Policy Brief

Stewardship, Good Governance and Ethics

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by

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Introduction

The term 'stewardship' has gained currency in a wide range of policy debates over the appropriate roles and responsibilities of industry, government, and citizens in various economic and environmental governance processes. But as the Institute On Governance discovered in a recent 'grey literature survey'[1] of what is being done around the world in the name of stewardship, there is remarkably little consistency to the usage of the term. In this policy brief we clarify the meaning of 'stewardship' in three moves. First, we outline common current usages. Second, we illustrate the problems with inconsistent usages in the context of biotechnology in Canada. Finally, we compare 'stewardship' to the related concepts of 'good governance' and 'ethics'.

Our argument, in brief, is driven by the observation that the concept of 'stewardship' is often used very narrowly. On the one hand it is frequently used simply to signify government regulation. On the other it is used in quite a different narrow sense – to represent voluntary industry initiatives as an alternative to strict government oversight. These confusing usages, we fear, risk reducing the concept of stewardship to a mere tool of ideological spin. The utility of the concept could be restored, however, if it is understood broadly, as a *governance process*. Such a conception comes very close to the idea of 'good governance', and would contain a number of guiding principles for creating effective and legitimate dialogue processes involving government, industry, and citizens; in delineating their respective governance responsibilities; and in deciding what sorts of mandatory or voluntary measures should be employed to address the policy challenges at hand.

Stewardship of What?

Setting aside the traditional usages of the term 'steward' (such as references to in-flight attendants, British royalty, ship's galley staff, union representatives, etc.), the simple definition of stewardship, according to Webster's dictionary, is "the careful and responsible management of something entrusted to one's care". From this definition there are myriad possible uses of the term in political discourse, from 'stewardship of taxpayers' money' to 'stewardship of the public interest', for example. But as we discovered in our survey, the term is used most frequently in three contexts, on which we shall concentrate our analysis:

(a) *Environmental Stewardship*
e.g. forests, fisheries, watersheds

(b) *Product Stewardship*
e.g. packaging, chemicals, electronic products

(c) *Technology Stewardship* (less frequently used)
e.g. biotechnology

What Is Meant by 'Stewardship'?

While the practical implementation of effective stewardship in each of these three contexts is clearly distinct, similar questions must be considered in developing effective stewardship arrangements throughout:

- *Roles and Responsibilities*
  Who is the steward? What are the respective roles of government, industry and citizens (or consumers, or civil society organizations), and what are their responsibilities?
- *Implementation Mechanisms*
  What tools will be used to achieve effective stewardship – guidelines, codes, regulations, legislation, incentives, or sanctions? Will participation be voluntary or mandatory?
- *Narrow or Broad Focus*
  Is the focus on developing a broad process – with stakeholder participation, oversight mechanisms, review systems, etc. – or simply on implementing a set of practices?

The following table illustrates the range of current conceptions of stewardship in various contexts from around the world, and includes examples of product, environmental, and technological stewardship. Each of these different conceptions of stewardship contains substantially different answers to the three guiding questions listed above:

[1] A survey of available information on the internet. This policy brief is based on the unpublished report, *Current Uses of the Notion 'Stewardship'*, produced by John Capelli and Marc Saner for the Office of Biotechnology and Science of Health Canada (HPFB).

Source	Conceptualization	Context and Focus	Respons-ibility	Practical Measures
US President George W. Bush, Earth Day, 2002	"Good stewardship is a personal responsibility for all of us. And it's a public value. And that's what's important for Americans to understand, that each of us have a responsibility, and it's part of our value system in our country to assume that responsibility".[2]	All kinds of stewardship. Narrow focus on practices.	Citizens	Voluntary
Alberta govt report: "Cattle Wintering Sites: Managing for Good Stewardship"	Defines 'stewardship' as "an individual's responsibility to manage their resources with proper regard to the rights of others".[3]	Environmental stewardship. Narrow focus on practices.	Individual ranchers	Voluntary
New Zealand's Environment Minister Marian Hobbs	"Stewardship implies a duty of care on those producing, retailing and using environmentally harmful products. The nature of the duty may vary according to the operator. Those at the production end who know the environmental risks have a responsibility to ensure that appropriate information is passed down the chain. This includes providing information about responsible disposal of the product".[4]	Product stewardship. Narrow focus on practices.	Producers, consumers	Voluntary
Australia's Electrical and Electronic Product Stew-ardship Strategy	Developed by peak electrical and electronic industry associations, with guidance from an Environmental Protection and Heritage Council Working Group with commonwealth, state, territory environment agencies and industry groups.[5]	Product stewardship. Broad focus on process.	Industry with govt guidance	Voluntary
Australia's Comprehensive Product Stew-ardship System for Waste Oil	"Product stewardship embraces the concept that the producers of a good have a degree of 'cradle to grave' responsibility for their product. As far as possible the cost should be born within the producer's markets, and not passed onto other markets, or subsidised by public moneys."[6]	Product stewardship. Narrow focus on practices.	Producers	Mandatory: backed up by govt legislation
World Health Organization (WHO): *World Health Report 2000*	"Governments should be 'stewards' of their national resources, maintaining and improving them for the benefit of their populations. In health this means being ultimately responsible for the careful management of their citizens' well-being. Stewardship in health is the very essence of good government... Stewardship encompasses the task of defining the vision and direction of health policy, exerting influence through *regulation* and advocacy, and collecting and using information."[7]	Principally technological, but also product, environmental stewardship. Broad focus on process.	Govern-ment	Mandatory

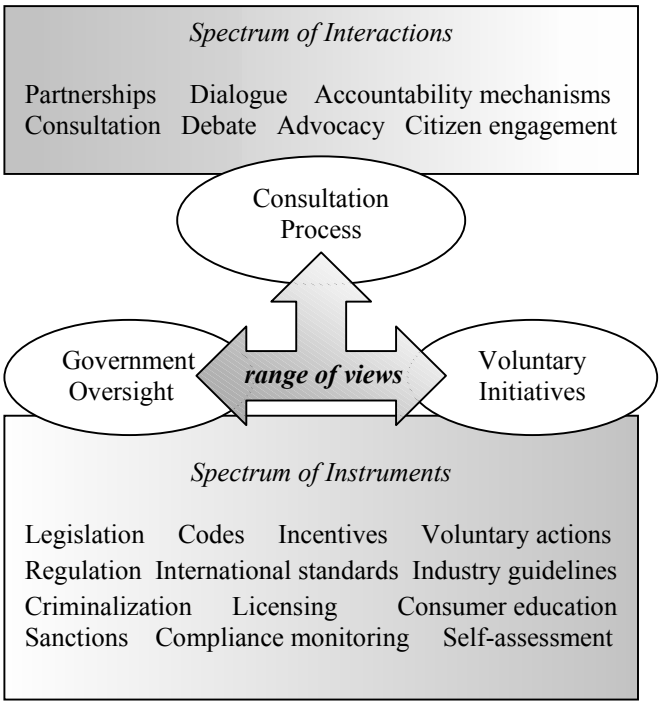
[2] April 22, 2002, at: www.whitehouse.gov/news/releases/2002/04/20020422-1.html
[3] Accessible on the Web at: www.cd.gov.ab.ca/preserving/heritage/pands/index.asp
[4] August 2000 speech, at: www.ermanz.govt.nz/newsandevents/files/speeches/sp20000829.htm
[5] Accessible on the Web at: www.ea.gov.au/industry/waste/ieu/index.html#electrical-product-stewardship-strategy
[6] Accessible on the Web at: www.ea.gov.au/industry/waste/oilrecycling/cpss.html
[7] *The World Health Report 2000. Health Systems: Improving Performance,* pg. 117, at: http://w3.whosea.org/healthreport/

From this brief set of examples – of which we can find many more – different ideological perspectives become apparent. The term ranges from implying *individual responsibility* and *voluntary initiatives* (as in the case of the Alberta government report and George W. Bush's statement), to suggesting *government regulation* and *mandatory measures* (as in the case of the WHO report). Stewardship can be seen as a sole responsibility of industry, government or citizens, or as a partnership between a certain combination of these groups (as in the example of the Australian electric and electronical product strategy).

Depending on the nature of the process and instruments they prescribe, the various conceptions of stewardship fall into a range (see *Diagram 1*) that stretches between three conceptions:

- Stewardship as an engagement or *consultation process*
- Stewardship as a system *of government oversight* practices
- Stewardship as a set of *voluntary initiatives* by industry

Diagram 1: Range of Conceptions of 'Stewardship'



It is important to be aware of this range of possible conceptions, because semantic confusion can hinder the flow of policy dialogue, as the following case study illustrates.

Case Study: Biotechnology Governance

One example of this confusion occurred in the context of biotechnology governance in Canada. In a 1999 speech, the (then) Minister of Industry, John Manley, introduced the new *Canadian Biotechnology Strategy*, which was to be founded on three pillars: "innovation, stewardship, and citizen engagement".[8] The difficulty with this formulation was that stewardship essentially became a euphemism for regulation, and because it was juxtaposed with innovation, the implication was that responsible 'stewardship' might stifle innovation, and that a balance must be struck between these two impulses to optimize outcomes. Citizen engagement, meanwhile, was not directly involved in this conception of 'stewardship'.

The Canadian Food Inspection Agency (CFIA), one of Industry Canada's partners in biotechnology governance, later presented its approach to the issue. The CFIA's strategy involves 'modernizing the regulatory system' to manage the next generation of product innovations, on the one hand, and fostering 'citizen engagement' and 'public awareness' of federal regulations on the other.[9] This application of the concept of stewardship, however, overemphasizes the constraining aspects of regulation on innovation to the neglect of the enabling aspects. The CFIA strategy could also better delineate the role of industry in the policy process, so as to maximise the utility and credibility of citizen engagement efforts.

Further complicating the picture, Health Minister Anne McLellan laid out a third view of what stewardship entailed. In this case, it was explained how innovation and regulation might be reconciled through the "responsible management of risk", on

[8] Complete speech available at http://biotech.gc.ca/archives/engdoc/bh00254e.html

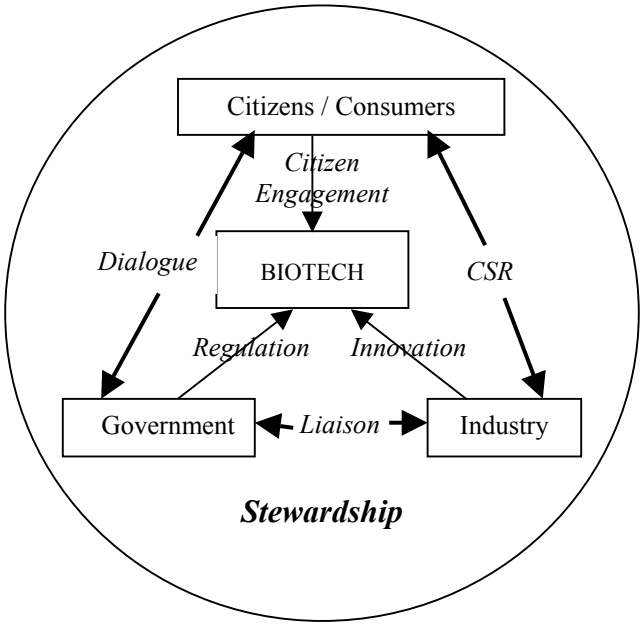
[9] Please refer to the *Canadian Food Inspection Agency Corporate Business Plan 2003-2008*, accessible on the Web at: www.inspection.gc.ca/english/corpaffr/busplan/2003-2008/fed/biotechbe.shtml

"behalf of Canadians," to ensure that people and the environment benefit from technology and maintain their 'safety, health, and well-being'.[10] This approach, while sensitive to citizen's needs in terms of *outcomes*, does not emphasize the need for *engaging* rather than just *listening to* citizens.

These three conceptualizations can be reconciled if stewardship is conceived more broadly, as something which encompasses the roles and relations of government, industry, and the public, and makes sense of the complex interrelationships between innovation, regulation, and citizen engagement.

In such broad conception, stewardship can be seen not just as a set of practices but rather as a *governance process* – one in which government, industry, and citizens may be involved, whereby the responsibilities of each of these groups can be determined, and decisions can be made regarding the appropriate kinds of mandatory or voluntary measures required to achieve a particular goal. This is illustrated in *Diagram 2*.

Diagram 2: Stewardship as Governance Process



In *Diagram 2*, 'stewardship' encompasses the range of relations between the three 'spheres' of governance: industry, government, and the public. These relationships include the political *dialogue* between citizens and government (or parliament); the notion of 'Corporate Social Responsibility' (*CSR*) which grounds industry through a variety of relations in communities; and the range of *liaison* activities between government and industry, such as consultation, lobbying, partnerships, dialogue, and oversight. Stewardship also encompasses the three major inputs into the process: innovation, regulation, and citizen engagement. The key to this framework is finding the appropriate balance between each of these factors.

In this formulation, the concept of stewardship becomes very similar to the notion of 'good governance'. Looking beyond the Canadian biotechnology example can also show this similarity. The following table lists elements of effective stewardship which have been proposed by a variety of sources.[11] It is interesting to note that many of these elements parallel the broadly accepted UNDP 'Good Governance' principles for international development. Consider the following table, which compares the two sets of ideas:

[10] Complete speech available at http://www.hc-sc.gc.ca/english/media/speeches/20june2002mine.html

[11] The sources cited in the table below are as follows:
- UNDP: United Nations Development Program, "Governance and Sustainable Human Development", 1997. At http://magnet.undp.org/policy/chapter1.htm
- JNCC: the UK Joint National Conservation Committee, *The Marine Stewardship Report* (May 2002), at: www.defra.gov.uk/environment/marine/stewardship/pdf/marine_stewardship.pdf
- CFIA: *Canadian Food Inspection Agency Corporate Business Plan 2003-2008*, at: www.inspection.gc.ca/english/corpaffr/busplan/2003-2008/fed/biotechbe.shtml
- WHOa: *The World Health Report 2000,* at: http://w3.whosea.org/healthreport/
- WHOb: Travis et al., *Towards Better Stewardship: Concepts and Critical Issues*, World Health Organization, 2002, at: http://www3.who.int/whosis/discussion_papers/pdf/paper48.pdf
- GC: Government of Canada, 2000, *A Framework for Science and Technology Advice*, at: http://strategis.ic.gc.ca/pics/te/stadvice_e.pdf
- EPA: US Environmental Protection Agency, at: www.epa.gov/pesticides/biopesticides/
- HC: Minister McLellan's speech cited in footnote 11

Good Governance Principles (UNDP)	Elements of Effective Stewardship *(sources listed on p. 4)*
Participation – all men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their intention.	• "Full stakeholder involvement" (JNCC) • "The seeking of public engagement in regulatory policy developments" (CFIA) • "Build[ing] coalitions of support from different groups" (WHOa) • "Inclusiveness – ensuring that advice is drawn from many disciplines, all sectors and, when appropriate, international sources" (GC) • "Building public trust" (EPA) • "A willingness to think and partner globally" (GC)
Responsiveness – institutions and processes try to serve all stakeholders.	
Consensus orientation – good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures.	
Effectiveness and efficiency – processes and institutions produce results that meet needs while making the best use of resources.	• "The negotiation of international principles of safety and guidance, sharing information and providing expertise" (CFIA) • "Monitoring and performance assessment" (WHOb) • "Review – keeping stewardship regimes up to date as knowledge advances" (GC)
Accountability – decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders.	• "A climate … that is accountable to the public" (GC) • "Collaborating with our regulatory partners" (EPA)
Transparency – transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.	• "Transparency and Openness – ensuring that all processes are transparent, and that stakeholders and the public are consulted" (GC) • "Ensuring transparency of the decision-making process" (EPA) • "Generation of intelligence (intelligence contributes to more informed decisions)" (WHOb)
Rule of Law – legal frameworks should be fair and enforced impartially, particularly the laws on human rights.	• "A climate … that is predictable" (GC) • "Maintaining consistency and fairness" (EPA)
Strategic vision (a) – leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development.	• "Defining the vision and direction of … policy" (WHOa) • "Formulating strategic policy direction" (WHOb) • "Ensuring a fit between policy objectives and organizational structure and culture" (WHOb) • "Working with a set of clear … objectives" (JNCC)
Strategic vision (b) – There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.	*NO DIRECT PARALLEL*
Equity – all men and women have opportunities to improve or maintain their well-being.	
NO DIRECT PARALLEL	• "Sound science" (EPA, GC) • "Early issue identification – anticipating policy issues arising from new knowledge" (GC) • "A strong knowledge base, access to specialized expertise" (GC) • "Greater use of socio-economic assessments" (JNCC)
	• "Responsible management of risk" (HC)
	• "Tools for implementation (powers, incentives, sanctions)" (WHOb) • "Exerting influence through regulation and advocacy" (WHOa) • "The ability to set incentives, either directly or in organizational design" (WHOa)

Stewardship and Good Governance: What's the Difference?

Although the general thrust of the two sets of principles compared in the table above are similar, common uses of stewardship emphasise areas not included in the UNDP Good Governance Principles, for example "sound science" and the "responsible management of risk."

The UNDP good governance principles, on the other hand, emphasise the need for equitable opportunities for all people and a strategic direction that is based on an understanding of the historical, cultural and social complexities of the issue at hand.

This divergence may be the result of the different contexts in which the concepts are applied: Good governance is particularly focussed on creating effective institutional arrangements to promote sustainable human development – at the global, national, and local levels. The subject of good governance is more a *political* than a *technical* process, although both elements are important. On the other hand the concerns of responsible stewardship – product development, environmental management, technological innovation – are generally more *technical* than *political* concerns. But still, there are important political factors to consider in each of these realms as well, especially in terms of citizen engagement and public accountability.

The lesson from this preliminary comparison of 'good governance' and 'stewardship' is that both concepts might be expanded. Responsible stewardship principles, on the one hand, could be more grounded in historical awareness, cultural sensitivity, and an emphasis on achieving equitable outcomes. Good governance principles, on the other hand, might be explicit in stating that the governance process should be informed by sound scientific knowledge and cost-benefit thinking. As a result of this analysis, one can argue that concepts of 'responsible stewardship' and 'good governance' should be considered together. Please see the IOG Policy Brief #15 *Principles of Good Governance in the 21st Century*[12] for additional information.

[12] By John Graham, Bruce Amos and Tim Plumptre. See also, *Governance Principles for Protected Areas in the 21st Century.* Both are available at www.iog.ca.

Enter 'Ethics'

We have not stated so far what is, perhaps, obvious. Both 'stewardship' and 'good governance' have positive connotations because they are tied to noble *ethical* claims. A simple way to illustrate this point is a comparison of good governance principles with the principles listed in codes of ethics. For example, the 10 principles of ethics code of the International Institute for Public Ethics (www.iipe.org), include responsiveness, accountability, transparency, legality (read: rule of law), and leadership (including strategic vision), just like the governance and stewardship principles. This ethics code, however, also emphasises the traditional ethical ideals of personal integrity, honesty and respect, concepts which likely deserve consideration in stewardship or governance frameworks as well.

Ethics also helps to understand stewardship in the environmental context. Stewardship, a concept of biblical origin, is typically used to justify an *anthropocentric*, or human-centred, environmental ethics (we are the 'stewards of God's creation'). Today, stewardship remains tied to this value system, and is thus usually at odds with *ecocentric* ethics, a view which gives nature value-in-itself, regardless of its utility for humankind.

The comparison between stewardship, good governance, and ethics frameworks highlights the difficulty in developing a complete and balanced list to encompass all perspectives and apply to all practical situations. Understanding the ethical foundations, however, might be of assistance.

In ethics theory, three basic perspectives are commonly distinguished. They might be called 'the ethics of character', 'the ethics of duty' and 'the ethics of utility.' A decision (or a decision-making framework) can only be considered truly 'good' if it *simultaneously* satisfies *all* three traditions. For example, a decision should not only stem from good *motives* (character), but also follow good *rules* (duty) and lead to good *outcomes* (utility). This simple framework underpins the whole range of principles we have reviewed. Testing decisions against these three perspectives goes a long way to satisfy principles of stewardship, good governance, or ethical management – no matter how these are formulated.