

# Improving Public Services in Decentralised Contexts: the Need for Multi-Level Governance Tools

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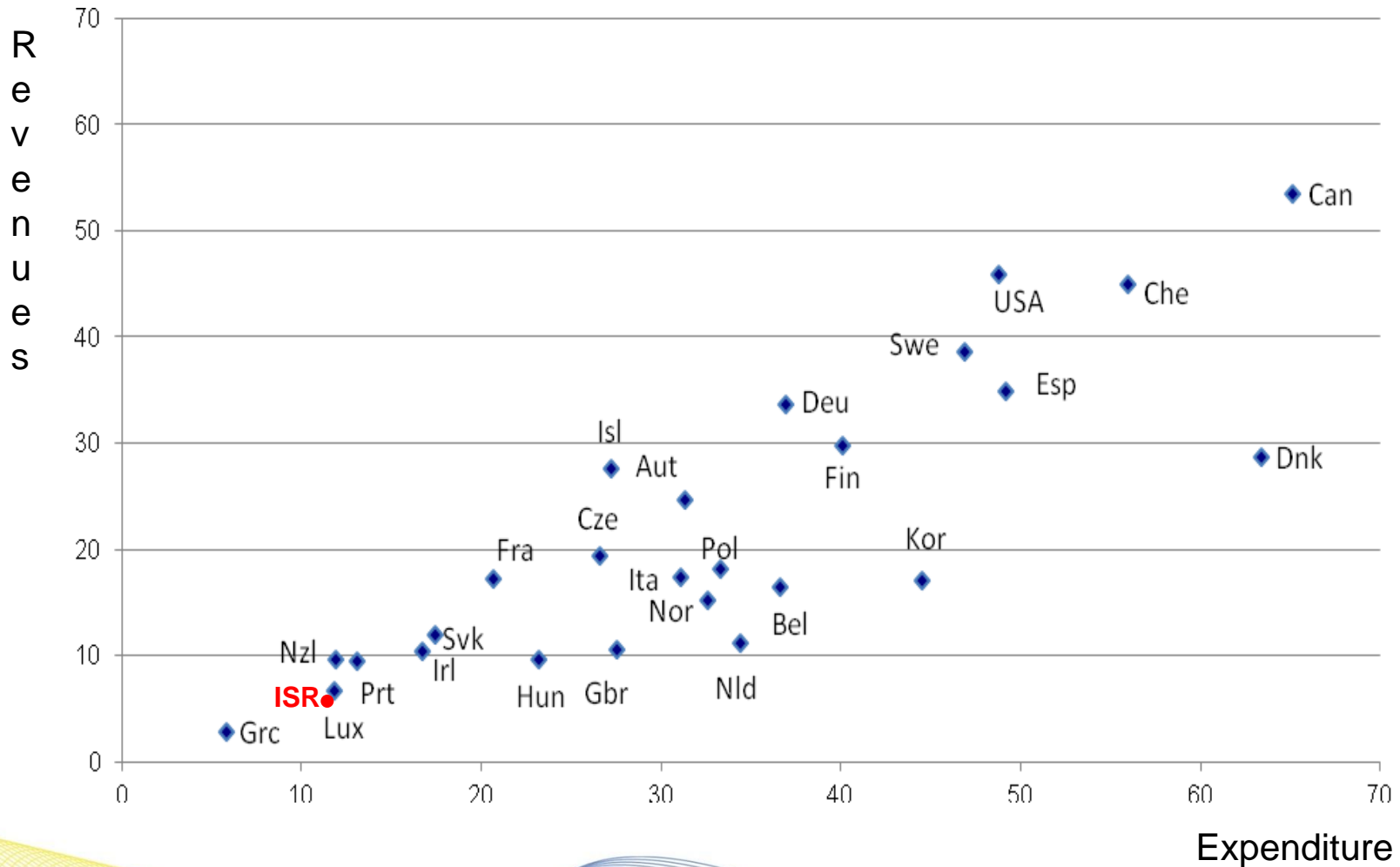
Regional Development Policy Division  
Public Governance and Territorial Development Directorate

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# 1. Variety of fiscal decentralisation in OECD countries

*On average SNGs represent 22% of public revenues  
and 31 % of public spending...but « average » does not  
mean a lot*

# 1.1. Decentralisation in OECD countries: SNGs share in public revenues and spending

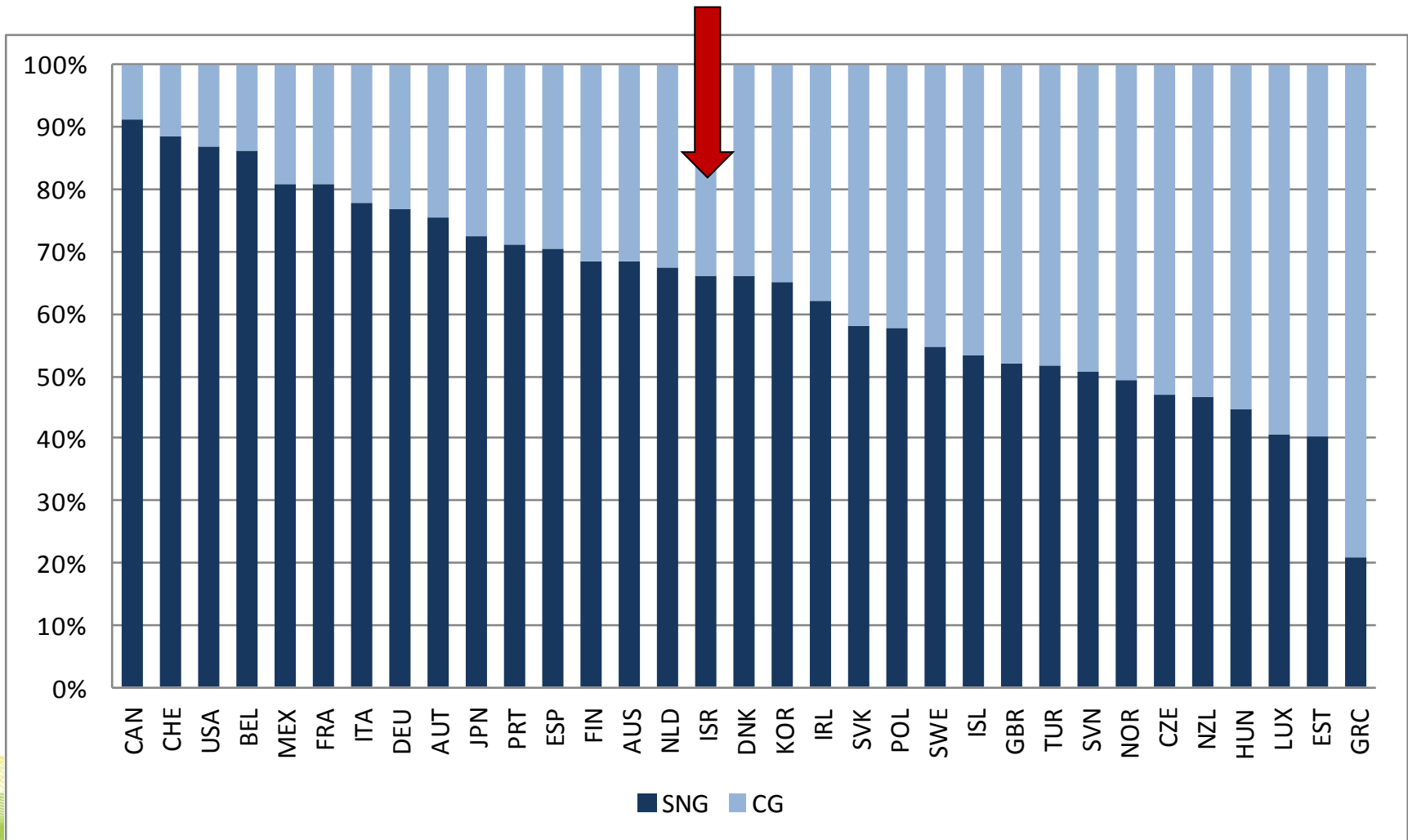


Source: OECD National Accounts, 2009



# 1.2. SNGs spending and their contribution to public investment

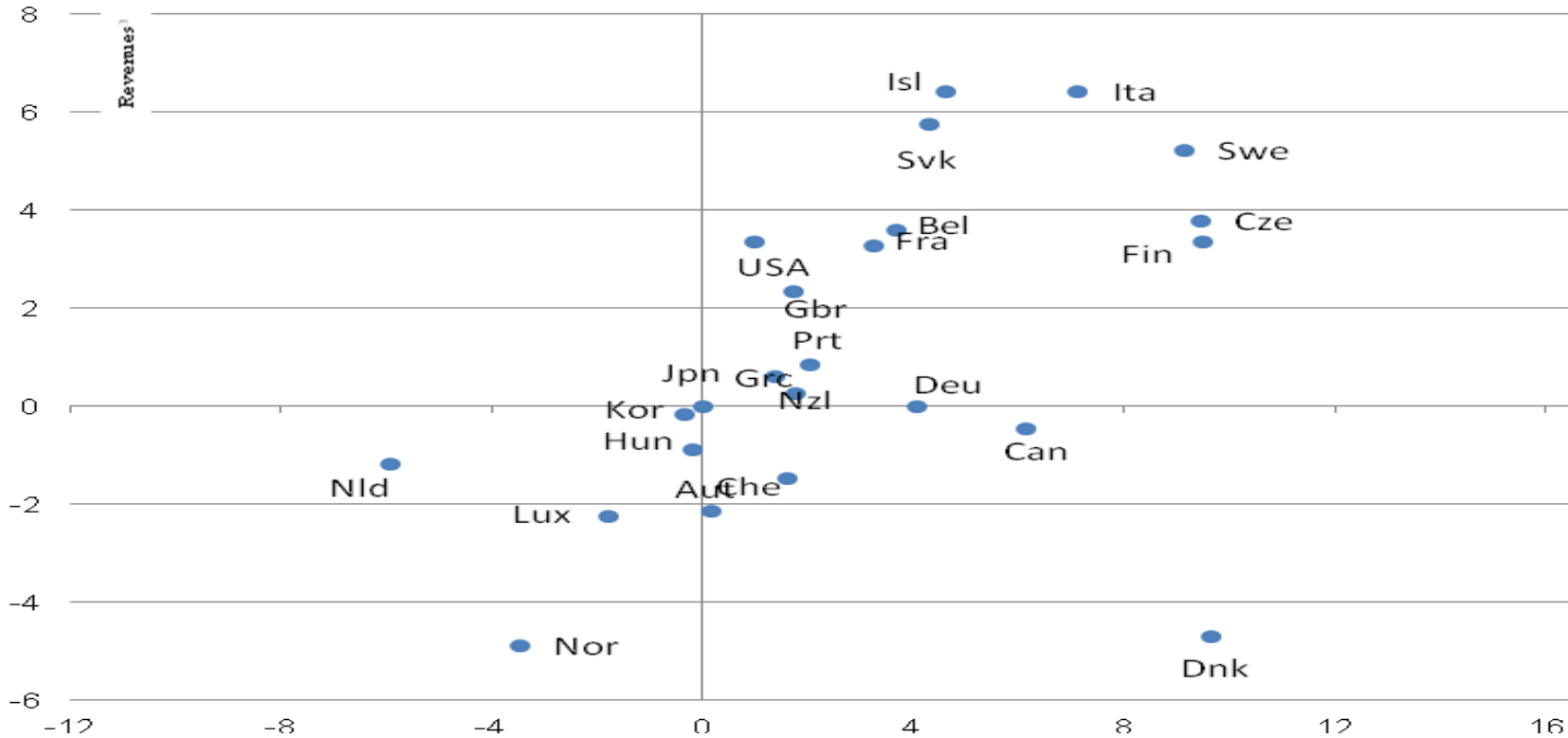
SNG as share of public investment in 2008: 64% on average



Source: OECD National Accounts 2008

# 1.3. Towards « more decentralisation »?

From 1995 to 2009, changes expressed in % points



Source: OECD National Accounts, 2009

Spending<sup>1</sup>



## 1.4. Or towards more *mutual dependence* between levels of government?

- i. Sub national responsibilities in spending have increased but there is still ***a strong dependency on central government for resources***
- ii. The absence of convergence of GDP among regions calls for central interventions: ***equalisation and customisation***
- iii. Central governments devolve responsibilities to SNGs while reinforcing ***the control on standards and on performance of local public services delivery***



## **2. Coordination across levels of government for better public services**

## 2.1. 'Mind the Gaps' : a Tool for a Diagnosis

### Administrative gap

“Mismatch” between functional areas and administrative boundaries => **Need for instruments for reaching “effective size”**

### Information gap

Asymmetries of information (quantity, quality, type) between different stakeholders, either voluntary or not => **Need for instruments for revealing & sharing information**

### Policy gap

Sectoral fragmentation across ministries and agencies => **Need for mechanisms to create multidimensional/systemic approaches, and to exercise political leadership and commitment.**

### Capacity gap

Insufficient scientific, technical, infrastructural capacity of local actors => **Need for instruments to build capacity**

### Funding gap

Unstable or insufficient revenues undermining effective implementation of responsibilities at subnational level or for crossing policies => **Need for shared financing mechanisms**

### Objective gap

Different rationalities creating obstacles for adopting convergent targets => **Need for instruments to align objectives**

### Accountability gap

Difficulty to ensure the transparency and integrity of practices across the different constituencies => **Need for institutional quality instruments**



## 2.2. « Bridge the gaps » for more performant public services

