

# **Governance and Democracy**

## **KATARSIS**

### **WP1.5 survey paper**

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## Executive Abstract

“Governance and democracy” (WP 1.5) is an existential field of KATARSIS that differs from the other four in an important respect. While these focus on specific loci of socioeconomic inequality the issues covered in WP 1.5 have a double role – they are examined as specific loci of social exclusion and as processes leading to social inclusion or exclusion in other fields. This approach is based on the understanding that social exclusion (and therefore social inclusion as well) has two dimensions – a content and a process dimension. This differentiation is reflected in the discussion about “exclusion from” or “exclusion through” in the other existential fields and can be traced back to two different underlying ideals of social justice. When targeting “exclusion through” the focus is on equality of opportunity, while fighting “exclusion from” needs to rest on some notion of equality of outcome. In our inquiry we have tried to overcome a single-focused analysis through the parallel examination of the content and the process dimension of inequality.

The main exclusionary dynamics in the field of governance and democracy are presented in the following box. These tendencies refer to the problematic of exclusion *from* governance, whereas exclusion *through* governance is given less emphasis. Concerning the links between governance and democracy, the main concern is with people who are being excluded from political decision making. Nevertheless, exclusion *through* governance remains important as it leads to exclusion *from* areas being explored in the other existential fields (WP 1.1-1.4). The organizational design of governance mechanisms may also lead to exclusionary dynamics, which leads to cases where exclusion *through* governance also implies exclusion *from* governance.

### Main Exclusionary Dynamics

- Liberal forms of governance privatise the public domain, limiting access to public goods
- Elitist forms of governance undermine democracy and produce political exclusion
- Republican value “one (wo)man – one vote” is replaced by flexible forms of elite representation and limited participatory spaces
- Proliferation of clientelist patterns of political decision making
- Strengthening of the leadership-role of political and business élites

- Relations between the local level and higher territorial levels induced by recent globalisation processes: effects on specific territories and processes of local differentiation
- Tension between (economic) space of flows and (political) territory
- Restructuring of existing national and regional institutions (hollowing out of existing parliamentary democratic institutions – tendency towards managerial forms of governance and growth alliances)
- Rule-bound governance imposed on public budgets, agencies and enterprises limiting democratic space of manoeuvre (e.g. New Public Management)
- Tension between plurality of cultures (diversity) and a single market (homogenisation)
- Exclusion of women from and through governance settings
- Strategic selectivity
- Voting rights
- Differing capacities for political mobilisation

The next box shows the socially creative strategies to overcome the exclusionary dynamics displayed above. The main emphasis is given to democratic innovations which foster the public character of political decisions – especially concerning participatory innovations and community-based initiatives. These can be regarded as innovative as they are responses to problems concerning the bureaucratic character of the welfare state. However, these innovations are Janus-faced, as they may also reinforce exclusionary dynamics which will be explained in the paper.

#### **Socially Creative Strategies "out" of Exclusion**

- Bottom-up empowerment strategies (democratisation and participation of civil society , local self-organisation)
- Experimentation with the democratisation of society, economy and politics: There are no creative strategies “out” of exclusion that only have to be copied. Social innovation and experimentation is needed to increase participation of all the populace.
- Combine universalistic elements of the welfare state with pluralist service delivery at the local level

- Valorisation of participatory methods at the local and initiative level (new forms of participation and new actors in the process of institutionalisation; integrated approach in territorial policies and practices)
- Sovereignty and multiscalar politics: search for a new definition of sovereignty in Europe: How to reconcile democratic sovereignty in a territory with multi-scalar dynamics, diversity and transborder modes of governance?

This report also outlines four instructive cases in which various government and non-government actors have created new forms of governance to respond to context-specific forms of socio-economic exclusion. Our analysis indicates strong links between *democratic governance* and socio-economic justice, as the following summary of lessons from the case studies suggests.

### **Lessons from the Case Studies**

The case study of the Spanish Territorial Pacts for Employment deals with a new pilot program created by the Committee of Regions and the European Commission, focusing on the potentials and problems of new governance settings which foster the inclusion of civil society actors as well as multi-scalar corporations. The case study points to an innovative solution linking local problems to national and supra-national political scales to cope with the problem of unemployment. Problems due to a lack of decision-making powers of the populace occurred in this case, which have been tackled in an innovative way in Porto Alegre, where the city administration opened budgetary decisions to a participatory process. Thereby, formerly excluded actors gained access to public services at the same time as they were more actively included into the democratic institutions. Thus, democratic governance procedures were fostered. This also occurred in the case of the Tower Colliery, where workers started to democratically manage their factory. The creation of employment opportunities has been linked to democratization of the workplace. Thus, socio-economic citizenship has been promoted. The Danish case stresses the tensions inherent in new governance settings. On the one hand, managerial governance settings lead to elite participation fostering social exclusion, whereas participatory spaces have been created on the other hand. New settings of governance include a wider spectrum of actors, which can lead both to exclusionary dynamics if experts and the business community are strengthened as they also open up spaces for socially creative strategies, as the Danish case shows emblematically.