
Foreword

Governance is a relatively new word for a relatively new experience. The experience: There are more and more issues of national, international and even global concern that seem difficult to address and resolve with the institutions, rules and players we know—or used to know. For even these familiar institutions, rules and players seem to change rapidly, and new ones multiply so fast it is hard to keep track of all the changes. As the complexity of problems mounts, so does the intricacy of the search for adequate responses and for their implementation. Modern politics with its many fields and forces of interaction seems like a magic Rubik's Cube—almost intimidating to the beginner, but open to clever procedures, and yielding results that range from poor to optimal. To study governance is to look for preferably clever procedures and optimal results. And good governance is of key importance for shaping politics and policies so as to be legitimate and efficient and so as to achieve just and sustainable outcomes.

This Governance Report provides facts and analyses, cases and principles about how—and how well—governance works on different levels of problem solving: locally and statewide, globally and in transnational and international relations and organisations. The Report furnishes indicators for gauging the quality of governance and offers recommendations for improvement. It was written by the Hertie School of Governance, a renowned public policy school in Berlin, which stands for an international and interdisciplinary approach to current governance challenges. The Governance Report aims to bridge the gap between academia, policymakers and the many stakeholders involved in the thrill and tribulation of governance at all levels.

This Report is a premiere. It pays special attention to questions of economic and fiscal governance that are so pressing currently, and it highlights many choices and trade-offs decisionmakers face in that crucial area. But the Report casts its net much wider. It asks for the most promising roads to better governance in general, it shows why so often these roads are not being taken yet, and it argues convincingly that many obstacles on the way to better governance can be overcome, particularly by recognising that in the world of today, national sovereignty is best used and preserved multilaterally, by combining it with the sovereign rights of others.

There are many encouraging aspects in this Report. A new governance indicator system can help us to better understand the dynamics and relationships between the multiple levels and actors involved in governance processes. The Report discusses governance innovations which provide examples of how in difficult times, we can achieve more if we learn from each other. I am particularly impressed at how creative people have coped with problems not so distant from ours as we might think. They inspire us to

think beyond a logic of necessity and think creatively about how to govern better. And the Report highlights 'the pronounced presence (...) of civil society in the innovations reviewed', not alone but in 'cooperation with governmental agencies and even business that brings about change' and better governance for all. Governance, then, is something we all can help to improve.

This Governance Report deserves many readers and a lively debate, and since it is a premiere, there is more to come. I am glad we have this new and clear view on issues of governance now, and I look forward to reading the next editions of the Governance Report.

PROF. DR. HORST KÖHLER
Former Federal President of Germany