

The chief aspects of the concept and measurability of state-centric governance

Tamás Kaiser¹ – Gábor Bozsó²

1. Introduction

The evolution and development of the concept of governance is closely linked to the view on the role and tasks of the state and the goals and means assigned to it, which has generated many debates and alternate proposals over the past three decades. The core problem can best be grasped in the fact that while ever more powerful expectations are formulated for the state with respect to exponentially growing challenges appearing in increasingly complex forms, in the system of conditions of simultaneously emerging globalisation and localisation, the extent to which the required resources and capacities are available is constantly decreasing. In order to resolve this paradoxical situation, it has become critical to introduce such innovative forms of organisation, governing and providing public services that are capable of mobilising resources originating from the non-governmental sphere in a manner that is supplementary to traditional governmental means, and which comply with, in addition to the efficiency criteria, the system of norms for legitimacy and accountability. Although the simultaneous meeting of the two objectives – efficiency and democracy – is sustainable, it necessitates the development of state capacities and governmental capabilities that are capable of adaptation and renewal.

The numerous concepts of state organisation and governance and their institutional and public policy models have developed on the basis of viewpoints that consider the role of the state to be retreating, strengthening or just transforming (Bache, 2008; Piattoni, 2009; Börzel, 2010). It is a recurring question as to how far the state's responsibility should extend, what means it should employ, where the state's role should be stronger or less so, and how the concept of the public good should be interpreted in the services market.

The investigation and assessment of the causes precipitating the financial and economic crisis of 2008, as well as the observations from handling the crisis, gradually pushed the neo-liberal concept of a “cheap and small state focused on positioning” into the background. In contrast to the trends of the “hollowing out of the state”, there appeared the holistic concept of the “good state”, according to which, in order to implement the abstract system

¹ Associate professor, Institute of State Theory and Governance, National University of Public Service; academic director, Institute for Research and Development on State and Governance

² PhD student, Doctoral School of Public Administration, National University of Public Service, special rapporteur on academic affairs, Institute for Research and Development on State and Governance

of norms of the public good, the state must take on a value-creation and value-protection role in the process of political, economic and social changes. It has been demonstrated that having the state assume a role is crucial in numerous traditional areas, such as in education, social policy, innovation and strategic industries (Mazzucato, 2011; Musacchio–Lazzarini, 2014; Mazzucato, 2015). In addition to these, however, new problematic areas are also continuously appearing, including migration, terrorism and climate change, whose common characteristic arises from their natures as difficult-to-grasp “wicked issues” whose solutions require strategic thinking, and a horizontal and integrated approach spanning sectors and public policies.

The concept of the “good state” necessitates a rethinking of the rather heterogeneous concept of “good governance”. A good basis for this is provided by previous research advocating the “taking back of the state”, on which basis the *state-centric* approach and practice of our own time became quite apparent (Mann, 1984; Evans et al., 1985; Bell–Hindmoor, 2009; Matthews, 2012; Plattner, 2013). This implies neither etatism nor separation from society, but quite the contrary: an autonomous state, widely embedded across society, with dialogue conducted with the society’s various actors and organised interest groups and based on and in possession of the authorisation so gained serves the aim of economic and social development.

This study argues that the change in attitude regarding the ‘rediscovery’ of the state and governance is clearly shown by the revival of research related to the complex measurement of governmental capacities and capabilities. Practising an integrated approach in order to perform the increasing multi-layered and frequently overlapping tasks requires increasingly significant capacities and capabilities whose development and continuous improvement can be regarded as an integral part of day-to-day governmental practice (Fukuyama, 2013; Gajduschek, 2014).

The significance of the problem is also shown by the fact that in addition to numerous international organisations (OECD, World Bank, World Economic Forum and IMD) and public policy institutes (Quality of Government, Bertelsmann), more and more governmental institutions are engaging in the complex evaluation of governmental performance, developing the systems of indicators required for such, and preparing and publishing rankings and reports (Oman–Arndt, 2010; Bersch–Botero, 2014; Gisselquist, 2014; OECD, 2015c). It is our assumption that all of this can substantively contribute to the improvement of governance when the methodology of the performance measurement is country-specific, but at the same time suitable for international comparison, and also when through regular feedback and assessment, a coherent system takes shape among between the current interpretative framework of governance and the relevant aspects and indicators of its measurability.

On the basis of the above, the study is divided into four main parts. After developing the theoretical frameworks, we introduce the state-centric approach as well as the most important related trends (whole-of-government governance, metagovernance). This is followed by a description of the conceptual frameworks of state capacity and trends in the approaches underpinning measurability, as well as an overview of country-specific performance evaluations and national indicators. Finally, we formulate several conclusions on points and perspectives related to the state-centric approach to governance and national performance evaluations that focus on governmental capacities and capabilities.

2. Theoretical frameworks: from good governance to state-centric governance

The conceptual and substantive elements of the schools of thought about the state and governance, as well as changes therein, have undergone a long and often winding route over recent decades. The evolution of the so-called “paradigm of governance” (which hereinafter we will refer to simply as “governance”) posed a direct challenge to the traditional theoretical and interpretive frameworks of the state and governance. Its emergence is primarily attributable to the fact that in the context of globalisation, with increasing expectations on the part of citizens coupled with contemporary states’ decreasing ability to provide classical (exercising the powers of the state, economic development and social policy) functions, decreasing in tandem with this is its ability to intervene in solutions, requiring an integrated approach, to problems that are often transnational and horizontal in character.

In order to resolve the tensions, the practice that has developed in Western democracies since the end of the 1980s is an inclusive partner-oriented governance strategy that draws in supplementary resources originating from the NGO and business sectors, which the professional literature, based on the governance paradigm, commonly terms “good governance”³. All of this has unavoidably entailed an erosion of the traditional functions of the state, in part in an “upwards” direction toward the supranational and global sphere, in part “downwards”, through various forms decentralisation and de-concentration, and finally, “outwards”, with the outsourcing and out-contracting of public functions. The “interventionist”, expansive state has increasingly taken on the characteristics of the “regulating” and activating “developer” or simply the “opportunity creating” state, with state service provision functions carrying at least as much weight as administrative control.

As a consequence of these, the essential element of the governance paradigm is the internal functional differentiation of the system of state institutions, as well as the interdependence with international actors. In this model, although the state, or rather, the government representing the state, determines the overall long-term political objectives, the execution is carried out jointly with the key actors of the government’s external environment. The role of governments lies in developing strategy, or the “steering” or “hub” function, rather than the operational-type roles of “rowing” or “spokes” (Osborne, 2010; Christensen–Lægreid, 2011). The application of solutions and managerial methods borrowed from the business sectors, together with the increased emphasis on ministerial background institutions (agencies) and public policy networks and also, in the general inclusion of non-state actors, the concept of “hollowing out of the state” – or to use

³ The new paradigm of governance aimed at renewing the structures and methods of traditional governance, originally developing out of the practice of social partnership and the horizontal cooperation between the state and the public sector. What has remained, however, is the key role of governance, which integrates into a looser partnerships structure of the governance function. Due to constraints of length, we are omitting a list of the representatives of the extraordinarily rich literature of governance, with numerous trends and schools of thoughts, and within that, of the representatives of “good governance”.

a different expression “governing without government”, have, however, on this basis, led to the development of new forms of governance.⁴

Closely linked to the interpretative and conceptual frameworks of governance and the “hollowing out of the state” are “modernisation” reforms widespread across the area of public administration and provision of public services and developed under the rubric of New Public Management (NPM). Their introduction is built on the presumption that by introducing the various elements of decentralisation, organisational autonomy and the performance evaluation implemented in the competitive sector, the effectiveness with which public services are provided becomes measurable and quantifiable through the preferences and level of satisfaction of the consumers (Verebélyi, 2004; Torma 2010).

From this – at least from the point of view of democracy theory – it also follows that the government is not responsible to the aggregate of the voters, but rather to the “stakeholders” in the given public policy. A serious dilemma of the governance paradigm is how high-level productivity, efficiency and competitiveness can be achieved while maintaining the core values of participatory democracy. The outsourcing of services and the proliferation of background institutions mean in practice that elected leaders have less and less influence over the functioning of public policies, blurring the lines of accountability with respect to governance in practice.

Based on all this, it is justified to ask whether the “hollowing out of the state” and the “new governance” built on the basis of the governance paradigm and NPM really do completely push the “old” methods into the background, altering the nature of the meaning and function of the state and the government. Does the government (which in this instance implies the frameworks of hierarchy and governance built on command and control) in fact lose its exclusive role, and transfer it to decentralised governance of social self-regulations model based on the networked cooperation of the public, market and NGO sectors? A framework adequate for surveying the problem is provided by Jon Pierre’s frequently quote classification, which contrasts state-centric (old) governance against the society-centric (new) governance outlined above (Pierre, 2000).

Nevertheless, in contrast to the approaches linked to society-centric governance, grave doubts have been formulated – especially through the empirical research related to privatisation and deregulation – in relation to the previously envisioned decline of the state and its “hollowing out” in general. The crises that have ensued regularly since the 1990s, each threatening security and economic stability, have reinforced and underscored the importance of the state’s continued existence and active involvement. In truth, the operation of the state has changed in order for it to adapt to the increasingly multifaceted and quickly changing environment, and thus the weight of traditional governance has remained unchanged in new types of governmental forms. While in many respects, the state has become overburdened as it fulfils ever multiplying social needs, the involvement of the new resources (originating from the business and NGO sectors) does not imply that the balance of power is shifting from the constitutional institutions of the government to non-governmental

⁴ The concept of the “hollowing out of the state” was introduced to the British public sector by Rod Rhodes in his analysis of the impacts of the changes between 1980 and 1990 (Rhodes 1994). In the professional literature, the concept is often related to network governance or NPM, and sometimes the two terms are used – albeit incorrectly – as synonyms for each other.

actors or structure, and even less so that government is losing its previously definitive role, becoming simply an ordinary actor among the other social and international participants. It is much more a case of governance, as a concept, describing the method of governmental coordination adapted to the given public policy context, of which, although some of them have in fact changed significantly in recent times, the role of the government remains consistently determinative in any newly developing institutional configuration, regardless of the ratio to which principals of business and networking are expressed in that hierarchy. Government, therefore, does not conflict with governance, and especially does not exist outside of it, but to the contrary has an unquestionable role as an independent variable in defining the structure and process of governance. It is precisely for this reason that the government-governance dichotomy is conceptually misleading, and not sound in practice, either (Capano et al., 2015: 316).

As a concept, however, governance remains a legitimate concept if we dismiss the ideological environment of its evolution and its preferences for positioning non-governmental actors. If we accept that governmental institutions have retained a definitive role in the decentralised system of coordinating public policy, then it is also obvious that the role of governments' strategy has also strengthened, although in an altered environment and with the application of various public policy strategies. The essence of the state-centric outlook is that the contemporary state possesses significantly more "hard" resources (control, regulation, outsourcing) and "soft" resources (persuasion, mediation, agenda-setting) than it did at any time in the past. The mix of old and new tools increase the opportunities and room for manoeuvre for implementing strategies and other options available for the policy. The public policies are unchanging, but their interpretations, aims and the manner in which their execution is coordinated have changed, and this entails a change in the institutional arrangements and methods applicable in the given area. In other words: the governments continue to consistently take primary responsibility for steering the society and for developing and operating the institutional forms of coordination, but they can also choose the manners in which to meet their obligations, or can alter the existing tools and statutes. The governments' influence can be direct (steering, strategic, planning or coordinating) or indirect (regulatory), but they always play a determinative role in every form of governance, just as much in the hierarchical one as in the market and network ones. All of this necessitates a detailed explanation of the conceptual frameworks of and trends in state-centric governance.

3. The state-centric approach and its trends

The state-centric approach to governance can be considered to be an alternative to the society-centric approach (Stumpf, 2014: 25; Capano et al., 2015: 313). It rejects the "hollowing out" of the state and the weakening of state capacities and government capabilities. In contrast to this, it deems it fundamental for the implementation of state tasks to remain of key importance in government strategies, and this is also indicated by the fact that the extent and size of governance show continuously increasing values. States strive to strengthen their capacities, on the one hand by repositioning the role of state institutions, particularly that of the centre of government, and on the other hand by initiating the building of partnership relationships and networks with the society's actors (Bell-Hindmoor, 2009: 2).

The state-centric approach, however, is still not yet a unified concept, but is much more of an “umbrella concept”, which is able to gain an interpretative and conceptual framework primarily through the debates, holistic in nature, of the post-NPM period sinking a new place and role for the state, governance and public administration. What can currently be considered its most important trends are those of whole-of-government (WoG) governance and meta-governance, whose common feature is that through strengthening the executable capacities and capabilities of the centre of government based on political governance, they aim to increase the state’s role and rationalise the agencies and background institutions that proliferated during the NPM period, as well as to strengthen the horizontal coordination between governmental organs. This counter-reaction emerging to counter the problematic elements of NPM is reflected in the development of increased central control and coordination directed from above.

3.1. The common characteristic of the post-NPM reforms: the strengthening of the centre of government

The reforms of the post-NPM era attempted to give answers to three questions.⁵ First, it was necessary to resolve those problems that stemmed from the weakening of central capacities and controlling mechanisms. Playing a key role in this is the construction, on the basis of the strengthening of the head of government’s background apparatus, of a strong Centre of Government that is capable, on the basis of an easily graspable philosophy of governance accepted by all governmental actors and a common set of objectives and vision for the future, of managing the various branches and decision-making levels, as well as cooperation between governmental and non-governmental actors (Dommet–Flinders, 2015; OECD, 2015d). The management function suggests that, instead of using the tools of direct intervention and control, the centre of government must manage the cultural differences and diverging interests and role perceptions inevitably arising in the course of horizontal collaboration, ensure the informational, financial, professional and administrative resources arising from the necessity for strong coordination, and strive for balance between the hierarchical-type functioning and the conciliation mechanisms based on horizontal negotiations and bargaining processes. This balance naturally varies by country and by public policy area, and also depends on the internal and external conditions prevailing at the given time (OECD, 2015a, 2015b).

Strengthened centralisation, however, does not entail downgrading or eliminating decentralisation or functional differentiation, since the emphasis is placed on political and public administrative coordination and the organisation of work projects spanning sectors. It was for this purpose that the number and independence of the background institutions that had proliferated during the NPM period started to be reduced, which is expected to result

⁵ Studies analysing experiences with NPM with a critical end after the turn of the millennium increasingly frequently took the position that the era was over and at the same time urging post-NPM reforms to “take back” the state and governance. Based on these, the post-NPM reforms can be regarded primarily as an answer to the overgrown organisational thicket that had proliferated in the practice of NPM and the institutional fragmentation that had resulted from this.

in increased accountability, the rationalisation of areas of competence and resources and more efficient operation (“de-agencification”) (Dommet–Flinders, 2015; Dommet et al., 2016). The most important tools for implementation are closure, contraction, conglomeration, ministerial integration or transferring the area of competence to a different state body.⁶

The third task was for them to ensure the necessity of coordination, and in particular the necessity of horizontal coordination, often on a transnational scale. (Fejes, 2012: 24; Læg Reid–Rykkja, 2014: 2). The objective and outlook of the post-NPM reforms can be precisely understood as the public administration hierarchy attempting to apply “softer” means in order to renew its command and control based system and the “organisational tunnel vision” (siloization) that developed in NPM practice, as well as attempting to introduce variable forms of networked partnership-based cooperation. The implementation of such requires strong horizontal coordination, but at the same time – owing to the need for organisation, operation and supervision of the horizontal coordination, and for accountability for it – the strengthening of the centre of government is critical.

The increased attention on coordination is due, on the one hand, to the trends and reforms that have evolved over the course of the past decades and, on the other hand, to the needs and constraints of solutions called for by increasing complex and difficult-to-manage public administration problems (Læg Reid–Rykkja, 2014: 2). Governments are finding themselves confronted by increasing numbers of difficult-to-define and fluid “wicked issues” that behave as moving targets and share, with the common feature being the fact their substance and management demand capacities that cross organisational boundaries, public administrative levels and ministerial portfolios.⁷ The needs for enhanced coordination have also been fuelled by the fact that establishing the single purpose organisations introduced under NPM and based on autonomous institutional functioning and distance from political governance precipitated such a degree of fragmentation that could not be counterbalanced by coordination among the organisations.⁸ This kind of “pillarisation” severely hampered

⁶ One of the most important elements of the public administration reforms (Public Bodies Act of 2011) implemented in the United Kingdom by the Cameron government between 2010 and 2013 was the transformation of so-called Quango-type organisations and the drastic slashing of their number. For example, the head count at the ministry dealing with environmental protection and rural development was 2457 in May 2010, but a total of 12,000 people worked at the ministry’s background institutions. As a result of the British reforms, by the end of 2013, the number of organisation units had decreased from 306 to 286, meaning planned rationalisation of 94% was achieved (Dommet et al., 2016: 8). In Ireland between 2011 and 2014, reforms affected more than 90% of public administrative bodies. A good example is the merging of three agencies into the housing policy agency and the creation of local business offices by merging 35 previously independent agencies. In Spain in 2006, a law was passed regarding the institutionalisation of state agencies, but the rationalisation of the functioning of the public sector was already underway by 2011. A law adopted in September of 2014, prescribed further definite measures in the interest of rationalising and restructuring the public sector.

⁷ The first to point out the public policy problems associated with high risk in a complex and uncertain environment were H.W.J. Rittel and M.M. Webber in their study published in 1973. In their opinion, there exist certain social problems that cannot be solved by a traditional, analytical approach. These they termed “wicked problems”, as opposed to clearly identifiable and safely resolvable “tame” problems (Rittel-Webber, 1973). Examples of such problems are social cohesion, unemployment, poverty, an ageing society, education, climate change and immigration.

⁸ The fragmentation became especially striking in the United Kingdom and New Zealand. For a Hungarian-language discussion of the concept of agency-type state administrative bodies and how they function in Hungary, see Hajnal (2011).

the handling of those problems and challenges that, by nature, extend beyond the impact areas and competences of the individual organisations. It is therefore no surprise that the post-NPM reforms – that took place in the late 1990s in those countries (Australia and New Zealand) which had been trailblazers in the introduction of NPM) – place special emphasis on the vertical and horizontal coordination between organisations, as well as on strengthening administrative control (Christensen–Lægheid, 2011: 414).

All things considered, the functioning of NPM, generally speaking, was not conducive to solving complex problems requiring coordinated action. This must be stressed because – in light of the fact that the systems of public administration and of delivering public services varies from one country to another – one really cannot speak of a uniform application of the basic categories of NPM, since the objectives and the results exhibit significant differences.⁹

In contrast, the change in attitude of the post-NPM era has led to institutional reforms, organisational restructurings and performance measurements that – adapting to the public administrative traditions of the individual countries – create the opportunity to develop uniform modes of governance that, while coordinated by the centre of government, still function flexibly in their individual elements. The governments of Great Britain, Australia and New Zealand have created new organisational units (cabinet committees, interagency cooperation groups, intergovernmental expert committees, working groups, multi-sectoral programmes) in order to strengthen cooperation between decision-making actors. Needed for this, naturally, are a new outlook and manner of organisational functioning based on cooperation that, through a commitment to common values and a culture of inclusion and trust, can become part of everyday practice.

3.2. Whole-of-government governance

The common feature of post-NPM reforms is the fact that their implementation takes place as part of a holistic strategy that the professional literature most frequently terms joint-up-government (JUG) or whole-of-government (WoG).¹⁰ WoG can best be regarded as an umbrella concept that through the strengthening of the centre of government, as well as of external-internal coordination, integration and capacity-building, attempts to give an answer to the problems caused by the fragmentation that has developed in the public sector. It can be applied in various areas, meaning at the organisational level (between ministry and

⁹ As a noteworthy example, NPM was hardly felt at all in German public administration, while it was considered an instrument of the “minimal” state in the United Kingdom and an aiding factor in the functioning of the state in Denmark. Similar diversity applies in the practical application of NPM: In England, the background institutions received an important role, while Australia, with its similar public administrative culture, never introduced it (Bevir–Rhodes, 2003: 8).

¹⁰ The two terms essentially refer to the same phenomenon. The term joined-up-government became commonly used in the United Kingdom, and whole-of-government in Australia. The interpretive framework for JUG, however, is narrower, encompassing the integration of public policy, while WoG expresses the coordination and execution of government actions from a strategic outlook. Therefore, the concept of WoG will be the one used henceforth in this study. It is worth noting that in Canada the names also extended to the Canadian “horizontal management/government) and New Zealand’s “integrated government”. The diverse terminology, frequent inconsistencies in definitions which frequently overlap with each other reflect the immaturity of the concept.

background institutions, exclusively between background institutions, as well as between central and local or regional actors), for solving the problems of clearly identifiable social groups (pensioners, immigrants) according to individual public policies (transportation, education, youth affairs), by geographical areas (community, county), or by means of integrated service provision (one-window administration, e-government portal). WoG can be applied in dealing with strategically important (related to defence and national security or transnational/global in character) matters, as well as when managing special policy and communications in crises (climate change, migration, terrorism) arising from “wicked issues” (Colgan et al., 2011).¹¹

The first reforms evolved in the 1990s in Australia, Canada, New Zealand and the United Kingdom, and their most important objective was to develop integrated service provision. Following this, WoG became part of the restructurings of public administration in Finland and the Netherlands, while specific programmes were established in Ireland and Northern Ireland after 2010 in order to organise horizontal cooperation between the sectors.¹² The experiences from the reforms show that their effectiveness is high particularly in the case of preventive-type measures (for example, in health care or anti-poverty initiatives), but at the same time, they are not certain to constitute the best solution in managing acute, already developed problems.

WoG is obviously no panacea and, in the event of sustained application, “cooperation fatigue” sometimes inevitably emerges among the stakeholders. There is wide-ranging consensus that an ever increasing share of the challenges of our time can be resolved by shared, integrated governmental action. The big question, however, is whether we can be sure that WoG also works in practice. Taking into account the different historical, cultural and legal attributes and their differences in their political and public administrative cultures, any standardised one-size-fits-all applications can be excluded in advance. The implementation of WoG can increase costs and slow down processes, without it being certain that it is the best solution for handling a certain problem in a given situation.

The bottleneck lies primarily in whether it is possible to link structural changes and a restructuring of the institutional system with the creation of an internal organisational culture with a new ethos and built on cooperation, trust and teamwork. Required for this, however, are structural and cultural changes on a major scale, and this implies that in the short term, the trend of WoG cannot be expected to become the accepted practice of European governance.

3.3. Meta-governance

The concept of meta-governance has regularly appeared in debates about the substantive and conceptual frameworks of the state, the government and governance since the start of the new millennium (Peters, 2008; Jessop, 2011; Dommet–Flinders, 2015). Essentially, what

¹¹ WoG can also be implemented in phases that deviate from the public policy cycle, in planning just as in the course of execution, for example, while implementing service provision.

¹² With no claim to comprehensiveness, noteworthy governmental initiatives include Positive for Youth (2011) in the United Kingdom, Public Value Management (2006) in Scotland, the Government Programme (2003) in Finland, and, thus far, the Public Service Reform Plan (2014–2016) in Ireland.

meta-governance does is attempt to describe and understand the nature of the role, influence, capacities and extents of the state within the medium of networks and decentralised structures, while also offering a solution to the fundamental problems of network governance.¹³ Within this, it seeks an answer to the question of how and to what extent the institutions of politics are capable of governing and directing, by means of various regulations, bodies of knowledge, institutional tactics and other political strategies, the groups of “self-organising governance”, or in other words, the networks of public policy.

In order to understand the approach of meta-governance, it is important to differentiate it from the paradigm of governance. While the later primarily concentrates on the process that removes political institutions from governance and the state, the former explicitly monitors those processes that, in their form of command and control, ensure the influence of the government, but doing so in alignment with the functioning of partnership and network-based governance. The state and the governance, there, in possession of public power, have the opportunity to, on the one hand, encourage the development of self-organising networks, and on the other, to put them under their control to a certain extent, without returning to the traditional forms of governance based exclusively on command and control (Torfing et al., 2012). In the system of conditions created by meta-governance, control over the public sector can be strengthened without returning to the traditional system and practise of command and control. The aim is for the appropriate balance to develop between the control (re-centralisation) and the autonomy of the organisations and networks. Here, the state is no longer the sole actor among many, but rather one that, as a kind of “meta-government”, can exercise influence over decision-making.¹⁴ In order to implement this, the state – as the central actor in public policy processes – has a wide range of tools, such as planning networks, selecting members, setting the agenda by ranking objectives, framing and directing discourses, managing processes, resolving conflicts and promoting cooperation. In addition to legal forms, regulation can come into being in the form of assistance and support (facilitation and mediation). This concept places meta-governance essentially in the system of public policy networks, where the role of the government manifests itself according to a four-way, mutually supplementary strategy: framing, planning, facilitation and participation (Stevens–Verhoest, 2015: 5). Possible inclusions in the set of framing tools are the specification of intermediate (performance) indicators, shaping discourses by publishing best practices and the use of incentives built into the process. The planning tool can be the altering of regulations and organisational forms based on external circumstances or needs and expectations, expanding or restricting room for manoeuvre and setting milestones and deadlines. The set of facilitation tools include control over the agenda, conflict management and arbitration, furnishing

¹³ Studies illustrating the functioning of network governance most frequently cite, among other difficulties, asymmetrical relationships between hard-to-mobilise actors, slowly crafted and sometimes unviable compromises, as well as the lack of democratic authority and the problems of legitimacy and accountability arising from such.

¹⁴ Although it is not the task of this study to give a comprehensive picture of the debates about networks in the literature or the possible typologies of networks, we do note for the sake of clarity that we ourselves agree with the idea of distinguishing between public policy networks, integrated service provision and network governance. Public policy networks emphasises the power relationships between the state and interest groups, integrated service provision on diverse forms of coordination, and network governance on multi-level interactive decision-making.

certain actors with the right of veto, thereby reinforcing their interest, activity and assumption of responsibility, and finally, sharing information. In this instance, participation means that the meta-government (the government) is itself an active player in the operation of the network, and this allows it, in possession of significant legitimacy and room for manoeuvre, to direct the processes “from within”, and in a given instance to link that the activity of a given network to the implementation of other governmental objectives.

Based on all of the above, meta-governance does not entail the “taking back of the state”, but by emphasising the role and options of the government, it does aim, by way of channels of negotiation, to create a balance between the concepts of state-centred and society-centred governance of the society and economy. (Torfing et al., 2012: 132). Consequently, the approach, regulation and institutional structure of meta-governance is the essential element of state capacity, which through the centralisation of decision-making and the development of a powerful public-administrative apparatus, as well as the required financial resources and public policy tools, contributes to strengthening governmental capability (Bell–Hindmoor, 2009: 51).

However, several problems also emerge in relation to network-based meta-governance. First of all, the strengthening of state influence in and of itself has no bearing on how the change in the nature of the state and power can be measured and what social, political and cultural contexts it can be interpreted in. Secondly, if the meta-governance – even in a more moderate form – entails the establishment of a hierarchy within the networks, it is not actually clear why, and to what extent, it can be considered a new form of governance.

In our opinion, the network-based approach to governance, as a whole, is fundamentally unable to explain the re-strengthening of the role of the state. From this it also follows that network governance can only be considered one of the sub-types in the comprehensive system of the governance concept. The appreciation and strengthening of the role of the state, therefore, can be described and understood in the broadening of the concept, by means of the introduction of new subtypes, through which meta-governance contributes a new dimension to state-centric research. The state sees its influence and impact as unbroken in the governance subsystems, but in place of the big, comprehensive structures, governance places the emphasis on indirect forms and techniques. By putting governmental coordination of self-organising networks – in other words “governance of the government” – at the forefront, meta-government has become a critical pillar of the state-centric governance concept.

4. The concept and measurability of state capacity: one- and multiple-dimensional approaches

Continuously increasing in number these days are those studies which are concerned with formulating a conceptual framework of state capacity and the operational possibilities and practices with respect to measurability (Hendrix, 2010; Hanson–Sigman, 2011; Cingolani, 2013). They take as their starting point the view that once in possession of the appropriate capacities; the state can perform its primary task of assuring a comprehensive system of norms for the common good. From this, it follows that the development of state capacities and their conversion in to governmental actions count as one of the fundamental premises of good governance.

According to the interpretation adopted in international practice, state capacity means the capability of state institutions to implement objectives regarded as – by virtue of being stipulated in the constitution, fundamental law, government programme or other statutory norms – official. Taking a closer look, however, state capacity in and of itself is nothing but an explanatory factor, typically quantitative in nature, of what potential capabilities the government possesses with regard to operating and executing the policies it has assumed. Consequently, the other key concept, typically qualitative in nature, that is integrally connected to state capacity is governmental capability, by which we mean the instrumental dimension of the exercise of power, or in other words, the mobilisation, application and/or development in a means-end relationship of the institutional, administrative, legal, financial, infrastructural and defensive capacities required for governance.

However, it should be noted that state capacities are dispersed across the various sectors and public policies to varying extents, and thus implementing different objectives requires different governmental capabilities. Nevertheless, both key concepts are highly context-dependent, meaning that they only really take on their true meaning in the course of actual governance. For example, although in an optimal case, the state's extractive capacity (to withdraw resources and levy taxes) is aligned to the capabilities needed for taxation, the tasks, type, philosophy and general accounting of the tax system are essentially determined by political decisions. In order to be able to draw conclusions on governmental performance that, while based on facts, can also be generalised, above all the mains aspects and dimensions of state capacities and governmental capabilities, together with the ways in which they can be measured, must be identified.

4.1. Conceptual and theoretical frameworks

The concept of state capacity is far from something that can be regarded as new in the social sciences. The concept's initial appearance and the development of its interpretive frameworks can be traced back to the late 1970s. The *Bringing the State Back In (BTSBI)* movement intended to set up an alternative to pluralistic and Marxist approaches, which – obviously with differing theoretical bases and ideologies – kept the state predominantly in the arena of the competition of various social groups. The state-centred concept that they represented views the autonomous power of the state as the most important assurance of the implementation of public policy objectives (Evans et al., 1985). A number of comprehensive analyses were made in this regard during the 1980s and 1990s that were already relevant in their own time and provoked passionate reactions and debates, although more recently they have taken on a new meaning and relevance owing to the changes that took place during the first decade of the new millennium.

The task of defining the concept of state capacity is made more difficult by the fact that it must be certain to avoid overlapping with those concepts that are closely linked to it in either a theoretical or empirical sense. These include good governance, institutional quality and state autonomy. To this end, it is widespread in the relevant professional literature to use – following Francis Fukuyama – the concept of state capacity in the narrower “minimalist” (quantitative in nature) sense, meaning that do not use the full spectrum of potential governmental action as their basis, but rather the fundamental

functions of the state, the effectiveness of implementing the related public policies, and its administrative resources.¹⁵

According to criticisms formulated in relationship to the minimalist concept of state capacities, the concept starts off with fundamentally flawed assumptions. Fukuyama's critics also point out that measurements of governmental performance cannot be limited only to input resources and the organisational processes of decision-making and execution, but must also take into account the factors shaping social and economic dimensions and direct measurements of the outputs and outcomes of governmental actions.

A substantive issue is what the bases of state capacities are and whether it is sufficient to speak of physical and social resources and legal-institutional frameworks or some combination of these, or – still within the minimalist concept – it is necessary to discover the impacts of historical and cultural factors. Since the availability and evolution of state capacities is determined by numerous factors, such as the overall international system, other transnational commitments, horizontal “wicked issues” such as climate change, it can also be asked whether state capacity, as an abstraction, exists at all, or if the concept is always to be interpreted relatively, at “local value”.

This diverse set of problems anticipates that the empirical approach to state capacity requires conceptual frameworks exceeding the administrative dimension, as well as a transparent, multi-dimensional structure and analytical methodology that is derived from such. For our part, what we can conclude from this is that measurements of governmental performances are able create the fullest possible picture when they examine the concept, broadly construed and broken down into dimensions, of state capacity on the basis of the state's wide-ranging tasks and their unique context-dependant features.

A non-comprehensive review of the definitions used in researching and measuring state capacity serves as a suitable starting point for expanding the analytical and methodological frameworks (figure 1). The majority of them confirm that in the definition and measurement of state capacities, the classical functions of state power form the benchmark: (armed) protection of the citizens, the right of tax collection and enforcement. In other words, the administrative dimension discussed earlier is supplemented by the extractive (extraction, fiscal) and enforcement (military, police) capacities. By summing up the recurring elements, we can arrive at the following experimental definition: *the execution/enforcement of policy measures arising from state power or will through the state bureaucratic organisation, principally by employing means that include legislation, tax assessment and institutions of state violence.*

Based on all of the above, it can be established that while approaches regarding state capacity, as well as empirical measurement methods, are rather diverse, they can still be classified under one or more of the following functions of state power: a) coercion/military, law enforcement; b) fiscal; c) administrative/executive; d) transformational and industrialising; e) relational/territorial ; f) legal; g) political; h) demographic and population policy-related.

¹⁵ According to Francis Fukuyama, the most influential representative of the minimalist concept, the essence of governance is the “capability of a government to legislate and implement laws, as well as to provide services, regardless of whether it is democratic or not.” With this, Fukuyama regards governance not as a process, but as a “governing capacity” fed by state capacities, in which other subsystems – thus including the business and civil sectors – do not play a significant role (Fukuyama, 2013).

Researchers use three different approaches in measuring state capacities: 1. selecting a single general measurement, 2. using narrow one-dimensional proxy indicators in relationship to the conceptual framework, or 3. they develop a composite multi-dimensional index (or set up different measurements for the various dimensions). A review of the indicators used to measure state capacity shows that the most significant ones are the indicators related to the economy, especially to taxation, while at the same time the number of indicators examining legal enforcement and the legal environment are surprisingly low compared to the state's obligation to function according to the rule of the law and its need for robust regulation.¹⁶

4.2. The structure of state capacities: one- and multi-dimensional approaches

Based on the above, we can conclude the concept of state capacity becomes understandable and measurable when broken down into different dimensions. Nevertheless, in order to give a tight and clear formulation of the concept, it is often a one-dimensional measurement that is selected, allowing one to deduce from the quality of the chosen dimension – for example, the wealth of the state, the quality of the public service or the budget situation – the entirety of the state capacity. The one-dimensional measurement is suitable for examining the impact of a specific factor in relation to a similarly specific dimension of state capacity, for example, what effect the degree of corruption has on economic growth. The disadvantage of the one-dimensional measurements is that they are inherently unable to give the “big picture” of state capacities as a whole. What constitutes an advantage, however, and even added value, is if the dimension comprising a subject of examination, starting from a unique aspect, points to other factors of state functioning, and this enables the mutually influential factors to be better identified and the relationship between them to be mapped. The effectiveness and efficiency of tax collection, for example, reflect not only the capability of public administration: they also reflect the degree of social trust, in terms of the extent to which the government is capable of making the society accept its fundamentally unpopular measures (increased audits, the introduction of new types of taxes).

Standing in contrast with the one-dimensional concept of state capacity is the multi-dimensional breakdown, which starts from the point of view that one cannot uniformly and universally determine and understand state capacities from the perspective of methodologically grounded evidence-based measurements. The multi-dimensional approach is not only “tailor-made”, meaning that the measurements integrated into the nature of the given dimension provide suitable evidence, it also has the advantage of allowing the dimensions to be broken down into further sub-areas in order to examine the relationship between the phenomenon that one wishes to measure and the appropriate indicator.

In the course of identifying the dimension, two additional criteria should be considered. First, is it worth focusing exclusively on the fundamental functions of the state? And second, to what extent should one distance oneself from the similar concepts and approaches regarding state capacity mentioned above? A good guideline for this is provided by Hanson

¹⁶ The measurements are saddled by numerous other problems in addition to the conceptual uncertainty, such as the lack of reliable and internationally comparable time series, as well as of an analytical display of the effects of a changing environment.

and Sigman, who within their overall concept of state concept differentiate among three fundamental integrally related dimensions that express the main functions of the state, these being the extractive (taxation), coercive and administrative state capacities (Hanson–Sigman, 2013: 3). These three dimensions entail the general underpinning of state capacities: the availability of resources, public administrative and military control over the country's territory as well as loyal and well-trained public servants and institutions.¹⁷

The breakdown represented by the two authors can also be followed since it does a good job of showing the interrelationship between the dimensions and the opportunity and importance of mutual support. Without enforcement capacities, the political stability that is capable of increasing revenues is not created. Without a bureaucracy that functions on a high level, state revenues cannot be guaranteed, and this leads to the weakening of enforcement capacities. Finally, without revenues, the state will possess neither adequate enforcement capacities nor a strong bureaucracy.

Naturally, these three dimensions cannot be interpreted on their own. Securing revenues is one of the state's essential function, which in addition also encompasses numerous other capacities that are important from the point of view of exercising state power. The state must have the means through which it can communicate with citizens, become capable of collecting and systemising data, possess the required set of personnel, create and understand the legal tools needed for the functioning of the tax system, and last but not least, possess adequate authority and public trust in order to assure the compliance and cooperation of taxpayers. Enforcement requires similarly comprehensive capabilities in order to protect the borders, avert external threats and maintain order internally, as well as to execute public policies. By assuring the required competences, developing effective mechanisms for monitoring and coordination and using a wide range of tools for communicating with population groups, the administrative capacities can turn into capabilities.

Against the background of the above, state capacity is a multi-level, multi-dimension integrated concept that means more than the sum of its parts. This is due to the interactive effect that results if the quantifiable ratios change between the given dimensions of capacity. In other words, a higher value found for some dimension does not necessarily lead to an improvement in the aggregate result. Just to mention an example, numerous surveys have reached the conclusion that those states with major military expenditures and high-level enforcement capacities must at the same time contend with high corruption risks if the administrative capacities, to date, show significant improvements. Consequently, the value of the net result of the aggregate state capacity can decline despite the fact that the value of one or another dimension showing significant improvement. This entails a major potential pitfall that can only be avoided with measurements that take into account the various dimensions and unique country-specific characteristics of the concept of state capacity.

¹⁷ The multi-dimensional character of state capacity is clearly shown by Hendrix's (2010) methodological typology, that differentiates among three areas: the military capacity, the administrative capacity and the coherence and quality of political institutions.

5. General characteristics of measuring national-level governmental performance

Numerous international organisations are engaged in measuring state capacities, governmental capabilities and governmental performance overall. The players in the measurement and evaluation “industry” strive to generate comparable data, time series, averages, trends, rankings and reports, arranging them into strategic databases. With respect to their reliability, however, a distinction must be drawn between the reports and expert analysis published by Eurostat (the EU’s statistical office) or the OECD, and the rankings based on the expert opinions of international NGOs and consultancies. Currently, around 130 different index and country rankings measuring economic or social development are in use. The indicators used in them receive a value level or grade in professional or governmental analyses. The essential aim of the international measurements is a global comparability with impacts that advance the development of governance quality and the related debates.

Even in the case of individual country reports, however, the conceptual frameworks, measurements and data from international organisations does not necessarily react to the unique, country-specific problems, and their professional analyses are often not based on the most recent data, with the methodology also sometimes lacking transparency. The evaluation of individual countries is carried out by experts commissioned by the given organisation, and this sometimes calls into question whether the norms of objectivity and impartiality are being met. In sum, all this shows that what is needed in addition to measurements from international organisations – without denying the importance of such – are measurements of governmental achievement at the national level that are capable of capturing unique problems, of updating the data from international measurements and, when needed, correcting them.

In recent years, numerous nation states (Austria, Finland, France, Ireland, Scotland, as well as certain constituent states, such as Virginia in the United States) have made strong efforts, in addition to measuring organisational performance and the adequacy of direct outputs in terms of resources invested, to devote increased attention to the outcome-based approach and methodology to measuring governmental performance. According to their starting point, without determining the expected medium- and long-term outputs and outcomes and, in addition, measuring the progress toward their implementation, it is not possible to create a realistic picture of the efficiency and quality of the function of the public sector or of the satisfaction of the citizenry. Observations show that well-functioning systems come into being in those cases where a professional and social consensus is formed on long-term strategic objectives, and when this is the basis on which the critical impact areas to be measured and the national indicators that fall under them are selected. International comparison is an important criterion, but not one to be used at any price. If a data series that is suitable in terms of its methodological and chronological parameters is not available, then instead of using proxy indicators, the national measurement systems prefer to develop new indicators.

Since the measurements react to the unique objectives and problems of the given country, the results also give important feedback separately to the individual ministries about the implementation of plans related to their areas, such as the functioning of available human and infrastructural resources. Decision-makers receive background

materials and impact assessments that are not only factually based, they also measure and analyse the chronological dynamic of the change in the indicators under examination. Consequently, their useful value emerges from the combination of the functions of the *scoreboard* and the *government dashboard*. For citizens and representatives of the NGO and commercial sectors, however, it helps explain in clear language what measures the government has taken toward realising the objectives, where progress stands, and what factors are helping or impeding the pace and substance of the progress. To this end, some countries make these accessible to private individuals and various user groups.

Measurements of national achievement simultaneously serve to advance objectives of efficiency (feedback, evaluation) and of improved transparency, responsibility and accountability. Demonstrating the importance of this is the fact that more than half of all OECD countries have their own performance measurement system (OECD, 2016: 5).

Comparing the systems developed by the individual countries shows that despite the obvious differences, there are also some common features. A widespread practice is that of constructing the evaluation systems at the initiative of the government, but only through broad social and professional consultations. From this, it also follows that open access is an important criterion, as is providing user-friendly applications. The databases created in this manner are typically the products of the finance or another ministry or department (In the United Kingdom, it is the Department for Environment, Food and Rural Affairs), special governmental bodies (in Austria, it is the Office of Federal Performance Measurement), or else a product shared between the prime minister's office and the central statistical offices (Finland).

In terms of their concepts and functions, the systems are most frequently related to performance-based budgeting, social progress and, as a part of such, community well-being.¹⁸ Of priority importance is the complex approach to social progress and development, which is evaluated across at least three dimensions: whether it is capable of fulfilling the most essential needs of the citizens of the given country, whether those elements that increase and maintain the well-being of individuals and communities are in place; and whether the possibility exists for everyone to be able to exploit their own gifts and opportunities.

Appearing among the impact areas of the measurements in the systems of nearly every country are the economy, society and environment, which – with varying emphasis from country to country – are also supplemented by dimensions of health care, education, governance, security, international influences, social equality and climate change. The number of key indicators (main indicators) assigned to the impact areas ranges between 20 and 50, but it must also be taken into account that in the course of measurement and data population, the individual indicators are further broken down into partial indicators. The indicators falling under the economic impact area include employment, unemployment, capital investments, the level of R&D and the debt ratio, to mention a few examples. In the case of the society impact area, indicators measure public safety, income equality, poverty, gender equality, life-satisfaction, while the environment is typically measured by indicators of the emissions rate, energy consumption, use of natural and renewable

¹⁸ The report of the Sen-Stiglitz-Fitoussi Commission (2009) and the OECD's Better Life Index (www.oecdbetterlifeindex.org) can both be considered to form an important background and conceptual starting point.

resources, and prevalence of natural habitats. The selections of indicators clearly show the differences in attitudes between individual countries: the French system is based on the employment rate, while the British system is based on long-term unemployment.

5.1. An example of good practice: the Scottish government's performance measurement system.

In 2007, the Scottish government introduced the output-based National Performance Framework (NPF), and a year later launched the regularly updated Scotland Performs website with the aim of providing up-to-date information regarding Scotland's progress in achieving the objectives specified in the NPF. The aim of Scotland Performs is to serve as a continuously developing, yet reviewable resource for the evaluation of governmental performance.¹⁹

The comprehensive performance measurement and evaluation system set up by the Scottish government works in a hierarchical, multi-level structure. At the top is a comprehensive vision for the future, according to which governmental measures and the state's resources must serve the purpose of making Scotland become an even more successful country and give the entire country the chance to grow and flourish through sustainably expanding economic growth. The vision is broken down into 11 general objectives that lead to the overall aim. The aims set forth in the vision are realised through five focused, strategic objectives, and set additional nationally strategic achievements as their objective (what must be achieved, and what target must be reached within ten years) (*figure 1*).

Situated at the bottom of the pyramid are 50 national indicators that serve to track and measure the realisation of objectives.²⁰ The indicators actually rearrange the areas of responsibility in the government, and thus the emphasis shifts from organisational frameworks to key areas and objectives (for example in the areas of health care and education).

From a methodological viewpoint, it is important to mention that both the individual objectives (e.g. economic growth) and the national indicators (e.g., export growth) are built into a uniform structure:

- Current situation – emphasised, since this is the most important information, subject to the greatest interest.
- Why is the given objective important?
- What influences this objective?
- What is the government's task?
- How do we achieve it? (It compares these first to the objectives of the United Kingdom as a whole, and then to those of smaller EU countries, showing descriptions and figures.)

¹⁹ For the rest of this sub-chapter, we will use material from the NPF website (www.gov.scot/About/Performance/ScotPerforms).

²⁰ A few of the 50 indicators: increase in the number of enterprises; development of digital infrastructure; improvement in Scotland's reputation; children's health; increase in expenditures on R&D; mental well-being; reduction in the number of lethal road accidents; improvement in people's perception of their neighbourhood; improvement in the responsiveness of public services.

In most instances, the source of the indicators is the Scottish government itself (including ministries and their background institutions), and to a lesser extent by the government bodies of the United Kingdom. The validation of the indicators is carried out by the assessment group consisting of leading civil servants and analysts (The Scotland Performs Technical Assessment Group).

The NPF's methodology always carries out the actual evaluation of the performance based on the extent of the change that has occurred in the data from the last two measurements, not in relation to a pre-determined starting point. The time intervals between the data points change by indicator and objective, and thus the values shown by the individual indicators apply to periods of governmental activity of different length. Consequently, although the NPF's performance measurement also performs a "control panel" function, it is not built around a reference basis approach, but rather to the measurement and evaluation of changes occurring in governmental performance over short-term periods. The value factor assigned to the indicators (positive or negative) expresses the evaluation of the direction of the change.

On this basis, the methodology classifies the change in the indicators into the following four categories:

improving performance	unchanged performance
weakening importance	data collection in process

Implementing the NPF is the task of the ruling Scottish government, coupled with the "maintenance", updating and analysis of the website and the data. The selection, evaluation and updating of the national indicators is carried out by experts appointed by the government and representatives of the public sector requested for this purpose. Established to coordinate the tasks was the Scottish Government's Performance Board, a separate body that is responsible for updating both the NPF and the national indicators. The renewed NPF and list of national indicators go into effect with cabinet approval. This also means that the NPF is established and functions under government direction, in a top-down manner, and does not attempt to channel the opinions and recommendations of various social subsystems.

6. Conclusions and recommendations

At the foundation of our study is the view that the state is in a unique position to institutionalise various rules and norms across its own territory and to provide, through its centrally controlled bodies, comprehensive coordination of the society, public goods and public services, along with enforcing responsibility and accountability. In order to assess how all this works in practise, it is worthwhile asking and debating the following questions: what role do governments in power play in the operation of the current modes of governance? How, and in what context, are the aspects of the modes of governance (principles, strategies, tools and actors) and the interactions taking place between them shaped? When, how and why do governments decide to alter the modes of governance employed previously? How efficient do the new modes of governance prove to be in coordinating public policy? How do the changes made in the modes of governance affect

the economic and political context of governance, and how does all this apply in reverse? This study undertook to examine, among the issues, the factors and trends shaping the concept of state-centric governance, with special regard to what extent the definitive theoretical and conceptual frameworks in the professional literature and scholarly discourse constitute an organic unity with the methodology and core categories applied in the course of empirically based measurements.

A comprehensive analysis of the evolution of the governance paradigm shows that the definitive trends of the 1990s that emerged on the basis of the neo-liberal concept – “the hollowing out of the state”, “society-centric governance”, NPM and network governance – all, albeit with varying content and emphasis, essentially endeavoured to empty out and relegate to the background the traditional role of governance and its toolbox. After the turn of the millennium, ever more frequently appearing social pressure, later intensifying as a result of the financial and economic crisis that started in 2008, together with political and professional criticism led to the growing demand for strong single government, horizontal integration, and strengthened coordination between decision-making levels and sectoral areas. Nevertheless, the realisation of this – regardless of whether we call it state-centric governance, the post-NPM era or whole-of-government governance – does not bring a radical change in the mode of governance, nor does it bring a return to the traditional practise of governance. Experiences of the present and recent past show that the central role of the state remains the organisation and operation of governance, and it possesses the authority and the resources and tools of power needed to change the governmental organisation. Consequently, it can choose which mode of governance to employ in the case of a given public policy or a complex problem to be solved, as well as whom to involve, and when and for how long, in order to implement what purposes, in what institutional and legal form, according to which conditions, in order to provide public duties. Governance, therefore, exists in different forms and performs its tasks accordingly. Governments, in possession of the required authority, can choose among the hierarchical, market-based or network modes and toolboxes of governance. Regardless of which solution they choose, it remains their responsibility to operate the system of governance in a fair and efficient way, as well as practical implementation of democratic responsibility and accountability.

Therefore, any effort that suggests the compulsion to choose between the state- and social-centric concepts of governance is misleading. Governments continue to remain in possession of the hierarchically functioning tools of command and control, while governance entails the sum of tools, strategies and social relationships assisting governmental activity. On this basis, it makes sense to speak of the state-centric approach to governance, which incorporates, on the one hand, the strengthening of the centre of government, the rationalisation of background institutions and, in contrast to the “wild overgrowth” of NPM, developing diverse and multi-level institutions of coordination. On the other hand, although it does not rule out the self-organising forms of the society-centric concept based on “embedding” and networks functioning on the relationship principle, these are obviously interpreted from the point of view of the state and meta-governance.

If we hold state-centric governance to be an independent concept based on clearly discernible criteria, then legitimate grounds for the need for empirical testing emerge. The increasing responsibility of the state and the government, as well as the practice of

the integrated approach needed to provide increasingly diverse, often overlapping, tasks, requires increasingly significant state capacity and governmental capabilities, the creation, “maintenance” and continuous development of which can be regarded as an integral part of day-to-day governmental practice. Assuring efficient operation and sustainable results, along with state reforms that are capable of self-reflection, necessitates the development of a measurement and evaluation systems and continuous operation that gives feedback, focusing on specified impact areas, about substantive elements and changes in governmental efficiency.

The indicators and rankings published by international organisations, while undoubtedly indicative, neither provide a direct assessment nor react to unique, country-specific problems, contexts, and their reports are frequently not built on the most recent data. All of this clearly indicates the need to develop unique national-level performance measurements and national indicators that react to problems and contexts and rely on the most recent data.

A substantive element of governmental capacities and capabilities is for a political community to promote the creation, based on a vision for the future built on its common values, of an overall government strategy and system of objectives, as well as to provide for the operation and harmonisation of the planning, performance measurement and evaluation mechanisms that, supported by fact, specify in a widely understandable fashion the results and effects expected from governmental activities and the chronological timeline for achieving them. The measurements, on the other hand, provide regular feedback on the amount of progress that has been measured with regard to the objective and, in a broader context, provides an incentive for actors inside the public sector to work, within their own organisational frameworks and through their use, at their own level to achieve the objectives as efficiently as possible. The results-based approach entails a fundamental change in outlook: coherent and concentrated strategic planning integrated into a medium- and long-term vision for the future, harmonisation of objectives set and budgetary frameworks, the monitoring and evaluation of such and the regular review of both the methodology and the indicators. Finally, for the citizens, in addition to providing adequate transparency regarding strategic governmental objectives and the progress being made on them, it also reinforces the level of trust in government.

In our opinion, state-centric governance, the definitions and interpretations of state and governmental capabilities, and the aspects of measurability are each grounded in the relevant scholarship and methodology and have demonstrable added value. At the same time – disregarding a few forward-looking exceptions – what is still lacking is the crystallisation of a coherent concept that is unified across the theoretical and empirical mosaics and applicable to the world of research studies and performance measurements. Constituting a good basis for the acceleration of the creation of such are the state research studies which, through their theoretical backgrounds and by identifying issues, clearly indicate the need for collecting, developing and employing national-level performance measurements and national indicators reacting to individual problems, and which react to contexts and rely on the most recent data.

Annexes

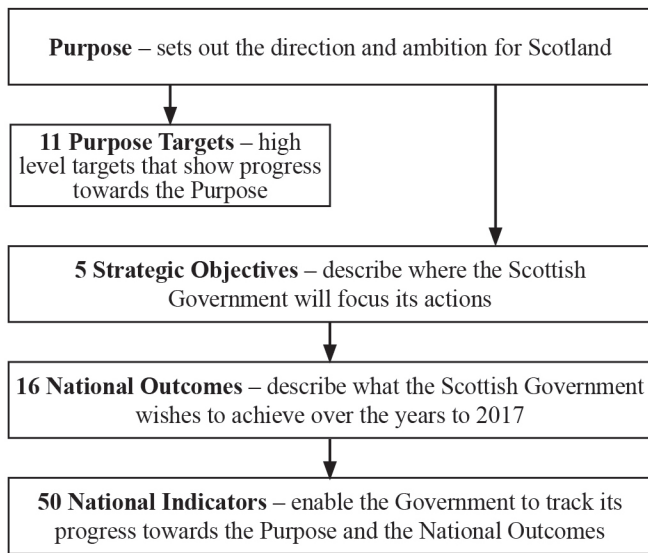
Table 1
Interpretations of state capacity in the professional literature

Author	Theory of state capacity	Dimension emphasised
Tilly (1975)	In the course of the process by which states formed in Western Europe, the concept of statehood can be defined as the building of repressive state power, which “effectively extracts the required resources from the local population and controls the reactions on the part of the population to avoid the extraction.” (40)	Coercive and fiscal
Skocpol (1979)	“Sovereign integrity and stable administrative and military control exercised over the given territory are the precondition for state capability with respect to any governmental action. In addition, the loyal and skilled official apparatus and the availability of plentiful financial resources entail the basis for an effective state in achieving its numerous objectives.” (16)	Bureaucratic/ administrative
Rueschemeyer–Evans (1985)	Effective state intervention in the economy. Needed in order to intervene in the economy are a skilled bureaucracy and coordination and good coordination of the state bodies.	Transformational and administrative
Evans (1995)	The key to state capacity is “embedded autonomy”: the power of administrative isolation and a certain level of state embeddedness in the productive sectors.	Relational, transformational and bureaucratic
Mann (1984)	Despotic power is “the system of measures that can be taken through the authority of the state elite without conducting regular institutionalised consultation with civil society groups.” (Mann, 1988: 59) Infrastructural power is “the capability of embedding into civil society and the capability of executing political decisions.” (59)	Administrative, relational and territorial
Migdal (1988)	Capacities are “those capabilities of the leaders, exercised through state organisations, that persuade people to do as the leaders wish” (1988:2) or to “achieve those social changes that its leaders are attempting in the course of transformations, their policies and actions.” (4) One particular capability is “embedding in civil society, regulating social relationships, extracting resources and devoting them to specified aims.” (4)	Relational and territorial
Geddes (1966)	“The capability of executing political decisions initiated by the state that depends on its capability to tax, regulate and shape action affecting actors in the state’s private sector, as well as on the efficiency of bureaucratic decisions made during their execution. However, all aforementioned capabilities presuppose the existence of efficient bureaucratic organisations.” (14)	Fiscal, coercive and administrative
Evans–Rauch (1999)	“Weberianness” is in essence a measurement of the organisational feature of the most important state bodies of how characteristic selection based on merit and a dependable long-term career system is of those bodies.	Administrative
Fukuyama (2004)	State capacity is the “capability of states to develop and execute policies and to enforce the law in a lawful and transparent fashion.” (9)	Administrative and legal

Author	Theory of state capacity	Dimension emphasised
Besley–Persson (2008)	“The central element of state capacity is the capability of levying taxes, from which it can finance and provide for the transfers of public goods.” (522)	Fiscal
Kocher (2010)	The five key criteria of strong states: a) centralisation and unification; b) wealth and the capability of taxation; c) professional bureaucracy; d) few restrictions on the regime; e) a strong military.	Coercive, fiscal, administrative and political
Dincecco–Prado (2012)	Fiscal capacity is “the capacity of the state to collect tax revenue.” (172)	Fiscal
Knutsen (2012)	State capacity indicates public policy successfully executed through an efficient and lawfully functioning bureaucracy.	Administrative, legal and fiscal
Fukuyama (2013)	Capacity is determined based on bureaucratic inputs. These include, for example, the level of education of state officials.	Administrative

Source: Compiled by the authors, based on the sources cited

Table 2
The Scottish National Performance Framework



Source: Financial Scrutiny Unit Briefing: The National Performance Framework and Scotland Performs (7 February 2012) Source: www.scottish.parliament.uk/ResearchBriefingsAndFactsheets/S4/SB_12-12.pdf. (Accessed: 21 July 2016)

Bibliography

- Bache, Ian (2008): *Europeanisation and Multi-Level Governance: Cohesion Policy in the European Union and Britain*. Lanham–Oxford, Rowham and Littlefield.
- Bell, Stephen – Hindmoor, Andrew (2009): *Rethinking Governance: The Centrality of the State in Modern Society*. Cambridge, Cambridge University Press.
- Bersch, Katherine – Botero, Sandra (2014): “Measuring Governance: Implications of Conceptual Choices”. *European Journal of Development Research*, Vol. 26. No. 1., 124–141.
- Besley, Timothy – Persson, Torsten (2008): “Wars and state capacity”. *Journal of the European Economic Association*, Vol. 6. No. 23., 522–530.
- Bevir, Mark – Rhodes, Rod (2003): *Interpreting British Governance*. London, Routledge.
- Börzel, A. Tanja (2010): “Governance with/out Government. False Promises or Flawed Premises?” *SFB-Working Paper Series*, No. 23, Research Center (SFB) 700, Berlin, March.
- Capano, Giliberto – Howlett, Michael – Ramesh, M. (2015): “Bringing Governments Back in: Governance and Governing in Comparative Policy Analysis”. *Journal of Comparative Policy Analysis: Research and Practice*, Vol. 17. No. 4., 311–321.
- Christensen, Thomas – Lægreid, Peer (2011): “Complexity and hybrid public administration-theoretical and empirical challenges”. *Public Organisation Review*, Vol. 11. No. 4., 407–423.
- Cingolani, Luciana (2013): “The State of State Capacity: a review of concepts, evidence and measures”. *Working Paper Series on Institutions and economic Growth*, IPD WP13, 10 October. Available from: www.merit.unu.edu/publications/wppdf/2013/wp2013-053.pdf. Accessed: 21 July 2016.
- Colgan, Anne – Kennedy, Lisa Ann – Doherty, Nula (2011): *A Primer on implementing whole of government approaches*. Dublin, Centre for Effective Services.
- Dinecco, Markand – Prado, Maurizio (2012): “Warfare, fiscal capacity, and Performance”. *Journal of Economic Growth*, Vol. 17. No. 3., 171–203.
- Dommett, Katharine – Flinders, Matthew (2015): “The Centre Strikes Back: Meta-Governance Delegation, and the Core Executive in the United Kingdom, 2010–14”. *Public Administration*, Vol. 93, No. 1, 1–16.
- Dommett, Katharine – MacCarthaigh, Muiris – Hardiman, Niamh (2016): “Reforming the Westminster Model of Agency Governance: Britain and Ireland After the Crisis”. *Governance: An International Journal of Policy, Administration, and Institutions*. Available from: <http://onlinelibrary.wiley.com/doi/10.1111/gove.12227/epdf>. Accessed: 21 July 2016.
- Evans, B. Peter – Rueschemeyer, Dietrich – Skocpol Theda (1985): *Bringing the State Back In*. Cambridge, Cambridge University Press.
- Evans, B. Peter – Rauch, E. James (1999): “Bureaucracy and growth: A cross-national analysis of the effects of ‘Weberian’ state structures on economic growth”. *American Sociological Review*, Vol. 64. No. 5., 748–765.
- Fejes Zsuzsanna (2012): A „jó állam” államelméleti megközelítésben. In: Papp Tekla (editor.): *A jó állam aspektusai, perspektívái. Az önkormányzatok változó gazdasági, jogi környezete. [Aspects and perspectives of the good state. The changing economic and legal environment for local governments.]* Szeged, Pólay Elemér Alapítvány, 15–35.
- Fukuyama, Francis (2004): *State building: governance and world order in the 21st century*. Ithaca, New York, Cornell University Press.
- Fukuyama, Francis (2013): “What is Governance?” *Governance*, Vol. 26, No. 3, 347–368.

- Gajduschek György (2014): “Miben áll és mérhető-e a kormányzati teljesítmény?” [“What constitutes government performance and how can it be measured?”] *Politikatudományi Szemle*, Vol. 23. No. 3., 97–116.
- Geddes, Barbara (1996): *Politician's dilemma: building state capacity in Latin America*. Oakland, California, University of California Press.
- Gisselquist, M. Rachel (2014): “Developing and evaluating governance indexes: 10 questions”. *Policy Studies*, Vol. 35. No. 5., 513–531.
- Hajnal György (2011): “Adminisztratív politika a 2000-es években. (Az ügynökség típusú államigazgatási szervek strukturális dinamikája 2002 és 2009 között.)” [Administrative policy in the 2000s. (The structural dynamics of agency-type state administration bodies between 2002 and 2009.)] *Politikatudományi Szemle*, Vol. 18. No. 3., 54–75.
- Hanson, Jonathan K. – Sigman, Rachel (2013): *Leviathan's Latent Dimensions: Measuring State Capacity for Comparative Political Research*. World Bank Political Economy Brown Bag Lunch Series. Available from: http://faculty.maxwell.syr.edu/johanson/papers/hanson_sigman13.pdf. Accessed: 21 July 2016.
- Hendrix, Cullen, S. (2010): “Measuring state capacity: Theoretical and empirical implications for the study of civil conflict”. *Journal of Peace Research*, May, Vol. 47, No. 3, 273–285.
- Jessop, Bob (2011): “Metagovernance”. In: Bevir, Mark (editor): *The SAGE Handbook of Governance*. London, Sage, 106–123.
- Knutsen, C. Henrik (2013): “Democracy, state capacity, and economic growth”. *World Development*, 43, 1–18.
- Kocher, Matthew (2010): “State capacity as a conceptual variable”. *Yale Journal of International Affairs*, 5 (2). Available from: <http://yalejournal.org/wp-content/uploads/2010/09/105212kocher.pdf>. Accessed: 21 July 2016.
- Lægred, Per – Rykkja, Lise H. (2014): *Governance for complexity – how to organize for the handling of “wicked issues”?* Stein Rokkan Centre for Social Studies. Available from: <http://bora.uib.no/handle/1956/9384>. Accessed: 31 March 2016.
- Levi-Faur, David (2012): “From ‘Big Government’ to ‘Big Governance’?” In: Levi-Faur (ed.): *The Oxford Handbook of Governance*. Oxford, Oxford University Press, 3–18.
- Mann, Michael (1984): “The autonomous power of the state: its origins, mechanisms and results”. *European Journal of Sociology*, Vol. 25, No. 2, November, 185–213.
- Matthews, Felicity (2012): “Governance and State Capacity”. In: Levi-Faur, David (editor): *The Oxford Handbook of Governance*. Oxford, Oxford University Press, 281–292.
- Mazzucato, Mariana (2011): *The Entrepreneurial State*. London, Demos.
- Mazzucato, Mariana (2015): „Building the Entrepreneurial State: A New Framework for Envisioning and Evaluating a Mission-Oriented Public Sector”. *Levy Economics Institute of Bard College Working Paper*, No. 824.
- Migdal, S. Joel (1988): *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. Princeton, New Jersey, Princeton University Press.
- Musacchio, Aldo – Lazzarini, G. Sergio (2014): *Reinventing State Capitalism. Leviathan in Business, Brazil and Beyond*. Harvard, Massachusetts, Harvard University Press.
- Peters, Guy B. (2008): “The Two Futures of Governing. Decentering and Recentering Processes in Governing”. *IHS Political Science Series Paper*, No. 114. Available from: www.aei.pitt.edu/7515/. Accessed: 21 July 2016.

- Piattoni, Simiona (2009): "Multi-level Governance: a Historical and Conceptual Analysis". *Journal of European Integration*, Vol. 31. No. 2., 163–180.
- Pierre, Jon (2000) (editor): *Debating Governance. Authority, Steering and Democracy*. Oxford, Oxford University Press.
- Plattner, F. Marc (2013): "Reflections on 'Governance'". *Journal of Democracy*, Vol. 24, No. 4, 17–28.
- Rhodes, Rod (1994): "The hollowing out of the state: the changing nature of the public service in Britain". *The Political Quarterly*, Vol. 65. No. 2., 138–151.
- Rittel, H. W. – Webber, M. M. (1973): "Dilemma in a General Theory of Planning". *Policy Sciences*, Vol. 4, No. 2, 155–169.
- Sen, Amartya – Stiglitz, Joseph E. – Fitoussi, Jean-Paul (2009): *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Available from: www.insee.fr/fr/publications-et-services/dossiers_web/stiglitz/doc-commission/RAPPORT_anglais.pdf. Accessed: 21 July 2016.
- Skocpol, Theda (1979): *States and social revolutions: a comparative analysis of France, Russia and China*. Cambridge, Cambridge University Press.
- Stevens, Vidar – Verhoest, Koen (2015): *Theorizing on the metagovernance of collaborative policy innovations*. Conference publication, 2015 ICPP Conference, Milan. Available from: www.icppublicpolicy.org/conference/file/reponse/1434526001.pdf. Accessed: 21 July 2016.
- OECD (2015a): *Hungary: Towards a Strategic State Approach, OECD Public Governance Reviews*. OECD Publishing. Available from: <http://dx.doi.org/10.1787/9789264213555-en>. Accessed: 21 July 2016.
- OECD (2015b): *OECD Public Governance Reviews: Estonia and Finland. Fostering Strategic Capacity across Governments and Digital Services across Borders. OECD Public Governance Reviews*. Paris, OECD Publishing. Available from: <http://dx.doi.org/10.1787/9789264229334-en>. Accessed: 21 July 2016.
- OECD (2015c): *National performance frameworks and key national indicators across OECD member countries*. Working Party of Senior Budget Officials. Background information note. 18 November. Available from: www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/SBO%282015%2911&docLanguage=En. Accessed: 21 July 2016.
- OECD (2015d): *Centre Stage: Driving Better Policies from the Centre of Government*. GOV/PGC/MPM (2014), Párizs, OECD Publishing. Available from: [www2.oecd.org/oeecdinfo/info.aspx?OLIScoteEN&Ref=GOV/PGC/MPm\(2014\)3](http://www2.oecd.org/oeecdinfo/info.aspx?OLIScoteEN&Ref=GOV/PGC/MPm(2014)3). Accessed: 21 July 2016.
- Osborne, Stephen P. (szerk.) (2010): *The New Public Governance? Emerging Perspectives on the Theory and Practice of Public Governance*. London–New York, Routledge.
- Oman, P. Charles – Arndt, Christine (2010): "Measuring Governance". *Policy Brief*, No. 39.
- Tilly, Charles (1975): *The formation of national states in Europe*. Princeton, Princeton University Press.
- Torfig, Jacob – Pierre, Jon – Peters, Guy – Sørensen, Eva (2012): *Interactive Governance: Advancing the Paradigm*. Oxford, Oxford University Press.
- Whitehead, Mark (2003): "In the shadow of hierarchy': meta-governance, policy reform and urban regeneration in the West Midlands". *AREA*, Vol. 35, No. 1, 6–14.
- Williams, Gareth (2011): "What makes a good governance indicator?" *Policy Paractice Brief*, No. 6.