 2008; Bénabou & Tirole, 2010; Bernhagen & Mitchell, 2010; Kinderman, 2012; Koos, 2012a; Martin & Swank, 2012; Menz, 2010; Steurer, 2010, 2013; Swank & Martin, 2001). However, CSR might be understood as a distinct approach to the provision or regulation of common goods, as it tends to be a purely private business undertaking and need not directly involve public actors.

Of the various terms available for the subject in which we are interested, we opt to use *co-governance* as a process of interaction in which either the state ''invites'' social and business actors to participate in its core activities (Ackerman, 2004: 448) or when the latter actors mobilize the state to engage in joint solutions of common good problems. Different from other concepts discussed above, co-governance indicates that there is a dynamic pattern of interaction between private and public actors linked to a mutual orientation vis-à-vis one other. It must however be noted that neither co-governance nor the many other labels for the phenomenon of interest can be described as a new occurrence. A wealth of literature in addition to the studies mentioned above has documented that governance tends to be *hybrid* in nature (Falkner, 2003). From our viewpoint, the concept of co-governance is however particularly well-suited to linking this themed issue with the growing body of literature acknowledging that actions taken by private actors must be seen in the context of actions taken by the state at both the national and international levels (Vogel, 2010: 68; see also Compagnon, Chan, & Mert, 2012). The main research interest of this article and the themed issue in general is to learn about how exactly co-governance works and what its effects are: Which types of relationship between public and private actors exist? Do the forms of co-governance change over time? When is the relationship between public and private actors cooperative, when is it competitive, and when do we witness conflictual relationships? These are the research questions addressed in this article which reviews the existing literature as well as discusses the contributions to the themed issue.

Our discussion of the literature and the studies included in this themed issue show that different relationships between public and private actors exist, and that the forms of co-governance can also change over time. While the dominant form of co-governance is cooperation, state and non-state actors also compete with one another over