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**EUROPEAN COMMITTEE ON DEMOCRACY AND GOVERNANCE
(CDDG)
WORKING GROUP ON GOVERNANCE
(GT-G)**

Georgios Chrysafis: Multi-level Governance-Discussion note



Multi-level Governance: Definitions

- *“Multilevel governance describes the dispersion of authority whether this is within a state or beyond it...”* (Hooghe and Marks, 2020, p. 8).
- *“Multi-level governance is the interaction among levels of government when designing and implementing public policies with subnational impact.”* (OECD 2022, p. 98).
- *“.....the concept of MLG tends to refer to systems of governance where there is a dispersion of authority upwards, downwards and sideways between levels of government – local, regional, national and supra-national – as well as across spheres and sectors, including states, markets and civil society.”* (Daniel and Kay, 2017, p. 4).
- **Other definitions (indicative presentation):** Peters and Pierre (2001, pp. 131-132), Bache and Flinders (2004, pp. 34-35), Stubbs (2005, pp. 67-69), Berg (2011, pp. 9), Zapata-Barrero, Caponio and Scholten (2017, p. 21), Faberi, Iorio and Federici (2018, p. 3), Larrea, Estensoro and Pertoldi (2019, pp. 7-8).



Multi-level Governance and Responsibilities: alternative terms used

Multi-level Governance

- Multi-level governance
- Multi tiered governance
- Polycentric governance
- Multi-perspectival governance
- Multi-actor governance
- Colaborative governance
- Adaptive governance
- FOCJ (functional, overlapping, competing jurisdictions)
- Fragmentation
- Consortio and condominio

Responsibilities

- Responsibilities
- Jurisdictions
- Duties
- Competences
- Authority
- Powers



Examples of policies within MLG

- Privatizations
- Cross-border agreements
- Cross border urban blocks
- Interregional cooperations
- Natural disasters
- Immigration
- Asylum seekers
- Renewable resources of energy
- Water supply
- Social welfare
- Health care (hospitals)
- Research programmes



Decentralization

- “Decentralisation refers to the transfer of powers and responsibilities from the central government level to elected authorities at the subnational level (regional governments, municipalities, etc.) and that have some degree of autonomy.” (OECD-2019, P. 11).
- “Decentralisation is broadly understood as a process whereby political and institutional actors at sub-national levels acquire varying degrees of autonomy visa vis central state structures. As such, it implies a rearrangement of relationships between the national and sub-national levels in terms of rights and responsibilities, empowering the local and regional actors.” (European Committee of the Regions-2021, p. 3).



Principle of subsidiarity

- The implementation of multilevel governance depends on respect for the principle of subsidiarity, which prevents decisions from being restricted to a single tier of government and which guarantees that policies are conceived and applied at the most appropriate level. Respect for the principle of subsidiarity and multilevel governance are indissociable: one indicates the responsibilities of the different tiers of government, whilst the other emphasises their interaction. (White Paper, p. 7).



The task (Terms of Reference)

Carry out work for the CDDG with a view to:

- ~~Finalise the text of the draft explanatory memorandum to the draft Recommendation of the Committee of Ministers on Principles of Good Democratic Governance (specific task 1 of the terms of reference 2022-2025)~~
- the preparation of a **preliminary draft recommendation** of the Committee of Ministers on multilevel governance (specific task 5 of the terms of reference 2022-2025)
- the preparation of a preliminary draft report on (emphasis added):
 - **multilevel governance** and
 - **response to emergencies**, building on:
 - the CDDG's earlier work on **democratic governance**
 - and the **response to the Covid-19 pandemic** (specific task 6 of the terms of reference 2022-2025)

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Multilevel Governance: Major sections of the study



Questions to be discussed

Assumption: MLG exists everywhere

- Why MLG?
- What is the desired type of MLG?
- Which policy areas MLG concerns?
- To which and what parts of the society it applies?
- Which are the responsibilities and jurisdictions we want to the levels of government?
- What is the administrative capacity of each level of government?
- Cost evaluation (social, economic, fiscal).
- Decentralization or de-concentration?
- Which are the regulative difficulties to be overcome?
- What is the form of accountability in MLG?
- What is the degree of autonomy at regional and local level in a system of MLG?
- What is the form of subsidiarity principle?




The Charter

- Preamble, par. 8: **wide autonomy** of actions of local authorities.
- **Discretion in the exercise of the responsibilities** for the local and regional authorities (all the Charter).
- Institutional **guarantee of the principle of local and regional self-government** (Ar. 2).
- Principle of the **autonomy** of local-self government-Consolidation of the representative democracy (Ar. 3).
- Principle of **prior consultation** between levels of governance (Ar. 4.6) .
- **Legality principle** in supervision by higher levels of government (Ar. 8)-Proportionality principle (par. 3).
- Article 9:
 - Principle of **financial equalization** (par. 1).
 - Principle of the **fiscal capacity**, par. 1 (for local authorities to exercise their responsibilities as they should).
 - Principle of **commensurability** (par. 2).
 - Principle of **local fiscal autonomy** (par. 3).
 - Principle of **diversification** (par. 4).
 - Principle of **protection and support of weak authorities** (par. 5).



Subsidiarity

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Subsidiarity: "Public responsibilities shall generally be exercised, in preference, by these by those authorities which are closest to the citizen. Allocation of responsibility by another authority should weigh up the extend and nature of the task and requirements of efficiency and economy." (Charter, art. 4, par. 3)

- The need for a **preference** for the exercise of some responsibilities.
- The absolute necessity for the **closeness to the citizen**.
- The **weigh of the extend of the task**.
- The **nature of the task**.
- The **weigh (= ex ante evaluation)** of the requirements in:
 - Efficiency
 - Economy (externalities?)

“Public responsibilities shall generally be exercised, in preference, by these by those authorities which are closest to the citizen. Allocation of responsibility by another authority should weigh up the extend and nature of the task and requirements of efficiency and economy.”

(Charter, art. 4, par. 3)



Decentralization

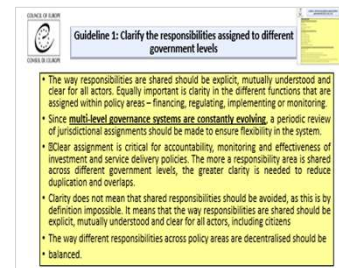
- 10 Guidelines (next slide)

Calculus of decentralization:

- Local autonomy index (OECD, 2019: Making Decentralization Work...)
- Type of subnational governance (OECD-2019: Report World Observatory....)
- Local autonomy index-LAI (Hooghe et al-2020, Ladner et al.-2021)
- Regional autonomy index-RAI (Hooghe et al-2020)
- Evaluation of regional and local decentralization, with 12 indicators based on the Chapter (European Committee of the Regions, 2021)



The 10 Guidelines for a successful decentralization and regional development (OECD, 2019, pp. 22-24)



- Guideline 1: Clarify the responsibilities assigned to different government levels
- Guideline 2: Ensure that all responsibilities are sufficiently funded
- Guideline 3: Strengthen **subnational fiscal autonomy** to enhance accountability
- Guideline 4: Support **subnational capacity building**
- Guideline 5: Build **adequate co-ordination mechanisms across levels of government**
- Guideline 6: Support **cross-jurisdictional co-operation**
- Guideline 7: Strengthen innovative and experimental governance, and promote citizens' engagement
- Guideline 8: Allow and make the most of **asymmetric decentralization arrangements**
- Guideline 9: Consistently improve transparency, enhance data collection and strengthen performance monitoring
- Guideline 10: Strengthen national regional development policies and equalisation systems and reduce territorial disparities



Emergencies other than Covid-19

- Security.
- Poverty and homeless people.
- Housing.
- Inequalities.
- Cohesion and economic development-Redistribution.
- Social welfare.
- Natural resources management.
- Deforestation.
- Natural disasters.

Thank you for your attention

Georgios Chrysafis



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 - **Efficiency**
 - **Economy** (externalities?)



Guideline 1: Clarify the responsibilities assigned to different government levels



- The way responsibilities are shared should be explicit, mutually understood and clear for all actors. Equally important is clarity in the different functions that are assigned within policy areas – financing, regulating, implementing or monitoring.
- Since **multi-level governance systems are constantly evolving**, a periodic review of jurisdictional assignments should be made to ensure flexibility in the system.
- Clear assignment is critical for accountability, monitoring and effectiveness of investment and service delivery policies. The more a responsibility area is shared across different government levels, the greater clarity is needed to reduce duplication and overlaps.
- Clarity does not mean that shared responsibilities should be avoided, as this is by definition impossible. It means that the way responsibilities are shared should be explicit, mutually understood and clear for all actors, including citizens
- The way different responsibilities across policy areas are decentralised should be
- balanced.



Guideline 1. Clarify the responsibilities assigned to different government levels (OECD, 2019, p. 142)

Checklist used (in 3 columns): Yes, Partially No

Legislative powers of various orders are clearly demarcated by:

- Constitution
- National legislation
- Other (executive orders, agreements)
- All of the above?

For shared functions, is there clarity in the division of powers:

- Who sets the policy
- Who decides on the standards
- Who is responsible for oversight
- Who is responsible for financing
- Who is responsible for service provision
- Who produces the service
- Who monitors and evaluates service delivery

How do citizens provide feedback For each of the shared functions and sub-functions, are there institutional mechanisms in place for:

- Consultation/co-ordination
- Burden sharing

Conflict resolution Sub-functions within each function are decentralised to a similar extent

Subnational governments are empowered to pursue integrated approaches to local economic development

There is a separation of decision making for capital and operating expenditures

The authority to hire, fire and set terms of reference and day-to-day management/supervision for own employees rests at the same level for each function

There a separation of decision making among various levels on planning, policy, finance and provision for each function