



The Instruments of Good Governance



I- The Tools

- Relevant distribution of responsibilities
- Relevant Institutional Design
- Information and evaluation



Relevant distribution of responsibilities (1)

- The example of labour market policies
- Decentralisation is in favour of Local Development
 - Multidimensional approach
 - Specificity of an individual situation
- Obstacles to decentralisation
 - External effects
 - Resources inequalities
 - Advantages of mobility



Relevant distribution of responsibilities (2)

- Devolution
- Reorganisation of the PES
- New Public Management
- Strengthening Cooperation



Relevant distribution of responsibilities (3)

- The main issue: To make local and central actors work together; or to link Horizontal and Vertical governance
- Horizontal governance without vertical governance may be powerless because it cannot mobilise the necessary resources around the players concerned.
- Vertical governance without Horizontal governance may be deficient because it cannot rally the necessary players around the available resources.



Relevant Institutional Design

- Good governance implies the existence of instances where partners can come together for information, discussion, coordination and decision-making.
- Such instances must
 - associate players at the same level or at different levels.
 - must facilitate not only contact but real synergy, opening the way to a strategic rather than a purely cosmetic partnership.



Areas Based Partnerships

- Ireland, Sweden, Flemish region of Belgium
- Their main objectives:
 - To maintain a standing watch over the local situation and trends (serving as "micro-observatories").
 - To research, propose and recommend any useful development, employment and training policy measures.
 - To provide advice on all matters relating to development employment and training submitted to them by the central authorities.
 - To implement such programs for their own part



Territorial Pacts and Agreements

- LPSA in UK, TEP in E. U., Plie in France
- The main issue: How to have an equilibrium between a formal contract, which may be difficult, and a moral commitment, which is not enough
 - By differentiating the nature of the commitments.
 - By bringing a third party into the agreement, as witness and guarantor.
 - By supporting these behavioural commitments with financial provisions that will enhance their probability



Information and Evaluation

- Production of relevant local statistics
- Local diagnoses
- Evaluation:
 - The first spin-off of evaluation comes from measuring the ratio between the efficiency achieved and the cost.
 - A second spin-off of evaluation lies in monitoring, by which we mean the collecting and processing of information supporting the introduction and development of a programme.

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- A third spin-off of evaluation is learning. The issue here is not so much to produce pure knowledge as to have the capacity to inject that knowledge into the local setting and thereby change behaviour. An evaluation by stakeholders or by persons directly associated is more likely to influence policy makers than one organised without this perspective.
 - A final spin-off of evaluation is its mediation role. Evaluation is today treated as a social and political process that creates its own reality, and through which the evaluator becomes a mediator who supports and inspires the processes of learning and negotiation.



II - Mainstreaming: The challenge for CEEC

- **1. Given their traditional centralisation, it is important to ensure the capacity and transparency of local governments**
 - In countries with a highly centralised tradition, regional and local levels of government should be given the means to foster local development in full transparency, without denying the need for proper controls by the central administration.

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- **2. Given the traditional concentration of skills in the central government machinery, the resources, responsibilities and capacities available to local governments should be improved**



- **3. Given the top-down tradition, home-grown development levers are needed, in the form of new institutions or local development projects**
 - Local development agencies are coming into increasing use. They allow local economic demands to be addressed in a less centralised and less political manner.



- **4. Given the lack of a qualified local labour market, steps should be taken to develop one**



- **In the face of local initiatives, central governments should improve their capacity to program their regional or local investments**
 - The national authorities need an effective tool for programming their regional investments.