Chapter 8
The Concept of Governance

ABSTRACT
This section of the book presents the second dimension of the AGG model (the governance realm). It discusses why it is necessary to understand the concept of governance in a general sense, as well as in the corporate and in the information technology senses. If this book argues that an enterprise’s observable architectural characteristics determine its governance issues, and that the governance agenda of the enterprise determines its measurable growth conditions, then it is imperative that the concept of governance should be specified. This chapter deals with the concept of governance in a general sense, highlighting those aspects that are necessary for a proper understanding of the operation of market architectures, as well as those aspects related to governance at the enterprise level. The chapter also discusses a special case of governance, the concept of “bazaar governance,” a form of governance structure that has emerged with the growth of the open source movement for the development of software production.

1. INTRODUCTION
In Section 2 of this book it is presented the first dimension of the AGG model (the architecture realm), how the concept of enterprise architecture has emerged, why this is an important and indispensable concept to describe the main components of the digital (or digitalized) enterprise, and how do they interact and function.

Now, in this Section 3 of the book, it is presented what constitutes the second dimension of the AGG model (the governance realm), why it is necessary to understand the concept of governance in a general sense, as well as in the corporate and in the information technology senses. If, as argued in this book, the enterprise’s observable architectural characteristics determine its governance issues, and that the governance agenda of the enterprise determines its measurable growth conditions, then it is imperative that the concept of governance should be clearly specified.

The word governance, according to an etymological document prepared by the European Commission (http://ec.europa.eu/governance/docs/doc5_fr.pdf), derives from the Greek verb κυβερνάω [kubernáo] which means to steer and was used for the first time in a metaphorical sense by Plato. It then passed on to Latin and then on to many languages.

In terms of its meaning, the concept of governance has been considered as the act of governing. It relates to decisions that define expectations,
grant power, or verify performance. It consists of either a separate process or part of decision-making or leadership processes. In modern nation-states, these processes and systems are typically administered by a government.

Governance is fast attaining the status of a buzzword. According to Plattner (2013) the concept is now heard almost everywhere that issues of politics or economic development are under discussion. New graduate schools or programs that once would have had the word ‘government’ (or ‘public administration’) in their titles now use ‘governance’ instead. Within development-assistance agencies, the pairing of the terms ‘democracy and governance’ to describe work in political development has become so common that this sub-field is often referred to as ‘D&G’ (Plattner (2013).

Governance remains as a complex concept and has different definitions for different organizations around the world. These differences may be related to the different types (or dimensions) of governance that one can find in our daily life: global governance, regulatory governance, corporate governance, project governance, information technology governance, participatory governance, non-profit governance.

This chapter deals with the concept of governance in a general sense highlighting those aspects that are necessary for a proper understanding of the ‘good’ or ‘bad’ operation of market architectures, a concept which is suggested in Chapter 6 (Section 3), as well as those aspects related to governance at the enterprise level. The chapter also discusses about a special case of governance, the concept of ‘bazaar governance’ as a form of governance structure which has emerged with the growth of the open source movement for the development of software production.

2. BACKGROUND

Governance is neither a simple nor a definite concept. By looking at ‘The Oxford Handbook of Governance’, edited by David Levi-Faur in 2012, one can see from this handbook (which is made up of nine parts constituted by fifty-two different chapters covering a whole range of issues surrounding the concept of governance) the complexity of such a subject matter.

This handbook offers a broad overview of the governance literature: it provides theoretical approaches aimed at situating the study of governance within a broad conceptual context and at extending its core agenda; analyzes governance as a reform of the state; covers actors of governance, their strategies and their styles; examines economic governance, its challenges, forms, and causes; deals with the governance of risk and of science and technology; moves on to issues of democratic governance, which demonstrate that governance implies a change in the understanding of democracy; and covers the transnational arena, dealing first with the European Union, and second with issues of global governance.

Although intellectual attention is a growing trend, public interest on the subject of governance is changing over the time. If one tries to use a tool like Google Trends (www.google.com/trends) (a public web facility of Google Inc., based on Google Search, that shows how often a particular search-term is entered relative to the total search-volume across various regions of the world, and in various languages) to analyze what has been the publish interest on the term governance, it will realize that this specific term is showing diminishing interest globally in the last ten years (from 2004 to 2013).

However, in the very same above mentioned query it is also informed that the term data governance grew (in the period analyzed) 100%, and the term e governance (from electronic governance) grew 100% (searches conducted at the time this book is being written). When one makes another query on the term data governance, it is shown that