Multi-level Governance and Policy Coordination: Challenges of Coordination in Hierarchical and Network Systems (A Theoretical Overview)

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Abstract

This article examines why policy coordination is important in multi-level governance and how does it affect in the governance structure. Applying two major theoretical perspectives - structural-instrumental and cultural-institutional - the paper tries to explore and analyze variations in policy coordination with different dimensions. It starts with an explication and analysis of multi-level governance and policy coordination concepts for understanding how they can be interlinked in order to achieve maximum out of the expectations by embracing such new policy governance architecture not only to the European Union but also in many other African and Asian countries. Under these perspectives, six factors that are immense influential on smooth policy coordination and hence, the functions of multi-level governance were identified as division of tasks, communication, control, mutual trust, political affiliation and role orientation. Having analyzed these factors, the paper concludes that multi-level governance without considering coordination and vice-versa will pave the way for malfunction of policies or if not lead to have undesired externalities.
Keywords

Multi-level governance, policy coordination, structural-instrumental perspective and cultural-institutional perspective, political affiliation
Introduction

Multi-Level Governance (MLG) is comparatively a new concept gained the attention of scholars, researchers and practitioners in Political Science, Public Policy, and numbers of other academic disciplines. Initially, it was used to analyze the policy arena of the European Union (EU), particularly the way of multiple jurisdictions at local level, regional level, national level and supranational level has been integrated each other to formulate European Structural Policy and its implementation (Bache and Flinders 2004; Benz and Eberlein 1999; George 2004; Jordan 2001). One of the intrinsic characteristics of MLG is that the organization of politico-administrative system within a framework of multiple jurisdictions located at different levels. Liesbet Hooghe and Garry Marks contend that working with MLG is feasible than any other systems of governance because of it is scale flexibility (Hooghe and Marks 2003). However, sustaining the uniqueness of public policy in the entire system is a fundamental challenge for MLG. The nation-state is no longer powerful to regulate and manipulate each and every aspect of a particular policy programme as both state and non-state actors are actively involving in policy process. Furthermore, some state actors are constitutionally autonomous in dealing with certain policy arenas and hence the central government involvement is minimal in such areas. Then, the immediate questions come to our mind are; How does MLG cope with inevitable isolation of its actors’ activities? How could interdependency of different levels towards a specific policy regime to be handled? Answering these questions is needed to resolve possible conflicts among and between levels and also to avoid overlapping that can be occurred where a situation has no proper mechanism to deal with them. As it has been elucidated in organization studies, the most common and practical method of working with this sort of situation is the inter-organizational coordination. Liesbeth
and Garry Marks point out that coordination is a dilemma faced by MLG system. In their words; “The coordination dilemma confronting multi-level governance can be simply stated: To the extent that policies of one jurisdiction have spillovers (i.e. negative or positive externalities) for other jurisdictions, so coordination is necessary to avoid socially perverse outcomes” (Hooghe and Marks 2003a:13). Therefore, in the fast changing environment, coordination is used as a mechanism to fulfill two basic requirements (i). to preserve and foster policy coherence and (ii). to enhance the central authorities’ steering capacity (Verhoest et al. 2005).

Based on a conceptual analysis, this paper aims at exploring coordination challenges of public policy making and implementation at multi-level governance. After this introduction, I discuss the different manifestations of MLG. Defining MLG as a distinct form of governance, this essay sheds light on different conceptualizations and forms that can be used for an effective arrangement of the policy structure. I’ll examine policy coordination through two major theoretical perspectives; structural-instrumental and cultural-institutional perspectives aiming at exploring and analyzing variations in policy coordination with different dimensions. I examine policy coordination both as a process and structure and as a goal. The last part of the paper synthesizes two concepts (MLG and policy coordination) arguing that policy coordination is an inevitable mechanism of MLG system as it is a prerequisite to be in place for avoiding unnecessary isolation of organizational units which are supposed to work with proper coordination in achieving overall goal(s) of the organization or the predetermined policy.

**Multi-level Governance as a Structural Arrangement of Policy Process**

In organizational and policy discourse, MLG is attracting a growing interest of practitioners as well as scholars in numbers of fields and in different geographical
regions, despite its origin was restricted to the EU structural policy analysis (Prado 2007). MLG is an important concept for analyzing institutional or structural arrangement of policy process (in broader sense, political process) between territorial layers.

**What is Multi-Level Governance?**

Garry Marks defines MLG which is now considered by several writers as somewhat parochial in a sense of its scope, as; “*a system of continuous negotiation among nested governments at several territorial tiers*” [within which] “*supranational, national, regional and local governments are enmeshed in territorially overarching policy networks*” [Marks (1993) cited by Stubbs (2005:3)]. Marks’s definition consists with two aspects that convince us to differentiate older versions of intergovernmental relations and different conceptions of governance. First, it describes the structure of MLG that is how the system to be arranged in a way that different actors incorporated to a single nested organization. Such a nested structure might imply either political arrangement or particular policy process. To Marks’s definition, this structuring comprises with different actors including supranational, national, regional and local levels and increased vertical interdependence and interaction between those actors. In this context, MLG analysis reflects that different governments operating at different territorial levels are comparatively powerful as they have been transferred some competences from the national government upward to supranational level and downward to regional and local levels. Therefore, these policy actors now play a significant role in the entire policy process without much intervention from the central government. This means that national government has given out some portfolios from its control. Though, in the EU context this has been occurred upwards to supranational actors and institutions, generally, MLG places more
stress on sub-national actors. However, it is clear that due to this process, state has lost some authoritative control in the policy process (Bache 2008).

Second, the above conception by Marks points out that MLG functions on the basis of negotiation among different actors. It means that negotiations can be done in anytime at any phase of policy cycle, particularly policy formulation, and policy implementation. This interaction between different actors or agencies in a framework of governance can be coordinated either through market or hierarchy or networks mechanisms. Even if the early framing of MLG, based on Europeanization, attempts to understand the interaction between governments as necessarily a top-down process in which supra levels have a dominant position to influence national and sub-national levels, many studies conducted later explained that MLG is not simply a “downloading” process of policies from supra levels, instead it is a process of “uploading” preferences and voices of sub-national and national levels (Bache 2008). MLG, in general, is intermingle with both downloads and uploads to varying extents. In the EU case, from national level to local levels of member states are expected to be complied or adapted to the EU commission or Parliament, on the one hand and on the other hand, member states can influence in shaping EU level policy making while safeguarding their preferences and institutional traditions (Borzel 2002). How do they do this? National and sub national players within MLG use three distinct tactics in responding to the supra-level policy making. As Borzel depicts,

I. Pace-setting (enthusiastically, contribute in policy making with own policy initiatives, and preferences with the view of minimizing implementation costs)

II. Foot-dragging (neither supporting nor adapting supranational level policies so as to prevent implementation costs)
III. Fence-sitting (by standing somewhere in between above two positions, try to build a coalitions with pace-setter and foot-draggers (Borzel 2002).

He further points out that national and sub national actors select a strategy to join with the nested system based on resources, and action capacity of individual actors.

MLG, as noted earlier, is a two way process. Bottom-up nature of the system indicates that multiple actors are congruence and came into a structural arrangement so as to serve the societal needs. Therefore, these actors are relatively autonomous in dealing with competences they have been assigned by a collective decision, though the nation-state is yet powerful in some spheres in the politico-societal context. Governance by negotiation, according to Ian Bache, is enabling multiple actors to upload their preferences and interests towards national and supranational levels (Bache 2008). The negotiation to be facilitated, it should be based on the network-like system and MLG is best served for this purpose. In contrast, MLG is also working as a way of downloading policies (top-down) from above levels. Bache uses two mechanisms to explain this downward exertion; governance by hierarchy and facilitated coordination. The former emphasizes the used of power and coercive instruments by supra-levels in getting things done at national and sub-national levels, whereas the later characterized by the national level is more powerful than supranational actors and therefore, the influence from external factors can be manageable within the nation-state level. In brief, Garry Marks and others highlight three features of MLG in contrast to state-centric approach of the governance. First, in MLG, policy making competences are distributed among many actors rather than centric to the national government. Second, due to such collective decision making practice, national state is faced a threat of being lost of its political authority. Third, political arenas are interconnected each other rather than nested what Marks mentioned in his very
early writings. It means that national state is still significant in political process
sub-national actors work at national level while maintaining their jurisdictions at
sub-national levels (Marks, Hooghe, and Kermit 1996).

One of the features of MLG, according to the discussion made above, is that it
elaborates a new way of thinking about the relationship between different
governmental units, which was traditionally based on hierarchical-power
arrangement. On the one hand, emerging relationship is rather complex in a sense
that an interactive pattern of relationship has come into practice and on the other
hand, sub-national government authorities interact directly with national and
international levels in respect of policy matters. This situation is equally applicable
both for federal and unitary governments. In fact, in federal system of governments
enjoy a larger extent of autonomy and they can deal with any level of government
in a legitimate manner. In the emerging context of MLG, even in unitary states,
intergovernmental relationships are gradually changing. As Peters and Pierre
contend, “even in many non-federal systems the control of the center over the
periphery has been overstated in many treatments, so that the relationship in
policy-making has long been considered much less hierarchical...” (Peters and
Pierre 2002). For my understanding, the changing nature of intergovernmental
interaction could be analyzed in terms of several factors such as specificity of
policy problems that have to be addressed at all levels, new arrangement of
governance under the force of some ideologies (for instance, rational choice, neo-
liberal, new right), application of information technology in governance, maximum
utilization of limited resources and regional or sectoral public influence on policy
matters. These factors have inspired policy makers as well as implementers to go
for structural adjustments in intergovernmental relations.
The above mentioned and other studies conducted on MLG have tried to analyze the development in socio-economic and political arenas of the EU since the ratification of Single European Act (SEA) in 1987. Going beyond the existing approaches such as international relations, inter-governmentalism, federalism, some of the studies try to conceptualize the EU in a context of MLG, and some other studies analyze the way of nation-state, so far enjoyed absolute power in all spheres is becoming weaker as it has to disperse power among several actors from supranational to street level. Still some other writers examine individual policies like environment, economics and regional in the EU as a way of studying MLG.

It is clear from these diverse and numerous understandings that no single and commonly agreeable definition for MLG has been arrived at. Different thinkers and writers define it differently. Therefore, in this study, I use MLG as a way of state-crafting where different actors (state, private and civic) meet and negotiate policy matters, coordinate each other interactively (vertical and horizontal dimensions) for best achieving social goals.

MLG has distinctive potentialities of empowering state actors working at different levels as well as non-state actors alike to contribute to the development process. Robinson points out several positive capacities of MLG as listed below (Robinson 2004).

- MLG allows to transfer some powers towards governance levels

One of the arguments in MLG is that some sort of decentralization should be done for better use of regional and local potentialities to the national development process. By so doing, it’s expected to minimize the uneven development and pay more attention to economically disadvantaged areas (Bache and Flinders 2004).
• Small regions with a common purpose find integration easier

This aspect of MLG looks at how to bring the diversity into a broader strand of policy process. Though small regions are empowered, they have to work for a common purpose of national development. In pluralist societies, this allows to work out for a unity through diversity.

• Joint offices can aid inter and intra-tier relations

MLG emphasizes that partnership principle among state and non-state actors which is required for minimizing overlapping and duplications as well as unnecessary isolations different actors. Thus it appears for both horizontal and vertical dimensions of coordination.

• Middle tiers can facilitate horizontal cooperation between a variety of agencies

This means that MLG opens up wider avenue for non state actors to in the policy process. In other words, national and regional governments are able to provide more space and resources for non state and community actors to bring them to the governance process.

Other than these potentialities of MLG, it also enables middle tiers to use their powers to empower local bodies and such a link between the tiers can be more important than the formal powers of each individually.

**Policy Coordination as a Strategy of Multi-level Governance**

Setting up of multilevel or divisional form is associated with the diversification of its products range and increasing problem of coordination between the different departments or levels. Coordination becomes more complicated as different
products call for different types of standards, procedures and policies (Chandler 1962). Therefore, policy coordination in MLG system can not be simply discarded as it is an indivisible requirement for achieving the policy goal(s).

**What do we mean by Coordination?**

Literal meaning of the term coordination is that “the act of making all the people involved in a plan or activity work together in an organized way” (Cambridge 2005). This general meaning is not differed much from administrative and organizational definitions made on coordination. For instance, Hendry Fayol views coordination as activities that bind all individual efforts together and direct them towards a common objective (Fayol 1984). March & Simon connected the need of coordination with the division of work that causes interdependence among organizational units (March and Simon 1958). (Lawrence and Lorsch 1967) conducted a classic empirical study of how different organizational functions would coordinate differently dependent on their perception of time horizon, organizational formality, etc. Some of the most important contributions related to coordination come from Van de Ven et al., (1976) and Mintzberg (1979) and both of them are focusing on different mechanisms of coordination.

Van de Ven, Delbecq and Koenig identified three modes of coordination activities - impersonal (plans and rules), personal (vertical supervision), and group (formal and informal meetings) - and discussed situational factors, including dependency, that might determine which are used (Van de Ven, Delbecq, and Koenig 1976). Mintzberg, on the other hand, claims to be very practical oriented, ties many of the prior contributions to a comprehensive theory on generic organizational structures. Coordination mechanisms are here related to organizational factors such as, specialization, decentralization, formalization, size, age, environment, power, etc.
He also focuses on the process of coordination by means of coordination mechanisms, but emphasizes that “they are as much concerned with control and communication as with coordination” (Mintzberg 1979).

For the purpose of the present study, coordination is tentatively conceptualized like this; “coordination is a means of directing the operation of units so that their joint behavior attains a specific goal with higher probability and at lower costs (and with) a common expectation of reward” ((Kochen and Deutsch 1980) quoted by (Alexander 1995)). According to this definition, coordination is a means rather than ends for achieving specific goal(s) in its higher level of a working organization. For this purpose, coordination tries to intervene with different operational units of the system in directing their jointly performing functions, resources and structural interlinks. Once the organizational competences were compartmentalized, it becomes necessary to incorporate them in forming closed relationship for goal attainment of the organization. In this way, coordination is making different units of an organization worked together to avoid unnecessary friction, duplication and undue overlapping (Gant 1979). By doing so, it also expects to lessen the cost that has to be endured for the final goal.

Based on this brief discussion, two different yet interrelated dimensions could be elaborated as central to make coordination concept more precise. First, it is dealt with certain organizational functions namely division of task, communication, allocation of resources and organizational control and power (Brinkerhoff and Crosby 2002; Kellogg, Orlikowski, and Yates 2006). Second, coordination is related the organization’s structures. As Verhoest and other writers have analyzed, inter-organizational coordination is done by using three different organizational structures (Verhoest et al. 2005; Viinamäki 2004).
• Coordination by Hierarchy-Type-Mechanisms. (This is based on power, authority and control)

• Coordination by Network-Type-Mechanisms. (Here, coordination is taken place based upon mutual trust and interdependency)

• Coordination by Market-Type-Mechanisms. (This is done through the market strategies like competition)

When coordination is being simply defined as connecting resources and processes towards in accomplishing predetermined policy objectives, general idea that comes to our mind is that control and commands flowing downward through hierarchical arrangement might be the technique or strategy of coordination. In fact, this thinking is partly acceptable; it is not only the case of achieving policy coordination. By moving away from this parochial view, coordination is better to be seen as a bridge between policies or programmes and different organizations that are involved in achieving policy goals. This bridge can be built based not only on the commands and control (hierarchy) but also on mutual interaction and negotiation (network) and bargaining (market) between those organizations (Jennings 1994; Martinez and Jarillo 1989; Van de Ven, Delbecq, and Koenig 1976). This typology of organizational functions and structures are explicitly operationalized in the later section.

Why Co-ordination in Multi-Level System is Important?

The concept of inter-organizational coordination is popular among academia as well as practitioners alike as it’s important as other organizational strategies such as division of tasks and specialization. Sole purpose of these strategies is to improve the productivity and efficiency in an organization which performs
multivariate tasks that serves to a common goal. Coordination has been given a significant importance particularly in public sector organizations when the service delivery system is structured.

Due to the fact that enormous expansion of the role of the state and its diversity and complexity, it is unlikely to be fulfilled all of the service provisions by a single organization. For instance, education provided by the Government of Sri Lanka based on the principle of “universal free education for all” has been organized at least under five different vertical levels assigned with specialized tasks for each levels. This situation is same as other policy regimes like healthcare, transportation, rural development, poverty alleviation and agriculture.

As theorists of MLG discuss, various agencies engage either with specialized programmes of a same policy regime or multiple programmes of different policy regimes. In this context, policy coordination acquires a vital attention at least for two reasons. First, when organization tasks are organized under a compartmentalized system (so called single purpose organizations), one of the inevitable consequences is that the service receivers are forced to deal with more than one agency or organization. If the purpose of having a multi-level system is to provide a more effective and coherent service, it is necessary to avoid the organizational fragmentation (Rogers and Whetten 1982). To this end, coordination is perceived as a compatible strategy for better service delivery. Second, not only clienteles who demand for more coordinated system for service delivery, but also policy implementers at regional and local levels make greater demand for such system to get rid of problems such as unclear boundaries of jurisdictional divisions, conflicting eligibility criteria, and problematic programme standards created by agencified system.
As Rogers and Whetten (1982) argue, interagency coordination is important not only because it enhances the quality of public service provision, but it also helps to improve the efficiency of government activities. Especially, in an era of retrenchment, the civil service is being functioned in a paradoxical environment in which, on the one hand, the work load that has to be quickly and productively performed is enormously expanding and on the other hand resources particularly financially are dipping. To put in another way, present day administrative system is supposed to fulfill the growing needs of the public while utilizing retrenched financial resources. How can be done this? Inter-governmental coordination is viewed as one way of tackling this problem by building up long-linked service provision between organizations which are performing similar services. This can be done through assigning or sharing the duties at different phases of service delivery system to different organizational units or agencies while sustaining a proper coordination among those units.

Importance of coordination for multi-level governance system could also be analyzed through the way it uses in organizations to minimize the cost and risk in terms of starting innovative programmes. For example, to enhance the use of modern technology in education in Sri Lanka, different organizations including central ministry, provincial and other local level institution and private sector organizations can meet together and form sort of partnership or joint-venture. So such an innovative policy is important not only for private sector who demands for technologically advanced manpower for their organizations, but also to the government who is considered to be responsible to find a solution for unemployed people. According to Rogers and Whetten (1982) inter-organization coordination led joint ventures or partnership will help to expand the size of the pool of common resources and hence it will minimize potential monetary problems for investing in
such costly yet important project. It also reduces the risk of having spending money as the each organization has invested or contributed partially to the partnership or joint venture.

**Different Coordination Mechanisms**

Coordination strategies, techniques and tools have been studied differently by different scholars and organizational researchers through varying points of views. Mintzberg (1979) identifies coordination as a complicated phenomenon dealing with numerous approaches or means which he put them as coordination mechanisms. First, coordination can be carried out through mutual adjustment which is based on informal communication among actors at operational level. This sort of coordination can be undertaken at any organization (small or vast) any time. Though, Mintzberg has not explicitly mentioned, mutual adjustment possibly incorporates with horizontal dimension rather than vertical dimension of coordination within the same organization or among different organizations. At inter-organizational level, this mutually adjusted coordination will allow implementers as well as decision makers to discuss matters with people who work in parallel organizations. Henri Fayol (1984) explains this as a ‘gang plank’ arrangement implying that lower level bureaucrats involved in constant interactions with other departments dealt directly with each other. Second, coordination is also taken place through direct supervision by taking the responsibility by one individual to direct and observe the others’ work. This is more common form of policy coordination at hierarchically arranged public bureaucracy where each level is supervised by upper level. In this sense, direct supervision is leads to a more vertical dimension of coordination. However, it is a common strategy used in coordinating activities; direct supervision is not free of its own limits. As Tompkins elaborated, one such limit is that the imperfection of
supervisors’ ability to sort out the best rules and instructions needed to fabricate productive coordinated action and expected results (Tompsonkis 2005). Another limitation of direct supervision is about how to face a non-routine situation. This is especially common to a situation where the changes are rapid, uncertainty is frequent and information limited. Due to these reasons, organizations can not depend totally on this strategy and supplementary strategies were needed. Therefore, Mintzberg indentified standardization as another coordination mechanism within which he further subdivides three strategies namely standardization of work process, output of the work and inputs to the works (skills). All these strategies aim at better coordination by performing organizational work followed by predetermined standards. In other words, before proceeding, a set of basic requirements (standards) should be met by actors and organizations. For instance, work process standardization means that when the organization set its task it should be done according to a common principle(s) or standards so that doers need not to go for mutual adjustments or to be supervised as the work procedures are clearly defined. By standardizing outputs of work, organizations try to accomplish a uniqueness of production or performance. Without worrying much about means, the organization expects to reach its outcome to a standardized level. Finally, through standardizing skills, knowledge of workers, interorganizational coordination is expected to be achieved. As Mintzberg explained this when coordination is not achievable either means said above, organizational doers can be trained to bring their skills to a standardize position and then they can engage in their work without facing cross-sectional problems whereby the coordination is also feasible.

In their discussion of organizations, March and Simon have identified two different strategies used in organizations with division of tasks and high degree of process
specialization (March and Simon 1958). First, to secure coordination among subprograms, predetermined schedules or plans can be used in dealing with organizational activities when needed. They called it as coordination by plan (what Mintzberg identified later as standardization). Second, coordination can be done through transmitting new information between organizations regarding common programme. This is called coordination by feedback. In their own words, distinction between these two strategies is that “the more stable and predictable the situation, the greater the reliance on coordination by plan; the more variable and unpredictable the situation, the greater the reliance on coordination by feedback” (March and Simon 1958:182).

The discussion made in so far on different mechanisms illustrates a common trend of policy coordination. Almost all these explanations have given a considerable emphasis in analyzing coordination through formal or instrumental point of view. In other words, strategies used in sustaining consistency of policy planning and implementation have been analyzed on the subject of formal facet of the organization. In general, all these formal strategies guide us to acquire a wider understanding about three main organizational structures and three different organizational functions that can be used to better explain coordination. Following section discusses these structures and functions in details.

**Modalities of Coordination and Organizational Functions**

As Schleicher explained, a coordination structure is a format or an arrangement which is facilitating to link decision centers through coordinating mechanisms (Schleicher 1986). These decision centers can be located either inside of a single organization or of the organizations in an interorganizational system (Alexander 1995). Sometimes coordination structures have been identified by some writers
locating it at different levels of governance systems. For instance Alexander identified them at highest level which takes the whole field of the interorganizational landscape into consideration, intermediary level where he put particular interorganizational system in implementation or in action and lowest level by which he indicates the intra-organizations. He put different structures functioning at these levels as meta-structures, meso-structures and micro-structures respectively (Alexander 1995).

Verhoest and others (2005) have analyzed coordination located at three different levels, (as Alexander did) where macroscopic level they explain how tasks redistributes between the state and the non-state actors and between different governmental levels structurally and different activities such as control and evaluation functionally. In this level analysis leads to a multi-level governmental system. According to them, at mesoscopic level, the main consideration goes to analyze how work is allocated among different organizations or organizational units at particular level for instance, at local, regional, provincial or central level. This is also can be done horizontally and vertically as well as structurally and functionally (Verhoest et al. 2005). At microscopic level they take only single public sector organization to their account and analyze the way such organizations deal with their responsibilities and the way they manage or coordinate those activities.

My approach in this study lies on the coordinative perspective to study policies at different levels; holistically it covers almost all these structures though I am not interested to put them necessarily into such three baskets. So as to yield the organizational objectives, generally its functions are organized in three different ways what we called them as structural modalities (incorporating of meta and meso level structures): hierarchy (command based on authority), network (consensus and
agreement based on trust) and market (exchange based on price) (Alexander 1995; Bevir 2007; Viinamäki 2004; Wollmann (ND)). Organizational functions also can basically be categorized into three groups: division of work, communication and control.

Despite the fact that NPM inspired reformists have emphasized in applying market principles to coordinate public sector service provisions as a replacement for hierarchical skeleton (Polidano 2001), still I see the importance of hierarchy and network principles playing a major role in policy coordination specially in policy regimes such as health and education. Therefore I use only hierarchical and network structures within which three different functions are taken into the discussion.

**Hierarchical and Network Structures for Coordination**

Two theoretical approaches to study coordination are used widely in organizational and administrative disciplines; hierarchical approach and network approach. Classical hierarchical perspective is based on the work of Luther Gulick (1937), Frederick Taylor (1911) and Herbert A. Simon (1947) whereas the network perspective is based on some of the work such as of Borzel (1998), Hanf and O'Toole (1992), Rhodes and Marsh (1992). Following section discusses these two perspectives bit by bit in detail.

Coordination through hierarchy is generally associated with public actors from national level actors via state, provincial, local to regional level actors vertically and legislative, executive and judicial and non state actors horizontally (Bevir 2007). Hierarchical structures in organizations may be a result either of having existence since long back or created by other organizations for eventual important matters (Alexander 1995). No matter in which way hierarchies came into
existence, the truth is that it uses to coordinate different organizations or organizational units to reach to a common aim(s). Therefore, the purpose of hierarchy could be noted as deliberately designed and controlled in advance. People who have been positioned in a hierarchical system know that what they are supposed to do. Interaction within a hierarchical system is based on authority which is believed as legitimate by both subordinates and superordinates. Such authority is basically, in political and administrative points of view, stemming from the government who is treated as decision-maker, in the forms of rules and regulations, top-down norms and standards, routines, supervision, inspection, intervention (Verhoest et al. 2005).

By contrast to hierarchy which is the archetype system of essential relationships between different levels of government based on clearly defined responsibilities and competence, as a new way of fulfilling government responsibilities in multi-level governance, interorganizational networks are popularizing in recent time. Especially last two decades it has widened its scope related to both public and non-public sector (Borgatti and Foster 2003; Milward and Provan 1998).

Borgatti and Foster simply define the term network as a set of actors (may be a persons, groups or teams, or organizations) connected by a set of ties (mainly on common interests). Borzel defines policy network, “as a set of relatively stable relationships which are of non-hierarchical and interdependent nature linking a variety of actors, who share common interests with regard to a policy and who exchange resources to pursue these shared interests acknowledging that cooperation is the best way to achieve common goals” (Borzel 1998:254). This definition highlights several characteristics of policy network. First, it helps us to explore who are the actors or stakeholders of particular policy network. There should have more than two actors, a network to be in place. Second, all these
actors have come together as they have common interests and shared values on particular policy area. Third, networks are not based on hierarchal system, instead it is more mutual interdependent in nature and depending not totally on central government resource allocation. They share resources available for them. Finally, due to these factors, network structures are considered as relatively stable. Therefore, it is possible to see networks as a way of public policy-making and implementation through a web of relationships between government, business and civil society actors. These relationships are based on interdependence, though it is not equal for every actor. In other words ‘networks are structures of interdependence involving multiple organizations or parts thereof, where one unit is not merely the formal subordinate of the others in some larger hierarchical arrangement’ (Hanf and O'Toole 1992; O'Toole 1997).

To conclude, network approach does not rely on the formal authority based hierarchical system and instead it relies on mutual adjustment, negotiation and cooperation. It tries to bring different social actors including state, non-governmental, business and civil society actors, with the view that in this way only the disperse resources can be pooled, knowledge can be accumulated and numbers of loosers as a result of political decisions can be minimized. Due to the flexible nature of networks, it is believed that it can adapt to the changing situations of the environment.

**Coordination Challenge for Multi-level Governance**

**Division of Tasks in Hierarchical and Network Structures**

Division of tasks in an organization is about how organization should be organized. As I mentioned somewhere above, this is one of the central concerns in the administrative science and organization theorists since long back. Therefore some
of them tend to indentify the division of tasks as synonymous to organizing an organization. For instance, in his seminal work, Luther Gulick emphasizes that “...it is not possible to determine how an activity is to be organized without... considering how the work in question is to be divided” (Gulick 2008:80 original 1937). Hence, division of tasks implies to a process of arranging single organizational activities that ultimately serve to the overall organizational goal. As Fayol views this, coordination is important to an organization so as to unify and harmonize its functioning. For this end employees must be assigned certain tasks, organizational units should be allocated specific functions and in this way individuals and units will contribute to achieve organizational goals. As he put in his own words “the excellent organization is one whose interrelated parts move in unison toward the same end” (Tompkins 2005:99).

Two fundamental aspects should be elaborated here in terms of division of tasks. One aspect would be specialization which is technical in nature emphasizes that to what extent and how organizational tasks can be parceled into subtasks. This will help the individual performers to do their job efficiently and effectively. The other aspect of division of tasks is that aggregation of work units meaning that combining tasks under larger categories of work (Gulick 1937; Mintzberg 1979; Scott 2003). It further implies the positioning people in relevant places. Human beings have different competencies to perform certain jobs (not all), have different interests by which they motivated to seek certain jobs, and therefore allocating tasks for them is a challenge. Basically division of tasks has to do with these aspects to work out the organizational goals.

As I previously discussed, hierarchical arrangement is based on horizontal or vertical level division of tasks and specialization. Organizational functions are in this way divided and transferred from centre to peripheries and it necessarily
creates a number of hierarchical levels and hence coordination is mandatory to sustain a consistency between such levels. In such a way an organization divides its tasks, potentiality for overlapping is always there. Therefore first and foremost challenge for coordination of hierarchical division of tasks for MLG is overcome of overlaps. It is believed that overlapping causes the organization to waste its resources, to face the inefficiency problem and clienteles to become unhappy toward the organizational performance.

Second challenge of policy coordination stems from the same principle of division of work and specialization within hierarchical structure; that is when the organization creates different units along with geographical landscape or policy matters, with the view of increase the productivity and efficiency, it might potentially threaten to the organizational overall goal. Especially in MLG, as Marks and Hooghe contend, dispersion of competences can be taken place through general purpose, non-intersecting membership and limited numbers of jurisdictional respect (Marks and Hooghe 2004). Assumption here is that such jurisdictions based organizations might consider the goals at their own level as more important than organization overall goals. When the multi-levels have been created by constitutional provisions this situation may be more serious. As Mintzberg explains, when organizational tasks are being divided and specialized, it not only hinders the organizational coordination, but it also motivate the building of ‘private empires’ implying that fragmented organizations come into exist as separate units (Mintzberg 1979). So the challenge is how to coordinate the organization to attain its goals by replacing so called private empires’ parochial objectives.
Third, in hierarchical system authority flows from top to downward, and organizational formal goals are identified as determined by top levels. Therefore, actors have to comply with those goals and objectives and work to accomplish them efficiently. Organizational rules and regulations are being formulated to maintain the stability, continuity within the organization. Tasks are divided among different levels for the purpose of securing the stability which is leading to a highly formalized organizational structure and process. In such situation coordination mechanisms have to be firmly designed. This is actually the situation with hierarchically based bureaucratic structures. So the challenge here is that how coordination should be dealt with contingent events put forward by the organizational environment. For instance, in education policy coordination in Sri Lanka frequently is criticized as it does not allow taking regional disparities into account when policy planning and implementation is unfolded. In other words policy coordination should be flexible so as to contingency happenings could be easily tackled.

On the other hand, three structural-instrumental challenges in terms of division of tasks in networks structures can be highlighted. First, unlike hierarchy, networks are set up and survived based on mutual understanding and cooperative agreements. Different organizations are in a system where resource dependency and cooperation is fundamental consideration. Otherwise there is no legal binding of actors to the system. Therefore, organizations have certain level of independency though they are in a network system. In terms of coordination, this is not easy point to bring all organizations to a coherent interlinked system. When individual organization enjoys fully autonomous privileges, other organizations can not do a significant influence on this organization’s work. In this context, interorganizational trust becomes meaning less. Therefore, one of the challenges
for coordination is how independence organizations bring into a holistic coordination process.

Second challenge is more or less linked with first one; that is powerful organizations in terms of resources, technology, size, and professionalism may dominate other organizations in the network. Not like hierarchy, in networks, (in theoretical sense) there is no ultimate authority with any particular organizations and all members are treated as partners or shareholders. Due to the constant change of the network context, it is possible for fittest to dominate the whole network. Challenge here is that how effective and positive coordination can be achieved when one or several actors have their dominancy in the network.

One of the goals of coordination is to ensure an effective and efficient service provision for the clienteles in the public sector. Indirectly it says that, through a proper coordination, organizations can prepare for contingent event that might hinder above expectations and plan in advance to face those situations. Though this is obviously the case with hierarchical system, network structures can not guarantee such stable coordination due to the fact that the nature of the networks depends on the contextual variations. Accordingly, styles of coordination also change. Therefore, the third challenge of coordination in network system is that how can coordination be used to prepare to face for contingent situation coming from the external environment.

Communication in Hierarchical and Network Structures

Another important aspect of policy coordination is communication without which coordination becomes a meaningless endeavor. Interorganizational communication
is relatively a recent phenomenon which is came into common phraseology in organization theory in 1960s and 1970s (Bassett and Pennings 1983). Consequently, there is no unanimity in defining communication. In this discussion, I use communication in the context of administrative organizations.

Some writers including Merrihue (1960), Hall (1974), and Myers and Myers (1982), identify communication as a cornerstone of coordination in organizations. For instance, Myers and Myers highlight its importance as; ‘communication is the best element that keeps the various interdependent parts of the organizational system together. Without communication there is no organized activity. Communication allows organizational structures to develop by giving separate individuals the means to coordinate their activities and thus achieve common goals’ (Myers and Myers 1982:08). Therefore, communication in an interdependent organizational system is considered as the frame for interaction of each organizational unit.

An organization that has dispersed its tasks geographically or divided its task into several jurisdictional units, to be effectively administered, at least couple of conditions should be fulfilled. Among them, unanimous understanding of; overall goals and objectives, available resources, problems experienced while working and recurrent achievements of the organization are believed to be important to understand by all members to minimize the organizational inefficiency and ineffectiveness. How can organization enhance the understanding of these matters? One of the instant answers come into our minds is the coordination. Still within coordination, communication both at intra and interorganizational levels is assigned a great deal of work. Thus, the question ‘why communication’ can be answered as it is fundamental for an organization to manage its work effectively.
Challenges of coordination can be analyzed in the light of communication both in hierarch and network structures. As discussed earlier, communication means that transforming information among organization necessary for decision making, redesigning further improvement of policies. In hierarchical system, main challenge can be understood in coordinating though communication. We can raise two questions regarding communication; how should information be transferred? and what should be transferred? The way information transmission happens upward, downward as well as across direction. In hierarchy, a number of levels have to be passed through to transmit information from top to down and bottom to up. This might take longer time and require more resources. More than that, when the lines of communication increase the possibility to distort the meaning of original message is higher. This is because; information should be transmitted through each and every level of the organization and bypassing a level might cause to damage the organizational expectation. Hall points out that when different people positioned at different point of initiation and reception of messages, there is much assimilation of meaning to the context within which transmission happens (Hall 1974). Sometimes this is commonly identified as information manipulation. People who work at different level can interpret information according to their own behalf. This can also affected to information omissions (Hall 1974) meaning that some aspects of original messages might be lost. So the problem is that how coordination can be done through communication in such a situation of long lines of information transmission and possibility for manipulation is always there.

In network structures, on the other hand, is suffering from having no proper communicative channels as hierarchy does. Networks are normally indentified as loosely coupled system and therefore, no regular and constant contacts with each
other organizations. Bargaining strategy makes member organizations to calculate cost and benefit of participating regular meetings of network. If there is no possible benefit, organizations avoid meeting and passing information to other members. As has no organization to steer others communication become once in a while activity and hence coordinate effort would not be effective and productive in terms on goal attainment.

Control in Hierarchical and Network Structures

Third function of policy coordination, laid under both hierarchical and network structures, is the control. Any kind of administrative organization believes that it needs some sort of control to best use of the decision making and carry out such decisions effectively and efficiently. Ultimately, policy coordination also in one way or another depends to the extent of control an organization entrusted. It is important to be noted here that in administrative and organization theory, both in academic and practical sense, the term ‘control’ is used synonymously and interchangeably with power, authority, autonomy and monitoring. Therefore, a clear understanding on what control is all about might be useful to proceed this discussion.

Kaufmann, one of the prominent writers on policy coordination, defines control as “the means the function of information and motivation for intelligent conformity to a system of interrelated actions (Kaufmann 1986:225). According to this explanation, control is viewed as a means of sustaining an intelligent consistency in an organization in which the groups of actors engage in interrelated actions to accomplish its overall goals. Moreover, control can be used at least for two purpose; function of information and motivation (Kaufmann 1986).
In the discussion, Verhoest et al. (2005) identified four types of control. First, ex-ante control meaning that before the actors start their course of work, rules, regulations, operating procedures and approval requirements are given beforehand, and by so doing, it is believed that predetermined objectives can be achieved. Before NPM initiatives came into dominant, this sort of ex-ante control was emphasized in public sector. In other words, ex-ante control has to do with input process in an organization to reach to the desired goals. Second, ex-post control meaning that through such means like monitoring, evaluating, and auditing, performance of organization is being regulated. To put it in other way, organizational outcome is checked to measure the initial expectations have been met at the end. Third, structural control; implies that influencing organizational decision through different structural means. Finally, financial control meaning that organizational decision is influence be making financial constraints (Verhoest et al. 2005).

Based on this dimension, another challenge of coordination faced by MLG incorporates with function of control. In hierarchical system, whole structure is more or less base on the matter of control. Formal channels have to be followed by its workers and rules and regulations put forward by authority should be used for guiding their routine works. Organization has predetermined goals and control measures are set along with those goals. In such situation control mechanisms are highly established. Advantage of this is that routine like day to day problems can be effectively addressed through present control strategies. However the problem is that rigidity of control can not apply to the situation of changing nature. Today, public sector faces problems that can not take longer time to resolve them. The situation becomes tough due to two factors. On the one hand, existing control measures are highly inflexible, and those can not be violated though the necessity
is more important. Under any circumstances public sector rules and regulation can not be violated and if civil servant happened to do so it might be a punishable fault. On the other hand, this can be done only getting the proper authoritative permission prior to go out of the existing low. Then it takes longer time. Challenge for the coordination is this context is how does rigidity of control face the uncertain and contingent problems?

In contrast, how control mechanisms can effectively be used in network system is differed greatly from hierarchical system. It is pretty much uncertain how procedural or substantial control can be applied as networks are based on resource interdependency and mutual cooperation. However this does not mean that no control in network can be expected; at least organizations work to standardize knowledge and skills on work procedures. The attention here is that network outcomes can be control through formalization of norms beliefs on work methods and performance. As Verhoest et al. (2005) discuss, ex-post control mechanism can be the only way of controlling networks procedures. This means that it is not feasible to set instructions, directives and regulated guidance about how network organizations should implement policies. On the one hand they are independence in their own way though resource dependency is there, and on the other hand there is no central authority to maneuver network activities. The main argument here is that if a plan or a policy to be effectively implemented it is necessary the participants to be held with the through out the process until it yields the expected goals. It is believed that control is working for this purpose. In the situation of network his might be challenging task. In a very narrow sense, powerful organization might work to control the other organizations within the network, but how overall coordination can be achieved is the main challenge worth mentioning.

**Informal Mechanisms of Policy Coordination:**
In terms of coordination, informal mechanisms such as informal channels, informal norms and informal bargains and agreements are possible to observe in public sector organization (Chisholm 1989). The main cause of such informal techniques used by actors is associated with failures and shortfalls of mechanisms used by formal organization. One such failure is that the slowness of facilitating timely needed solution. In hierarchical system, normally decisions should be passed through the all levels and also those are highly restricted by legal and formal regulations. Whereas network systems are characterized by perpetual change and there is no regular, and structured system for information to be quickly exchanged. Both these instances, time dimension is given a second priority. Inherent difficulty of this situation is that the slowness of information flow (Chisholm 1989). Another weakness of formal organization is that, for some instances, formal channels can block important policy matters; what can be called bottlenecks. This might be a reason of organizational politics intentional control of top level authorities. Just to mention, another such failure might be that the inadequacy of formal organizations to provide a spontaneous solutions to unpredictable or contingent events. As a result of these factors, several informal factors are being work in practice in terms of policy coordination in public sectors.

Among those factors, mutual trust, informal norms, political affiliations, identity factor are identified as significant. For this study, I’ll concentrate on three such factors important to understanding coordination challenge in MLG; mutual trust, political affiliation and role orientation.

1) Mutual Trust

Trust is one of the essential coordinating factors in any organization whether it is intra or interorganizational coordination (Adler 2001; Chisholm 1989; Christensen
and Lægreid 2007; Lægreid, Roness, and Rubecksen 2006). Trust is defined differently by different writers. For instance, Adler (2001:217) simply defines term ‘trust’ as a confidence in another’s goodwill. Another short definition for trust is that ‘reciprocal faith in others’ intentions and behavior’ (Kreitner and Kinicki 1995). Adler (2001) shows four dimension of trust. First, discussing sources of trust he identifies three roots of trust: familiarity through perpetual interaction, interests based on calculation, and valued and norms. Second, three mechanisms of trust are identified: direct interpersonal contact, reputation and institutional context. Third, dimension is the object. Again three objects of trust are there: individual, system and collective. Finally, Adler discusses the bases of trust which is again consisted of four sources: consistency or contractual trust, competence, benevolence trust and openness (Adler 2001). Though trust in an organization is perceived as complex and multidimensional, some people see it as a coordination mechanism. That is how we see trust today as complementary to other two mechanisms of price in market model and authority in hierarchy. Verhoest et al. (2007) identify trust as driving force of network structure. Though, it is true that network has to deal with trust, it is not possible to limit it only into networks. Any sort of organization has to depend on trust to different extent.

In this study I see mutual trust as one of the main features and it enable organizations to coordinate their activities effectively and efficiently. Both at interorganizational and intraorganizational levels, sometimes trust make coordinative work easier whereas the other times difficult. The argument here is that high level of mutual trust between organizations tends to increase the coordination effort easier.

2) Political Affiliation
Public policy is not a unilateral project outcome of political officials. Instead it is a multilateral effort to achieve optimal solution to a social problem or social evil while representing diverse views and interests of public, civil servants, and political actors. Thus, the organization of power relations between political and administrative organizations has an important impact on policy coordination. Especially in the developing countries, politics plays a significant role in the process of public policy. One way of how politics works in the policy coordination is that the political patronage and the capture of civil service institutions by party fractions. It is argued that the developing countries and to some extent, the developed countries, political parties and leaders use civil service to strengthen their power-positions by offering patronage appointments and promotions to their followers according to their will. Khan analyses this situation in the following terms (Khan 2001). “…In all these (South Asian), barring a few exceptions, higher public servants have maintained a close relationship with the politicians and the generals in power. Politicians at the helm of state affairs have found it beneficial to depend rather heavily on the “elite” civil servants” (Khan, 2001:74). If political parties and their lower strata are allied to particular institutions, it is more difficult to expect an effective coordination especially when politically opposite parties tolerate the power of government. On the other hand, if civil servants are working alone with political affiliation to a particular party, they are normally reluctant to consult other people and organization representing opposition ideologies led parties. In such situation, instead of facilitating and enthusiastically coordinate other organizations, civil servants try to hinder or make constraints against to effective coordination. Based on this discussion, the argument here is that the extent of coordinating policies depends upon the availability of politically unbiased civil service.
3) Role Orientation

The third variable to analyze the challenges of coordination policies in MLG is the role orientation of civil servant. This means that how civil servants see their role. Do the civil servants see their roles as collective, collaborative or coordination or the opposite? (Christensen and Lægreid 2007). Such perceptions could be based on the policy goals offend their personal value system, extra organizational loyalties, sense of self-interest, or existing and preferred relationships. If civil servants understand that they are working in a cooperative work environment and to achieve overall goals of a particular policy their contribution is necessary, then policy coordination is relatively doable easily than where such a thinking of them is not noticeable. For instance, public servants working at provincial or local level of education sector still perceive that they are implementing a national policy which has national goals rather than provincial or local purposes, and then comprehensive policy coordination might be easily accomplishable.

3.8 Policy Coordination and Multi-Level Governance

Coordination between individuals, different organizations in an interorganizational system, and institutions in terms of policy matters is treated as a pivotal element of governance. We perceive that the modern society has to work with complex and functionally differentiated tasks which can not be performed by one person or one organizational unit. That is why the first generation reform experiment called NPM is analyzed somehow as a failure. Because NPM has created a number of difficulties in terms of political, administrative and social dimensions, during the 1980s and 1990s instead of having medicated to the existing symptoms within the civil service (Christensen and Lægreid 2007; Christensen and Lægried 2007; Pollitt and Bouckaert 2004; Verhoest, Bouckaert, and Peters 2007; Verhoest et al.
2005). As a result, discussion over re-organization of public sector by means of whole-of-government initiatives is being extensively unfolded at present day reform discourse (6 2004; Ling 2002; Peters 2004; Pollitt 2003). Terminology used in the discussion is also varied through joined-up-government, whole-of-government, horizontalism, reviewing the centre, rebuilding the government and multi-level government (Verhoest, Bouckaert, and Peters 2007). As a whole this trend is identified as a second generation reform wave. A salient feature of this discussion is that of giving the core interest in re-establishing coordination in intra and interorganizational work. According to Christensen and Lægried (2007:7) in post-NPM reforms efforts vertical and horizontal coordination problems have received a renewed focus in the form of MLG.

3.10 Conclusion

Policy coordination among different organizations and organizational sub-units is being recognized as an important administrative-management task to reach the desired goals of policies in the public sector. This is because the concerted policy making and implementation is believed to be led for successful goal achievement rather than the isolated action of individual organizations. Due to this fact, every measure is taken by policy makers and implementers to make sure to achieve predetermined goal(s) through a proper arranged coordination process. Nevertheless, it is also frequent in reporting coordination failures whereby policy goals might not be fulfilled, and organizational autonomy may be threatened (Rogers and Whetten 1982). In other words coordination of policies at multi-level governance would require careful attention if policies to be succeeded in terms of their goals and objectives.
In this paper, my attempt was to highlight some basic challenges of policy coordination faced by multi-level governing system. Though the paper did not touch upon much about empirical data, my aim was to formulate a conceptual debate on how MLG crafting effort should understand the role of policy coordination to sustain a policy coherence within a wider politico-administrative system. For this purpose, it is required to be aware of both structural-instrumental and cultural-institutional challenges of policy coordination.
References


