

Towards a Network Structure Typology of Governance Systems

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Accountability in the 3 basic governance frameworks (Powell 1990)

- Hierarchies
 - Reporting lines, performance monitoring, explicit distribution of decision-rights
- Markets
 - Supply/demand, competition, buyer beware
- Networks
 - Group norms and solidarity, reputation maintenance, resource access

Globally, no one approach alone can insure accountability

- Hierarchies – lack global sovereignty
- Markets – fall into commons dilemma
 - National public goods must be exchanged to solve shared global problems (Teegen 2003)
- Networks – *have* provided global governance and accountability in some instances ...
 - Global compact, GRI, various global action networks (Waddell 2005)
 - Local shared resource management (Ostrom 1990)

... but networks can fail to provide accountable governance too

- Self-serving elites (Bourdieu 1986)
- Us vs. Them rivalries (Bowles & Gintis 2002)
- Less is known about why networks fail

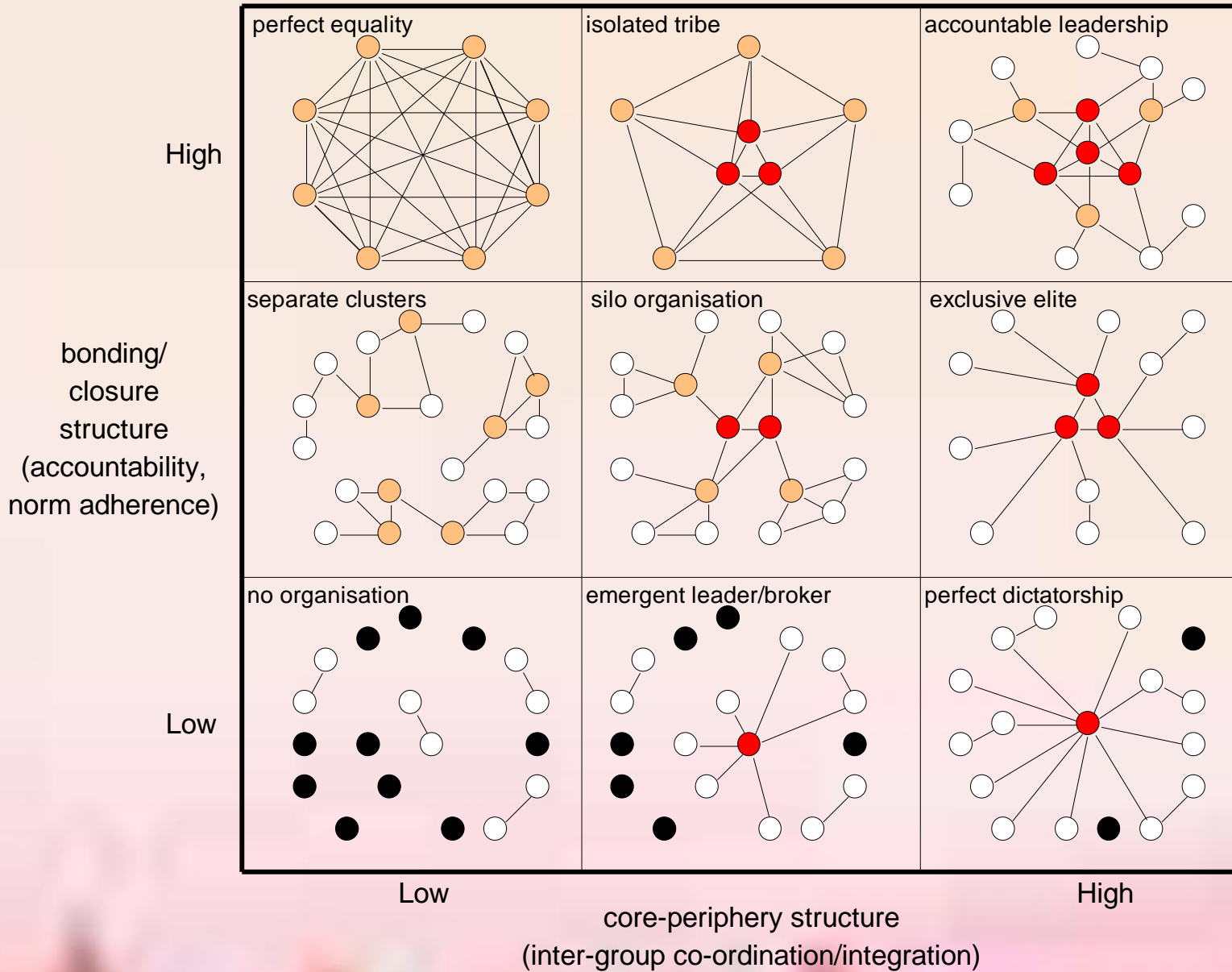
Therefore we need:

- Regimes that blend of all three frameworks
- A typology of network structures that shows us which to avoid and which to promote

Dimensions of network structure related to accountable governance

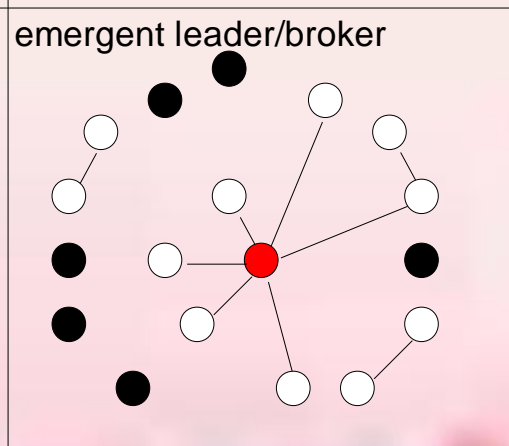
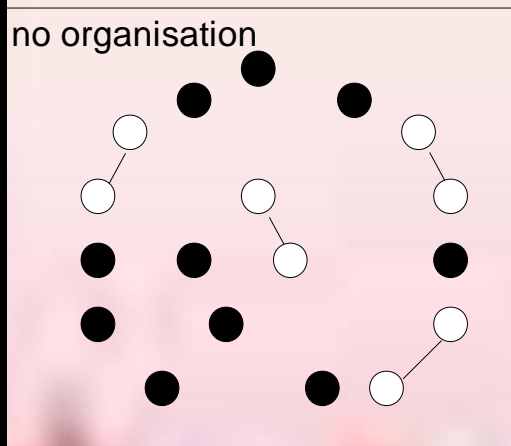
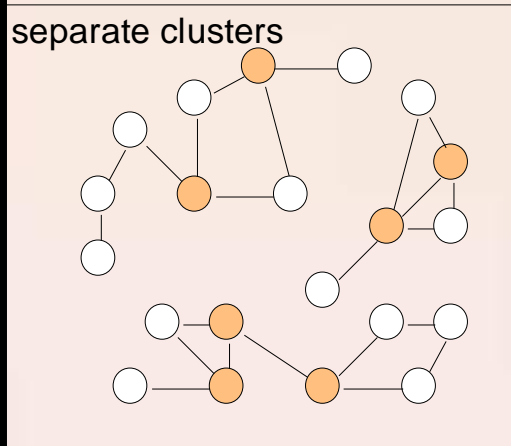
- Bonding, closure structure
 - Sufficient condition for norm enforcement
 - Provides accountability
 - Necessary for cohesion, fairness, unity
- Core-periphery structure
 - Sufficient condition for co-ordination/leadership
 - Necessary for large-scale, inter-group collaboration, adaptability, & change
 - Tolerates more diversity

Templates



Unstable, short-lived structures

- Nature abhors a vacuum, especially of power
 - Quickly evolve into more organised structures
 - Appear after natural disasters, and wars



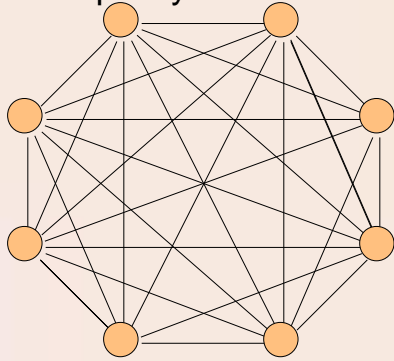
Low

High

High

Low

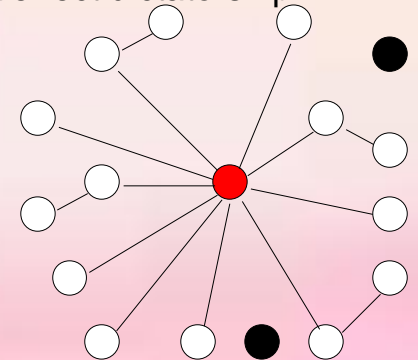
perfect equality



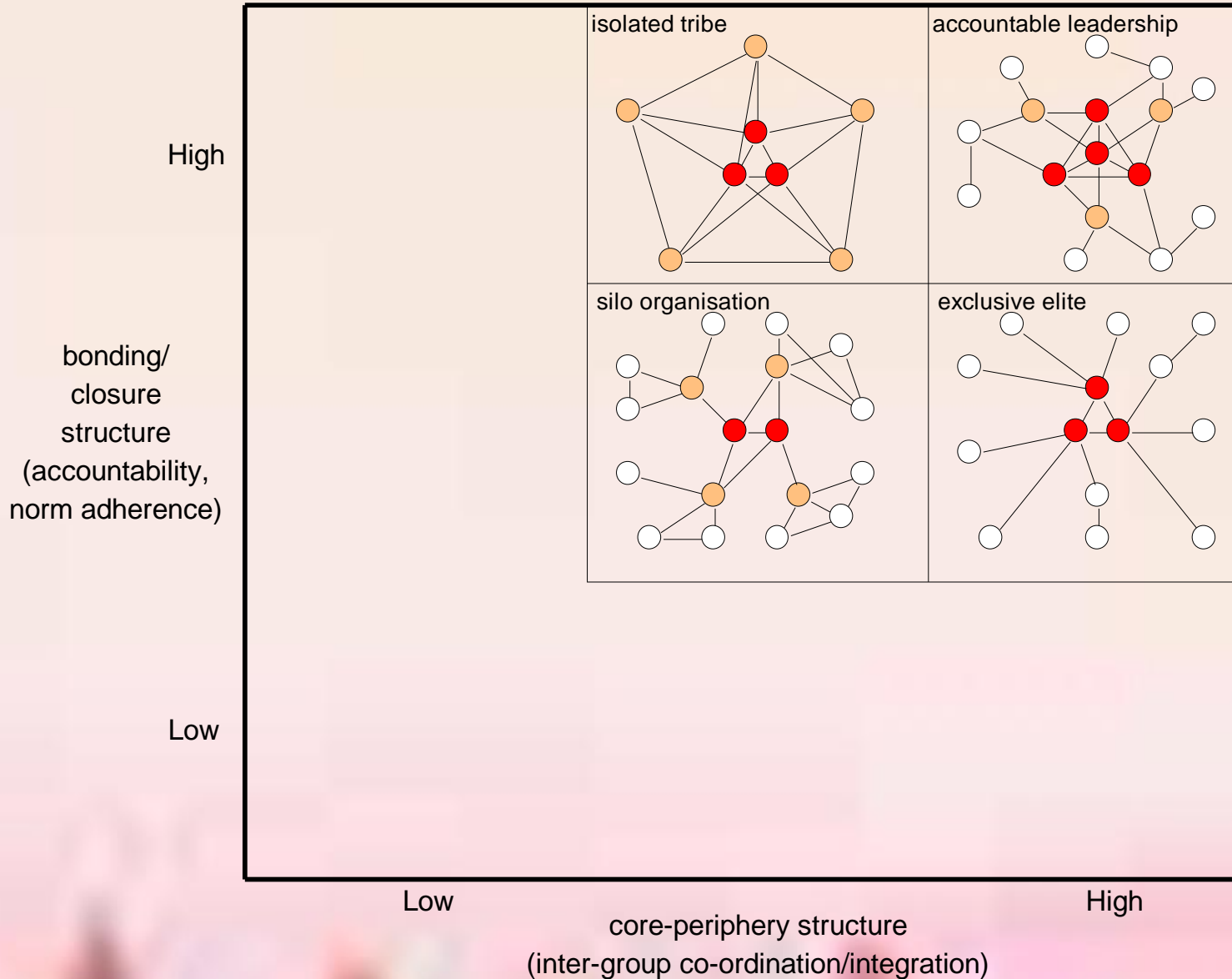
Radical extremes

- Absolute equality
 - High accountability, conformity
 - High transparency & participation
 - Impossible in large groups.
- Absolute dictatorship
 - Core has low accountability, periphery is obedient
 - Many groups/resources co-ordinated through divide & conquer hegemony
 - Strong rule enforcement through domination, low participation

perfect dictatorship

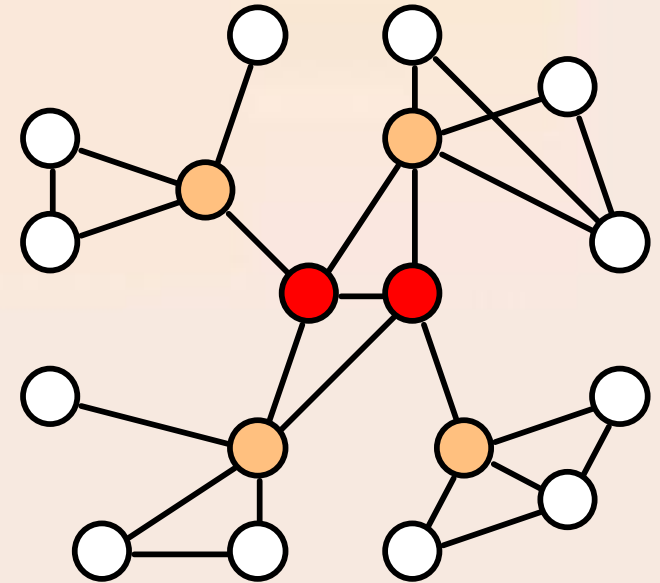


Most common templates



Silo organisation

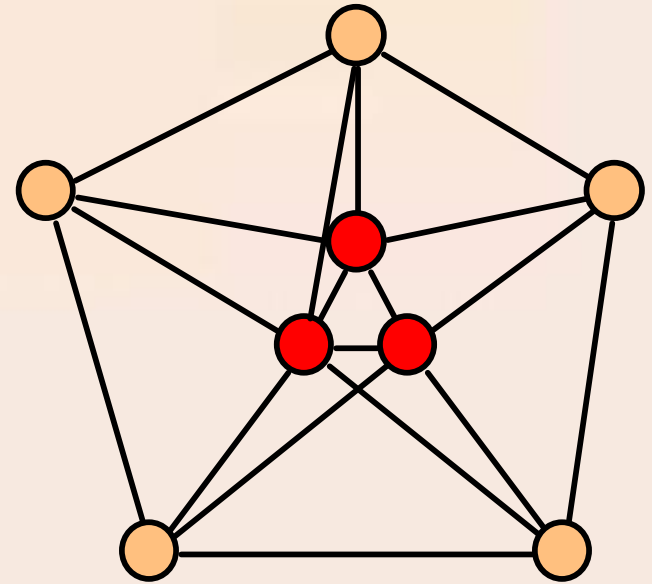
- Accountability characteristics
 - Periphery collectively more powerful than core
 - Accountability operates only within factions, not at whole network level.
“Us versus them” in-group loyalty and conformity.
 - Core too weak to enforce norms of collaboration
 - Continual rivalries to dominate the core block collaborative action.



Isolated tribe

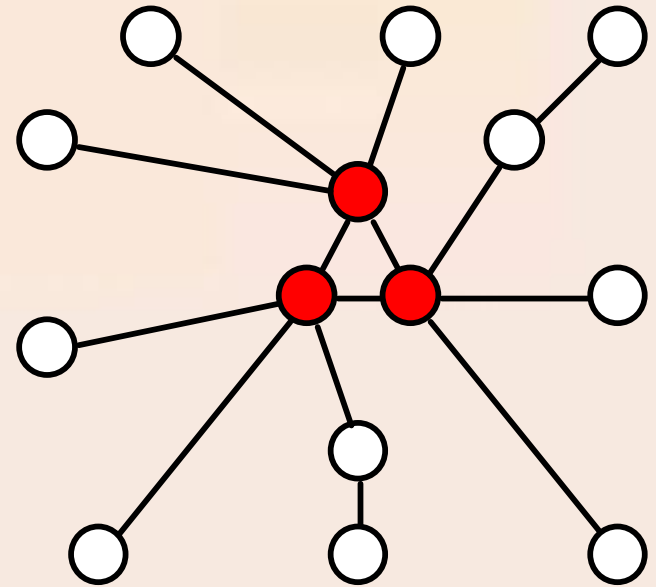
- Accountability characteristics

- Core is accountable to periphery through high participation, transparency, and equality
- More efficient than perfect equality but still limited to smaller groups. Low ability to co-ordinate sub-groups
- Resistant to diversity. Homogeneity prevents smooth handling of diverse inputs, activities, and perspectives



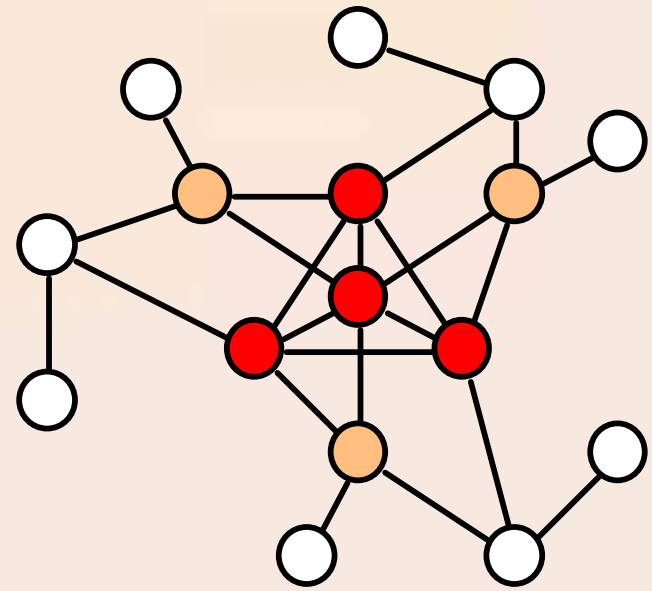
Exclusive elite

- Accountability characteristics
 - Core has much more power than periphery. Sets norms and rules. Not accountable.
 - Internally, core may operate as an isolated tribe or even as a perfect equality structure
 - Unknown legitimacy of core leaders who claim to ‘speak for all.’ Power corrupts.
 - Periphery is highly accountable to core but does not participate in norm setting or enforcement



Accountable leadership

- Accountability characteristics
 - Smooth gradient of power from core to periphery
 - Core can set rules and norms and can insure they are followed
 - Semi-periphery can hold core accountable and has freedom to adapt the rules to own peripheral “wings”
 - Fosters well-informed, accountable decisions that have broad support

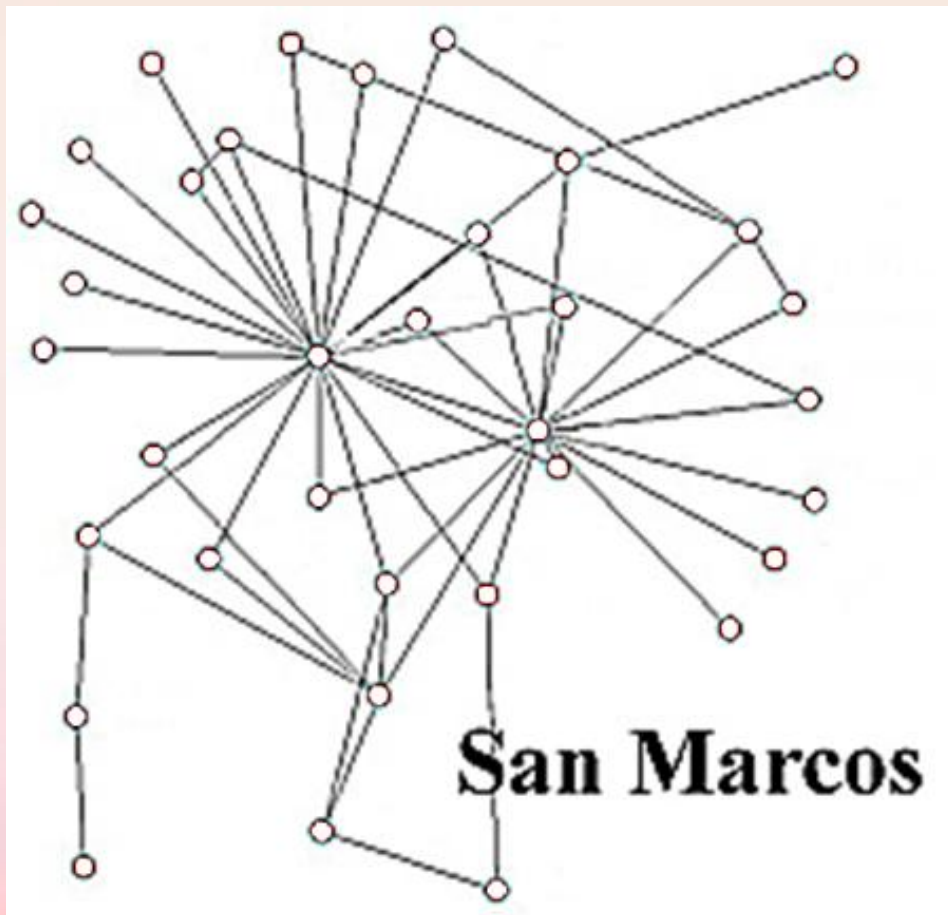


Matching observed networks with templates

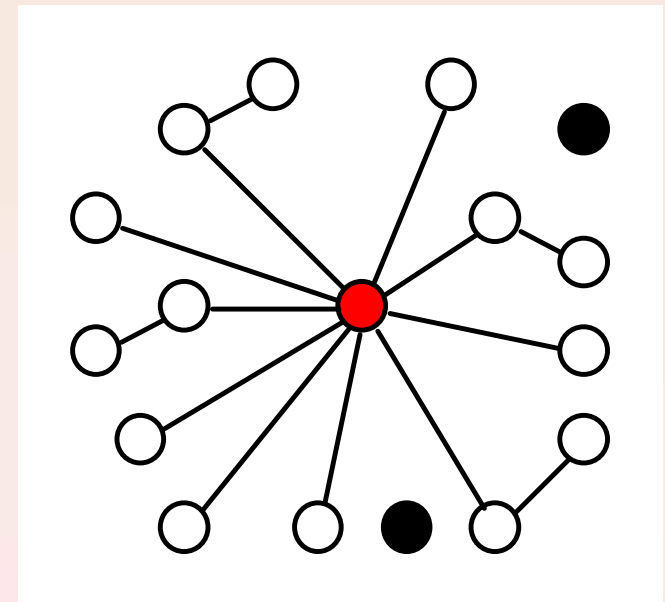
- Do census of the relationships
 - Interviews about “social capital” (a la Nahapiet & Ghoshal 1998) with other network members
 - Snowball sample of group leaders
- Create the observed network graph
- Compare observed graph to templates
- Note which relationship changes would diminish the sub-optimal accountability patterns

San Marcos, Peru: Two cores, isolated periphery

Observed Network



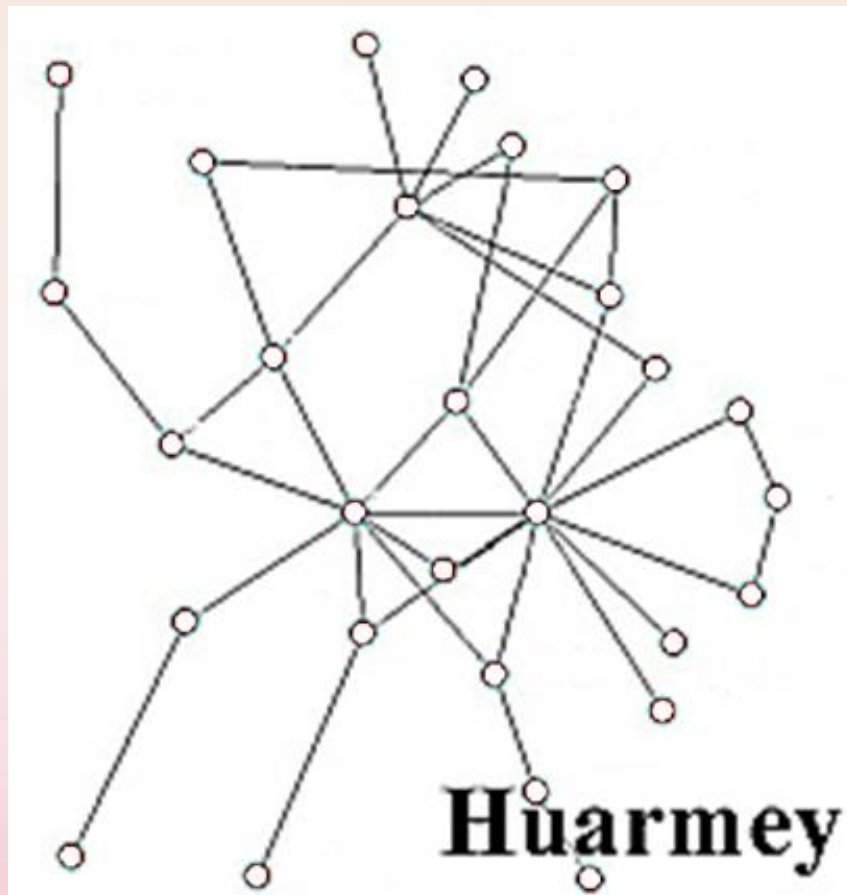
Closest Template



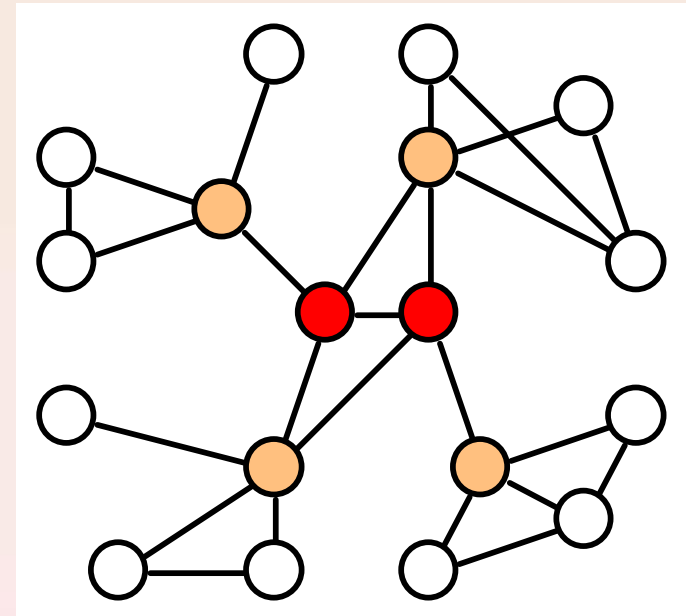
- Two rival families hold each other accountable

Huarmey, Peru: Rival Factions with Weak Core

Observed Network



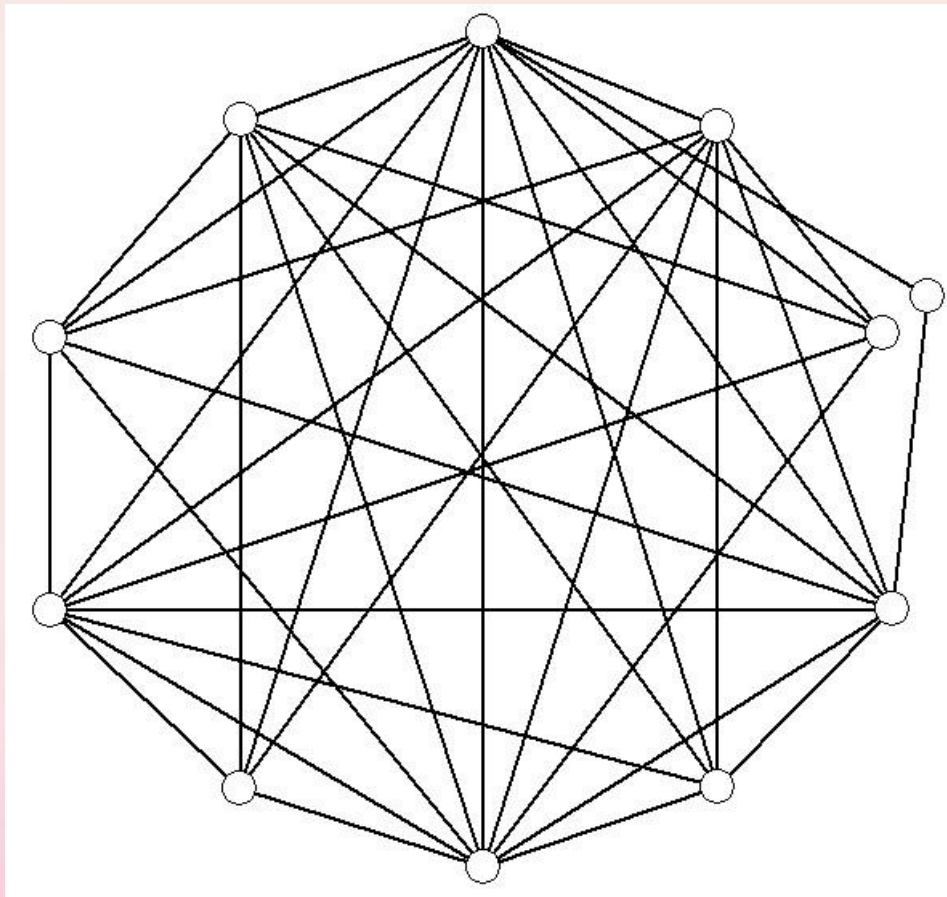
Closest Template



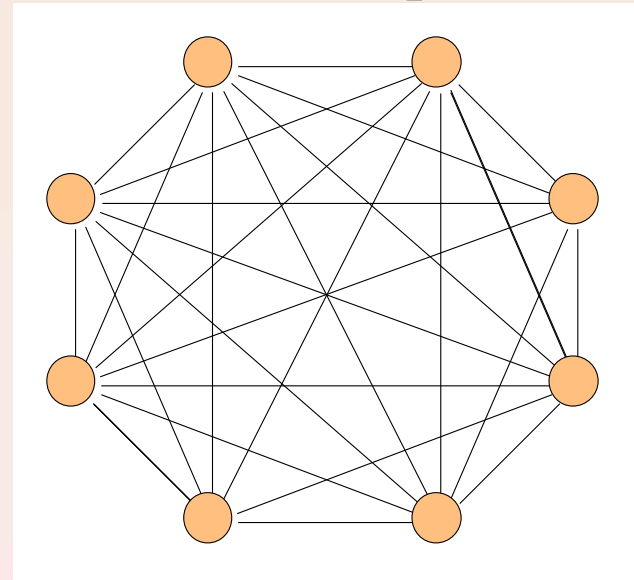
- Protest, kidnapping, protests false accusations. Little norm adherence.

Small town in rural Australia: Insularity shattered by controversy

Observed Network



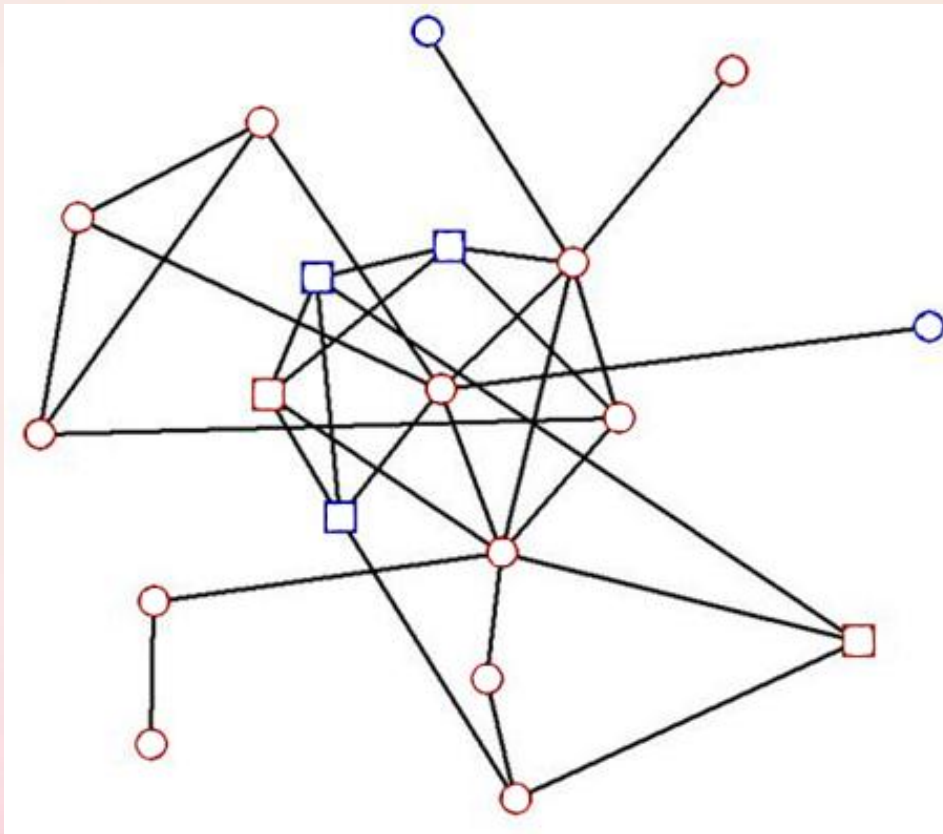
Closest Template



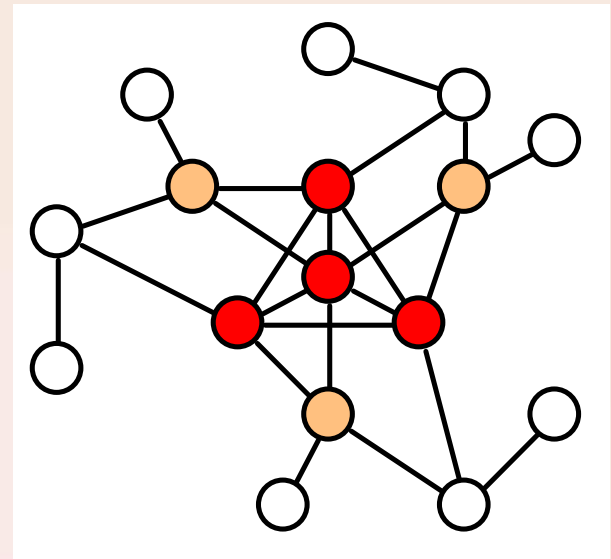
- The ignored out-group made headlines with charges of environmental damage by town's elite

Rural Mexico road blockade: International coalition descends on mine

Observed Network



Closest Template



- Mining company quickly held accountable for tardy delivery on community agreement provisions

Questions?

STAKEHOLDER POLITICS

Social Capital, Sustainable Development,
and the Corporation: A Guide for Managers



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