



Kurt Biedenkopf

HSoG PAPER Series: Paper Number 1

Notes on the conception and academic mission
of the Hertie School of Governance

Imprint

Responsible:
Hertie School of Governance

Design:
Ponton-Lab GmbH, Hannover

Printer:
Carl Küster Druckerei GmbH, Hannover

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The Hertie School of Governance is an initiative of the Hertie Foundation, one of the largest private foundations in Germany. According to its charter, the School's principal task is to inquire into the role of the state in Europe in the 21st century and to prepare present and future administrative elites for their responsibilities in modern systems of governance. According to preliminary discussions held in the course of 2002 and 2003, the School's focus will be on the reform of political and administrative institutions, with special reference to the emergence of multi-level administrative structures at the European level and to the special governance challenges faced by the countries in Central, Southeastern and Eastern Europe that will soon join the European Union. Initially, the courses at the School will be taught in German and English, and work in other languages may be included in due course. A network of cooperation is being developed not only with the European School of Management and Technology (ESMT), but also with private as well as public academic institutions both in Germany and abroad.

1. English version: Hans N. Weiler

I. Introduction and Overview

The Hertie School of Governance is committed to becoming the premier training institution for national and international elites in Germany within a very short period of time. This means that, compared to its public and private competitors, it will have to achieve a considerably higher level of performance in terms of both quality and efficiency. The Hertie Foundation stands ready to create the conditions for making this possible.

Translating this goal into a specific program of work for the next several years and into a set of substantive and methodological priorities will be the task of a further round of deliberations involving a group of distinguished international experts.

The overall mandate of the school covers research, training, and knowledge transfer.

Research

The work of the School is based on the premise that only excellent research can provide the basis for excellent training. Consequently, the School's identity will be defined by its research agenda. The School's research unit will pursue a limited number of carefully designed projects headed by individual researchers or by research groups. These research projects will be based on sound theory, will serve to establish new theories and will focus on the real problems of governance faced by the state and its partners. The nature of these problems will typically require the theoretical resources of specific disciplines as well as interdisciplinary cooperation; their analysis will also benefit from the cooperation between scholars and researchers on the one hand, and political and administrative practitioners, on the other. The Berlin region affords a unique set of resources for the kind of cooperation to which the School attaches particular importance. Although the School will have a substantial research budget, external research support will also be sought. The School's research projects are also expected to provide a rich yield of material suitable for its training programs.

Research topics

The School's general research will focus on the role of the state in the 21st century. The School will pursue this avenue with a special focus on Europe, and will devote special attention to comparative empirical research at both the national and international level. A first and very tentative inventory of more specific research issues could include the following:

- The functioning of state institutions and various forms of governmental and administrative action at different levels, with special reference to intra-European comparisons and from the point of view of different conceptions of the state and of public governance.
- The development of a European system of multi-level governance, its institutional arrangements and problems of integration.
- Questions of external sovereignty within the EU and in relation to third states, as well as the relationship between external and internal sovereignty.
- With regard to internal sovereignty, the distinction between core state functions, the expansion of state functions, and the relationship between the state and other societal actors (association state, corporatism).
- The role and significance of NGOs between state and society. Specific aspects could include public awareness of societal problems, the capacity for innovation and initiative, the generation of political demand for state action, the politicization of bureaucratically defined issues, the role of “delegated” organizations (“chambers”), etc.
- The structure, intensity, and effects of interactions between the state and civil society, and different forms of mediating these relationships.
- Problems of legitimating state action within the context of an increasing dissociation between “state” and “nation” as a consequence of the transfer of sovereignty to the EU.

- At the European level, the problems of a democratic deficit, executive dominance and lack of political accountability, combined with tendencies toward the increasing autonomy and multi-level integration of European and national bureaucracies and the lack of transparency when European and national interests are accommodated in “comitology” procedures.
- Investigating the basic structural arrangements of the state (public) and civil (private and non-profit) sectors, their regulatory functions, their interactions, and their inherent dynamics for further development.

Whatever the ultimate matrix of research priorities for the School will be, it will provide for a special focus on the questions arising from the expansion of the EU in Central and Eastern Europe. This includes the transformation of existing state and bureaucratic structures towards the legal and administrative framework of the *acquis communautaire*.

The School’s research program will be designed to contribute directly to the School’s training and knowledge transfer activities.

Training

The School is conceived as a first-rate training center on modern governance for leadership personnel from public, private, and non-profit institutions. Its training programs will be based on state-of-the-art research in public management and governance, including the findings of its own research program.

The School's training programs are designed to serve the needs of

- present and future key personnel in public administration agencies at the municipal, state, federal, and European levels from all current and prospective member states of the EU, and
- leadership personnel from business, trade unions and other associations, as well as from non-profit organizations and social service agencies, with special attention to personnel intersecting with public management and the state.

Wherever possible and useful, the School will cooperate in its training programs with other qualified institutions and their staff, even though the program's core will be under the direction of the School's own faculty and academic staff.

Further information on the general orientation of the School's training program is included in the more detailed description of the School's mission, below. Its ultimate shape and direction will finally emerge from the further discussion of this mission and from extensive consultations with the agencies that the School's training program is designed to serve.

Knowledge Transfer

One of the School's principal mechanisms for the transfer of knowledge is its training program. In addition, however, the School plans a regular series of events that serve to submit the findings of the School's (and other institutions) research to scholarly discussion and critical public scrutiny, and to disseminate these findings to the world of political and organizational practice. Through this set of activities, the School will take advantage of public debate as a means of enlightenment, information, and knowledge transfer. These public events will focus on the kinds of issues indicated above as

possible research topics, and are meant to provide a public forum for addressing questions of

- the organization and management of state and societal tasks and institutions in Europe,
- the identification of obstacles and difficulties in the reform of public governance, and
- the effects of long-term developments in governance on existing structures, and the need for structural changes in order to facilitate the achievement of new goals (the basic principle being that goals and the norms underlying them determine the structures, and not vice versa).

II. Notes on the mission of the School

1. The first premise for these notes on the theoretical and conceptual basis of the School's work is the simultaneous occurrence, over the last 30 years, of two developments that have marked an increasing imbalance between the state sector and the civil sector of society. These developments are linked to growing problems in both the definition and the implementation of state tasks, as well as in the allocation of resources.

In Germany, for instance, public-sector expenditures increased from 37.1% of the GDP in 1965 to 48.6% in 2002, even while real wages, and hence the ability of average citizens to look after their own future, more than doubled during the same period. Even more remarkably, the share of expenditures by local, regional and national governments (which are responsible for all core functions of the state, including education) declined slightly from 30.3% of the GDP in 1965 to 29.4% in 2002. Thus, the overall rise of public-sector spending is entirely due to a dramatic increase in expenditures by social insurance funds from 6.8% of the GDP in 1965 to 19.2% in 2002. This general pattern applies not only to Germany but is typical of all Continental countries that have organized the welfare state through social insurance funds that are financed through tax-like contributions on income from work. Since different patterns can be observed in Scandinavian and Anglo-Saxon welfare states, comparative analyses of the structures, functions and dysfunctions of welfare states could be a major focus of the School's research program.

To come to terms with these developments, it is necessary to understand the distinction between the "core" functions of the state (general administration, external and internal security, especially the military and the police, maintaining law and order,

internal revenue services, certain parts of environmental protection, and the channeling of subsidies and special project funds) and the functions of the welfare state. These two domains of state action are both organized and legitimated differently; the organization of the welfare state does not have to be identical to the organization of the state's core functions.

Equally important is the distinction between the state sector and the civil sector – more specifically, both the distribution of tasks between the two and the nature and degree of regulation of the civil sector by the state. In attempting to draw this distinction, it becomes apparent that, over the past few decades, a third sector has emerged between the state and the civil sectors. This sector could be called, in an analogy to concurrent modes of legislation, the “concurrent” sector. This concurrent sector is constantly expanding. It is characterized by a complex mixture of state and civil activities and a veritable confusion of responsibilities that tend both to diminish the efficacy of the state as well as the civil sector and to complicate patterns of accountability.

These distinctions and the allocation of responsibilities are significant because the state sector and the civil sector have fundamentally different modes of organization and legitimation. State institutions are essentially hierarchical in nature and organized in centralized structures. Their legitimacy is derived from legal norms and, thus, ultimately from parliamentary acts of legitimation. The degree of this legitimacy, however, varies. In the domain of the state's “core” functions, it is unchallenged. In the domain of the welfare state, however, it is mediated by a pervasive pattern of “self-governance” that ensures the social insurance and service organizations a considerable measure of codetermination and joint program administration. This right is exercised via so-called “social elections”, the legitimating effects of which only remotely resemble classical patterns of democratic legitimation.

In the civil sector, the actors' legitimacy is essentially derived from the normative matrix of civil liberties. The actors operate in open social spaces that are defined and protected by norms of civil law, which include most importantly the principle of open markets independent of state power. Within this space, legal relationships are not organized in hierarchical structures, but in principle by those most immediately involved under conditions of the freedom of action, occupation, and association, i.e. under the aegis of civil liberties in the realm of economic action. In the labor market, these spaces are further defined through the constitutionally protected right of setting norms by contract. Obviously, even the civil sector is not free of relationships of power and power differentials, but those tend to be factual in nature, not legitimated by legal norms, and subject to constant change. Where they stand in the way of free competition, they are also subject to anti-trust and similar legal restrictions. Most notably, open competition itself serves as an instrument for the curtailment of power.

However, these differences between the state sector and the civil sector and the allocation of responsibilities to one or the other (or to the concurrent sector) are of importance not only for the question of legitimation. They also affect the efficiency of resource allocation and the freedom of action of citizens and their private institutions – most notably, the economy.

It seems reasonable to assume that resource allocation is more efficient when it is directed by markets rather than by the state. It seems equally significant that the relationship between the state sector and the civil sector is a powerful determinant for a society's capacity to adapt, reform, and innovate. Here as well it would seem reasonable to expect that open structures, which allow for the discovery of new options and possibilities on a competitive basis, are significantly superior to hierarchical structures. This holds all the more when the innovative capacity of state hierarchies is further impeded by the organized intervention of privileged interests in the concurrent sector.

2. A **second premise** for these notes has to do with both the scope and the speed of change in our political and social life. These changes include, among others,

- the demographic revolution that, together with the effects of worldwide migration, will be one of the key factors in determining the quality of life throughout the 21st century;
- the transition from the age of industrial production, which has its origins in the 19th and early 20th century, to the “age of knowledge”, which is about to manifest its institutional forms and innovative potential in the years to come; and, in close relationship to this transition;
- changes in the world of work, in the nature and organization of work, and in the forms of economic activity (the organization of the enterprise, the role of unions, the relationship between collective and individual modes of constructing conditions of work, forms of cooperation and networking, etc.);
- at the European level, the further development of the EU, and at an international level, the further development of worldwide networks and new divisions of labor;
- the effects of an exponential increase in knowledge and the challenges of its economic utilization;
- lower rates of real growth in the older industrialized nations, as well as growing indebtedness as a result of missed adaptations and reforms;
- new threats to internal as well as external security, in part as a result of cultural and religious conflicts; and, not least,

- the emergence of a new kind of ethical and moral conflict, reflecting the rise of new normative orientations and the need to come to terms with new and complex decisions as a result of new scientific developments.

The further identification and analysis of these elements will be an important part of the School's research agenda.

Both the scope and the rate of these changes are without historical precedent. This holds especially true for the changes in demography and for the exponential increase of our scientific and technological knowledge, as well as the potential of its utilization. It is indeed no exaggeration to speak of an "age of discontinuity" where many historical experiences and certainties are being largely devalued without there being new certainties in sight that could provide an element of stability and continuity.

The effects of these processes of change on life in Germany and Europe will depend on our ability to recognize, accept, and shape our changing reality by adapting existing structures towards new needs or by replacing obsolete structures with new ones. This will require us

- to mobilize, expand, and optimally utilize our human potential for invention, development, adaptation, and creation,
- to secure spaces of freedom within which this process of innovative exploration and creation can optimally flourish, and
- to overcome the resistance of established interests against change, while taking advantage of their capabilities for mastering the new challenges.

What all of this leads to is the need for an unprecedented burst of innovative energy across the political, economic, social, and cultural conditions of our lives. This innovative thrust will have to permeate all elements of state and society and will be accompanied by the radical transformation of familiar structures (social security, medical care, labor markets, and immigration) as well as major political tension. The task of mastering the dynamics of this process peacefully and in an orderly manner will put the “art of government” to its ultimate test.

It is from these fundamental needs for change that the Hertie School of Governance derives its mission. Central to this mission is the question of how the structures of state and society, and their relationship to one another, need to be constructed in order to allow the necessary developments and innovations to take place and to have lasting effects. The School will inquire into the manifold aspects of this question and subject them to rigorous analysis. This will provide the basis for the School’s training and knowledge transfer activities.

III Theoretical notes on the School's mission

My notes rest on two assumptions, which I consider to be among the axioms of the “age of knowledge”:

- The interventionist mode of directing societies, especially their resource allocation, is in terms of effectiveness, efficiency, and adaptability distinctly inferior to a mode of resource allocation that relies on markets and feedback systems within the context of civil law.
- As part of the process of globalization, capital will in the future gravitate towards the places where it finds knowledge and achievement.

The second of these assumptions justifies the outstanding significance of education, training, and re-training, of general cultural and intellectual orientation, and of lifelong learning. All of these together make up the preconditions for future competitiveness, standard of living, welfare and the intellectual and cultural substance of a society. Public and private institutions devoted to education, training, and continued education must therefore be seen as the most important investment for the future that any state and any citizen can make.

This makes it all the more important to develop structures and forms of education and training that are both more directly geared to a society's new goals and economically more efficient than existing structures. This is not just an organizational challenge, but a cultural one as well. For example, it is very much open to question whether the current situation, in which virtually the entire system of education and training is incorporated into the state sector, is adequate to

meet the demands of the future. Here again, the School will have to address these kinds of questions on the basis of empirical and comparative research, taking into account the fact that demographic developments will confront us with totally new challenges.

The first of the above assumptions states that the political, economic, intellectual and cultural accomplishments of a society are also a function of its ability to master and control a certain degree of complexity. (“Complexity” in this context is not to be confused with “complication”, which is the result of thoughtless intervention and regulation and contributes in no small measure to making our current situation so unintelligible.) As the ability to cope with complexity increases and is actually used, a society gains in performance and effectiveness, as well as in the efficiency of its organizational structures, in productivity and competitiveness. Thus, the goals set are accomplished with less effort, and more ambitious goals are achieved with the effort expended previously. In other words: there is a relationship between the level of complexity that a society is capable of mastering and its potential for innovation, development, and competition.

The existence of this relationship is one of the more important and uncontested lessons from the world of private enterprise. It is this lesson, reinforced by the competition among different forms of entrepreneurial organization, which has in recent years prompted many of the large, transnational corporations to dismantle their hierarchies and to enhance their competitiveness by decentralization and the outsourcing of previously in-house activities. These measures are normally accompanied by an increase in the complexity of the company’s overall organization. They are also facilitated and supported by the development of modern information technology, which has opened up ways of managing complexity that were inconceivable even a few years ago.

These experiences are relevant not just for the private sector; they will have to find their way into the public sector as well, particularly into what we have called the “concurrent sector”. Even where the state’s “core” is concerned, it will be necessary to examine their applicability. (It is interesting to note that the German military has included some of these ideas in its discussions on the organizational structure of the armed forces.)

A society’s ability to manage complexity is a function not only of its total political, economic, social, intellectual, and cultural resources, but also of institutional factors facilitating or impeding their utilization. Of particular importance among these, on theoretical and empirical grounds, are the relative weights of the civil and state sector, as well as the state’s tendency

- to expand at the expense of the civil sector,
- to tie the civil sector to the state through corporatist arrangements,
- to control and direct the civil sector through a multitude of regulations and interventions, and
- to limit the adaptability of the civil sector through a high degree of legalization.

As the scope and extent of state interventions and regulations increase, the overall social order becomes more contradictory. Its cogency, transparency, and intelligibility decrease, and society’s capacity to innovate, to adapt to new circumstances, and to direct and shape complex processes is compromised.

Both the organization of education and training and the future shape of the relationship between the state and the civil sector will determine how state and society deal with the “age of knowledge”.

They will influence how social and economic institutions (including business) organize themselves. Under this influence, enterprises will dismantle their hierarchies and will – together with a growing number of suppliers, partners, and outsourced activities – adopt organizational forms that operate increasingly like networks. This will change the internal structure and administrative organization of larger companies just as much as it will change their management structure.

In Germany, this will also reduce the effectiveness of codetermination as we know it and, in particular, the influence of national unions on companies' internal management. As new elites – despite the expansion of educational opportunities– become both scarcer and more mobile in a growing international market for leadership and talent, companies will have to adjust to the changing needs of the agents of innovation if they want to remain competitive. Unions will have to redefine their structures and their agenda to detach themselves from the traditions of the industrial age and to respond to the needs of the knowledge age.

At the same time, business, and the civil sector in general, will be more and more dependent on a set of legal and societal conditions that not only allows, but actively supports the full flourishing of innovative potentials in all domains of economic, cultural and intellectual activity. The opportunities that such an opening would generate will be all the greater, the less they are impeded by state interventions, regulations and legalization justified less by real dangers than by the cultural legacy of the paternalistic, bureaucratic welfare state.

We thus come to an interim conclusion: Under the influence of competition, not only companies, but states as well need to reduce hierarchical structures, regulation and intervention and to promote reforms favoring adequately regulated markets and feedback systems, and patterns of organization and procedures that are

compatible with the principles of an open and basically free social order. These states will also have to reform their systems of public administration and governance in such a way as to make them more responsive to the needs and dynamics of the civil sector without tying it into corporatist allegiances.

Thus, the way in which the relationship and the interaction between the state sector (at the municipal, state, national, and European level) and the civil sector will develop, and whether it is possible to significantly improve the structural correspondence between the two will be vitally important to the future of Germany and Europe, as well as for the liberal order of their societies.

The experiences of the past 30 years in Germany, following the end of the grand coalition in the Bonn Republic in the 1960s, are not encouraging in this respect. Over this period of time and regardless of political majorities, the state sector expanded constantly and pushed the civil sector farther and farther back. One result of this development is what has become an immeasurable torrent of legal and administrative interventions in the civil realm. This torrent submerges the privately organized structure of the civil sector and casts doubts on its existence. It clearly defies the constitutionally mandated transparency of state norms, it limits the citizenry's scope for action and initiative, and it undermines important areas of civic self-determination. In the final analysis, it leads to an effective regime of bureaucratic tutelage over the civil sector, and it does so under the guise of a democratic order that, while formally continuous, is defined in a positivist mode and hence devoid of material legitimation. The inevitable result is the erosion of the political function of parliamentary institutions and of their role as a source of legitimating state action, as well as a growing democracy deficit, and ultimately the depoliticization of democracy.

The other result of the expansion of state interventionism is the steady shift of responsibilities towards the executive branch at the expense

of parliament. This shift occurs both within the federal nation state and at the level of the European Union, and goes hand in hand with a further shift of responsibilities “from bottom to top”.

These developments weaken rather than strengthen the core of the state’s responsibilities. They therefore generate reactions of their own, among them

- the revitalization of corporatist structures through which weighty, and state-sanctioned, special interests act upon the state,
- a growing loss of interest in politics on the part of the citizenry, as manifested in lower turnout rates in parliamentary elections, and
- the decreasing ability of the state to defend important general interests against the organized representation of privileged interests.

As early as the 1970s, it had already become clear that the power of organized interests to influence events in their favor and at the expense of the common good was greatest where the state had already involved them, through corporatist structures, in the exercise of its own internal sovereignty.

Among the reactions against this overpowering of the parliamentary processes by a corporatistically embedded executive branch and its bureaucracy, the most important one in the long term may well be the emergence of citizens’ initiatives and the rise of non-governmental organizations (NGOs). Their efforts do not only revitalize the realm of the political; they also serve as points of crystallization for a movement of political resistance against the damage that the common good suffers at the hands of powerful corporatist structures (corporations, cartels, and other privileged interest) and

against the attendant degradation of democratic institutions. The ultimate question of power is thus not raised by the institutions of parliament, which are increasingly deprived of their legitimating role, but rather by the citizens' movements and NGOs.

At the same time, these movements manifest a degree of reformatory strength that not only allows them to find attention and agreement for political alternatives, but also to generate effective support for the implementation of their political goals. (It is reasonable to assume, for example, that neither of the two major parties in Germany would have developed their policies on environmental protection without the emergence of the "green" movement; without this kind of pressure from the outside, they would have been unable to overcome the vested interests in their own ranks.)

The question of power has to do with legitimation and legitimacy. It is concerned not only with the structuring and allocation of responsibilities within the society and between state sector and civil sector, but also with how political goals are determined. The increasing intensity of the conflict between the "ruling forces" and the citizens' and non-governmental movement is in part a function of the increasing irrationality of interventionist policies and of the intense resistance of vested interests. It is also, however, an expression of growing political disorientation and of decreasing confidence in the process of political decision-making. Both are the signs of political and social upheaval and discontinuity. The existing structures of power see these as times of crisis and danger, while the forces of renewal and change see them as a great opportunity.

It is ultimately an open question whether this opportunity can be turned into a process of evolutionary reform, whether the transformation from a civil society to a state society can be reversed, and whether the question of power can be answered in the sense of an expanded civil space and its parliamentary representation. The challenge is not only to limit, but also to reorganize the state

sector and to expand at the same time the civil sector's capacity for action. This will also involve limiting the largely hierarchically organized components of society, focusing the state on its core responsibilities, reducing the practice of state intervention, and expanding a form of state direction of society that is derived from a compelling political mandate. To achieve this, it will be necessary to transfer those societal domains that, although not strictly a part of the state's core responsibilities, have in the past been organized hierarchically, into a properly but generally regulated realm of civil responsibility. This realm should be organized according to the principles of responsible individual liberty and subsidiarity.

There is an ample supply of cases in point for this general argument in the debate about the renewal of the welfare state, especially in the areas of social security, public medical care, hospice care and unemployment insurance. In all of these areas, it should be possible to limit the state to taking care of "basic needs" (in the words of a set of recommendations commissioned by Konrad Adenauer in 1955), to organize the rendering of further benefits privately and on a competitive basis, and to assure the necessary assistance to low-income groups of the population through limited public transfers analogous to current practices for rent subsidies and on the basis of public assistance programs.

IV Some concluding theses

The arguments of this paper can be summarized in the following theses:

1. Constitutional questions (i.e. questions about structures, organization, responsibilities) are questions of power, and they have to be seen and analyzed as such. To deal with them theoretically as well as practically requires a comprehensive and reliable inquiry into the facts. The analysis of facts relevant to questions of power tends to encounter resistance from the holders of organized privileged interests. This resistance must be overcome.
2. Experience shows that open systems (i.e. systems that are shaped by markets, competition and feedback cycles) are more innovative, more efficient, more adaptable, and – most of all – more conducive to liberty. In this sense they are superior to hierarchical systems. The distribution of responsibilities as between hierarchical and open systems will therefore determine both the performance and the competitive strength of the society.
3. The expansion of the realm of the state beyond the classical limits of tasks derived from its “monopoly of force”, and the state’s increasing tendency to intervene in the civil sector have an adverse effect on the performance of both the state and the civil sector. The result is a blurring of the boundaries between state and civil domains and the emergence of a “gray zone” where the state becomes more “society-like” and society becomes more “state-like”.

4. This development erodes the indispensable distinction between state and societal levels. It also encourages the development of corporatist structures where the state involves organized interests in the exercise of its own sovereignty. This leads in turn to an expansion and deformation of the sovereign state in the direction of a “state by negotiation” (*Verhandlungsstaat*) and to a loss of parliamentary responsibility and of legitimacy.

5. The expansion of state responsibilities into ever further policy domains strengthens not only the executive branch: It also extends and reinforces the structures of bureaucracy, enhances their powers of implementation and supports a centralization of state responsibilities. This process takes place not only in Germany and other member states of the EU, but similarly at the level of the EU itself. The Brussels structure of informal commissions, committees and advisory and preparatory arrangements, with the participation of politicians, civil servants, bureaucrats and representatives of organized interests, ranks as one of the higher-order examples of the de facto expansion of bureaucratic and corporatist structures to a point where they are no longer subject to parliamentary control.

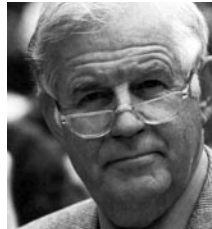
6. The result is a weakening of parliament and the dismantling of federal and subsidiary structures. The transparency of state action and the allocation of responsibility for its consequences are reduced. The resulting delegitimation of the democratic process leads to the alienation of the citizens from their democratic institutions (decreasing voter turnout, loss of confidence, depoliticization).

7. The delegitimizing effects of the expansion of the state sector and the corporatist protection of economic special interests at the expense of the common good generate reactions in society. Among these, non-governmental organizations (NGOs) continue to gain in importance. They function as countervailing and innovative forces. Their very existence serves as a symptom for the existence of constitutional deficits in the democratic process. Because of their own lack of democratic legitimation, however, they are unable to compensate for these deficits.
8. This delegitimation of democratic structures and processes also diminishes the basic constitutional consensus within the society and thus its internal cohesion; “constitutional patriotism” serves to enhance consensus.
9. At the European level, similar developments contribute to a paralysis of the forces of cohesion for the Union. One of the expectations of the new European Constitution is that it will strengthen these forces. Whether or not these expectations are justified, it is clear that the constantly progressing “bureaucratic integration” of Europe will not by itself generate such forces. Instead, it strengthens the centrifugal tendencies within the European Union and further complicates the already difficult process of integrating the new member states from Central, Southeastern and Eastern Europe.

10. These deformations of our constitutional order need to be replaced by the development of open structures in the areas where state expansion has taken over. These new structures are derived from the principles of civil liberties and civil responsibility, subsidiarity, the congruence between decision authority and accountability, variety and competition as strategies of direction and disempowerment, direction through feedback systems, and within the framework of a private legal order. Whether structural change of this magnitude can be achieved is, indeed, a question of power.

The true political challenge for the future of Europe is to decide this question of power in favor of open forms of social organization that allow and foster more responsible civil liberty. To contribute – through research, training, and the transfer of knowledge – to meeting this challenge is the most important mission of the Hertie School of Governance.

Professor Dr. Kurt Biedenkopf is Chairman of the Board of Trustees of the Hertie School of Governance. Professor Biedenkopf received his Doctorate in Law from Frankfurt University and a Master of Law from Georgetown University, Washington D.C. In his academic career, he has held Professorships at Frankfurt University, the Ruhr University, where he also served as President from 1967-1969, and at Leipzig University. Since 2003, Professor Biedenkopf is President of the Dresden International University (DIU). In his political career, Professor Biedenkopf was Member of the German Federal Parliament from 1976-80 and 1987-90. Since 1983, he has been Member of the Board of the Christian Democratic Union of Germany (CDU). From 1990 to 2002, Professor Biedenkopf was Minister-President of the Free State of Saxony. He has been a Member of the State Parliament of Saxony since 1990.



Hertie School of Governance

Schloßplatz 1
10178 Berlin

until 01 June 2004
Oranienburger Str. 13-14
10178 Berlin

Tel.: +49/30/240.86.960
Fax: +49/30/240.86.969

E-Mail: info@hertie-school.org
Web: www.hertie-school.org