

Conditionalities and Contractual Arrangements across Levels of Government: The Governance Dimension

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Outline

- Conditionality and Policies
- Conditionality and Institutional Constraints
- Instruments to promote Cooperation and Performance
- Toward more accountability

Conditionalities and Policies

- Complexity and Policy Objectives: Multitasking
 - Strategic Gaming and Inconsistency
- Complexity in Policy Implementation
 - Multi-faceted Structural Policies
- Alternative coordination needs (Aggregation technologies)
 - Summation vs. Best Shot vs. Weakest Link vs. Threshold Public Goods
- Asymmetries of Information and Knowledge
 - Does the higher level really know what is needed to reach policy objectives at the local level ?
- Political Opportunism
 - Being an agent of its constituency, the lower level of government balance compliance to its two agency “contracts”

Cond. and Institutional Constraints

- Sovereignty
 - Legitimacy: Shared Goals by the Two levels are more likely to be implemented in the long run
 - Procedural legitimacy: clear mandate to the local authority by its constituency and actual process of negotiation among levels
 - Too detailed ex-ante (policy measures) or ex-post (results) conditionalities fail
 - Accountability
 - Contract among levels of governments should clarify mutual responsibilities so as to allow citizens to identify them
 - Paradox: too simple set of contractual commitment fail to guarantee policies implementation / Too detailed commitments tend to dilute responsibilities : necessity of third part assessment.
- Compliance
 - Verifiability
 - Relationship between verifiable dimensions and targeted objectives
 - Mutually agreed upon and evolving verifiable objectives
 - Enforcement
 - Strongly depending upon the legitimacy of the contract and of the contractual process
 - Effectiveness of multi-stages processes (of selection/funding or of assessment/adaptation/funding)

Instruments to promote Cooperation and Performance

- Technical Legitimacy
 - Ad-hoc and Systematic Assessment tools / Permanent Check of alignment with policy objectives / Adaptation to local characteristics / Check of Aggregation Consistency.
- Procedural Legitimacy
 - Equal treatment among jurisdictions (Objectives, Enforcement) / Interlinking / Balance between risk sharing and incentives
- Contract and Cooperation
 - Contracts as instruments of trust: the key role of ongoing negotiations
 - Interlinking and flexibility as incentivizing tools
- Empowerment
 - Beyond bureaucratic capabilities, accountability
 - Administrative capabilities, economies of scale, scope and specialization... and the reverse subsidiarity principles

Toward More Accountability

- Clarification of Responsibilities...and actual Cooperation on an Equal-footing
 - Shared diagnosis and mutually agreed objectives
- Common procedure in negotiating and enforcing agreements...while specific contracting processes and contracts
- Mixing (mutually agreed upon) ex-ante policy requirements with ex-post performance objectives
 - Sanctions in case of non-implementation / Bonuses when performance surpass objectives
- Assessment relying on third parts
 - Independent auditors, Citizens Jury, NGOs...
- Enforcement
 - Democratic Accountability & Peer Pressure: Key Role of Transparency and Publicity of Commitments and Assessment
- Reflexivity: Permanent assessment of the legitimacy and effectiveness of the vertical relationships among levels of governments
 - Need to devolution/centralization/mutualization of responsibilities?
 - Need to revision of objectives