



Financing Governance: Managing Commitments over the Long Term

Public sector organizations face three simultaneous commitments: i) keeping the economic house in order; ii) maintaining legitimacy and satisfying citizens; and iii) coping with crises. There are inherent tensions in these concurrent commitments that require a careful balancing act (Patrick, 2001). These tensions include: i) short-term versus long-term orientation; ii) balancing the welfare state with fiscal responsibility; and iii) realistic expectations versus instant gratification.

Helderman and Jeurissen begin their chapter by acknowledging that every government in Europe is facing similar competing goals and commitments. The authors present a study of the evolution of cost containment policies in the Dutch healthcare system. When compared with other countries with Bismarchian social health insurance, the Netherlands have a reputation of initiating and implementing successful cost containment policies. Nevertheless, the authors offer a comprehensive and critical examination of the cost containment policies in the 1990s, for this is the time period in which major institutional changes were introduced into the Dutch healthcare system. The study findings have practical implications for maintaining “equal access,” an essential value in Dutch healthcare. The authors recommend that the onus of cost containment cannot be on the government alone; reallocating responsibility and spreading financial risk is essential for long-term cost containment.

Watt's paper provides another perspective on the complexities in the institutional makeup of public organizations. This chapter focuses on reforms initiated by the central government in the UK. The target of the reforms is the performance management system. The authors note that Comprehensive Performance Assessment initiatives, introduced at the local government level, did not factor in the reality that delivery of services at the local government level is a collective endeavor that involves the local authorities as well various other entities (Ewoh and Zimmerman, 2010). The Comprehensive Performance Assessment initiative has been replaced more

recently by Comprehensive Area Assessment. This novel approach for performance measurement is in line with increased emphasis on cooperation and strategic partnerships at the local area levels. Recognizing that there are two sides to every coin, and that collective action has its share of conflicts, the author examines the experience of various actors and entities as they explore collective/collaborative initiatives.

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