

# T03P01 / Innovative Governance and the Governance of Change

**Topic :** T03 / Policy and Politics sponsored by Policy & Politics Journal

**Chair :** Lain Dare (Institute for Governance and Policy Analysis, University of Canberra)

**Second Chair :** Diane Stone (School of Transnational Governance, EUI)

**Third Chair :** Paul Fawcett (University of Melbourne)

## GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

*In this panel a selection of papers may be considered for the Policy & Politics journal.*

How do governments cope in an era of rapid social and economic change, technological innovation and transboundary policy problems? This panel seeks to contribute to the field of policy studies concerned with the ongoing changes in governance, both fast and slow, that governments have introduced in response to this changing context and the transformations in statehood that they are driving. Changing realities of participation in governance may include new arrangements of science-policy interaction as well as initiatives for the practical and/or deliberative involvement of both new and old constituencies.

Increasingly our understanding and implementation of governance is challenged by trends such as digitalisation, democratic participation and resistance, scientific and technological innovation, and cross-jurisdictional policy problems. In sociology, theorists such as Bauman (2006) and Beck have examined these changes in social order and their impacts on social change. For example, Bauman has argued that the liquidity or fluidity of modern life leads individuals to live their lives under conditions of endemic uncertainty and flux. When applied to governance, this changing social order can create unpredictable and uncertain political dynamics which require a critical rethinking and consequent shift in how political authority is exercised, and how innovative governance instruments can enable a recoupling between those who exercise political authority with those who are governed by it. This is a problem that all governments face both democratic and non-democratic.

As such, innovative instruments of governance are potential drivers for the governance of change. Change can be fast, slow, incremental or non-existent but potentially disruptive and paradigm shifting change will often require innovative governance processes. Similarly, slow incremental reform processes and stable governance environments can benefit from innovative governance instruments that create an environment in which change can take place by disrupting longstanding path dependencies. Any given policy sector or public management field might encompass multiple rates of change at different levels (e.g. BREXIT), requiring multiple governance approaches that are each carefully designed to target specific outcomes. This blending of governance instruments including market-based, participatory, information tools, or 'nudge' approaches, requires the co-production of science and politics that draws on a range of theoretical and empirical concepts from across multiple disciplines, including policy studies, sociology, and innovation studies.

This panel explores this nexus of theory and practice and seeks submissions that address both conceptual and theoretical insights on styles and approaches of 'innovative' or 'experimentalist governance' and lessons about the social praxis and technical hardware required to cope with dynamism and change. In bringing together a critical understanding of theory and practice, the panel will contribute to the development of informed innovative governance design that furthers our capacity to tackle the complex challenges facing contemporary democracies.

Areas of inquiry may include, but are not limited to, the following:

- Public sector innovation and reform of political institutions
- Multi-level governance and network governance
- Public authority, policy entrepreneurship and expertise
- Learning and leadership as drivers and/or moderators of change
- Rapid technological change, scientific discovery and risk

A selection of papers may be considered for the journal Policy and Politics.

## CALL FOR PAPERS

How do governments cope in an era of rapid social and economic change, technological innovation and

transboundary policy problems? This panel seeks to understand and inform the changing realities of change governance in response to these driving forces, exploring new and innovative governance arrangements for science-policy interaction and the practical and/or deliberative involvement of both new and old constituencies.

Our understanding and implementation of governance is increasingly challenged by trends such as digitalisation, democratic participation and resistance, technological innovation, and cross-jurisdictional policy problems. Bauman has argued that the fluidity of modern life results in conditions of endemic uncertainty and change. Whether it is fast, slow or incremental, change can be potentially disruptive with paradigm shifting change often requiring innovative governance approaches. Any given governance problem might encompass change at multiple rates, across multiple levels with multiple governance approaches (e.g. neoliberal, participatory, 'nudge' approaches). This blending of governance instruments requires the co-production of science and politics that draws on a range of theoretical and empirical concepts from across multiple disciplines, including policy studies, sociology, and innovation studies.

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## Session 1 Conceptualising Policy Change

Thursday, June 29th 08:15 to 10:15 (Block B 3 - Lecture )

### Discussants

Diane Stone (School of Transnational Governance, EUI)

### Change Governance: Governing And Democracy in Fast Time

Paul Fawcett (University of Melbourne)

Change governance refers to how governance, participation and political communication are practised in fast time. Fast time refers to the argument that the pace of social, economic and technological time is accelerating and that this is creating real and perceived pressures to respond more quickly and make decisions in shorter time frames. There is value in exploring three questions.

1. How should we conceptualise acceleration and fast time?
2. How do you govern in fast time? What are the risks and potentials?
3. What are the consequences of fast time on democracy? What are the risks and potentials?

In the final section of the paper, we propose a research agenda to address governing in fast times and its implication for democracy.

### Thucydides Dream: Is it possible to formulate a Theory of Change to assist Governance?

Diego Rubio (University of Oxford)

Manuel Muñiz (Weatherhead Center for International Affairs, Harvard University)

Since the beginning of time, humans have tried to find a theory of change underlying the apparent arbitrariness of events in order to understand the purpose of their existence and gain some control over an otherwise uncertain future. From the Antiquity onwards, thinkers of all fields of knowledge formulated large-scale structural, dynamic, or systemic explanations of historical processes with the aim of explaining and predicting the rise and fall of civilizations, the development of states and empires, scientific revolutions, societal transformations, and political disruptions.

The first part of this paper will analyse some of these theories of change, from the cyclical models of the Stoics to the explanations given by the 1930s “meta-historians”, including Vico’s theory of the stages of development, Hegel’s historicism, and historical materialism. It will examine how these theories inspired government and political thought. Further, it will identify their strengths and deficiencies (determinism, underconsideration of contingency, abuse of single factor explanations) and draw out lessons for today.

The second part of the paper will address whether it is possible to establish a new theory of change that allows governments to cope with the increasing uncertainty and speed of our era. It will consider the key challenges encountered while undertaking such an inquiry (such as the rise of complexity, globalization and technological disruption) and it will assess the viability of using modern tools to develop such a theory ranging from experimentalist governance to big data.

## **When Governance Meets Populism: An Emerging Crisis?**

Gerry Stoker (University of Canberra )

The governance paradigm that came to dominate public administration from the 1990s onwards was formed in a world where the political environment was becoming less ideological and framed by a realist understanding of democracy. Governance was about how to achieve more effectively largely agreed upon aims. The issues of legitimation central to the processes on public value creation were viewed as less pressing than the issues of how to use markets, networks and regulation in innovative ways to meet policy problems and challenges.

But governance now finds itself operating in an era of increasing populism supported by the re-emergence of strident right and left wing political ideologies in some cases. This new environment is close to creating a crisis for the theory and practice of governance that emerged from the 1990s onwards. Populism challenges the realist understanding of democracy, operates in a post-truth or post-evidence environment to some degree and puts pressure of the legitimation as much as the delivery arm of public value creation. Moreover, some governance practices are especially prone to attack from populist forces.

The dilemma about how to respond is profound. Depoliticisation strategies would appear in the long-run counter-productive but simply calling for better participation or more public education would appear equally problematic. Yet new practices will have to be found if governance is going to be effective in the context of greater populism.

## **Nudging as a policy instrument. How choice architects pursue health, wealth and happiness in the information age**

Anders Esmark (University of Copenhagen)

The nudging agenda spearheaded by Thaler and Sunstein's roadmap to more 'health, wealth and happiness' (2009) has positioned itself at the forefront of a surge of interest in behavioural economics, social psychology and experimental research in public policy-making (Thaler 2015, Halpern 2015, Shafir 2013, Oliver 2013, 2015, John 2016) and a corresponding theory of 'libertarian paternalism' concerned with the issues of legitimacy and law (Sunstein 2000, Thaler and Sunstein 2003, Rachlinski 2009, Sunstein 2014, Alemanno and Sibony 2015).

At the verge of its ten-year anniversary, however, the contribution of the nudging agenda to policy development and design has yet to be assessed more systematically. Existing contributions have either discussed the broader assumptions of behaviourism and libertarian paternalism normatively (Rebonato 2012, Leggett 2014, Barnett 2016) or focused on the regulatory effect of individual nudges in separate policy areas (Arno and Thomas 2016, Abrahamse et al. 2007, Robinson et al. 2014). The article adopts a different approach and provides a sustained analysis and discussion of the design of nudging interventions from a policy instrumentation perspective (Hood 1983, 2007, Howlett 1991, 2014, Salamon and Elliot 2002, Bemelmans-Videc, Rist, and Vedung 1998).

From this perspective, it is possible to dispense with some of the more overstated claims to novelty pinned to the behaviourist agenda. It is abundantly clear that nudging interventions largely rely on well-known policy instruments. More importantly, however, the approach also makes it possible to appreciate what is potentially innovative about the nudging agenda: the rather less discussed use of information and communication. Indeed, the nudging agenda constitutes the most comprehensive program of information-based policy design available, reworking the question of policy instrumentation from top to bottom based on the primacy of information and communication. The nudging agenda may not bring an entirely new approach to policy instrumentation, but it represents an important source of innovation in adapting informational instruments, techniques and tools to the challenges and potentials of the information age. What the nudging agenda is spearheading, in other words, is less a behavioural revolution than an informational turn in policy design, which will only become more pervasive with the advance of the information age.

The article develops this argument through the following steps. First, nudging is distinguished from the archetypical approach to information-based policy instrumentation: the public information campaign. Secondly, nudging is discussed in the context of a broader informational turn in policy instrumentation and regulatory thinking. Thirdly, the article examines the implications of the informational turn more specifically as an increased emphasis on 'nodality' and 'organization' in recent decades due to proliferation of informational networks based in digital ICT's, adding important insights into how these policy instruments are used and linked. Fourthly, the article proceeds to the operational level of nudging interventions, providing the first comprehensive modelling of information-based techniques used in nudging interventions across policy domains. Before a brief conclusion, the article traces the rise of the nudging agenda back to the broader policy imperatives of connective governance, risk and performance management.

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## Session 2 Local Governance

Thursday, June 29th 10:30 to 12:30 (Block B 3 - Lecture )

### **Assessing the impact of informal governance on political innovation**

Sarah Ayres (University of Bristol)

The aim of this paper is to examine the role played by 'informal governance' in shaping political innovation. Informal governance can be defined as 'a means of decision-making that is un-codified, non-institutional and where social relationships play crucial roles (Harsh, 2013, 481). Particular attention is given to innovations in political institutions, processes and outcomes - or what the Sorensen (2016) refers to as 'polity, politics and policy'. This way of conceptualizing public innovation takes account of the political context in which governments seek to promote innovation and change. Informal governance can shape political innovation in both positive and negative ways. On the one hand, informal governance can assist in solving political and policy problems which cannot easily be solved by traditional government institutions, leading to more effective and innovative decision-making. On the other, it may weaken transparency, accountability and legitimacy by undermining traditional (more formal) administrative structures. There is comparatively little research on the role of informality in policy-making, partly because of the complexity of studying it. This paper responds to this gap by placing informal governance at its heart.

The role played by informal governance in shaping political innovation will be examined through a case study of English devolution in the United Kingdom (UK). This area of policy is highly suited to analyze informal governance for the following reasons. First, the current Conservative government is committed to extensive devolution of power to local government. Yet, there is very little formal guidance shaping the scope and direction of the policy. Second, informality is pertinent to the current devolution debate as the Government is proposing a range of 'devolution deals' with localities, each of which is to be individually brokered - a combination in reality of formal 'front stage' politics and informal 'back stage' negotiations (Klijn, 2014). Third, there is a high degree of complexity and uncertainty evident and the focus on negotiation means that informal governance is more likely to feature. These features are characteristic of Hajer's (2003, 175) concept of 'policy without polity' - where policy-making is increasingly occurring in an institutional void. Research evidence suggests that informal governance played a significant role in shaping all three dimensions of political innovation in the area of English devolution policy. Findings indicate that even when formal structures and procedures are weak, political innovation can still thrive.

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## **Strengthening interactive political leadership by designing arenas for collaborative policy innovation**

Eva Sørensen (Department of Social Sciences and Business)

Jacob Torfing (Roskilde University)

The proliferation of wicked and unruly problems calls for the development and strengthening of an interactive political leadership through which elected politicians engage in sustained collaboration with a broad range of societal actors in order to spur the development and realization of innovative policy solutions. The ability of elected politicians to develop innovative policies tends to be hampered by the fact that they are often locked into political committee work and administrative policy advice, while simultaneously being locked out of networked policy processes. Interactive political leadership provides a promising way of promoting their policy innovation capacity. However, the exercise of interactive political leadership is predicated on the design of new institutional arenas that facilitate collaborative policy innovation. In order to explore how to design such arenas, and to evaluate their impact on the policy innovation capacity of elected politicians, this paper studies the recent and ongoing attempt of Gentofte Municipality to transform its political governance system. In 2015, the local council embarked on an ambitious reform of its political committee system that amongst other things created a new type of task committees in which the councilors are developing new policy solutions together with local citizens and stakeholders. The reform is currently the source of inspiration of similar reforms in other municipalities, and critical evaluation of the results is therefore required. The case study draws on a combination of document studies, participant observation, qualitative interviews and survey data. The main finding is that while the new task committees are successful in spurring collaborative policy innovation, it has proved difficult to forge a connection between the new interactive policy making arenas and the old political institutions in terms of the standing committees and the Council. The paper proceeds as follows. The first section explains why we need a concept of interactive political leadership. The second section defines the concept of interactive political leadership and shows how it can help to bridge the gulf between political leadership theory and theories of interactive governance. The third section discusses the role of institutional design in facilitating the exercise of interactive political leadership. The fourth section introduces and contextualizes the empirical case study and describes the data material. The fifth section presents the results of the empirical analysis. The sixth section discusses the lessons that can be drawn from the case study and the conclusion summarizes the results and suggests some future research avenues.

## **'Public Governance' and Institutional Innovations: A study of 'Grama Sabha' in India.**

G. Ram Reddy (Osmania University)

Gopal G Reddy (Osmania University)

Democracy as a popular enterprise and systemic endeavor entails the participation of the people both horizontally and vertically in order to make it meaningful and result oriented. Governance as representative mechanism of the democracy should be people oriented and people centric. Since the genesis of the modern institutions of democracy in the West firstly and in the Rest of the world as twentieth century political mandate, it's an everlasting and never ending project to make the governance a fertile field for innovations and more innovations towards taking it to the people in terms of attending to their needs to the largest possible. In it's long journey governance is more and more being associated with democracy rather than other forms and the twenty first century innovation, to begin with is the Democratic Governance or Humane Governance.

India being a seven decade old democracy and having faced many challenges in it's governance domain both internal and external, has been experimenting with many shapes and shades of different forms of governance in order to meet it's obligations towards 'We' the people who have given the constitution to themselves and periodically extending the electoral consent to the successive regimes. India is a federal polity and given the heterogeneity of the composition of the nation ,it suited well for the salience of the governance requirements . Over a period of time ,India has begun new experiments in local governance by bringing in the constitutional mandate and has successfully created the tier of Government and decentralized the governance so as to make it relly popular and bring in major changes in polcy domain. One of the constitutional institution that has been reated is the Grama Sabha which is made the focal point in the governance of the villages where as Mahatma Gandhi said India lives in it's Villages

The research presentation essentially raises the basic research question of how Grama Sabha, a micro level constitutional institution adds to the much needed innovations in governance and adds to the macro and meta governance and the researcher relied more on empirical methods and field visits to collect the data and complete the paper.

## **The Development Pacts in Italy: how multi-level governance can increase development policies**

alda anna maria salomone (istat)

In Italy, during the last reforms period, the implementation strategies show the need of new forms of governance. The Government launched a new governance instrument the Pacts for Development (almost 23, at the moment, with more effort for the Southern Italy). (First references C. Hood 1983, 1999, 2007; P. Lascombes and P. Le Galès 2004, 2007; L. M. Salamon 2002). The Actors of the Pacts are: the Government, the Regions and Metropolitan Cities. Each Pact has to implement a short number of priority actions in strategic topics for the territory. The actors, in their specific role and with the support of governmental agencies, are engaged in various priority targets, by setting a timetable and crossing financial sources, collaborative control and monitoring. Each Pact is framed in a vision and specific goals, setting up a multilevel governance of different financial and framework resources: local, national and European ones. In this way the Governance becomes the essential condition, the instrument to reach the results and take advantage of the entire resources linked to national policies.

The paper will focus on the Pact as instrument of multi-level Governance for policies and a lesson about the social praxis and technical hardware required to cope with change for development policies.

- What are the key institutional factors that can enhance or inhibit the results of the Pact? Mapping the strategic choice mechanisms, management and organizational frame, the design and the chart-flow of interventions; control and monitoring, the roles/ responsibilities, skills and incentives within key institutions.
- How can national technical support help local governments to reach policies outcomes? Using the action situation model (IAD Framework by E. Ostrom), apply to case study, identify: the set of participants and their positions, the potential outcomes, the set of allowable actions and the function that maps actions into realized outcomes and their linkage, the tools of collaborative governance in efficiency, effectiveness and accountability, the standard tools for shared management, methods of preventive analysis of risk implementation, the information exchanges.
- How will the multi-level Governance, generated by this Pacts, modify the decision-making process and the management of processes to achieve the expected strategic results (outcomes) versus development policies?

Can this kind of collaborative governance tool overcome the gap between the local and State governance of policies in a reforms period? In Italy, in some specific sectors (like labour market, welfare, tourism), the policy makers are local and State institutions, so we have, on one hand, some different local policies and, on the other hand, national reforms, applied in different ways to the local contests.

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## Session 3 Transnational Governance

Thursday, June 29th 13:30 to 15:30 (Block B 3 - Lecture )

### **Instruments of Transformative Governance. Product Development Partnerships for Neglected Diseases**

Susana Borrás (Copenhagen Business School)

Neglected diseases pose serious problems for poor countries' public health and development. Providing accessible medicines for these diseases are among the most enduring and difficult grand societal challenges, as they require advanced investments in R&D as well as expensive and long development and approval processes. The low purchasing power of patients has created a market failure, limiting the investment levels from private firms and hence the conventional market operation. Likewise, public governments in developing countries lack the institutional capacities to develop such advanced and capital intensive R&D investments. Aiming to overcome this double market-state impasse, a series of "product development partnerships" (PDPs) have been created during the past decade. Bringing together national governments, international organizations, universities, private firms and large philanthropies, these partnerships attempt to find suitable ways to prevent, treat and cure these diseases.

PDPs conduct R&D and innovation activities by pooling different forms of scientific and organizational expertise, developing new knowledge together, as well as developing the new drugs to grant cheap access to medicines. Currently, there are approximately two dozens of PDPs operating globally and across national borders. In many ways, these partnerships can be seen as a serious attempt to create new types of instruments for transformative governance, governing the change in the complex socio-technical systems of these diseases. However, in spite of sharing similar goals and overall expectations, these partnerships differ significantly in their structures, funding sources, knowledge expertise, regulatory strategies, and interaction with public health authorities. Using theories on the governance of socio-technical change, this paper asks how instrumental are PDPs in terms of inducing transformative change. More concretely, this paper analyzes critically three cases of PDPs, examining the organizational capacity of these partnerships. In particular it focuses on three aspects of PDPs: their ability to accommodate diverse (and sometimes diverging) interests, their ability to frame a common vision as direction for action, and their ability to activate the complementary resources inside and outside the partnership consortium.

### **Dynamic Multilevel Governance as Global Governance of Change**

Andreas Klinke (Memorial University of Newfoundland)

An infinite number of changes occurred in human history. But great transformations that entailed a transfiguration of social and political orders at the global scale into a completely new ones, a metamorphosis of the world (Beck), were rare. Some scholars distinguish three great transformations: the first was the Neolithic revolution in which hunters and gatherers changed to an agricultural society; the second was the Industrial Revolution; and the third is the present one. The present great transformation needs to enable a path towards the decarbonization, dematerialization, and renaturalization of the anthroposphere which is possibly the most challenging present and future task for humankind and thus domestic and world politics. It causes ontological, epistemological and teleological uncertainties and complexity and challenges ethical fundamentals and convictions.

National structures are not adequate to the task of handling the corresponding challenges that can guide and structure such transformations. Domestic analogies and intergovernmentalism in international relations failed to provide a global governance architecture that is capable to navigate a transformation at the global scale and produce an institutional fundament enabling the transfiguration of global social and political orders; it requires a cosmopolitan thinking about innovative transformative global governance that leaves the methodological nationalism behind.



Such a global governance of change needs a democratic legitimization in order to be socially and politically acceptable to handle ontological, epistemological and teleological uncertainties and challenges in the name of humankind. In this light, I argue for a form of dynamic multilevel governance as global governance of change that has the capability and power to reform and transfigure institutions, structure and agency, hierarchies, cultural fabrics, socio-technical systems, and infrastructures towards new social and political orders. I conceptualize and justify three major governance framework conditions of dynamic multilevel governance as global governance, namely the emergence of transnational public spheres and communities, polyarchic network structures, and self-governing through distributed and differentiated responsibilities.

The forming of public opinion and political will in transnational public spheres is the most important vehicle of representation. Transnational public spheres become the mediation authority of the public opinion of the global multitude and the cosmopolitan structure of global governance. The polyarchic network structure allows to engage all actors as singular subjects in an open network in various horizontal and vertical channels of communication and cooperation who share concerns and common interests with regard to problem solving. The network has a steering logic without a center and is an alternative approach to the hierarchical logic of traditional political power systems. The self-governing succeeds by means of a functional differentiation in the form of distributed and differentiated responsibilities. While scientific experts in epistemic institutions deal with epistemological uncertainties and challenges, associational policy formulation addresses the ontology of change, and the multitude itself discusses the teleological challenges in public deliberation.

These capabilities produce reflexive authority with transformative and structuring power. Dynamic multilevel governance as global governance itself would become the product of the transfiguration of social and political orders. To this end, I combine theory, normative justification, and institutional feasibility.

### **Is the FSC losing it's edge? The realities of implementing innovative governance approaches over time**

Lain Dare (Institute for Governance and Policy Analysis, University of Canberra)

Born out of the failures of neoliberalism, the Forest Stewardship Council (FSC) quickly became a global player in forest governance following its initiation in the early 1990's. Based on deeply entrenched values of supporting marginalised communities and equitable participation in decision-making, the three chamber approach governing the FSC was innovative for its time. By balancing environmental, social and economic interests and values through transparent decision-making processes, the FSC was lauded by environmentalists as being the way forward to achieving sustainable forest management that made a real difference for local communities and the environment. Fast forward 25 years and these glossy narratives are waning, with the real impact of FSC on sustainable forest management questioned. The changing discourse around the FSC provides an interesting longitudinal case of innovative governance, and the potential difficulties in maintaining the effectiveness of such innovation over time and with increasing scale. As FSC has become more successful, there is a need for more traditional forms of governance to enable efficient administration of the global forest management standard. While the three chamber governance approach remains a mainstay of the FSC, many decisions are made outside of this arena reducing the role of members and their chambers in decision-making. Using qualitative interviews, this paper identifies current challenges for FSC governance, including increasing public scepticism towards FSC as a legitimate standard for sustainable forest management, issues of democratic legitimacy as decisions are made with reduced transparency and inclusiveness, and the need for a paradigm shifting change in governance as tensions between chambers rise and threaten the very future of the FSC. Given the focus of FSC on quality and equity of participation, the lessons learnt from the evolution of this innovative governance approach and the changes needed to reinvigorate innovative governance at FSC will help in the design and implementation of innovative governance in other community-driven environments.