From Government Strategies to Strategic Public Management:

An Exploratory Outlook on the Pursuit of Cross-Sectoral Policy Integration

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Abstract

This paper discusses how public administrations handle government strategies on sustainable development (SD), and how this could (or should) change in the future. It puts SD strategies and their key objective of improving the horizontal integration of policies into the wider context of public administration in two respects. In a first step, the paper shows that SD strategies are a progressive step in the protracted debate on planning and strategic management in the public sector. In a second step, however, the paper explores the functioning of specialised public administrations as one explanation for the short-comings of SD strategies in Europe. Consequently, the paper concludes that SD strategies should be developed further into a tool of Strategic Public Management that helps to adapt administrative approaches to the integrative challenges of SD.

Keywords

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1 The administrative nature of SD strategies

The editorial and the introductory paper of this special issue (Meadowcroft, 2007) briefly charted the development from environmental policy plans to a new generation of sustainable development (SD) strategies. Based on the empirical evidence documented in previous works (OECD 2002; European Commission, 2004; Swanson et al, 2004; European Environmental Agency, 2005; Steurer & Martinuzzi, 2005) and the case studies in this issue, the paper looks back by summarizing some (conceptual) achievements as well as administrative weaknesses of government strategies on SD. Furthermore, it looks ahead by exploring options of how to develop government strategies further into a tool that better facilitates strategic management in the public sector, also referred to as Strategic Public Management (Steurer & Martinuzzi, 2005).

In looking at the past and a possible future for government strategies on SD, this paper puts them into a wider context of public administration practices for a very pragmatic reason. Although guidelines rightly describe SD strategies as ideal-type processes that ought to be closely linked to the political level of policy-making, previous works (Tils, 2005; Steurer & Martinuzzi, 2005), the experiences made by administrators responsible for SD strategies (Berger & Steurer, 2006), as well as some of the case studies in this special issue emphasise that most SD strategies rely on the engagement of public administrators who often struggle with the fact that politicians (and the public) show little interest in their work (for the relevance of "administrative culture and practices", see also European Environmental Agency, 2005). One explanation for the fact that most SD strategies are administered by public servants rather than governed by ministerial cabinets (or legislated by parliaments) can be found in what Hansen and Ejersbo (2002, p. 738ff) call the "Logic of Disharmony". They found that politicians on the one hand approach particular issues case-by-case and focus on competing interests involved on an ad-hoc basis. By utilizing such an "inductive logic of action", they at times ignore not only existing government strategies but also (personal) commitments and treaties. Administrators on the other hand prefer to deal with particular issues deductively by refer-ring to general laws or guidelines that are defined by the legislator, or in planning and strategy documents. Overall, the lack of political will and support is certainly the single most significant shortcoming of SD governance in general (Lafferty & Meadowcroft, 2000; Lafferty, 2004), and of most SD strategies in particular (Steurer, 2008; see also Meadowcroft [2007] in this issue). However, the weakness of the political branch of government in the SD context augments the relevance of the administrative realm.

As the administrative context of SD strategies is a wide field, the paper focuses on two highly relevant issues: Firstly, the paper links SD strategies to the debate on planning and strategic management in public administrations, and it concludes that they represent a good balance between the two antagonistic extremes. Secondly, the paper puts this (conceptual) achievement into perspective with the empirical fact that most SD strategies fall short in effectively shaping policies. As the case studies in this special issue illustrate, the reasons for this critical conclusion are, of course, numerous (see section 3). This shortcoming is explored by pointing out that all major public administration narratives fail to address the challenge of policy integration adequately. This finding suggests that SD strategies should be developed further into a more comprehensive approach of Strategic Public Management that, inter alia, seeks to overcome the sectoral focus of public administrations. Although the paper focuses on SD strategies, this and other findings are relevant for government strategies overall, in particular for those addressing cross-sectoral challenges.

Section 2 relates SD strategies to predominant planning and policymaking approaches in the public sector. Section 3 explains the failure of SD strategies to deliver policy integration with a brief characterisation of bureaucracy, New Public Management and New Governance as three major public administration narratives that are not in tune with the policy integration ambitions of SD strategies. Finally, section 4 concludes that SD strategies are a tool with an ambivalent record (conceptually strong, but weak in delivery) and a considerable potential for strengthening Strategic Public Management.

Obviously, large parts of this paper are exploratory rather than empirical. However, since the existing empirical evidence (also in this special issue) suggests that SD strategies face major political and administrative challenges, an exploratory outlook that may open new perspectives is needed.

2 SD strategies and the planning controversy: identifying conceptual achievements

This section highlights the conceptual progress embodied by ideal-type SD strategies. It shows that, despite actual failures in delivering policy integration, SD strategies do mark an important (conceptual) step forward in the controversy on the appropriate means and ends of strategies in the public sector. However, this achievement emerges only from a historical perspective. Therefore, we briefly have to review the so-called planning controversy that goes back to the 1960s selectively.

As Mintzberg et al (1998) show, there is still no consensus on what form the strategies should take. Two opposing strategy schools that have been at the forefront of public administration practices for a long time are the planning school and the learning school.

According to the planning school, complex organisations must plan formally (i) to coordinate their activities, (ii) to ensure that the future is taken into account in today's actions, (iii) to be rational, and, (iv), to control the use of resources. Having formal plans or strategies implies that an organisation ought to follow a detailed prescription of objectives or actions over a certain period. In the context of public policy, planning may also have the symbolic function of demonstrating political will to interest groups. How-ever, the planning school assumes that organisations can improve their performance when they do not rely only on informal ad hoc deliberations and decisions, but stream-line their activities according to a documented plan or strategy in a systematic and predictable way (Mintzberg, 1994, p. 6-21; Brews & Hunt, 1999; Williams, 2002b). In this sense, traditional policy planning "is imbued with ideas that implementation is about getting people to do what they are told, and keeping control over a sequence of stages in a system" (Parsons, 1995, p. 466). Although this kind of formal top-down planning, which tries to increase predictability at the expense of empowerment and flexibility (Mintzberg, 1994, p. 173ff) saw its peak in the 1960s and 70s (Mintzberg et al, 1998, p. 353; Szulanski & Amin, 2001), it was prevalent in various policy fields, also in the environmental one, well into the 1990s.

With Mintzberg (1994), the counter-position to the planning school can be described as informal and emergent strategy formation, which does not necessarily imply the formulation of a document. In the context of public policy, this so-called "learning school" goes back to Charles Lindblom's (1959) notion of "incrementalism". Lindblom and Mintzberg both advocate in some of their writings that strategies evolve through infor-mal and mutual adjustments among a variety of actors rather than through formalized planning procedures, conducted by distinctive planners. Against this theoretical back-ground, Mintzberg (1994, p. 227-321) charges the planning school with three "fundamental fallacies":

- Planning builds on a predetermination of future developments and discontinuities and ignores their uncertainty and unpredictability.

- Since, according to the planning school, those who have developed plans are rarely the same people who implement them, planning is detached from implementation in terms of both the time line and the key actors involved.

- The most fundamental fallacy of the planning school is the assumption that strategy formation can be accomplished by formalizing the process through distinct planners, who are isolated from daily routines.

The impossible predetermination of uncertainties and discontinuities, the detachment of thinking and acting, and the suppression of creative thinking through formalized planning leads Mintzberg (1994) to the conclusion that "strategic planning" is an oxymoron. He asserts that strategy formation cannot be planned

in the way the planning school assumes but instead emerges out of collective and incremental learning processes.

Obviously, both the planning and the learning schools represent two extreme stand-points in the planning controversy, both of them showing considerable weaknesses, in particular in the context of cross-sectoral SD policies. It is hard to imagine how a long-term guiding model such as SD that concerns so many different actors can be realized by relying on a rigid top-down planning scheme. Since neither environmental problems nor policy-making processes themselves are as rational and linear as planners would like them to be (Montanari et al, 1989, p. 304), not surprisingly the planning school failed to meet expectations and lost ground (Mintzberg et al, 1998, p. 353; Bonn & Christodoulou, 1996). Likewise, it is hard to imagine progress towards SD in several sectors with-out a common vision on both governance and policy objectives. Since strategic management can be defined as "the central integrative process that gives the organization a sense of direction and ensures a concerted effort to achieve strategic goals and objectives" (Poister & Streib, 1999, p. 323), SD policies require some sort of deliberate, and to a certain degree formalized, strategy that is "as sophisticated as the challenges are complex" (IIED, 2002, p. 6). As Schick (1999, p. 2) puts it, "Strategy without opportunity cannot advance the cause of reform very far. [...] On the other hand, opportunity without strategy is likely to exhaust itself in faddism, drifting from one fashionable in-novation to the next, without leaving a lasting imprint." According to Montanari et al (1989, p. 314), 20 years after his initial account of incrementalism in public policy, even Lindblom (1979) has emphasized that "there is very little meaningful 'incrementalism' without some type of 'strategic assessment'" (see also Meadowcroft, 1997).

This rationale both explains the emergence and legitimizes the existence of SD strategies. With regard to this theoretical background, SD strategies emerge as a hybrid strategic approach that builds neither solely on formal planning nor on pure incrementalism. Although the details of the hybrid concept of strategic management embodied in 'ideal' SD strategies differ from author to author, it can be characterized with the following widely-shared assumptions (Montanari et al, 1989; Mintzberg, 1994; Taylor, 1997; Mintzberg et al, 1998; Poister & Streib, 1999; Szulanski & Amin, 2001; Brock & Barry, 2003):

• Strategic management "involves purposeful thought, choice, and action that is designed to enable the organization to achieve its desired future state" (Wechsler, 1989, p. 355).

• Strategic management is not restricted to a planning unit, but involves the entire organisation (i.e. the entire government).

• The implementation of a strategy is regarded as an integral part of the strategy process. This implies that a strategy is not finished with the formulation of an "intended strategy", i.e. a strategy document, but is seen as an open, circular pro-cess: "Formulation [...] may precede implementation. But even so, there has to be 'implementation as evolution' [...] because prior thought can never specify all subsequent action" (Mintzberg, 1994, p. 289).

• Such an open strategy process is flexible regarding changing circumstances and objectives (many of which may be due to implementation efforts). The under-standing of the strategy as an adaptive learning process implies that the outcome, i.e. the "realized strategy", depends not only on intended strategies, but also on "emerging strategies".

• Despite this emphasis on flexibility and learning, formal plans are not rejected as outdated, but they are embraced as valuable strategic devices. "Thus, strategy is not the consequence of planning but the opposite: its starting point. Planning helps to translate intended strategies into realized ones, by taking the first step that can lead to effective implementation" (Mintzberg, 1994, p. 333).

To sum up, this hybrid strategic paradigm is aiming at "a synthesis of the rational synoptic and incremental perspectives of strategy development" (Montanari et al, 1989, p. 306), acknowledging the fact that various strategy approaches (even the planning school) can provide valuable tools (for a comparison of the three approaches, see table 1). Thus, the decline of the planning school was not accompanied by a complete

shift towards incrementalism, but by a shift towards hybrid patterns of strategy formation (Mintzberg et al, 1998, p. 352f).

In the environmental policy field, this shift has become manifest in the decline of environmental policy plans and in the emergence of SD strategies. While environmental pol-icy plans generally resulted in single planning documents aiming at some unspecified implementation (often never to happen), most SD strategies provide flexible yet focused strategy cycles. They often imply the introduction of new forms and tools of public governance and administration, such as bodies of inter-ministerial collaboration, continuous monitoring schemes and cyclical reviewing and reporting mechanisms (IIED, 2002; Swanson et al, 2004; Steurer & Martinuzzi, 2005). Overall, SD strategies do mark an important step forward compared to most former environmental policy plans, at least conceptually. Furthermore, SD strategies open a policy window to better integrate strategic management throughout the public sector, i.e. to enhance Strategic Public Management.[1] This window of opportunity finds its verbal expression in phrases like "strategic policy" (Bouder & Fink, 2002, p. 256) or "strategic state" (Paquet, 2001), both used in the context of SD governance.

Table 1: Characteristics of ideal-type SD strategies as example of Strategic Public Management, in comparison with policy planning and incrementalism[2]

	Policy Planning	Incrementalism	SD strategies & Strategic Public Management
Related strategy school	"Planning school"	"Learning school"	"Configuration school"
General approach	Formal, inflexible and comprehensive plans	Informal and flexible learning process	Formal strategy documents are complemented by flexible strategy process (embracing formal and informal mechanisms)
Plan/strategy formulation	Plans are developed by professional "planners"	Formal strategies are rejected as detached from reality, thus no formulation necessary	Strategies and plans are developed by those responsible for implementation (and external stakeholders)
Policy integration	Plans usually focus on a single policy domain	No systematic approach ("muddling through")	To be achieved by cross-sectoral strategies, structures (e.g. networks) and mechanisms (e.g. evaluations)
Linkage between policy formulation and implementation	Implementation is beyond the scope of planners	Unguided incremental processes	Implementation is integral part of strategy process, taken into account in strategy documents and supported by cyclical mechanisms
Involvement of relevant actors (participation)	None, thus weak ownership beyond planning unit	To be decided ad hoc	Attempts to form advocacy coalitions; multi-stakeholder approach facilitates acceptance and ownership of strategy process
Assessment and feedback	Most often neither nor	Everything that supports learning is welcome	Indicator-based monitoring, internal audits, external evaluations and peer reviews support learning
Key skills	Linear thinking and compliance	Ad-hoc decision making	Non-linear strategic thinking, orchestration of different governance modes and activation of actors

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[1] While many other scholars speak of "Strategic Management in the Public Sector" (see, e.g., Cunning-ham, 1989; Montanari et al, 1989; Poister & Streib, 1999), Strategic Public Management reflects the challenge of better integrating strategic thinking in the public sector also in its appellation.

[2] This table is taken from Steurer & Martinuzzi (2005), and it draws on Williams (2002b, p. 202); Dalal-Clayton & Bass (2002, p. 5); Montanari et al (1989); Mintzberg (1994); Mintzberg et al (1998) and Poister & Streib (1999).

3 SD strategies and public administration narratives: contrasting conceptual achievements with administrative shortcomings

If we contrast the positive account of SD strategies that emerged above from a historical, concept-centred perspective, with the critical findings of the case studies in this special issue, a significant gap becomes apparent. As the case studies exemplify in detail, most SD strategies fall short in better integrating economic, social and environmental policies. This implies, inter alia, that they are often not able to reverse negative environmental and social trends. Yet, how do the conceptual achievements of SD strategies go together with these actual shortcomings? While the positive account draws mainly on ideal-type characteristics of SD strategies based on UN and OECD guidelines (UNCED, 1992, chapter 8A; United Nations Department for Economic and Social Affairs, 2001a, b; OECD-DAC, 2001, p. 18f; IIED 2002, p. 33-36) and on respective good practices that are scattered throughout Europe (Steurer & Martinuzzi 2005), the case studies assess the performance of single strategies as close-up. In other words, the contrasting pictures are two images of the same object from different temporal and spatial distances and angles, giving a complete impression only complementarily. Although the historical and conceptual perspective on planning and strategy formation in the public sector reveals important insights, it is often overshadowed by the other, more tangible perspective that shows the actual shortcomings of SD strategies in improving policy integration. Overall, the record of many SD strategies is ambivalent, that is, conceptually strong and rather weak regarding their actual performance.

The explanations for the failure of SD strategies to improve policy integration are, of course, numerous, and many of them point beyond the public administrators' sphere of influence (and, consequently, also beyond the scope of this paper). Among the most prominent (and often interrelated) explanations are, for example, the following (Steurer & Martinuzzi, 2005; Berger & Steurer, 2006; see also the case studies of this special issue):

- difficulties in communicating the relatively abstract and complex concept of SD to politicians and to the public,

- a serious lack of high-level political will, leadership and sustained commitment,

- the common dominance of economic interests over environmental and social interests,

- a lack of interest and ownership in non-environmental (and social) ministries or departments and

- a resulting lack of personnel and budgetary resources for achieving the objectives formulated in SD strategies.

This section adds a rarely given explanation for the rather weak performance of SD strategies that is in line with both, the administrative focus of the strategies and of this paper. By linking SD strategies with the study of public administration it shows that none of the three major narratives of public administration extensively covered in the literature (for an overview, see Jann 2002; Salamon 2002b; Jann 2003), namely

- bureaucracy (the hierarchy-based model described by the sociologist Max Weber already in the 1920s),

- New Public Management (the market-oriented model that emerged in the 1980s) and

- New Governance (the network-centred response to the market-hype in the public sector),

is adequately geared towards the challenge of policy integration.[3] Consequently, I argue that addressing this shortcoming systematically should be a key task of SD strategies understood as a tool of Strategic Public Management.

Since public administration practices differ strongly from country to country (Araújo, 2001; Christensen et al, 2002), this section briefly characterises the three narratives in very general terms. It does not describe their particularities for different countries and times; instead, it raises awareness for their shortcomings with regard to policy integration and the potential scope of Strategic Public Management.

3.1　Bureaucracy

Between the 1920s and the 1980s, Max Weber's account of the classical model of bureaucracy was regarded as accurate description of the administrative branch of governments. It replaced a century-old system of patronage that built on personal loyalty and subjective randomness in both recruiting staff and delivering public services, with a sys-tem in which professionalism and accountability play a key role. Besides professionalism based on recruitment by merit, impersonality and objectivity, the "bureau" (the smallest departmental units) was also about specialisation. A bureaucracy is described best as unambiguous structure of departments, each headed by a minister who is responsible for all actions of the departmental sub-units. Bureaus are designated to fulfil very specific and clearly defined tasks in a rule-bound way (Hughes, 2003, p. 17-24). "The idea was to create a system that was at the highest possible level of technical efficiency" (Hughes, 2003, p. 24). Obviously, the bureaucratic narrative was strongly influenced by the efforts of rationalisation and labour division in factories, based on the works of the US engineer Frederick Taylor (therefore "Taylorism"). Weber himself explicitly refers to this private sector influence as follows: "The decisive reason for the advance of bureaucratic organisation has always been its purely technical superiority over any other form of organisation. The fully developed bureaucratic mechanism compares with other organisations exactly as does the machine with non-mechanical modes of production. Precision, speed, unambiguity, knowledge of the files, continuity, discretion, unity, strict subordination, reduction of friction and personal costs – these are raised to the optimum point in the strictly bureaucratic organisation" (Weber, quoted in Hughes, 2003, p. 24).

Overall, bureaucracies imply sectoral specialisation (or "departmentalisation") rather than policy integration. Although the introduction of professionalism and specialisation in the public sector was a major achievement compared to the former patronage system (therefore the connotation of the term bureaucracy was very positive for decades), it ultimately turned the public sector into a compilation of "administrative silos" which are constructed around policy domains, ignoring related policies or problems (for a summary, see table 2). The sectoral administrative silos are still a factor that has to be taken into account when dealing with SD strategies and the challenge of policy integration (see, for example, Peters 1998, 2000).

3.2　New Public Management

Although bureaucracies were originally regarded as efficient, the narrative was seriously criticised as inefficient from a managerial point of view that became known as New Public Management (NPM) around the 1980s. Since then, NPM became the synonym for a reform movement that brought "Managerialism" into "Bureaucratism" (Gray & Jenkins, 1995; Bevir et al, 2003b, p. 1). While bureaucracies are mainly concerned with state accountability and public order maintenance through a hierarchical mode of governance, the key concern of NPM is to "focus on management, not policy, and on performance

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[3]　Like in other fields, public administration practices are shaped continuously by ideas, which are often condensed to a dominating narrative. Such narratives provide a coherent picture about fundamental problems, objectives, solutions and actors in a particular policy field. As "cognitive reference points", narratives reduce complexity, define the scope of possible actions and provide normative justifications to defend or to prevent change (Jann, 2003, p. 97).

appraisal and efficiency" (Bevir et al, 2003b, p. 1; see also Jann, 2002, 2003). Also, for Lane (2001, p. 14), "NPM is basically about focusing upon efficiency". Since NPM assumes that "Competition squeezes slack out of slacky organizations" (1998, p. 283), it favours the governance mode of markets (and the according leitmotiv of "get-ting prices right") to the one of hierarchies (Jackson, 2001; Hood, 1991; Jann 2002, p. 296). Typical policy instruments of NPM are the "marketisation" (or outsourcing) of services provided by the public sector, the market-testing of public agencies (that is, to let them compete with private enterprises), the privatisation of state-owned firms, and the further disaggregation of departmental structures into service agencies, each responsible for a clearly specified product (Bevir et al, 2003b, p. 13; Hood, 1995, p. 95, 97).

Overall, NPM does not moderate but rather enhances the "silo-character" of public ad-ministrations by further disaggregating them into specific agencies ("agencification"). Due to its focus on intra-organisational management, NPM may help to increase the efficiency of the public sector. However, it also tends to disregard (and hinder) inter-organisational collaboration across sectors, which can often be regarded as a prerequisite for effective policy integration (Hood, 1991; Dunleavy & Hood, 1994; Hood, 1995; Gray & Jenkins, 1995; Mathiasen, 1999; Lane, 2001; Jackson, 2001; Jann, 2002 & 2003; Hughes, 2003; for a summary, see table 2).

3.3   New Governance

This trend of disaggregation is frequently stated as one of the driving forces behind an-other administrative reform wave, away from the hierarchical and market modes of governance towards a pattern of networks often referred to as New Governance (Rhodes, 1996; Peters, 2000; Salamon, 2002b).[4] As Rhodes (2000, p. 54) asserts, "Governance is part of the fight back. It is a description of the unintended consequences of corporate management and marketization. […] The networks so central to the analysis of governance are a response to this pluralization of policy making." According to Jervis and Richards (1997, p. 13), networks are "patterns of long-term relationships between mutually interdependent actors, formed around policy issues or clusters of resources" (see also Börzel, 1998, p. 254). The guiding principle of New Governance is not efficiency but effectiveness (Jackson 2001, p. 20; Salamon 2002a, p. 23; Jervis & Richards, 1997, p. 9). In 1997, even the World Bank (1997, chapter 2), one of the key advocates of NPM reforms around the world, suggested to "Refocusing on the Effectiveness of the State". Reference to the governance literature shows that this "refocusing" implies a shift from the leitmotiv of getting prices right to getting institutions right (Jann, 2003), for example by establishing networks.

Regarding the challenge of policy integration, the network mode of governance is often assumed to deal effectively with complex and cross-sectoral issues (such as SD) because of the following reasons:

- Since networks involve a broad variety of societal actors they help not only to identify widely accepted solutions but also to sharing information and better understanding complex problems (Jackson 2001, p. 17).

- The fact that networks provide strong inter-organisational capacities implies that they serve cross-sectoral issues better than narratives with a strong intra-organisational focus, such as NPM (Williams, 2002a, p. 105).

- While competition is good for efficiency, collaboration is assumed to facilitate effectiveness because networks provide or generate valuable resources such as local knowledge and experience, ownership and commitment (Jackson, 2001, p. 18; World Bank, 2002).

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[4]   While the "Anglo-Governance School" (Marinetto, 2003) uses "the term governance to refer to a pattern of rule characterized by networks that connect civil society and the state" (Bevir et al, 2003a, p. 192), an increasing number of scholars refers to the same phenomenon as "New Governance" (see, e.g., Meadowcroft, 1997; Paquet, 2001; Salamon, 2002a, b; Davies, 2002). Here "New Governance" is preferred because it leaves room for the broader notion of governance, comprising not only net-works, but also hierarchies and markets as alternative governance modes.

Consequently, networks are often seen as the most appropriate "paradigm for the architecture of complexity" (Börzel, 1998, p. 253, who quotes Kenis & Schneider, 1991); or as Rhodes (1997, p. xv) puts it, "Messy problems demand messy [that is, network-like] solutions".

Table 2: Key characteristics of bureaucracy, New Public Management and New Governance as three public administration narratives[5]

	Bureaucracy	New Public Management	New Governance
Peak of popularity	1920s - 1970s	1980s - 1990s	Mid 1990s - today
Overall approach	"Bureaucratism"	"Managerialism"	Governance
Key challenge(s)	Public order and accountability (legality and legitimacy)	State/administrative failure due to slack (inefficiency)	State/administrative failure due to complexity (ineffectiveness)
Governance leitmotiv	"Law and order"	"Getting prices right"	"Getting institutions right"
Guiding principle	Accountability	Efficiency	(Sectoral) Effectiveness
Governance mode	Hierarchy	Market	Network
Governance mechanism	Command & control (authority)	Competition	Co-operation/collaboration
Preferred (legal) instrument	Public law	Contracts (private law)	Formal and informal agreements
Compliance/ownership mechanism	Control/enforcement	Incentives	Involvement, negotiation and persuasion
Organisational scope	Intra-departmental focus ("Departmentalisation")	Intra-organisational focus on service delivery agencies ("Agencification")	Inter-organisational focus within sectors/policy coalitions
Pattern of strategy making	Policy planning	Ad-hoc problem solving, combined with elements of strategic management	Strategic Management, emphasising (policy) learning and adaptation
Skills required	Compliance and control skills	Management skills such as organising, financing, controlling, marketing etc.	"Enablement skills" such as activating, orchestrating and modulating actors and processes

Since New Governance narratives favour an inter-organisational over an intra-organisational focus (Jervis & Richards, 1997; Jann, 2002, p. 288; Williams, 2002a, p. 105), they do take "public administration out of the narrow tunnel of formally designed structures and mandated organizations" (Toonen, 1998, p. 250). Yet, does the rise of New Governance imply a transition from sectoral silos and task-oriented agencies towards a web of inter-organisational and cross-sectoral networks? Not necessarily. While most networks are inter-organisational in character, network theories (Peters, 2000) as well as practices[6] suggest that the scope of most networks is still limited to specific is-sues within a policy field or a sector. Even more so, the co-operative yet advocacy nature of networks might even "institutionalize and legitimate the conflicts among policy domains, and reinforce those natural divisions" (Peters, 2000, p. 45).

Overall, the upside of the administrative story line summarised above is that both, public administration theory and practice have adapted to new challenges, such as inefficiency and ineffectiveness. Consequently, public administrations have become more diverse in terms of leitmotivs, principles and modes of governance in recent decades. Starting out from the relatively uniform model of bureaucracy, many administrations have also embodied NPM since the 1980s and New Governance (such as informal networks and inter-ministerial groups) since the 1990s. Although each narrative has certain strengths, and New Governance is assumed to handle complex issues better than bureaucracies or NPM, the downside is that none of the administrative narratives discussed so far is geared towards policy integration in general, and the integrative challenges of SD in particular. Yet, what does this imply for SD strategies, and what role can Strategic Public Management assume in this respect?

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[5] This table is based on the public administration literature quoted in the text, in particular on Jann, 2002, 2003; Hughes, 2003 and Meuleman, 2003, 2006.

[6] Experience tells that it is relatively easy to establish a network of likeminded people working in the same field or sector, but that it is very challenging to open a network to experts form different sectors with different interests.

4 Strengthening the strategic capacity of SD strategies: moving towards Strategic Public Management

So far, this paper has demonstrated the ambivalent record of accomplishment of SD strategies. On the one side, it argues that SD strategies represent an important conceptual step forward from rigid planning towards more continuous and flexible strategic pro-cesses in the public sector.

On the other side, the case studies of this special issue and other overview studies show that SD strategies obviously unfold only a fraction of their (strategic) potential, that is, that they often fail to effectively orchestrate different strategy features and governance arrangements. Consequently, they are falling short in delivering their objectives. Else-where, I have concluded that SD strategies tend to become fragmented and "administered strategies", that is, processes that are driven by some administrators who have limited political leverage, but who are not capable of shaping key policy decisions in line with the strategy objectives (Steurer, 2008).

By exploring this shortcoming from an administrative perspective, the paper identifies the functioning of public administrations as one among other explanations in this respect. It describes how the three dominant narratives of public administration (bureaucracy, NPM and New Governance) serve all kinds of purposes and challenges (such as sectoral specialisation, accountability and efficiency), except for the normative objective of policy integration and related governance arrangements.

Metaphorically speaking, one could say that neither the hardware (the polity structure of ministerial governments) nor the respective "operating system of public administrations" (the interplay of bureaucratic, NPM and New Governance narratives) is fully compatible with the policy integration software packed in SD strategies.[7] Thus, cross-sectoral efforts such as SD strategies can not run smoothly on the machinery of government as it is. Nevertheless, there is certainly room for improvement in both the political and the administrative branches of government, which, of course, depends essentially on changing national circumstances and other contextual features. The room for improvement explored here focuses on the potential of government strategies in the administrative realm.

If we carry on with the metaphor of hardware, operating system (or narrative) and soft-ware, three complementary approaches of developing SD strategies further into a key tool of Strategic Public Management become evident. First, governments could start re-writing the software of SD strategies in order to match it better with the limiting characteristics of both the "polity-hardware" and the operating narrative of public administrations. As Tils (2005, 2007 in this issue) shows exemplarily for the German case, the strategy "Perspectives for the future" (German Federal Government, 2002) fails to ad-dress basic strategic issues such as the political means and prerequisites of different pol-icy options, or the (potential) leverage of adversarial actor constellations and partisan advocacy coalitions that are relevant for the proposed objectives. Furthermore, he argues that the strategy does not pay adequate attention to the capacity of relevant actors to think and act strategically ("strategizing ability"). Overall, there is certainly a considerable scope to make SD strategies "more strategic" by explicitly dealing with the con-text of limiting polity structures, actors' constellations and the ways public administrations work. Unfortunately, this key aspect of Strategic Public Management has been rarely recognized and discussed so far.

Second, governments could address the shortcomings of SD strategies by adapting the "polity-hardware" accordingly. This is what many countries have done already in the course of their SD strategy processes to varying degrees. Sweden, for example, has created a cross-sectoral SD ministry. The UK and Germany have established an inter-ministerial co-ordination body at the political level ("green cabinet"), and many

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[7]   The hardware-software comparison by Jordan (2002) inspired me to add operating systems as third key component of the metaphor.

other countries have put an inter-ministerial committee in place at the administrative level. These polity innovations are certainly important steps towards overcoming the sectoral rigidity of ministerial governments, and they represent another feature of Strategic Public Management. Mintzberg (1994, p. 352), for example, stresses that communication and coordination are not side effects of strategic management and planning, "but the essential reasons to engage in it". However, if hardware or polity innovations like SD ministries or inter-ministerial bodies are not accompanied by respective changes in politics (such as a shift of political power to the newly created institutions), and a supportive public administration narrative (the operating systems), they are likely to remain politically insignificant. This leads us to the third and probably most advanced level of how to develop SD strategies into a tool of Strategic Public Management.

Regarding the operating narratives of public administrations, Strategic Public Management in the context of SD is essentially about combining hierarchical steering with net-work-like collaboration. Because institutions and networks that span across economic, social and environmental sectors and institutions are crucial for achieving SD but unlikely to emerge by themselves, they have to be established and maintained deliberately through governmental steering. Interestingly, such hybrid modes of governance, or "networks in the shadow of hierarchy"[8] are commonplace in administrative practices (Lowndes & Skelcher, 1998; Cabinet Office, 2000; Davies, 2002; Marinetto, 2003; Martinuzzi & Steurer, 2003; Steurer & Martinuzzi, 2005; Meuleman, 2006), but it seems that the reasoning behind their establishment is more intuitive than rational. The value-added of Strategic Public Management is then to turn the process of designing and applying various (hybrid) modes of governance into deliberate choices, guided by and integrated in SD and other strategy processes. Since these choices should be based on knowledge about the advantages and shortcomings of the different governance modes, generating this knowledge in a non-partisan way that does not play off New Governance against bureaucracy and NPM (or vice versa) is obviously a major task of contemporary public administration and political science research.

What is Strategic Public Management in the context of SD policy-making after all?

- It is a hybrid pattern of strategy formation that combines flexible strategy formation with systematic planning, facilitating recurring management cycles.

- It is about making the strategy software more strategic, that is better attuned to enabling and limiting political and administrative circumstances.

- It is a systematic attempt to match objectives not only with adequate policy tools, but also with the polity and governance fabric of the state. By doing so, Strategic Public Management is also concerned with the challenge that "no governing structure works for all services in all conditions" (Rhodes, 2000, p. 81; see also Meuleman, 2003, 2006).

- It aims to reconcile the three operating narratives of public administrations in a deliberate and problem-driven way. In this respect, Strategic Public Management is not a new narrative that wants to overcome existing ones, but one that tries to join them pragmatically.

Overall, Strategic Public Management attempts to take public administrations beyond "muddling through" (Lindblom, 1959; 1979) – not only with regard to policy-making, but also concerning public sector governance and administration.

Of course, such changes can and will not follow a 'one-size-fits-all' approach, nor can they be easily accomplished. Strategic Public Management is a complex hybrid narrative rather than a simple administrative recipe. However, the NPM reform movement has demonstrated that pattern-like changes can occur on a substantial scale across countries when certain conditions are given.

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[8] Scharpf (1993, p. 9) states that "Networks, in other words, often exist in the shadow of the market, majority rule, or hierarchical authority – and there is reason to think that these hybrid or multilevel forms of co-ordination may have particularly attractive welfare implications."

An important condition for the shift from government strategies to a more comprehensive Strategic Public Management are, inter alia, the generation of more "actionable knowledge" on how to combine different governance modes and tools, as well as to build-up respective personal and institutional capacities. However, even if the right hardware, a reliable and fitting operating narrative and tailor-made software all concur, the outcome ultimately depends upon political will and commitment on the one hand, and the knowledge and (enablement) skills of public administrators to work strategically and to span boundaries on the other (Williams 2002a). Of course, these qualities do not arise automatically. As one can learn from the NPM movement, Strategic Public Management and the quest for policy integration depend not only on managerial concerns and on operational and well-orchestrated strategy features. Above all, they depend on a firm sense of political legitimacy and urgency, tied together in a widely shared re-form vision that is in line with the predominant zeitgeist. Obviously, 20 years of SD discourse since the publication of the Brundtland Report (WCED, 1987) were not sufficient to unleash that kind of momentum. Yet, how to change this in the next 20 years by addressing the various cognitive, political and institutional prerequisites for hybrid approaches such as Strategic Public Management is a different story.

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