1. Introduction

The market, the network and the hierarchy can be seen as alternative approaches for creating goods and services and coordinating social life. In the field of public administration and policy sciences, these forms of steering are referred to as coordination mechanisms. Over recent decades, these mechanisms have received a lot of attention in the literature and a whole range of studies have described their successes and failures. To date, however, there is little knowledge on the legitimacy of policy- and decision- making in networks. In the meantime, there is an increasing popularity in the policy field to deal with societal problems through new steering forms placed somewhere between public and private options (see Van Montfort 2008). As a consequence, private actors have become involved in balancing public interests and, in this way, they have influence on the quality of life of citizens. This is well illustrated by the following three well-known examples in the Dutch policy field: Public Private Partnerships (PPPs) in the Transport Sector, Centres for Youth and Family, and Safety Houses. There is thus good reason to consider critically the legitimacy of network steering.

This paper addresses the issue of the legitimacy of policy- and decision- making in PPPs. This theme is approached both conceptually as well as empirically. The analytical framework is based on the network approach and Beetham’s theory on legitimacy. In this paper, the position adopted is that the institutional arrangements for policy- and decision- making fail to connect with the policy field and that a solution needs to be found in the new ‘rules of power’. The collaborative enterprise can be interpreted as an example of this. Through such an organisation, one can maybe create a legitimate structure for a PPP.

In public administration and policy sciences, the theories surrounding network steering are expressed in the network approach. The starting point of the network approach is the assumption that policy- and decision- making is not an exclusive task for the government or the market. The network theory assumes that these processes can be characterised by forms of interaction between public and private actors. In the literature, this approach is seen as an alternative for the ‘traditional stages heuristic’ (Sabatier 2007). The policy network theory considers the form of institutional arrangements and takes these arrangements as central explanatory variables for the policy results (Schlager, in Sabatier 2007, p. 308).

The first issue that is addressed in this paper is the different ways in which the network concept is seen in the literature. This variability is the reason that the validity
of the network approach is often questioned. These validity problems have a central position in the second section. Here, attention is also given to the way in which the network approach, despite its methodological problems, can act as a conceptual basis for this paper. In Section 3, the different meanings attached to networks are categorised using the distinctions suggested by Börzel (1998, p. 255). In her typology, she distinguishes between (i) the Anglo-Saxon tradition where the policy network is interpreted as a typology of interest intermediation and (ii) the Continental European tradition where the policy network is interpreted as a specific form of governance. In Section 4, the focus moves to the PPP. Here, the PPP is interpreted as a governance structure in which policy- and decision-making take place in a multi-actor relationship. In this paper, the view adopted is that there is a legitimacy deficit in policy- and decision-making in this type of partnership. Therefore, Beetham’s theory on legitimacy is used in section 5 to address these concerns. In Section 6, we argue that a solution for this legitimacy deficit has to be found in new ‘rules of power’ in which a PPP is incorporated by virtue of public law as a collaborative enterprise.

2. Validity problems of the network approach

In the 1990s, Kenis and Schneider studied the place and the development of the network concept in literature. In a chronological overview of key publications, they concluded that most authors approach the concept from their own empirical or academic frame of reference. As a consequence, the concepts in the network approach are ambiguous: i.e. different meanings and connotations are given to the term network (Kenis & Schneider 1991, p. 32). Nevertheless, despite such fuzziness, the concept of the policy network has clearly achieved a position of central importance: it has become an accepted descriptor for policy making in arrangements that can be characterised by a predominance of informal, decentralised and horizontal relationships in the policy process (Kenis & Schneider 1991, p. 32). Börzel (1998) recognised this somewhat fuzzy image. In her view, the theory surrounding the network approach is a typical example of Babylonian chaos, but she at least views the various authors as sharing a common understanding. A minimal, or lowest common denominator, definition of a network can be seen as a set of relatively stable relationships which are non-hierarchical and interdependent and that link a variety of actors. Further, these actors share common interests with regard to a policy, and exchange resources to pursue these shared interests while acknowledging that cooperation is the best way to achieve common goals (Börzel 1998, p. 254). Beyond this basic definition, and even this is not beyond argument, a large and confusing variety of understandings and applications of the concept can be found in the literature (Börzel 1998, p. 254). This variety is a fundamental conceptual weakness of the network approach (see Peters 1998, p. 25; Howlett 2002, p. 236). This validity failure was, for Dowding (1995), the reason for taking the position that the network concept can be better used in a metaphorical way than as an analytical framework or a theory. According to Dowding (1995, p. 140), a true theory must be generalisable to all objects to which it is supposedly applicable and it should also be able to explain the variations between these objects as well as their similarities. Various authors recognise the fuzziness of the network concept and also point to the risks in adopting it. In reaction to Dowding, Howlett (2002, p. 259) takes the position that if a network is merely a metaphor to describe actor interrelationships, without any predictable impact on policy outcomes, then network management efforts may not only be
inefficient, but misplaced, and expending effort on further theoretical and conceptual development in this area is misguided.

Rhodes (2006, p. 423) places the criticisms of the network approach in perspective. In his view, few social scientists can ever agree on the meaning of an idea. Apart from this observation, he describes a policy network as one of a cluster of concepts focusing on government links with, and dependent on, other state and societal actors (ibid., p. 259).

Rhodes’ definition turns networks into observable phenomena in the policy field. From his description, we can infer that the network concept refers to *de facto* relationships and dependencies between actors in the policy field. As such, network theories focus on the relationship between the government and other actors in the policy field. A PPP is an example of this: such relationships can differ by culture, country, policy sector and even by task allocation (see Perez 2004). Given this perspective, it is well to understand that scientists study the network concept from their own empirical or academic frames of reference. This had led to different concepts and analytical frameworks for studying the connections and dependencies between governments and private actors in the policy field. This variety in concepts is reflected in Rhodes’ definition. As a consequence, to understand network steering, it is necessary to study the literature and inventorise the different meanings and understandings attached to the network concept. Only after this is it possible to identify the concepts that are applicable to these phenomena in the Dutch policy- and decision- making context of the PPP. This theme is addressed in the next section.

3. The network concept

*Introduction*

The literature on public administration reflects a growing interest in networks since the 1960s. Initially, the network concept was presented as a fresh alternative for policy- and decision- making in a hierarchical setting between the government and societal actors. This is illustrated by the conceptual decision network that was introduced by Friend, Power and Yewlett (1974). Networks in this context were seen as sub-elements of the policy system, which was defined as a set of organisational and interpersonal arrangements for dealing with decision problems related to a given policy (ibid., p. 26). Such relationships between policy actors included not only linkages based on hierarchical authority patterns, but also informal relationships such as interpersonal communication (Kenis & Schneider 1991, p. 29). The meaning that Friend, Power & Yewlett gave to the network concept is illustrative of the way in which the network approach is tied to the traditional hierarchical approach. Steering society is not an exclusive unincenric activity for the government, but involves a composite of interactions between interdependent actors. The 1980s and 1990s saw a stream of theories on networks. Kenis and Schneider (1991. p. 32) summarise these theories and conclude that there is little agreement about the meaning of the network concept, but that it has become an accepted descriptor for policy-making in arrangements that are characterised by a predominance of informal, decentralised and horizontal relationships in the policy process.
In 1998, Börzel highlighted what she calls “Babylon chaos” based on the different understandings of the network concept she found in the literature. She makes a distinction based on two viewpoints: (i) the network as an analytical tool and (ii) the network as a theory (Börzel 1998, p. 254). Below, this distinction is elaborated upon.

The network as an analytical tool
In her first category, Börzel interpreted the network as an analytical tool. In this group one places those authors who use the network to analyse how the structure of a policy network influences the policy result. Further, in this category, a distinction can be made between (i) those analysts that use quantitative methods to study social structures of networks and (ii) those whose orientation is on the process and who use qualitative methods (ibid., p. 255).

The work in which the network is considered as an analytical tool does not contribute to the aims of this paper. Although the issue is relevant for public administration, the purpose of this paper is not to study the influence of the network structure on policy results. For this reason, the literature in which the network is interpreted as an analytical tool will not considered further in this paper.

The network as a theory
Besides those authors that use the network approach as an analytical tool, there is a tendency within public administration in which the network is considered as a theory. As such, the theory describes the way in which policy is formulated (see Rhodes 2006). Börzel again makes a distinction within this tendency. First, there is the Anglo-Saxon tradition in which the policy network is interpreted as a typology for interest intermediation. Second, there is the Continental European tradition in which the policy network is considered as a specific form of governance. According to Börzel there is a major difference between those schools. The interest intermediation school conceives policy networks as a generic concept which can be applied to all kinds of relationships between public and private actors (Börzel 1998, p. 255). For the governance school, on the contrary, policy networks can only characterise a specific form of public-private interaction in public policy (governance), namely one based on non-hierarchical coordination, which is seen as an inherently distinct mode of governance from the hierarchical and market alternatives (Börzel 1998, p. 255). In the following subsections these two schools are briefly described.

The network as a typology for interest intermediation
The Anglo-Saxon tradition originates from pluralism and corporatism (see Börzel 1998; Rhodes 2006). Both pluralism and corporatism study the relationships between the government and interest groups. In the pluralistic tradition, it is possible for all societal actors to participate in the policy system. Policy is seen as the result of an equal competition between the thoughts and ideas of various groups that freely enter the political system. This perspective is in contrast to the ideas of corporatism. Here, policy is considered to be the result of negotiations between the government and interest groups. Certain interest groups are admitted to the political system by the government. The government is willing to pay attention to their interests when dealing with societal problems in exchange for their support for the policy. In public administration circles, both pluralism and corporatism are criticised. A frequently raised criticism is the normative character of the pluralistic perspective which, according to various authors, leads to a lack empirical relevance. The lack of a
practical use for corporatism is also critically addressed by authors. The reason here is the failure to reach any consensus about what the term corporatism means when it is applied to liberal democratic societies (Parsons 1995, p. 257). In reaction to these criticisms of pluralism and corporatism, new concepts have arisen in the literature. These can be seen as refinements of the existing tendencies. The purpose of developing new concepts is to better understand the relationships between government and interest groups. Examples of these new concepts are: (i) ‘iron triangles’ (Ripley & Franklin 1981) and ‘policy communities’ (Heclo & Wildavsky 1974; Richardson & Jordan 1970). According to Börzel, these refinements also appear problematic because again similar labels very often describe different phenomena, or different labels refer to similar phenomena, which leads to confusion and misunderstanding in discussing state - interest relationships (Börzel 1998, p. 256). For some authors, the network approach presents an alternative to both the pluralist and the corporatist model (Börzel 1998, p. 256). In the Anglo-Saxon tradition, all forms of relationship between the government and societal actors are studied. Given the wide range of relationships that can be studied, different classifications and typologies of policy networks can be distinguished. Adam and Kriesi (2007, pp. 134-135), for example, distinguish among six types of network structures. They typify these structures using a two-axis scheme: (i) distribution of power and (ii) type of interaction. On the first axis they make a distinction between concentrated power and fragmented power. On the second axis, the types of interaction are labelled conflict, bargaining or cooperation. Table 1 provides an overview of this classification system.

Table 1: Typology of network structures
(see: Adam & Kriesi 2007, p. 135)

<table>
<thead>
<tr>
<th>Distribution of power</th>
<th>Type of interaction</th>
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<tbody>
<tr>
<td></td>
<td>Conflict</td>
</tr>
<tr>
<td>Concentration</td>
<td>Dominance</td>
</tr>
<tr>
<td>Fragmentation</td>
<td>Competition</td>
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These typologies and classifications have in common that sub-governments arise. These institutions are composed of the government and a few privileged interest groups who enjoy close relationships with the government. These actors have close ties through which they exchange power and resources. In these sub-governments, the interests of the insiders are formulated in policy, while the interests of outsiders are excluded from the political system (Rhodes 2006, p. 427). As a consequence of the contacts taking place over time, these patterns of interaction between government and insider interests become institutionalised in policy networks (Rhodes 2006, p. 427).

The network as a specific form of governance
In the second theoretical tendency highlighted by Börzel, the network is considered as a specific form of governance. Governance is, in many senses, the opposite of government. Government implies a sort of steering by governmental agencies that can be characterised as unicentric handling: the control of and responsibility for taking care of a public value is completely within the hands of a public actor. In this context,
it is the task of government to formulate goals for the realisation of the public value and to execute the plan, in phases, through a hierarchical government structure. The role for private actors is merely that of rational executors of the policy programme. In this situation, the relationship between the government and the private actors has the characteristics of a principal-agent one. This form of steering is also referred to as the ‘traditional’ allocation of tasks through policy formulation and decision-making.

Two developments have led to this concept of steering no longer being seen as tenable for all complex societal problems. Firstly, government has, in recent decades, when implementing public policy, increasingly relied on inputs of experience and knowledge from private actors. Government accepts that it has neither the capacities nor the competences to steer society by itself and to provide answers to all societal problems. To deal with today’s complex societal problems, active inputs by private and non-governmental organisations are required. Business enterprises are also experiencing an increased corporate responsibility that goes beyond their strict legal boundaries. Organisations are searching for new ways to manage this responsibility within the entrepreneurial context. These developments have initiated a debate about a new balance among public actors, citizens, business enterprises and non-governmental organisations in terms of tasks, responsibilities and authorities. The discussion on the way in which this new equilibrium should be structured takes place within a wider governance debate.

A characteristic of the debate concerning governance is that it takes place in different contexts. The concept of governance has become increasingly fashionable and covers many trends and developments; and has thus become something of a ‘container concept’ (see also, Hajer, Tatenhove & Laurent 2004). Rhodes (1997) distinguishes six types of governance (p. 47) and then relates the concept to self-organising, inter-organisational networks (p. 53). Van Heffen, Kickert and Thomassen (2000, pp. 3-5) distinguish two types of governance, multilevel governance and multi-actor governance: “generally speaking, the ongoing vertical differentiation of public administration systems into supranational, national, regional, local and quasi-autonomous government organisations furthers the interaction of institutions”. Van Kersbergen (1999, p. 85) states that “the interrelations between the [European] states, the supranational organisation, and the various levels of governance have by now acquired such a scale and have become so complex that a new and unique system of multi-level governance has emerged” (see also, Marks 1997; Thomassen & Schmitt 1999). Furthermore, “public policy has become a matter of cooperation between governmental organisations and societal actors. Hence public management and policy-making are presently best characterised in terms of processes in which a large number of actors are involved, both from the public arena and from civil society (multi-actor governance)” (Van Heffen, Kickert & Thomassen 2000, pp 3-5). The theory behind this tradition does not really advance the notion beyond the basic idea that policy networks are governance structures involving cooperation processes between the government and actors from the policy field. As a consequence, the focus needs to shift towards the policy field, so as to understand policy- and decision-making in networks. The central theme of the next section is thus policy- and decision-making in PPPs.

4. PPP as a multi-actor governance structure
The theory in which the network is interpreted as a specific form of governance is applicable to the Dutch policy field. Here, there is no strict distinction between public and private organisations. According to Kickert (2005, p. 30), there are continua along various dimensions with many hybrid forms between the pure governmental organisation and the pure business enterprise. A PPP is one example of an organisational form that is between public and private. Bregman (2005) compared and criticised the various definitions of a PPP and, after this conceptual analysis, defined this organisational form as follows:

**A PPP is a legally structured type of cooperation between the government and private actors concerning spatial planning and the exploitation, other than traditional modes of allocating task between government and private actors.**

The core of the approach by Bregman is that the forms of cooperation between government and private actors can be divided into two main groups, or two types of cooperative relationships. To understand how a PPP differs from what Bregman calls the ‘traditional allocation of tasks’, one must look at the important differences across the spectrum for the three types of coordination mechanism: the government hierarchy, the market and the network. In this paper, the position taken is that a PPP is a form of network steering in which public and private actors jointly take decisions, on the basis of the following characteristics:

a. there is a constituted agreement on the inputs of various types of resources and the allocation of risks;
b. the extent of substantive resource inputs and subsequent benefits have deliberately been left undefined;
c. coordination and decision-making take place within a network;
d. the outcome of the network is legally binding for the actors involved and also possibly for third parties.

The characteristics above clearly place a PPP outside the government hierarchy and market steering coordination mechanisms. This is because steering is not left to the government alone and similarly not to the market. It is not about an organisational form that aims to deal with public values through one-sided decision-making, but equally it is also not a form in which private actors are responsible for dealing with public values in a context of supply and demand. The core of a PPP is that public and private actors cooperate in dealing with a public value, and in a way where responsibilities and controls are not assigned to a single party. The characteristics listed above are explained below in more detail.

**Characteristic (a) – the constitutional agreement**

In a PPP, there is a constituted agreement between the parties that cooperate. This contractual arrangement forms the basis for the cooperation. The document explains the way in which the policy issue is to be implemented. Furthermore, it provides a legal structure for the network organisation - it binds together the parties in the policy network. Each of the contract partners owns some of the resources that are necessary for the realisation of the desired outcome. A combination of a strategy and resources is essential for an optimal policy outcome. To achieve this, the actors in the network need to agree on the type of resources that they will contribute.
Klijn and Koppenjan (2004, pp. 144-145) distinguish five types of resources: (i) financial resources, (ii) production resources, (iii) competencies, (iv) knowledge and (v) legitimacy. Beyond the resources each will provide, the parties in the network also need to agree on the allocation of risks. There are inevitably risks and uncertainties when parties deal with policy problems. These risks are connected to events and circumstances (often unforeseen), and the potential implications need to be allocated to the spheres of risks carried by one (or more) of the involved parties (Bregman 2005, p. 174). Before cooperation starts, there needs to be an inventory of such risks, and there must be agreement on the mechanisms for risk control and their specific allocation. These points should be embedded in the constituted PPP contract.

**Characteristic (b) – resource inputs**

In the formulation and implementation of a policy solution, the resource contributions from the policy network partners are complementary and hence cumulative. Thus, the general expectation is that the cooperation will generate a net surplus. In other words, cooperation through a PPP leads to a result that a more traditional distribution of roles between the government and private parties cannot achieve. Depending on the nature of the policy problem leading the establishment of a PPP, the societal surplus may be expressed as either an increased rationality or an increased legitimacy of the policy programme.

A near unconditional contribution of resources by the parties involved is seen as the best breeding ground for such a surplus; better than in the traditional setting where parties carefully calculate their contributions and benefits. Attempts to formulate unconditional contributions and motivations in contractual legal terms may, however, (unwillingly but often inescapably) lead to ‘conditional’ barriers. A precondition for unconditional participation may be intrinsic motivation, supported by the view that an increased contribution leads to an enhanced outcome (more positive than in a traditional approach). Hence, the intended substantive result of a PPP cannot be completely or conclusively described in advance. This calls for an incomplete contract, one that addresses the inputs of major types of resources, a sharing of (surplus) benefits, a general and provisional description of the object of the cooperation, and basic ‘rules of the game’. Clearly, for this ‘formula’ to prove successful, trust between the parties will need to be a driving force in the cooperation. In essence, a PPP distinguishes itself from traditional organisational forms by invoking ‘soft laws’ on substantive issues, as against ‘hard (contractual) laws’ concerning specific contributions and results.

**Characteristic (c) – coordination**

The previous analyses show that there is an interdependent relationship between the actors involved in realising a policy programme through a PPP. Drawing on their own organisational backgrounds, they develop a contractual relationship. This agreement defines the type of resources that the actors will contribute and the allocation of risks, but it is incomplete in terms of the extent of the resources contributed and the substantive specifics of the end result. Given the incomplete contract, trust has to be the fundamental basis and driving force behind the cooperation. Since the more traditional coordination mechanisms (governmental hierarchy and market steering) are based on distrust, there is a need in a PPP to develop a coordination mechanism that is based on trust. This can take place in the network approach since policy networks are reasonably stable patterns of social relationships between interdependent actors that take shape around policy problems and/or policy programmes (Kickert,
Klijn & Koppenjan 1997, p. 6). These authors distinguish three important characteristics of networks (ibid., p. 31):

a. networks exist because of the interdependencies between actors;

b. networks consist of a variety of actors each with their own goals;

c. networks consist of relationships of a more-or-less lasting nature between actors.

**Characteristic (d) - outcomes**

Participation in a policy network is aimed at delivering the optimum policy solution to a societal problem. The parties that cooperate do so for the sake of and on behalf of society. It is possible that the policy programme and its outcomes will have an effect on the quality of life and the environment of citizens. For this reason, a policy programme has associated legal claims and duties. This is evidenced by the fact that on the basis of a network cooperation, a governmental authority must take a legally binding policy decision that stipulates these claims and duties.

5. Network legitimacy

**Introduction**

The sections above have illustrated that there is a balancing of public interests in a PPP. The question arises as to the state of policy- and decision-making legitimacy in a PPP. In this section, the focus turns to this theme. The analytical framework used is the conceptual model of legitimacy proposed by Beetham. This theory is selected because it adopts a social science perspective on legitimacy and aims to understand legitimacy rather than merely clarifying moral dilemmas related to legitimacy. Beetham criticised Max Weber’s concept of legitimätsglaube which, for many social scientists, is the starting point in thinking about the subject of legitimacy. Unlike Max Weber, who is regarded as one of the ‘founding fathers’ of twentieth century social science (Beetham 1991, p. 8), Beetham does not believe that authority is legitimate simply because people believe in its legitimacy. According to Beetham, a given power relationship is to an extent legitimate because it can be justified in terms of the beliefs of the people involved (ibid., p. 11). Further, Beetham believes that the Weberian definition not only misrepresents the role that beliefs play in legitimacy; it also ignores those elements which are not really to do with beliefs at all (ibid., p. 12). Beetham not only criticised the Weberian view, he also offered an alternative, which is outlined below.

**Legitimacy as a multidimensional concept**

The main purpose of social science is to study and understand societal problems, and these problems are embedded in a given context. In terms of legitimacy, questions can arise about how far a power relationship is legitimate. Another question can be what makes a power relationship legitimate. Since these questions are always asked in a given context, legitimacy for social scientists is always bound to a context rather than existing absolutely, ideally or abstractly (Beetham 1991, p. 14). The key to understanding the concept of legitimacy-in-context lies in recognising its multidimensional character (ibid., p. 15). According to Beetham, it embodies three distinct elements or levels, which are qualitatively different from one another (ibid., p. 15) which are summarised in Table 2.
### Table 2: The three dimensions of legitimacy
(source: Beetham 1991, p. 20)

<table>
<thead>
<tr>
<th>Criteria of Legitimacy</th>
<th>Form of Non-legitimate Power</th>
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<tbody>
<tr>
<td>i conformity to rules (legal validity)</td>
<td>illegitimacy (breach of rules)</td>
</tr>
<tr>
<td>ii justifiability of rules in terms of</td>
<td>legitimacy deficit (discrepancy between rules and supporting beliefs,</td>
</tr>
<tr>
<td>shared beliefs</td>
<td>absence of shared beliefs)</td>
</tr>
<tr>
<td>iii legitimation through expressed</td>
<td>delegitimation (withdrawal of consent)</td>
</tr>
<tr>
<td>consent</td>
<td></td>
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</table>

The importance of rules in society is that they regulate the behaviour of people and make the behaviour of people as well as the authority predictable (Beetham 1991, p. 65). In a rule-governed society, one cannot separate power from legitimacy (ibid., p. 65). The rules of power define, in a legal form, access to the means of power (ibid., p. 66). The first condition for legitimacy is that any form of power should acquired and then exercised in accordance with established rules (ibid., p. 64), which Beetham labels legal validity. The opposite of legal validity is illegitimate power (ibid., p. 16).

On its own, however, legality cannot provide a fully adequate or self-sufficient criterion for legitimacy (Beetham 1991, pp 68-69). For Beetham legality is not the same as legitimacy. Rules are not justified by simply being rules, they require justification by reference to considerations which lie beyond them (ibid., p. 69). According to Beetham, power is legitimate when the rules are justifiable in terms of shared beliefs (ibid., p. 69). This second criterion leads Beetham to three further questions: (i) justifiable to whom?, (ii) what are the criteria for justifiable? and (iii) what kinds of beliefs are relevant? (ibid., p. 69). Through the first question, Beetham highlights that the point of legitimacy is its significance for the character of power relationships, and its effect on the behaviour of the subordinate. From this, it follows that the rules of power must be justifiable to subordinates (ibid., p. 69). The second and the third questions are closely connected. The relevant beliefs that justify the power rules will set the limits to the range of possible disputes about them, and will determine what sort of disputes they will be (ibid., p. 69). Therefore, the primary concern for Beetham is the types of justificatory beliefs. More specifically, he identifies the authoritative sources from which they stem and the moral persuasiveness of their content that gives social rules their justifiability (ibid., p. 70). Identifying an ultimate source concerns the authoritative sources of beliefs from which rules of power stems. These sources will differ in different types of society (ibid., p. 71) and Beetham goes on to categorise these sources. Firstly, he distinguishes three kinds of sources that are external to the society: (i) divine command (priests/prophets/technocrats), (ii) natural law (philosophers) and (iii) scientific doctrine (scientists/technocrats) (ibid., pp. 71-74). Alongside these external sources, Beetham distinguishes two internal sources of legitimacy for a society’s power rules: (i) society in the past (tradition) and (ii) society in the present (the people) (ibid., pp 74-76). When shifts in belief systems or society’s power rules occur, gaps between rules and beliefs can develop. Therefore, as a consequence of these shifts, legitimacy deficits can arise (ibid., p. 75). Demonstrating an authoritative source for the power rules is not a sufficient answer to the question: “why these rules?” (ibid., p. 76). As such, the issue has to be addressed
as to what content gives social rules their justifiability. Behind the various answers that can be given to this question, it is possible to identify a common structure to the argument. This structure compromises two elements (ibid., p. 76) of which the first is the principle of differentiation (ibid., p. 77). All power relationships, and the rules of access and exclusion on which they are based, presuppose the differentiation or separation of the dominant from the subordinate. This separation is justified on the grounds that those who hold power possess qualities lacking in those who subordinate to them, and that these qualities are appropriate to the particular form of power being exercised (ibid., p. 77). Rules of power, in other words, are considered rightful in so far as they select the qualified and exclude the unqualified, and ensure the dominance of the superior and the subordination of the inferior (ibid., p. 77). Beetham makes a distinction between such justifying principles based on so-called ‘ascriptive’ theories (for example heredity and gender), and those which hold because they are demonstrated through performance and achievement (so-called ‘meritocratic’ theories) (ibid., pp. 77-82). According to Beetham, one part of the justification for power rules lies in this principle of differentiation, which distinguishes the qualified from the unqualified (ibid., p. 82). The principle of differentiation, however, does not justify why the division itself should exist. For this, one needs to bring in the social utility argument (ibid., p. 82) and the second element is thus the idea of a common interest (ibid., p. 82). This emphasises that the distribution of power serves not only the powerful but also the interests of the subordinate (ibid., pp. 82-90).

The third and last criterion for legitimacy is expressed consent (ibid., p. 90). Beetham distinguishes different types of activities through which consent can be expressed. According to Beetham, the most fundamental condition is a voluntary agreement on a power relationship based on free choice (ibid., pp. 90-92). However, consent is possible even when there is no choice between alternatives. As examples, Beetham provides swearing an oath of allegiance, taking part in consultations or negotiations with the powerful and taking part in a public event (ibid., pp. 92-97).

The legitimacy of policy- and decision- making in a PPP
Policy- and decision- making in a PPP meet Beetham’s first criterion for legitimacy. This is the condition of legal validity: governmental organisations have the legal authority and juridical instruments to cooperate with private actors in a PPP. While one can make a distinction between contracts and corporate bodies, there is no reason to assume that there is any structurally illegal behaviour in these types of cooperation. However, if this happens by chance, there are systematic guarantees. For example, it is possible to ask a judge for a juridical check. There is also no reason to assume that the third condition is not met. Certainly in the Dutch democratic system, representatives control the actions of the government. Further, people are able to hold the government to account on its policies during elections. There are also other avenues for people to make clear their expectations on policy choices. For example, they can write a letter.

Turning to the second criteria, we find a legitimacy deficit. As outlined above, there are two principles in Beetham’s model concerning the justifiability of the rule content. These are the principles of differentiation and the idea of the common interest. The principle of differentiation justifies the power rules provided they select the qualified and exclude the unqualified, and ensure the dominance of the superior and the subordination of the inferior. In a PPP, the government steers society in cooperation
with actors from the policy field. The reason for this cooperation is that the government is incapable of working on societal problems on its own. The PPP gives private actors the space to take part in policy- and decision-making processes. This connects with the idea of the common interest. The purpose of a PPP is to deliver an optimum policy result. This result is achieved through shared responsibility and authority between the government and private actors. As such, a PPP can satisfy the principle of differentiation.

Beetham takes the view that a deficit of legitimacy arises when there are shifts in belief systems or society’s power rules and, as a consequence, there is no longer a connection between the two. This is the case with a PPP. In the policy field, there has been a development that the government is no longer able to steer society like an holistic actor, but is dependent on the input of resources by private actors. However, the policy- and decision-making processes stem from a strict division of tasks, authorities and responsibilities between public and private actors. As a consequence, tensions arise between coordination mechanisms, namely: (i) the governmental hierarchy in which the policy task is formulated and a decision made about the policy programme, and (ii) the policy network that delivers the content of the policy programme. This tension can be recognised in the policy field. This will now be illustrated with a specific situation: the A4 Midden-Delfland motorway in the Netherlands. Firstly, the situation is explained, after which the tensions are described on three levels: (i) the composition of the actors in the network, (ii) policy- and decision-making in the network, and (iii) decision-making over the policy alternatives.

A recent example of a Public-Private Partnership in the Netherlands is that formed to plan the construction of the A4 Midden-Delfland motorway through the green environment that forms part of ‘De Randstad’ between The Hague and Rotterdam. ‘De Randstad’ is a heavily urbanised area in the west of the Netherlands. The Ministry of Transport, Public Works and Water Management believes that a new motorway is necessary to improve accessibility in the region. Its construction would relieve traffic pressures on the A13 between The Hague and Rotterdam, and also reduce the amount of non-local traffic using the non-motorway roads. For commuters, the motorway would reduce travel time and also travel distance. As such, the proposed route can be identified as a policy intervention to reduce traffic jams and enhance the lives of citizens in the region.

A policy network was created to establish the A4 Midden-Delfland motorway. This network has its origins in the extensive and long-lasting decision-making process about the proposed motorway. As far back as 1952, the Ministry of Transport, Public Works and Water Management was already considering the possibilities and practicalities of constructing such a motorway. Following this, in 1965, a primary decision - to build a link - was taken. The first physical steps in realising the motorway were the purchase of land and the construction of an embankment in the early 1970s. However, as a consequence of societal resistance and questions in Parliament, the building process was stopped in 1976 and complementary studies concerning the fit of the motorway within the region demanded. This resulted in various policy alternatives being formulated, presented and discussed, but no agreement was ever reached or any decisions taken. Eventually, to break this impasse, the Secretary of State at the Ministry asked the Province of Zuid Holland to formulate a policy programme to deliver an

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2 This was the Rijksweg 19 decision: to create a second link between The Hague and Rotterdam, to the west of the A13.
integrated area plan. The resulting programme, IODS, includes three pillars:
- area shaping and quality strengthening in Midden-Delfland,
- the construction of the missing seven kilometres of motorway between Delft and Schiedam, and
- an adequate plan for accommodating the cities along the part of the motorway between Schiedam and Delft (see: IODS 2001).

The plan involved the cooperation of several governmental institutions, business enterprises, interest groups and citizens, in order to provide the required expertise and capacity in the policy process\(^3\). On the basis of expertise and authority, they established six sub-projects. For the citizens, there is a sounding board which serves as an advisory function for the organisations participating in the policy network. This process resulted in a covenant that was signed by all participants on June 23, 2006. This covenant details the most appropriate policy alternative of all those considered. This resulted from calculations using various traffic models which showed that this programme was the best: for the local environment of the residents, the surrounding area and for traffic flows\(^4\). Further, the very signing of the covenant suggests that this alternative received the most public support.

When the Dutch parliament reached an agreement on constructing the A4 Midden-Delfland motorway it seemed that, given the described process, that the decision-making process had met criteria of rationality and legitimacy given that the outcome was substantively the best of the considered options and the one with the greatest public support.

However, reality illustrates a different situation. As a result of a miscalculation, the weighing up of the alternatives was based on inaccurate information. The advantage of the new A4 Midden-Delfland road over an alternative scheme involving widening the existing motorway in combination with the construction of another motorway in a less contentious area was not as great as it first seemed. Consequently, this variant will now be re-evaluated. This will provide input for a complete reappraisal of the two alternatives. The decision-making process about the A4 Midden-Delfland motorway is thus further delayed.

In addition to this issue, there seems to be other unresolved questions. As already noted, the convention was signed by all actors involved in the network on June 23, 2006. The covenant details the conditions which made the A4 Midden-Delfland option the best fit for the area. Especially the Ministry of Transport, Public Works and Water Management, the ANWB (representing road-user interests) and VNO-NCW (representing employers) were pleased with the outcome. However, not all the reactions were so positive, some organisations reacted differently. This is illustrated in the minutes of the specially-called meeting of the Schiedam municipal council held on June 22, 2006. During this meeting, the Alderman of Schiedam sought agreement to sign the IODS programme. He explained that this request was made under pressure from the Secretary of State of Transport, Public Works and Water Management. The Secretary of State had indicated that if organisations did not sign the covenant, she might force through her own plan. She was known to be considering a motorway at ground level, rather than in a cutting, which would be less attractive for Schiedam than the IODS programme. Given this implied threat, the Alderman felt obliged, despite some reservations, to seek agreement from the municipal council to sign up. That

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\(^3\) The actors participating in the IODS programme are: Stadsgewest Haaglanden, Gemeente Delft, Gemeente Maassluis, Gemeente Schiedam, Gemeente Middendelfland, Gemeente Vlaardingen, Stadsregio Rotterdam, VNO-NCW West, Rijkswaterstaat, Natuurmonumenten, Milieufederatie Zuid-Holland, Hoogheemraadschap van Delfland, LTO-Noord, ANWB, Recreatieschap Midden-Delfland, Woonplus Schiedam and Provincie Zuid-Holland. See: http://iods.nl

\(^4\) The proposed A4 Midden-Delfland link was compared with two alternatives: (i) the construction of a new motorway, the A54, through the region of Westland; and (ii) widening the A13 to five traffic lanes in each direction plus the construction of an A13/A16 motorway. On the basis of the comparison, the Secretary informed Parliament in May 2006 that only the A4 Midden-Delfland option would be considered in the decision-making process.
The cooperation in a policy network has thus led to a new administrative impasse in balancing interests linked to accessibility, liveability and safety. As a consequence, the Secretary of State of Transport, Public Works and Water Management has embedded the project in a programme of essential infrastructural projects with the aim of decreasing administrative pressure and speeding up the decision-making process. Despite this, there is still no firm decision on whether and where to construct the motorway.

Level 1: composition of actors in the network
The supposed strength of a policy network lies in the interdependencies of the actors involved who, based on a condition of equality, are expected to formulate a joint strategy to tackle a societal problem. The case description illustrates that, with the A4 Midden-Delfland scheme, there was a lack of equality among the actors. Further, there had not been a situation involving cooperation between public and private actors in formulating the policy strategy. The private actors did not even really participate in the policy network. For this reason, they were not even in a position to deliver their knowledge and expertise to the process of formulating a policy. They were only asked to become active once the public actors had agreed on the public interest to be realised. For the market organisations, only from this point on were they able to assess the possibilities for meeting this public interest in an effective and efficient way. Such a role fits more with the traditional relationship between the government and the market. In this network, the government takes care of the public interest and has exclusive control and authority. The market organisation, in the policy process, is only responsible for executive rationality. Thus, despite all the claims, there is no real public-private partnership.

Level 2: policy- and decision-making in the network
The actors participating in the policy network are expected to work together to solve a societal problem. This problem concerns an impasse over resolving conflicting interests among various public actors about accessibility, liveability and safety in a region. Various public actors represent diverging interests. The ways in which they take care of the interests of their grass-roots support leads to tensions in the policy network. In the decision-making process, the participants do not follow the rules of the game established for a policy network. In practice, in the network, the actors do not cooperate on the basis of equality within the relationship in finding a solution to the societal problem. The Alderman of Schiedam, for example, used his hierarchical authority to speak out, in front of the municipal council, about his dissatisfaction with the result of the network’s policy process. Reacting to his pronouncements, the Secretary of State of Transport, Public Works and Water Management made clear that she might overrule the resulting policy. In this way, she was (ab)using her authority in the bureaucracy to influence her policy partners in the network. This action fits with the rational actor model, in which the government as a central steering agency steers society. The private actors hardly matter in the network’s policy process: they are to all intentions excluded.
Level 3: decision-making regarding the policy programme

A third point requiring attention in the decision-making process concerns the finality of the outcomes of the policy network. After a long process of giving and sharing, the input and exchange of knowledge and expertise, and the creation of a capacity basis, a declaration of intention was signed by all the actors participating in the network. However, the decision-making process in the policy network has not led to a legally-binding governmental decision. The declaration of intention has the form of a covenant. However, following this, the policy programme is again subjected to a substantive assessment and a decision made by another governmental agency.

The analysis above provides an example of the lack of the institutional juridical embeddedness of policy formulation and decision-making in PPPs. The ‘power rules’ of a PPP do not connect with the policy field. In my judgement, a PPP can only succeed as an organisational form if it truly brings public and private actors together in a single entity, and one that is embedded in public law. This requires there to be a corporate body that is incorporated by virtue of public law, and that is regulated within it. The collaborative enterprise could take this form and, in the next section, this option will be described further.

6. The collaborative enterprise perspective

In essence, a collaborative enterprise involves all the public and private actors that are dealing with a societal problem coming together in a single organisational entity. In this organisation, there will be policy- as well as decision-making. The collaborative enterprise can thus be genuinely described as a organisational form having its own public legitimacy structure in which a public task is realised in a societally efficient way. Further, the private actors now actually participate in decision-making processes and have the opportunity to actively consider the policy. They deliver knowledge and expertise and, in return, have the right to participate in the decision-making process. However, there needs to be a structure to define their right to participate in policy- and decision-making. The following option is a suggestion:

1. The role of business enterprises in decision-making processes must be such that they are able to take part in the balancing of public values. In short, they must have the right to participate in policy decisions and, in return, also be held publicly accountable.

2. Public actors that participate in such organisations have to create a real cooperative body (a collaborative enterprise) and they have to relinquish some of their competence power to this collaborative enterprise. The collaborative enterprise has to accept public accountability.

Thus, the collaborative enterprise needs to be seen as an organisation that formulates policy and takes a legally binding decision over it. This process can be broken down into four distinct stages:

1. a societal problem reaches the policy agenda;
2. the governmental agency that has to deal with the policy problem creates a collaborative enterprise and hands over some of its competence power to this organisation;
3. the collaborative enterprise formulates and agrees a policy;
4. the collaborative enterprise makes a decision and executes it.
These stages will be explained below.

A societal problem reaches the policy agenda
The construction of a motorway, as in the A4 Midden-Delfland case, is a change and development that influences the quality of life and the human environment. Citizens, bureaucrats and governors all regularly assess such situations. Clearly, situations and proposed changes can be evaluated as desirable or undesirable. To arrive at such an assessment, a norm, a standard or an ideal is used, against which one can measure or indeed formulate an ambition. Ideals are often derived from opinions on how society should function. The confrontation between an existing, undesirable state of social affairs and a notion of how these affairs ought to be or should function, creates a social issue or problem (see Van de Graaf & Hoppe 1996, p. 46). When such issues arise, it is possible to pressurise the government to get them onto the policy agenda and to act. When an issue reaches the policy agenda, the social problem becomes a policy problem. Policy problems are unrealised needs, values or opportunities for improvement (Dunn 2008, p. 72). When a societal problem has the attention of politicians and policy-makers, it becomes a policy problem.

The transfer of the policy problem to the collaborative enterprise
The nature of policy problems differ. Van de Graaf & Hoppe (1996, p. 48) typify policy problems using a two-axis scheme: (i) societal agreement on problem formulation and (ii) certainty of scientific knowledge. The first reflects the degree to which there is a consensus about the desirable norm or standard by which a situation should be assessed. There can be a strong consensus, or very little. The second axis reflects the fact that there may be accepted facts or, at the other extreme, only contested views about a certain situation. This systematic approach leads to four types of policy problems: (i) technical problems, (ii) untamed technical problems, (iii) political problems and (iv) wicked problems. Table 3 provides an overview of this classification.

<table>
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<tr>
<th>Societal agreement on problem formulation</th>
<th>Certainty of scientific knowledge</th>
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<tr>
<td>Large</td>
<td>Technical Problems</td>
<td>Untamed technical problems</td>
</tr>
<tr>
<td>Little</td>
<td>Political problems</td>
<td>Wicked problems</td>
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(See: Van de Graaf & Hoppe 1996, p. 48)

Governmental organisations formulate policy for many such issues. The quality of a policy can be increased by inviting private actors to make, from their own resources, inputs into the policy process. However, for this to happen, space has to be provided for them to actually deliver input to the process. Provided this is the case, then a governmental organisation has effectively created a collaborative enterprise. The first step is defining the resources that are needed to realise a rational and legitimate policy programme. The second step is to describe a class of private organisations and interest
groups that fulfill the appropriate conditions for taking part in the policy process and
the decision-making process. Once the interest groups that are important for dealing
with a societal problem are identified, they should be invited to participate in the
collaborative enterprise. The selection of private actors should involve a tendering
process. From this point on, the public and private actors will work together in a
collaborative enterprise. This means that actors representing private values form part
of the public administration: they participate in a corporate body that is established
under public law, or is subject to public law. Within Dutch administrative law there
is a distinction made between two such forms of corporate body: (i) a ‘public body with
a legal personality under public law’ and (ii) the ‘autonomous participatory public
agency’ (see Zijlstra, Van Gestel & Freriks 2008, p. 64).5

The collaborative enterprise formulates a policy
The private actors that participate in the policy process were invited because they
have specific expertise or because they can bring other resources. This amounts to
forming a horizontal relationship between the government and the private
participants. Together, they will formulate a policy on the subject requiring a solution.

The collaborative enterprise makes a decision and executes it
By making a decision in favour of a specific policy alternative, people can legally and
publicly claim to have appropriately executed the policy effort. For the rules
concerning ‘public bodies with a legal personality under public law’ as well as the
‘autonomous participatory public agencies’ to apply, private actors, as private
individuals, have to have taken part in the decision-making process. Maybe in Dutch
public administration, there is good reason to be very cautious when considering these
organisational forms. The participatory motive only seems appropriate when the
participants are able to act without being institutionally bound by their original
organisations, and when there are guarantees against the uncontrolled transfer of
financial loads from the represented to the unrepresented parts of society (see Zijlstra,
Van Gestel & Freriks 2008, p. 66). For the collaborative enterprise, these issues
require further development. The policy decision in itself does not lead to a solution
to a societal problem: the policy intervention still has to be executed. In other words,
the policy programme has to be implemented in the policy field.

7. Concluding remarks

In dealing with societal problems, public and private actors need each other: they are
interdependent. Both groups of actors have control over certain resources that are
necessary for rational and legitimate policy interventions and, for this reason, public
and private actors need to cooperate. A form of cooperation currently being applied is
the Public-Private Partnership. In this type of partnership, a legitimacy deficit can
arise. The reason for this is that policy- and decision- making processes are embedded
in power rules that originate in a system in which there is a strict separation of tasks,
authorities and responsibilities between the governmental and private actors. The
optimum policy solution, which was the purpose of adopting the cooperative form,

5 In Dutch: (i) publiekrechtelijke rechtspersonen in de vorm van openbare lichamen and (ii)
fails to appear. This problem can be avoided by creating an organisational form that truly brings public and private actors together in a single entity, and one that is embedded in public law: what we refer to here as a collaborative enterprise. For this to work it is necessary for private actors to be allowed a genuine role in the decision-making processes that strike a balance between competing public values. In short, they must have the right to participate in policy decisions and, in return, accept public accountability. Public actors that participate in such partnerships have to be willing to create a real cooperative body (a ‘collaborative enterprise’) and they must hand over some of their competence power to it. The collaborative enterprise has to accept public accountability since only then can it be viewed as an entity that formulates policy and takes legally binding decisions. In Dutch administrative law, there are two categories of corporate bodies that satisfy these conditions: (i) the ‘public body with a legal personality under public law’ and (ii) the ‘autonomous participatory public agency’.
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