

**Theories of Governance and New Public Management:
Links to Understanding Welfare Policy Implementation**

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SECOND DRAFT
COMMENTS WELCOME

Note: This paper sketches out a research design, but it does not include analysis of data. Unfortunately, data were not available in time for the ASPA conference.

Introduction

If Max Weber and Woodrow Wilson were to suddenly appear on the landscape of modern public administration, normative theories in hand, it is likely they would be unable to recognize the field. The comprehensive, functionally uniform, hierarchical organizations governed by strong leaders who are democratically responsible and staffed by neutrally competent civil servants who deliver services to citizens (Ostrom, 1973) – to the extent they ever existed – are long gone. They have been replaced by an ‘organizational society’ in which many important services are provided through multiorganizational programs. These programs are essentially “interconnected clusters of firms, governments, and associations which come together within the framework of these programs” (Hjern and Porter, 1981, pp. 212-213).

These implementation structures operate within a notion of *governance* about which a surprising level of consensus has been reached. There is a pervasive, shared, global perception of governance as a topic far broader than ‘government’; the governance approach is seen as a “new process of governing, or a changed condition of ordered rule; or the new method by which society is governed” (Stoker, 1998, p. 17). Similarly, in the scholarship that has followed the ‘Reinventing Government’ themes of public effectiveness, much has been written of New Public Management practices by which governance theory is put into action (Mathiasen, 1996; Lynn, 1996, 1998; Terry, 1998; Kelly, 1998; Peters and Pierre, 1998).

In this complex, devolved mode of service delivery, the unit of analysis for some students of policy implementation is the network of nonprofit organizations, private firms and governments. As Milward and Provan note, in policy arenas such as health, mental health, and welfare, “...joint production and having several degrees of separation between the source and the

user of government funds...combine to ensure that hierarchies and markets will not work and that networks are the only alternative for collective action" (2000, p. 243).

The purpose of this paper is to attempt to set forth a theoretical framework for the study of welfare policy implementation by synthesizing the related and theoretically consistent concepts of governance, New Public Management, and networks. I then discuss how this framework can be applied to welfare policy implementation. I follow the lead of scholars who have attempted to offer coherence and synthesis to a research field that historically has been dominated by top-down and bottom-up perspectives.

The need to inform implementation scholarship is great. As O'Toole concludes in his review of the literature on multiorganization policy implementation,

The field is complex, without much cumulation or convergence. Few well-developed recommendations have been put forward by researchers, and a number of proposals are contradictory...Two reasons for the lack of development are analyzed: normative disagreements and the state of the field's empirical theory. Yet there remains numerous possibilities for increasing the quality of the latter. Efforts in this direction are a necessary condition of further practical advance. (1986, p. 181).

Welfare Policy Implementation

It would be difficult to find a policy arena in which the sheer number of local, regional, and state organizations involved in the implementation of programs and policies was greater, and in which the organizational interdependencies and dynamics were more varied. The complexity of welfare policy structures, as well as the variation in these structures, is due in large part to the flexibility given to states by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

Before PRWORA, welfare policy generally referred to the Aid to Families with Dependent Children (AFDC) program, which had been in place for sixty years. Under the

reformed welfare system, AFDC has been replaced with the Temporary Assistance for Needy Families (TANF) program. The legislation ends federal entitlements, funds welfare through capped block grants to the states, and sets a five-year maximum lifetime limit on receipt of welfare benefits. Perhaps as important as these policy changes, PRWORA gives the states enormous latitude in setting eligibility, benefit, and sanction policy, and it changes the focus of welfare from a human capital model emphasizing prolonged education and vocational training to a work-first approach that stresses the importance of work and self-sufficiency (Hayward, 1998).

While there are many models of welfare implementation, welfare is essentially administered at either the state level (centralized administration) or at the local or county level (decentralized administration). Regardless of the administration status, PRWORA has brought together public, nonprofit, and private agencies that had been largely autonomous in their operations and more narrowly focused in their organizational mission. For example, in theory, Private Industry Councils (PICs) and Departments of Employment Services (DES) were to have been working closely with welfare agencies implementing the Job Opportunity and Basic Skills Program (JOBS) in the late 1980s and the first half of the 1990s. The reality was that for most states, there was very little involvement from employment-related public agencies in implementing welfare programs (Ewalt, 1998).

In the current environment, local welfare implementation involves a host of public and nonprofit organizations. Regardless of whether the organization is centralized or decentralized, a variety of agencies are contracted with to provide basic services such as eligibility assessment, needs assessments, job training, employment training, education, transportation, child care, job retention, and rehabilitation. In addition, although most welfare recipients are children and their mothers, non-custodial parents (usually fathers) are also an important if ancillary program target.

Important goals of welfare programs relate directly to the legislation, and to state implementing regulations. All states are subject to statutory requirements about the percent of welfare clients who must be engaged in "countable" work activities, among other rules, and these requirements drive many of the organizational relationships states and localities establish. The bottom line for state and local welfare programs is that they seek to accomplish the following universal goals:

- Divert potential clients from TANF when other assistance may be more appropriate;
- Move TANF clients into countable work activities as soon as possible and at least as soon as prescribed by state and/or federal law;
- Meet federally mandated work participation rates;
- Remove barriers such as lack of child care, transportation, appropriate clothing, and so on, so TANF clients can remain at work;
- Assist TANF clients in devising a self-sufficiency plan to move off public assistance; and
- Apply client sanctions when noncompliance with program rules reaches a critical level.

This brief review of welfare policy is intended to introduce the requirements of welfare reform and its implications for organizational structure. To describe the specific nature of welfare implementation arrangements, we turn to the literature on networks.

Networks in Action

In meeting program goals, welfare agencies must establish both informal and formal relationships with numerous organizations (Provan and Milward, 1995; O'Toole, 1997; Agranoff and McGuire, 1998). In many of these multiorganizational networks of linked agencies and other units, the linkages are not particularly well established. Rather, they are in a state of continual reformulation because of shifts in providers, new program emphasis or problems, or other internal or external shocks to the environment (O'Toole and Meier, 2000).

The practice of contracting out government services to networks of nonprofit (and some private) organizations has been referred to as the "hollow state" (Milward and Provan, 2000).

Hierarchical bureaucracies are generally considered more predictable and stable because

networks must coordinate, negotiate, monitor, enforce and hold accountable a variety of organizations with varying funding streams and levels of authority and responsibility. As these authors have noted elsewhere, human service systems that are stable are better performers (Provan and Milward, 1995). In addition, they point out that networks may threaten the legitimacy of governance because of the distance between government and policy action (2000, p. 242). Another critical issue is whether network arrangements are mandated or emerge as part of the evolution of program implementation (Alexander, 1995; Alter and Hage, 1993).

In sum, Milward and Provan note that there are at least four perspectives on evaluating network effectiveness:

- Clients and advocacy groups favor flexible network structures at the level of the service provider.
- Agency managers and network administrators favor stability, which presumably leads to agency and network growth and increases in resources.
- Local officials and community leaders look for structures that promote efficiency, cost reductions, and the containment or reduced visibility of social problems.
- Funding sources and regulators favor network structures that permit control and monitoring and thus reduce the likelihood of their being blamed for poor outcomes. (2000, p. 255)

Research Assumptions

The premise of this paper is that the related concepts of governance, New Public Management, and network theory can bring some clarity to the search for theories of policy implementation. It also offers hope for one of the most prevalent criticisms of implementation research: the lack of parsimony. In the section that follows, I review the evolution of implementation research from a top-down/bottom-up structure to efforts to achieve synthesis. A governance model of implementation is then explored as a theoretical alternative that offers the potential to synthesize disparate models and bring networks into the governance paradigm.

Finally, I suggest ways that the governance model can be applied to increase our understanding of implementation structures in welfare policy.

Moving Beyond Top-Down Bottom-Up Approaches

Policy implementation is what happens *after* policy makers have decided to do something new, do something different, or stop doing something, and *before* the impact of this action. In the study of implementation, at least until recently, two conflicting analytical perspectives dominated: top-down and bottom-up views of how one should study the issue. Bottom-up theorists (Hjern and Porter, 1981; Hjern, 1982; Hull and Hjern, 1987; Lipsky, 1978) study implementation at the street level, concentrating on service deliverers and policy targets. For top-down theorists (Van Meter and Van Horn 1975, Sabatier and Mazmanian, 1980, Mazmanian and Sabatier, 1981, 1983, 1989; Sabatier, 1986) the level of analysis is the relationship between the authorizing statute or order, the nature of the problem, and the central actors in the implementation process.

Both perspectives have their critics. As summarized by Matland (1995), the top-down approach suffers from a lack of specificity about important sub-national contexts, while bottom-up research tends to ignore centralized policy control and is often so narrowly conceived – in the form of case studies or small-n studies – that variation is described but generalization is rarely accomplished.

O'Toole suggests that “virtually all analysts have moved past the rather sterile top-down/bottom-up dispute, and some helpful proposals for synthetic or contingent perspectives have been offered” (2000, p. 267). However, as he notes, consensus has not been reached and the

sheer number of explanatory factors has not been much reduced.¹ Efforts to combine the two approaches illustrate that both have merit. Two recent reviews of the synthesis literature offer distinct but related convergence approaches.

In trying to connect top to bottom, researchers have generally either proposed new models, or have developed theories of when one approach is more appropriate (Matland, 1995, p. 150). Examples of the former include forward and backward mapping (Elmore, 1982, 1985), advocacy coalitions (Sabatier and Pelkey, 1987; Sabatier, 1991), and Goggin et al's communications model (1990). Taking the latter approach, Berman (1980) suggests the top-down/bottom-up dispute can be settled by viewing the specific policy context: scope of change, validity of technology, institutional environment, goal conflict and environmental stability.² Matland offers an ambiguity/conflict implementation model which views the level of conflict over policy goals and goal ambiguity as dichotomous, producing four distinct implementation processes with varying reliance on top-down or bottom-up forces.

In O'Toole's (2000) review of advances in implementation research, he finds progress in attempts to achieve synthesis. In particular, he points to a number of studies that – while outside the formal domain of implementation literature – have much to contribute to the field. Among these are Institutional Analysis and Development, Governance, and Networks and Network Management. It is his assessment of the governance-implementation link that concerns us here. Governance theory highlights the multivariate character of policy, considers the design and operation of policy structures and actions, and focuses on the “multi-layered structural context of rule-governed understandings, along with the role of multiple social actors in arrays of

¹ O'Toole's 1986 review of the literature uncovers some 300 key variables that affect policy implementation. Meier has quipped, “I propose...any policy implementation scholar who adds a new variable or a new interaction should be required to eliminate two existing variables” (1999, p. 5-6).

negotiation, implementation, and service delivery. Addressing governance requires attending to social partners and ideas about how to concert action among them.” (2000, p. 276). Clearly, governance theory embraces many implementation themes.

Governance and NPM: Integrating Implementation Questions

The (mostly European) literature on governance and the increasingly international scholarship on New Public Management³ (NPM) describe two models of public service that reflect a ‘reinvented’ form of government which is better managed, and which takes its objectives not from democratic theory but from market economics (Stoker, 1998). While some use the terms interchangeably (for example, Hood, 1991), most of the research makes distinctions between the two. Essentially, governance is a political theory while NPM is an organizational theory (Peters and Pierre, 1998). As Stoker describes it,

[G]overnance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred. The essence of governance is its focus on mechanisms that do not rest on recourse to the authority and sanctions of government....Governance for (some) is about the potential for contracting, franchising and new forms of regulation. In short, it is about what (some) refer to as the new public management. However, governance ...is more than a new set of managerial tools. It is also about more than achieving greater efficiency in the production of public services (1998, p. 17-18).

Peters and Pierre agree, saying that governance is about process, while NPM is about outcomes (1998, p. 232).

Governance is ultimately concerned with creating the conditions for ordered rule and collective action (Stoker, 1998; Peters and Pierre, 1998; Milward and Provan, 2000). As Stoker

² As should be expected, all efforts to synthesize the literature draw from theories found in the separate traditions. Berman owes debts to Van Meter and Van Horn (1975, 1976) and Goggin, et al (1990), among others.

³ See Kaboolian (1998) for a description of reform movements in the public sector that collectively comprise “New Public Management” (NPM). I adopt her definition of NPM as a series of innovations that – considered collectively – embody public choice approaches, transaction-cost relationships, and preferences for efficiency over equity.

notes, the outputs of governance are not different from those of government; it is instead a matter of a difference in processes (1998, p. 17). Governance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred. The essence of governance, and its most troublesome aspect, according to its critics, is a focus on mechanisms that do not rest on recourse to the authority and sanctions of government (Bekke, et al, 1995; Peters and Pierre, 1998; Stoker, 1998; Rhodes, 1996, 1997).

Stoker (1998, p. 18) draws five propositions to frame our understanding of the critical questions that governance theory should help us answer. He acknowledges that each proposition implies a dilemma or critical issue.

Governance refers to institutions and actors from within and beyond government. (But there is a divorce between the complex reality of decision-making associated with governance and the normative codes used to explain and justify government).

The question, as it relates to policy implementation, is one of legitimacy. The extent to which those with decision-making power are seen to be legitimate (in the normative sense) will directly impact their ability to mobilize resources and promote cooperation and build and sustain partnerships. Thus, the normative dilemma has pragmatic overtones. Beetham suggests that for power to be legitimate it must conform to established rules; these rules must be justified by adherence to shared beliefs; and the power must be exercised with the express consent of subordinates (1991, p. 19).

Governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues. This shift in responsibility goes beyond the public-private dimension to include notions of communitarianism and social capital. (However, blurring of responsibilities can lead to blame avoidance or scapegoating).

An interesting research area that has grown in scope and importance following the implementation of welfare reform is the study of faith-based organizations' role and impact in service delivery. Public agencies have not merely endorsed or encouraged this partnership, but in some cases have institutionalized these arrangements. This suggests a shift in responsibility beyond the more traditional notions of contracting out and privatization. At the same time, all of these activities contribute to uncertainties on the part of policy makers and the public about who is in charge and who can be held accountable for performance outcomes. Implementation theory must attend to the nature and impact of responsibility and accountability.

Governance identifies the power dependence involved in the relationships between institutions involved in collective action. Organizations are dependent upon each other for the achievement of collective action, and thus must exchange resources and negotiate shared understandings of ultimate program goals. The implementation literature is replete with studies of coordination barriers and impacts (for example, Jennings and Ewalt, 1998). (Nonetheless, power dependence exacerbates the problem of unintended consequences for government because of the likelihood of principal-agent problems.)

For implementation scholarship to contribute to a greater understanding of governance relationships, arrangements for minimizing (and impacts of) game-playing, subversion, creaming and opportunism must be explored.

Governance is about autonomous self-governing networks of actors. (The emergence of self-governing networks raises difficulties over accountability).

Governance networks, in Stoker's terms, "involve not just influencing government policy but taking over the business of government" (1998, p. 23). The "hollow state" that networks have triggered (Milward, 1996; Milward and Provan, 2000) raises questions about how government

can manage public programs when they consist largely of entities outside the public domain.

Network theory and governance issues overlap, and they are both directly linked to questions of implementation.

Governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority. (But even so, government failures may occur.)

It is in this proposition that we find a natural progression from the more encompassing theory of governance to the more prescriptive notions of New Public Management. Stoker notes that within governance there is a concerted emphasis on new tools and techniques to steer and guide. The language is taken directly from reinventing themes. The dilemma of governance in this context is that there is a broader concern with the very real potential for leadership failure, differences among key partners in time horizons and goal priorities, and social conflicts, all of which can result in governance failure. Stoker draws on Goodin as he suggests that design challenges of public institutions can be addressed in part by “revisability, robustness, sensitivity to motivational complexity, public defendability, and variability to encourage experimentation” (Stoker, 1998, p. 26, quoting from Goodin, 1996, p. 39-43).

What, then, is New Public Management (NPM)? What is its link to new conceptions of governance? And finally, how can one use these heuristics in the study of post-reform welfare policy implementation?

While there is much consensus about the nature of NPM, scholars disagree about the usefulness, normative and positive contributions of NPM. According to Lynn, New Public Management is “an ephemeral theme likely to fade,” just as enthusiasm for innovations such as the planning-programming-budgeting system, zero base budgeting, and management by objectives has passed on to newer tools and strategies (1998, p. 232; see also 1996).

Other scholars are not so quick to dismiss the potential longevity of NPM. Mathiasen has called NPM a “paradigm shift” and a series of papers released by the Organization for Economic Cooperation and Development (1995a, 1995b) suggest that innovations occurring abroad have dislodged the bureaucratic model with a new management paradigm. Whether NPM represents a new paradigm or not, its attempt to transform the public sector through organizational reforms that focus on results in terms of efficiency, effectiveness, and quality of service appears to fit nicely into the larger, political theory of governance (Stoker, 1998). Kaboolian notes that the characteristic elements of the innovations seem founded on a set of shared principles. Implementation systems can be analyzed as transactions, with attention paid to negotiated contracts, information asymmetries, capture, rent-seeking, moral hazards and compliance monitoring problems (1998, p. 190).

As Peters and Pierre note, “governance is about maintaining public-sector resources under some degree of political control and developing strategies to sustain government’s capacity to act” in the face of management tools that replace highly centralized, hierarchical structures with decentralized management environments where decisions on resource allocation and service delivery are made closer to the point of delivery (1998, p. 232).

Despite his skepticism about NPM’s ultimate legacy, Lynn sees the ‘temporary excitement’ over NPM as worth exploring, in part because it may lead to specific, tested advances in the field of public management. In addition, Lynn sees the study of NPM as an opportunity to build better theory-based models. Indeed, in another work, he and his co-authors present an argument for the “logic of governance” embodied in NPM practices, which he sees as a “dynamic, interactive, and continuous sociopolitical process that induces the performance of public programs and mediates the consequences of particular strategies for change or reform of

government activities” (Lynn, Heinrich, and Hill, 2000 p.). Lynn argues that the logic of governance is useful because it requires scholars to model policy enactment and program implementation as “formally hierarchical, essentially political, and loosely coupled” (p.). In short, governance and NPM allow researchers to explore the determinants of policy and policy impacts without becoming entangled in the alleged dichotomy between exogenous (top-down) or street-level (bottom-up) explanations of outcomes or performance.

Peters and Pierre suggest that NPM tools appear to be found rather broadly, whereas governance is a process sensitive to its political and cultural environment, and thus likely to “appear in different institutional forms in different national context” (1998, p. 233). Mathiasen also comments on this theme, but he argues that while our inclination may be to view NPM as simply a laundry list of best practices,⁴ in fact, the applicability and effectiveness of NPM concepts will vary considerably from one country or jurisdiction to another. An obvious question for implementation theorists is whether the application and impact vary in discernible patterns across policy domains.

There are features common to both governance and NPM, including a changing view of the role of elected officials in an increasingly constrained scope of formal government. The theory of governance “asserts that good governance is when the state retrenches, becomes less powerful, assumes a low profile, and operates in a network with private interests and groups as a partner scarcely more important than the other” (Merrien, 1998, p. 58). In this context, the traditional political variables commonly used to explain policy should be less important than the administrative forces employed to get things done once leaders have set goals and priorities.

Similarly, in both governance and NPM, “steering” is a key concept. Taken from *Reinventing Government*’s prescription that good governments ‘keep a hand on the tiller, rather

than doing the rowing,' it is characterized by a move away from centralization to decentralization; from redistribution to regulation; and from public services management to management through market principles (Merrien, 1998).

In order to apply governance (which offers organizing theories) and NPM (which provides more specific implementation strategies) to the field of implementation study, one must specify the objectives of NPM. Table 1, which is adapted from Barzelay (1992, p. 119), compares the traditional “bureaucratic” approach to a “post-bureaucratic” model. Column three suggests the factors that should relate empirically to a governance approach to implementation.

Table 1: Comparison of Bureaucratic and Governance/NMP Implementation

<u>Bureaucratic Implementation</u>	<u>Governance/ NPM</u>	<u>Implementation Relevance</u>
Public Interest	Results citizens value	Normative frame replaced by pragmatism
Efficiency, equity	Quality and value	Citizen expectations must be met; target population treatment not necessarily uniform
Administration	Production	Oversight functions; Market competition
Control	Winning adherence to norms	Culture change, communication demands
Specify functions, authority, structures	Identify mission, services, customers, outcomes	Incentives, sanctions
Justify costs	Deliver value	Funding uncertain; linked to performance
Enforce responsibility	Build accountability	Level of competition impacts control; options

⁴ His actual term is “the public management equivalent of a cake recipe” (1996, p. 2)

Table 1, continued

<u>Bureaucratic Implementation</u>	<u>Governance/ NPM</u>	<u>Implementation Relevance</u>
Follow rules, procedures	Identify, solve problems Continuously improve process	Self-regulating part- nerships
Operate administrative systems	Separate service from control	Hierarchy/decentral- ization levels
	Expand customer choice	Level of competition; flexibility
	Provide incentives	Potential for un- intended consequences
	Measure, analyze results	Outcomes vs. process
	Enrich feedback	Network complexity

Peters and Pierre (1998) question why this “arms-length” approach should work any better than the Weberian, hierarchical steering of traditional public administration. To the extent that it does, the answer may be due to the fact that the purpose of NPM steering is quite different than the purpose of Weberian management. Traditional public administration emphasized legality and equality. The desired outcome was the provision of uniform services to all clients for whom the services were appropriate. While this concern with meeting legitimate citizen needs in an equitable fashion appears to continue in some policy venues (most notably in the social policy areas of health services and Medicaid insurance), the question of whether states are serving equitably all eligible welfare clients is largely unasked. Instead, as applied to welfare policy, steering appears to be primarily designed to support diverse organizational networks that seek to change client behavior, rather than to ensure widespread, comprehensive delivery of benefits (Mead, 1996).

Nonetheless, Peters and Pierre point to a potential organizational problem that the new managerial steering exacerbates. “Although structural organizational changes – such as decentralization and moving decision making on operative issues downward in the organization – are very common today, the problems associated with changing the culture of the organization are often much more difficult than are the structural changes” (1998, p. 230). As numerous authors have observed, devolution increases the influence administrators can exercise over policy developments, and as such, they are key participants in allocation choices (Ricucci and Sidel, 1997).

To sum up then, NPM implies specific types of management tools which operate within the propositions of governance set forth earlier. Table 2 summarizes these relationships and suggests hypotheses of implementation relationships which can be modeled and empirically tested.

Table 2: Governance Structures and NPM Strategies

Governance Structures	NPM Strategies
Institutions, actors from and beyond government	Flexibility to explore alternatives to direct public provisions and regulation that might yield more cost-effective policy outcomes.
Empirical relationship: The lower the level of competition, the less likely efficiency will be achieved.	
Blurring boundaries, responsibilities for solving social and economic problems	Replacement of centralized, hierarchical structures with decentralized environments; resource allocation and service delivery decisions made closer to point of delivery.
Empirical relationship: The greater the level of decentralization, the more difficult it becomes to match service objectives to program goals.	
Power dependence in institutional relationships	Negotiated allocation and sharing of resources; clear and measurable outcome measures.
Empirical relationship: The greater the interdependence among network actors, the greater the likelihood of coordination barriers, game-playing, subversion, creaming and opportunism.	
Autonomous self-governing networks	Accountability mechanisms
Empirical relationship: The stronger the feedback loop from clients and other interested groups, the better public agencies will be able to manage networks.	
Capacity to act not dependent upon government authority or legitimacy	Public institutions' design of program structures includes revisability, feedback to citizens, experimentation.
Empirical relationship: The greater the reliance on network partnerships beyond the scope of public institutions, the greater the need for a centralized monitoring structure with funding and program design authority.	

Welfare Reform and Governance: Testing the Implementation Theory

As noted in the beginning, this paper is an initial effort to establish a theoretical framework for studying implementation through the application of governance and NPM theory. The next step, of course, is to test the theory and specific the hypotheses offered here.

While sensitive to the non-generalizability argument, one productive method of exploring the issues raised here is to compare welfare implementation structures in several carefully chosen locations. The dimensions one might use to select cases include size of networks; nature of public agencies; and level of decentralized program structure.

The intent of this research is to compare the welfare implementation structures in Lexington, Louisville, and Northern Kentucky. Lexington's organizational structure follows what has become known as the "Kansas City Model" of community social service. A non-governmental board oversees both the funding and provision of welfare services in the community. Members of the board include private citizens, employers and program clients. Agency officials and other professionals are represented in a non-voting capacity. The theory is that this board can create a market-like environment in which contracts are given to those organizations with proven track records. Funding flows from the state to this board, rather than to individual service providers.

Louisville maintains a more traditional, centralized and government-run welfare program in which the state Cabinet for Families and Children oversees welfare funding and network arrangements.

Northern Kentucky exhibits a hybrid structure. There is no non-governmental board overseeing funding, partnerships, contracts, or programming. However, the vast number of

service providers in the greater Cincinnati area requires that network coordination and collaboration is emphasized in order to achieve program goals.

These areas are important because the majority of welfare recipients in Kentucky reside in one of these three areas. Continuing research will analyze the governance structures in each area, and will test the theoretical expectations that have been set forth.

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Consequently, in new governance theory networks may have both negative and positive impacts on steering capacity. The object of research in the article is the concept of governance and the analysis is focused on the conceptual and theoretical problems in understanding governance. Contemporary governance is often described as policy networks. A wide variety of actors are included in these networks such as state institutions and organized interests in a given policy sector. Different networks have a different degree of cohesion and they range from coherent policy communities to single-issue or issue-specific coalitions.

2. Major public governance theories. Theories of governance and new public management: links to understanding welfare policy implementation. 2 nd draft. Paper for presentation at the annual conference of the american society of public administration. Gruening, G. (1998). Draft paper presented at the international public management conference, Salem, Oregon. Hopkins, G.B. (1912). The New York bureau of municipal research. The annals of the american academy of political and social science 1912: 41, 235-244; doi:10.1177/000271621204100124. Managing Metrics. [Online] Available: - Administration-3-Theories-of-Administration.pdf (July 09, 2012) Marx, F. M., Fesler, J. W., James, W., G. & Key, V. O. Jr. (1946) Elements of public administration. New York: Prentice-Hall. Mitchell, R. (2012). Governance - Governance - Public policy: Public policy generally consists of the set of actions "plans, laws, and behaviours" adopted by a government. Concern with the new governance draws attention to the extent to which these actions are often performed now by agents of the state rather than directly by the state. A vast number of studies offer detailed accounts of the impact of the new public management and the rise of the new governance within particular policy sectors, such as health care, social welfare, policing, and public security. However, policy analysis often includes a prescriptive