DECENTRALIZATION IN PUBLIC ADMINISTRATION

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Preface

The Quest

The general theme of my dissertation is decentralization in public administration. I departed from this topic when searching for specific objects of study. While my interest in decentralization in public administration relates to all three dissertation papers, they differ considerably in research questions and methodologies. This diversity in perspectives has largely been driven by my eagerness to exploit a competitive advantage of a PhD in Business Administration and Management, with its relative openness to both qualitative and quantitative approaches.

Before embarking on my doctoral studies at Bocconi University, I obtained some background in the topic of decentralization, in health care, co-authoring a book chapter while working at the European Observatory on Health Systems and Policies in Madrid. After the first of two years of intensive methodological and theoretical course work in Milan, I spent two summer months at the International Centre of Policy Studies (ICPS) in Kiev, reading about decentralization in sectors beyond health care.

It did not take long before I agreed with several scholars that the literature is far from consistent in assigning a meaning to decentralization. Papers that address this issue, hardly perform systematic comparative analysis of the term's usage. My first paper creates the order I needed as a point of departure for my dissertation. Not by imposing any superior meta-definition, but by taking a more positive approach in carefully mapping and analysing a wide range of definitions and typologies encountered in the literature. Extensive feedback by, in total, five anonymous reviewers -and by my tutor of course- helped me greatly in improving this paper. Most importantly, I came to

realize that the observations for the concept of decentralization say something about the use of concepts in the field of public administration in general.

The 2007 European Group of Public Administration (EGPA) conference in Madrid served as testing ground, presenting broad ideas for my dissertation papers. Feedback by the audience, both at the PhD pre-conference and at the Study Group on Intergovernmental Relations, helped me identify exciting issues. Subsequent conversations with a great number of people who all kindly took the time to speak with me, further advanced my ideas. These include faculty members at Bocconi University (mostly at IPAS), listeners to my presentation at the European Centre for Social Welfare Policy and Research in Vienna, and many others.

In particular, I found that certain specific negative policy outcomes re-appeared consistently in empirical evaluations of decentralization policies, regardless of context and era. It is interesting that these problems remained basically the same after so many decades of, well-documented, experiences with decentralization across the globe. Most notably this observation applies to two issues: disequilibria between resources and responsibilities, and indistinctively divided powers and responsibilities. I focus on the last.

Feedback while presenting this second paper at the 2008 European Academy of Management (EURAM) conference in Ljubljana, in particular by Andrej Rus (University of Llubljana), helped me in developing the theoretical argument. Presenting it at a later stage as an IPAS/DAIMAP seminar for Bocconi University faculty members, further triggered comments and valuable hints on how to improve the paper.

For my third paper, initially, I intended to study the explanatory mechanisms behind Polish local government tax-setting policies. Pawel Swianiewicz (Warsaw University) kindly shared databases and knowledge with me. Guido Tabellini (Bocconi

University) also provided me with feedback and helped me find my way in the literature. Qualitative data collection for my second paper, and the six months I was able to spend in Krakow thanks to Jerzy Hausner (Krakow University of Economics), allowed me to discuss my ideas for this third paper with people directly involved.

Before moving to Poland, my persistence in taking this part of Europe as the geographical context of my research was frequently countered with the argument that it would be close to impossible to conduct interviews in a country of which I did not even speak the language and initially had no contacts at all. The Dutch embassy in Warsaw kindly presented me with the idea to solve this issue by using Dutch-Polish city links. It worked. I am grateful to the Dutch and Polish counterparts of these links, and came to realize that such city linkages create valuable cultural bridges.

Long conversations with public officials, both on-the-record and off-the-record, not only provided me with the data for the second paper. In addition, this research effort gave me a better idea of relevant topics for the third paper. In particular, the division of EU funds –partly decentralized to the regions– was perceived to be of major relevance. Local officials were concerned that fund assignment depends both on personal contacts, based on former places of residence of fund assigners, and on political party connections. I decided to leave my initial tax-setting idea for potential future research and to focus on this rather practical, different public finance issue. Nevertheless, there resulted to be considerable overlap in literature and data requirements.

Months of intellectual struggles, visits to an enormous number of governmental and non-governmental institutes in Poland, and conversations with Polish researchers followed. Marta Mackiewicz (European Institute of Public Administration, EIPA) was particularly helpful. In the end, I identified and obtained the necessary data to make a decent analysis. Feedback at later stages by Katarzyna Kopczewska (Warsaw

University), and by audiences while presenting draft versions as a paper at the 2008 International Conference on Business and the Economy (ICBE) in Constanta, helped me in fine-tuning the argument. Presenting the study as a seminar at Warsaw University's Faculty of Economic Sciences and for a critical audience at Kozminski University, further improved the analysis.

The Result

In short, all my three dissertation papers originate from my interest in decentralization in public administration, but only the first deals directly with this topic. The second paper takes a closer look at an issue often associated with decentralizing reforms, and explores the structural particularities of decentralized, fragmented administration. The third paper does not examine the outcomes or antecedents of decentralization directly. Nevertheless, it focuses on the distribution of public funds in a decentralized setting, with relatively powerful local governments as beneficiaries, and overarching levels of government as fund assigners.

The Support

Throughout the whole process, Giovanni Fattore frequently pulled me up from micro-level struggles and helped me focus on the big picture. He facilitated progress at pivotal moments. I am grateful for the hours he spent with me on the phone, and for not blocking his email account for my spam. My gratitude also goes to Elio Borgonovi, Andrzej K. Koźmiński and Edoardo Ongaro for their extensive feedback. I further want to thank Andrzej K. Koźmiński, Dorota Dobija and Lilija Harmoza, for giving me the

opportunity to teach at Kozminski University. As these courses relate to my research, they stimulate me greatly to get deeper into the literature. I am also grateful to Grzegorz Kula from Warsaw University's Faculty of Economic Sciences, who kindly allows me to attend his inspiring weekly research seminars, and took the time to comment on my work.

The highly intensive two years of course work at Bocconi University provided me with the necessary background. In particular, I want to thank Alfonso Gambardella and Gianmario Verona. Stefano Brusoni and Gianluca Carnabuci were very helpful with their feedback on my work. I am also grateful to Dora Zacchetti, Nicola Scalzo, Jacqueline Fuchs, and Gualtiero Valsecchi, for their support. Furthermore, I want to thank my former employer, Richard Saltman (Emory University). He broadened my perspectives and taught me a great deal about research during the three and a half great years I worked with him.

While many go unmentioned, some further academic acknowledgements are included in each paper separately. Besides, a hugely supportive group of international friends made the whole process more enjoyable. Finally, my greatest gratitude goes to my parents, Henri F. Dubois and Elseline J.M.M. de Maar. They should both get a medal, not least for their volunteer work: my father performing -mainly- cataract operations in the poorest parts of the world (two thousand, and counting), and my mother contributing to the community in numerous institutionalized (from UNICEF fundraising for years, to neighbour conflict prevention nowadays) and informal ways. I am most grateful for their support and inspiration, and for their patience with their son's somewhat unconventional career path, and discovery of Europe.

Contents

Definitions and typologies in public administration research: the case of decentralization[1]

[1] The study benefited from feedback by participants of the European Group of Public Administration (EGPA) 17-22 September 2007 conference, in Madrid. We also want to thank Carol Weissert and reviewers who helped us improve this paper. The author bears sole responsibility.

Abstract

The field of public administration knows many concepts. By focusing on one such concept, this research shows how definitions can be deceptive, and how typologies unable to capture all dimensions of a concept can blind policy makers and researchers. We concentrate our attention on decentralization. This has been a core concept in the field of public administration for decades. Definitions and typologies of decentralization have flourished. The present study gives an overview. We categorize definitions and analyse their different emphases. Typologies serve to order and compare items, but have themselves become prone to disorder. We provide a meta-analysis of typologies, exposing the wide variety of policy dimensions. Even after aggregation, typologies ignore -and definitions explicitly exclude- certain aspects of decentralization. One such issue is 'silent decentralization'. It is characterized by absence of explicit decentralization reform, and thus distinguishes itself mainly by its potential origins: network changes, initiative shifts, policy emphasis developments, or resource availability alterations. Highlighting this particular aspect might well proof useful for other concepts in the field as well.

Key words: decentralization, definitions, typologies, silent decentralization

Introduction

Concepts play an important part in the field of public administration. In order to illustrate the importance of carefully analysing the consistency of definitions and comprehensiveness of typologies of these concepts, we focus on a core concept in the field: decentralization. Decentralization in its broadest interpretation has been a topic of debate for centuries (Pollitt, 2005). Nevertheless, scientific interest in the concept increased in particular during the decades following World War II (WWII). Three important elements of modern history drove this development. First, the war itself resulted in an expanded scope of governmental presence and concentration of powers (Jun & Wright, 1996). The gain of interest in decentralization during the 1950s can be seen as a direct counter-reaction to this (Furniss, 1974). Second, colonies of western European countries generally had highly centralized, controlling governments. These governments were dismantled in favour of lower levels of government during the area of decolonization, in the 1970s (Rondinelli, Nellis, & Cheema, 1983). Lastly, the collapse of the Soviet Union in the early 1990s further fueled the decentralization debate (Bird, Ebel, & Wallich, 1995). Enhanced involvement of international organizations and consultants, and the general surge in policy research, stimulated documentation of these efforts. This third element concurred with the surge of a paradigm that emphasized the benefits of market mechanisms, and closely followed the de-bureaucratization in the business sector. In European public sector research, this development is represented largely by the "dominant management ideology of our time", New Public Management (NPM). (Pollitt, 2005, pp. 371-372). Decentralization further constituted a core principle in the intellectual 'reinvention' of US government (Osborne & Gaebler, 1993). This interrelated concurrence in the early 1990s of

intellectual and -related- historical factors culminated in a spike in theoretical and practical interest. Simultaneously, decentralization definitions and typologies flourished. Now the storm has calmed a little, it is a good moment to look back for a review.

The current study provides an overview of different definitions of decentralization presented in the literature. We contrast and analyse their different components, and present a categorization according to their main distinguishing emphases. Next, we present all the different decentralization typologies that we encountered. After analysing their differences and similarities, we decompose them and code their different dimensions and sub-dimensions. Subsequent regrouping and identification of emergent focus areas, results in an integrated classification.

This research effort is relevant from several perspectives. Firstly, analyzing carefully the wording of a broad range of definitions, stimulates conceptual consistency in decentralization research. Here we follow Barzelay's (2001, p. 13) guideline for public administration scholars' argumentation about public management policy "...to take the semantics seriously". This is essential for "clarifying disagreement and cumulating insights". Secondly, after Fesler's (1965) call for awareness of decentralization's various dimensions, typologies have flourished. Typologies create order, but, with their surge, they became prone to the risk of disorder themselves. Our meta-analysis intents to restore order. Furthermore, this analysis of different decentralization typologies, should stimulate researchers to position themselves along the multidimensional space of decentralization. Decentralization along one dimension could be related to one set of causes and effects, and decentralization along another dimension could relate to a different or opposite set of antecedents and outcomes. Researchers who do not explicitly look at each dimension or haphazardly aggregate

dimensions will mismeasure the type and degree of decentralization. (Schneider, 2003) And, by mapping different aspects of decentralization, we stimulate policy makers to consider a broad range of options.

We draw on a wide range of publications in public administration, but we also include some specific well-known decentralization references from other fields. In particular, from organizational science (e.g. Mintzberg, 1980; Pugh et al., 1963) and political science (e.g. Treisman, 2002). Such cross-fertilization is argued to contribute to a better understanding of decentralization (e.g. Hutchcroft, 2001). Nevertheless, we restrict our synthesis and conclusions to public administration. While it is unrealistic for this review to be exhaustive, our review focused on articles from after WWII, in 23 journals (see Appendix 1 for a full list). Mostly in the fields of public administration, management and policy. We included some prominent journals in economical, political and organizational sciences. We looked for the term 'decentrali(s/z)ation', but also searched for related terms such as 'delegation'. When definitions were cited from other sources, we searched for the original publication.

Lastly, our study cautions that definitions might exclude potentially important aspects of decentralization, and that typologies are far from comprehensive. We show this by highlighting a type of decentralization that has been ignored: silent decentralization. We argue lack of awareness of this type of decentralization to be potentially harmful, and briefly discuss its main distinguishing characteristic: its origin.

Analyzing Decentralization Definitions

While frequently left undefined (Pollitt, 2005)[2], decentralization has also been assigned many different meanings (Reichard & Borgonovi, 2007), varying across countries (Steffensen & Trollegaard, 2000; Pollitt, 2005), languages (Ouedraogo, 2003), general contexts (Conyers, 1984), fields of research[3], and specific scholars and studies.

Different definitions serve different purposes. Definitions focusing on particular elements listed in Figure 1, serve well for the specific contexts of the respective studies. The nuances we provide are not always relevant for particular studies. Furthermore, while differences between definitions might sometimes just be a matter of unintended choice of words, our attempt is aimed at enhancing precision. Different words can imply very different things. Taking the semantics seriously is argued to be essential in clarifying disagreement and cumulating insights (Barzelay, 2001).

While it is unrealistic to be exhaustive, we classify forty different definitions encountered in the literature (see Appendix 2).[4] Figure 1 gives an overview of the distinguishing elements that emerged from our analysis. In the analysis that follows, we highlight only some definitions that are representative for the particular group.

[2] This was confirmed by our review, and is common for other concepts in the field as well. Examples include coordination (Peters, 1998), accountability (Dubnick, 2005), and patronage (Bearfield, 2009).

[3] In public sector research decentralization tends to be treated as an over-arching term of which devolution is a sub-group. Nevertheless, in public and private human resource management literature, devolution and decentralization are generally seen as mutually exclusive concepts (e.g. Hall & Torrington, 1998; Lonti, 2005), and in federalism literature (e.g. Keman, 2000), decentralization (the right to act) tends to be distinguished from federalism (the right to decide).

[4] We are not the first to make an inventory of decentralization definitions (e.g. UNDP-Government of Germany (1999) list definitions used by the United Nations, and Yuliani (2004) lists all definitions used in papers at a conference).

Figure 1 Main distinguishing emphases in decentralization definitions

- Dynamics
    1. Static
    2. Dynamic
- Content
    1. Power
    2. Formal authority
    3. Responsibility
    4. Functions
    5. Resources
- Receiving entity
    1. Sub-national government
    2. Larger number
    3. Periphery
    4. Autonomous entity
    5. Vicinity to individual

Dynamics

'Decentralization' is an ambiguous word. It can signify the state of being decentralized or the process of becoming so (Fesler, 1965; Prud'homme, 2003; Treisman, 2002). This dichotomy of a dynamic process versus a static state point of view, reflects the first element in which definitions differ. The process of decentralization of public administration refers to decentralization as a reform, and the state of decentralization refers to decentralization as a structure.

Several of the dynamic definitions explicitly refer to decentralization as a 'process'. For example: "... the process of spreading out of formal authority from a smaller to a larger number of actors." (Ongaro, 2006, p. 739). Nevertheless, most speak in terms of 'transfer', 'spreading out', 'dispersion', 'moving', 'placing', 'shifting', 'devolution' or 'delegation'. For example: "...any transfer of powers or functions of government from national level to any sub-national level" (Conyers, 1981, p. 108). Static definitions use words such as 'range', 'degree' and 'extent'. A typical example is

Bossert's (1998, p. 1514) definition of decentralization: "... the range of choice that is available to local decision-makers along a series of key functional dimensions."

In general, the dynamic definitions are worded as follows: "... *of* ..." (content) "*from ... to ...*" (direction). The only structural difference with static definitions is that the second part is situational ("... *at* ...") rather than directional. We will subsequently discuss the content and directional elements.

Content

The wording used for the content element of the definitions is generally in terms of authority, responsibility or power. We analyse the meaning of these terms. Authority can be seen as legitimate power (Zartman, 1995). Somewhat differently, Fayol (1949, p. 21) defines authority as "... the right to give orders and the power to exact obedience". Aghion and Tirole (1997) take again a different perspective and distinguish between two types of authority: formal and real. They define formal authority as 'the right to decide' and real authority as 'the effective control over decisions'. Generally, scholars seem to agree that 'power' is an over-arching term that can imply both legitimate power and the more informal means by which individuals pursue values, interests and goals that may diverge from the formal structures of authority (Rudolph & Rudolph, 1979). Some definitions restrict decentralization to formal powers, which amounts to the concept of authority as defined by Zartman (1995). For example: "...decentralization involves the spreading out of formal authority from a smaller to a larger number of actors" (Pollitt et al., 1998, p. 6). Parkins (2006) argues that decentralization implies a clear delegation of authority and refers to other situations as 'de-centered' forms of public engagement. Meyer-Emerick, Mothusi, and Molaodi (2004, p. 231) similarly

state that "using the term decentralisation implies that sub-districts have legal authority, their own source of funding and that their responsibilities are permanent." Other definitions explicitly refer to power that goes beyond formal authority: "... a process of transferring or "devolving" power and authority from large to small units of governance." (McGinn & Street, 1986, p. 471)

Decentralization is frequently defined in terms of 'responsibilities': "...placing responsibility for program operations and decisions at the level closest to the public consistent with effective and responsible performance" (Ink & Dean, 1970, p. 61). How does this concept relate to power and authority? Responsibility differs from power and authority in that it is relatively outcome-based. The source of responsibility can both be internal (feeling responsible) or external (being held accountable).

In several definitions, the type of power, authority or responsibility is specified: decision-making, spending, planning, management, distribution, determining service provision level and quality, or use of resources.[5] For example: "The transfer of formal responsibility and power to make decisions..." (Vrangbæk, 2007, pp. 45-46). But most notably, definitions often stress decentralization of resources or functions, or both. An example of the first includes: "the process of delegating power and responsibility concerning the distribution and the use of resources..." (Zajda, 2004, p. 8). And of the second: "Decentralization means the devolution of functions of state to autonomous territorial governments that can act, within the scope of decentralized functions, on their own behalf, without recourse to higherstanding authorities." (Illner, 1998, p. 9) Resources and functions can be seen as elements of power and responsibility. Resources or functions themselves are not decentralized, but the power over, or the responsibility

[5] Several definitions subsequently state the functional area: basic education, or, more generally, public functions. Naturally, this is specific to the study's context.

for their management. Nevertheless, we include them separately in Table 1 to highlight different emphases.

Receiving Entity

Usually the transferring entity referred to in the definitions is limited to the central government of a country (central government, national level, or centre of a country): "... the transfer of powers from central government to independent subnational government" (Prud'homme, 1994, p. 2). Provinces are mentioned rarely (e.g. Roche, 1973). This can be explained by the studies' contexts, characterized by transfer of authorities and responsibilities away from powerful central government. There is more diversity in the descriptions of the receptive party, with some more general ('subordinate governments', 'authorities closer to the users') and some more specific ('local government', 'special statutory bodies'). So, we decided to include the 'receiving entity' as a major distinguishing factor for definitions.

Some definitions refer to the receiving entity as 'a larger number of actors' (e.g. Pollitt et al., 1998). These studies generally focus on vertical decentralization to lower levels in the hierarchy and less on decentralization from a powerful ministry or department to one other entity at the same level. Other definitions stress receiving entities to be autonomous (e.g. Illner, 1998) or speak in terms of 'the periphery' (e.g. Carney, 1995). Several definitions put emphasis on democratic aspects of decentralization to entities close to the individual: "... shifting as much power as is compatible with the national interest to provincial levels of government and from provinces to the municipalities." (Roche, 1973) Often, studies refer to local government as the receiving entity. This tendency brings together both the common emphasis on

levels lower in the hierarchy (vertical decentralization) and on empowerment of entities close to the individual.

Integrating Decentralization Typologies

Listing Typologies

Decentralization has often been dealt with as if it were a unidimensional concept. Naturally, this is a simplification. Ever since Fesler (1965) noticed this, typologies have flourished. Typologies provide a means for ordering and comparing items, and for clustering them into categorical types without losing sight of the underlying richness and diversity that exist within the type (McKinney, 1966). Table 1 presents an overview of the various decentralization typologies we encountered in the literature.

When analyzing the results of our literature review, we should handle the labels of different dimensions with caution. For example, political decentralization as defined by Cohen and Peterson (1999), Falleti (2005), and Pollitt (2005) implies the receiving sub-national government entity to be elected. In contrast, Furniss (1974), Litvack, Ahmad, and Bird (1998) and Smoke (2003) are more result-oriented as their definitions of political decentralization comprise the actual reflection of democratic preferences. Benz' (2002), Porter and Olsen's (1976), and Jun and Wright's (1996) definitions of political decentralization focus instead on the legal, formal transfer of power to autonomous bodies or general purpose officers. Hutchcroft (2001) sees the distinction between administrative and political (de)centralization (argued to be two continua) as a more fundamental separation of disciplines. Another concept that shows variety in

definitions, is fiscal decentralization. Falleti's (2005) definition of fiscal decentralization refers to revenues, whereas expenditures fall under his category of administrative decentralization. Other definitions of fiscal decentralization refer to decentralization of both revenues and expenditures (e.g. Livack et al., 1998).

Table 1 Decentralization typologies

Typology	Reference
Economic (industrial, regional economic planning), Administrative (administrative/ Internal, administrative/Spatial, administrative/Functional), Political (legislative, corporate, millennial)	Furniss (1974)
Administrative, Political	Porter and Olsen (1976)
Vertical vs. horizontal, Selective vs. Parallel	Mintzberg (1980)
Deconcentration, Delegation, Devolution, Privatization	Rondinelli, Nellis, and Cheema (1983)
Inter-governmental/Political , Management	Devas (1997)
Fiscal, Political, Administrative	Litvack, Ahmad, and Bird (1998)
Functional, Territorial	Conyers (1984); Bray (1999)
Political, Spatial, Market, Administrative	Cohen & Peterson (1999)
Decentralization by default, Privatization, Deconcentration, Fiscal decentralization, Devolution	Manor (1999)
Structural, Decision, Resource, Electoral, Institutional Treisman (2002): vertical, decision-making, appointment, electoral, fiscal, personnel	Treisman (2000)
Political decentralization, Administrative decentralization, Administrative deconcentration	Benz (2002)
Fiscal, Institutional (local and intergovernmental), Political	Smoke (2003)
Big push vs. small steps, Bottom up vs. top down, Uniform vs. Asymmetric	Shah and Thompson (2004)
Administrative, Fiscal, Political	Falleti (2005)
Political/Administrative, Internal/External, Non-competitive/Competitive, Basis of division (territory/function/process/target group)	Pollitt (2005)

Besides these inconsistencies regarding the fiscal and political decentralization labels, the spectrum of interpretation and proposed inter-relatedness concerning the concepts of deconcentration, delegation, devolution and decentralization is also rather broad. Illner (1998) approaches deconcentration and decentralization as two different categories, and equates decentralization to devolution. Pinto (2004) makes a similar distinction, with decentralization and deconcentration respectively characterized by downward and upward accountability. Lundquist (1972) similarly states that genuine decentralization differs from mere deconcentration in that the agencies at the subsociety

level are primarily directed by, and responsible to, the political subsystem of that subsociety. In contrast, Rondinelli, Nellis, and Cheema (1983) define deconcentration and devolution, along with delegation and privatization, as sub-types of decentralization. They define devolution as "the creation or strengthening--financially or legally-- of subnational units of government, the activities of which are substantially outside the direct control of the central government." Deconcentration merely refers to handing-over some administrative powers to some lower level within a ministry or agency. Dixon (1996) takes even another approach by distinguishing decentralization ('the redistribution of functions or tasks from central units in the organization to more widely dispersed units') from decision-making devolution ('the transferring of decision making capacity from higher levels in the organization to lower levels'). Especially in the UK context, the debate is often held in terms of 'devolution', sometimes using these terms interchangeably without any reference to their meaning. Flynn (2001) discusses the transfer of powers to UK countries largely in 'devolution' terms, but refers to the management of individual units as being 'decentralized'. (p. 19 & 27). When dealing with financial management, he seems to limit his discussion of 'decentralized financial management' to 'devolved financial management to the operational level' (pp. 244 & 252). Initially, the reason for 'devolution' to have been the predominant term of usage in UK literature, described what was actually happening in the UK, as defined by e.g. Rondinelli et al. (1983): the creation of subnational units of government whose activities are substantially outside control of central government. Nevertheless, the term spread, and -as we saw above- became frequently treated as a synonym for decentralization, mainly in UK literature.

Furthermore, it should be noted that the selection of categories is deeply influenced by the particular background researchers have in mind. Rondinelli, Nellis,

and Cheema's (1983) World Bank study identifies four points across a continuum from deconcentration to privatization (Jamil, 2006). These specific points are illustrated by real-life examples from developing countries. The typology is focused on the amount of leverage central governments maintain. This is indeed a very appropriate framework for the privatization context of World Bank activities in developing countries. Nevertheless, Rondinelli, Nellis, and Cheema's typology focuses less on other aspects of decentralization such as on what is being decentralized and on horizontal decentralization within different ministries at the central level. Or, Shah and Thompson's (2004) typology very aptly describes different process dimensions of decentralization, observed in developing countries. These dimensions seem to have been selected as they provide important explanations of why results turned out differently in specific contexts. This is highly relevant to the cross-country focus of international developmental workers who try to understand why in various countries decentralization reforms have different effects.

Emerging Meta-typology

With the surge in their prevalence, decentralization typologies have themselves become prone to the risk of disorder. So, we analyze and decompose the different typologies, relate them to each other, and classify them into different emerging categories.

Several relations between different typologies have been suggested in the literature. Most integrate the deconcentration-delegation-devolution dimensions with some other typology. For example, Meloche, Vaillancourt, and Yilmaz (2004) suggest the fiscal dimension of decentralization to encompass the three related processes of

deconcentration, delegation, and devolution. Silverman (1999) argues that top-down 'principal-agency' and bottom-up 'principal-agency' complement the distinction between deconcentration, delegation and devolution. Hutchcroft (2001) argues that the field of public administration significantly contributed to highlight a clear distinction between two major types of the administrative dimension of decentralization: deconcentration and devolution. Falleti (2005) distinguishes between different types of authority devolved, but recognizes that another dimension could be added: the *degree* of authority devolved, according to Rondinelli, Nellis, and Cheema's (1983) typology.

These are all valuable, but partial attempts to relate the different typologies to each other. We intend to pursue a more comprehensive approach by integrating all typologies listed in Table 1. Nevertheless, as we saw in the preceding section, the use of labels for specific dimensions has been far from consistent. Thus, it is deceptive to just categorize the types of decentralization according to these labels. We address this issue by treating each dimension and subdimension identified in Table 1 as a specific case, using their specific definitions extracted from the respective references. After decomposing the typologies, we coded and classified each (sub)dimension separately. We thus follow the 'extensional classification' logic described by Marradi (1990). An operation of this family, groups items into subsets. The predominant criterion is to maximize homogeneity within classes and heterogeneity between classes. Within the classes, subcoding creates lower levels of generality when appropriate.

We categorized the decomposed dimensions and subdimensions under obvious headings '(to) whom' and '(of) what', respectively corresponding to the direction (or situation, in the static case) and content dimensions (e.g. Prud'homme, 1994). Furthermore, we applied a third heading stressing process dimensions ('how'). Next, we grouped all (sub)dimensions under these headings and took an emergent approach in

sub-categorizing these dimensions.[6] (Appendix 3) This classification effort of decentralization dimensions and sub-dimensions was not an easy task. Typologies often imply several dimensions simultaneously. Furthermore, proposed categories sometimes overlap. For example, 'to whom' something is decentralized can also say something about what powers were decentralized (e.g. to an autonomous, elected body vs. to an executive regional office of the national government). We decided to treat emerging subgroups as main dimensions rather than sub-dimensions of the directional-content-process trichotomy. The trichotomy only served as a starting point.

Naturally, alternative classification schemes would be possible. For example, according to the underlying causes or rationale of decentralization policies, or according to the effects of such policies. Nevertheless, the literature generally does not deal with such issues in terms of 'typologies', so we decided not to do so either. Figure 2 gives an overview of the collapsed typologies. It should be noted that classification schemes, typologies and taxonomies do not make assertions and therefore cannot be judged true or false (Scheffler, 1967). As concepts, they are tools for conferring organization and stability on our thoughts about reality (Kemeny, 1959). Marradi (1990, p. 148) argues that classification is essential, but preliminary, to knowledge. He compares it with familiarity of a certain language: "... is that familiarity knowledge, or just a preliminary to knowledge of the statements that can be made in that language?"

[6] Static dimensional definitions are most prevalent under the content ('what') heading, and naturally absent under the process ('how') heading.

Figure 2 Collapsed typologies

- Resource autonomy (degree)
  - raising (base, rate)
  - spending
- Managerial autonomy (degree)
  - administration
  - provision
  - planning
- Democratic representation (degree)
  - elected vs. non-elected
  - direct decision autonomy vs. indirect influence decision making
- Horizontal, functional vs. Vertical, geographical (dichotomy)
  - non-governmental
  - governmental
- How? (discretionary)
  - sequence
  - pace
  - initiating entity

Within the 'what' (content) heading, dimensions could be categorized in two different groups: a) resource autonomy, and b) administration and delivery of services. These are interrelated and closely connected to the extent of decentralization ('how much'). A term which is often used in relation to resource autonomy is 'fiscal decentralization'. Nevertheless, to avoid confusion, and for consistency with our other dimensions, we stick with 'resource autonomy'. One sub-dimension is the autonomy in matters of raising resources: e.g. setting rates and determining the base (OECD, 1999). The other sub-dimension refers to spending autonomy: the extent to which lower levels of government are bound by allocation rules from above (e.g. Bankauskaite, Dubois, & Saltman, 2007). Also with regard to managerial autonomy, several sub-dimensions can be distinguished. In how far is (merely) the administration of tasks decentralized? Does it involve responsibility for provision? And, to what extent do the sub-central governments have planning authority?

Within the '(to) whom' (situational or directional) heading, typologies focus on democracy. In some cases, it is difficult to fully disentangle this democratic aspect from

the content dimension. Also it is closely related to the extent of decentralization. A term which is often used here is political decentralization. But, as we saw above, this concept has been applied in rather diverse ways. We refer to this dimension as 'democratic representation'. It can include decision autonomy on the one hand, and -more indirectly- influence on higher-level decision-making by lower-level of governments on the other hand. Furthermore, in terms of the situational or directional dimension, another crucial distinction is between horizontal and vertical decentralization[7]: dispersion over different entities, or the transfer of power from higher to lower levels. Sub-dimensions include whether powers and responsibilities are decentralized to non-governmental entities with the same scope, or remain within government.

The above four dimensions could all refer to static aspects of decentralization. To stress the importance of dynamic aspects of decentralization reforms, we include the 'how' dimension such as it is. There was no predominant direction indicated by the decomposed dimensions categorized under this heading. Consequently, we maintain the general heading we used for categorization. Nevertheless, categorization did help us to identify sub-dimensions: sequence, pace, and initiating entity.

Discussion

Narrow and Deceptive Definitions

Naturally, definitions are restricted to the study's specificities. Nevertheless, in their focus on certain aspects, they carry the risk of over-looking others. For example, the variety of tropes in the core meaning of 'accountability', has resulted in

[7] While not using the term 'decentralization', Boyne (1992) similarly argues fragmentation and concentration both to vary vertically and horizontally.

"distractions, distortions and misunderstandings of the term and thus compromise both its analytic and practical usefulness in comprehending and conducting modern governance" (Dubnick, 2005, p.7). We express similar concerns for decentralization. Some definitions limit decentralization to informal powers. But it is not only decentralization of formal authority that matters, but also implications for informal power relations. When formal authority is delegated, but informally sub-national or non-governmental organizations just do what the decentralizing level of government wants, there is no de-facto decentralization. A consequence is that expected benefits are not reaped. If the real cause of such failures is not identified, miss-interpretation of scholarly evidence is inevitable. For instance, in Lithuania, in the late 1990s, responsibility over cultural heritage, transport and vocational schools, were formally transferred from the central government to counties. County administration structures had accordingly been adjusted to the management of these functions. Nevertheless, government ministries openly demonstrated their unwillingness to cede authority over such areas. A confusing mismatch between structures and actual power was the result (Beksta & Petkevicius, 2000). As we saw above, definitions also limit the decentralizing entity to the central government, ignoring for example regions. Secondly, definitions can be deceptive. They can suggest to take certain aspects into account, while in fact they are ignored in the respective study. An example: while definitions in dynamic terms prevail, it has often been noted that the actual content of studies largely ignores the dynamics of decentralization (Ongaro, 2006; Shah & Thompson, 2004). In general, our analysis of the elements of decentralization's definitions should stimulate researchers to carefully define decentralization. Furthermore, it should raise awareness of the implications of using a narrow definition.

Partial Typologies

Our effort to collapse decentralization typologies intends to enhance order. Furthermore, it highlights the numerous aspects of decentralization that should be taken into account when interpreting research findings and when formulating policies. Typologies have been derived from empirically observed situations. In biological sciences such a taxonomic approach is arguably superior. Nevertheless, in public administration, species (in our case: types of reforms -dynamic- or government structures -static-) change relatively frequently. Consequently, it is questionable to exclude historically infrequent types of reforms and (potential) reforms that might not have occurred in the context investigated. Such policy options may well be common, or could be considered, in other parts of the world, or in other eras. Even after our aggregation effort, typologization directs attention to certain aspects, but ignores others. While this does not need be problematic, awareness is essential. Bearfield (2009) shows how this applies for the term 'patronage', narrowing research attention to the pathological legacy of the past requiring condemnation and elimination, purely within context of a political party or machine.

Silent Decentralization

We identified a type of decentralization that is left largely uncovered by typologies and definitions. This potentially important dimension involves whether (de)centralization is an active reform, or whether it is passive or unintended, or both. Most definitions exclude this possibility explicitly by using active verbs such as 'transferring'. And a closer look at the few definitions that use more passive

denominations (e.g. 'shift' in Carney, 1995) reveals that in fact they restrict themselves to the active aspect. This is an important omission. While 'silent decentralization' does not involve active policies, it might call for their need. Firstly, reforms can have unintended consequences (Pierson, 2000). While this applies to active, intended reforms, obviously, it is inherently the case for unintended decentralization. Secondly, when decentralization occurs silently along a certain dimension, it is especially prone to cause misalignment with the surrounding institutional environment. When the level or type of decentralization do not concur with this environment, undesirable situations can be expected to arise. For example, Von Maravic (2007) showed that, in Germany, municipalities failed to adapt their audit systems to decentralized public service delivery. This misalignment is argued to have enhanced corruption at the local level.

Typologies help researchers and policy makers take into consideration various aspects of decentralization. As silent decentralization is left largely uncovered by existing typologies, we search to enhance awareness. In such endeavour, we focus on its origins. We decided to take this focus as, inherently, this constitutes the key distinguishing factor of silent decentralization. In-depth study of potential differences in its consequences as compared to other forms of decentralization, is left for further research. Subsequently, we identify four sources of silent decentralization:

1) Network changes

First we focus on the relations between individuals, on the spikes, connecting the nuclei of public administration. Changes in these relations can trigger (de)centralizing forces. Firstly, changes in political concentration through election results can entail such a force. For example, an election can cause more local government council members to

be affiliated with the same political party as members of higher levels of government. Such a development is likely to imply centralization of power. Power-lines do not only go through administrative arrangements, but also through party affiliation or personal contacts. Horizontally, network changes can also change the level of effective (de)centralization. One mechanism through which this may occur, is by means of changes in human resource management. For example, organizational culture could change from tolerating hand-picked appointments to more neutrality in recruitment. Hand-picked appointments tend to be accompanied by a system of mutual favours (Bearfield, 2009). Consequently, they create relatively strong (horizontal or vertical) network ties and thus effectively centralize (informal) power. Accordingly, development toward enhanced neutrality in recruitment, decentralizes power.

2) Initiative shifts

Rather than network links, the origin of silent (de)centralizing forces can also involve shifts in the role of the individuals themselves, the network's hubs. The personality of actors can affect concentration of power. Personality should be understood in broad terms, including sources of informal power such as intelligence, past service, moral worth, and experience (Fayol, 1949). Without formal changes in structure or policies, actors with a strong personality can be relatively powerful. This can apply to all levels of government. For example, leadership by local executives greatly enhances the power of local governments (Blair, 1998). Such leadership can be approached as trait, behaviour, power-influence, integrative or situational (Yukl, 2002).

Structural attention-enhancers can also come from outside. External forces can affect concentration of power in certain network hubs, and thus trigger silent

(de)centralization. An example is the changing role of media. Increased news coverage over the past decades, combined with the general attractiveness of the national leader for news items, has put these national leaders in the spotlight. Accordingly, informal (and formal) power of the head of government increased. It has for example been shown that such forces effectively concentrating power in the hands of the Canadian prime minister and a small surrounding group, bypassing cabinet and parliament (Savoie, 1999). Local governments in post-socialist Poland comprise another example. During the 1990s, "local government became stronger and more important not only because powers and funds were devolved, but also because they were able to use that opportunity and augment it through their own efforts." (Regulski, 2003, p. 206) In general, EU Structural Fund (SF) transfers made central and eastern European local governments familiar with concepts such as partnerships and link them to EU-wide policy networks. (Bruszt, 2005) Such up-skilling and professionalization effectively implies decentralization. (Mintzberg, 1979) Another external force that has had an impact on the role of network hubs, involves globalization. Local administrations become conscious of global influences. This makes them prepared to take innovative actions without the supervision of national governments (Jun & Wright, 1996). This last example is closely related to the next category of sources of silent decentralization, as it moves the level of analysis from the individual to government entities.

3) Policy importance development

When external factors trigger a radical or gradual change in policy area emphasis, this can imply effective (de)centralization without the presence of any explicit, active decentralization policies. An example again involves the case of Canada

(Breton, 2000; Pierson, 2000). Designers of the Canadian federation sought a relatively centralized form of federalism. Yet the Canadian federation is now less centralized than the American. While the Canadian federation left the provinces with sole responsibility for many minor activities such as social policy and economic management, these responsibilities became crucial long time after. Thus, without any active decentralizing policies, Canadian public administration became gradually more decentralized in these areas. On the other hand, Savoie (1999) suggests globalization to have gradually increased importance of foreign policy, and simultaneously the leverage of ministries involved. This added an important responsibility to the repertoire of the central government. In short, complex dynamics in the development of policy emphasis have mixed, decentralizing and centralizing, effects. Such dynamics fundamentally change the map of intergovernmental relations. Related, contingencies such as organizational size and task uncertainty also affect decentralization, according to bureaucratic and organic/mechanistic theories respectively, "but then has effects of its own" (Pollitt, 2005, p. 384).

4) Resource availability alterations

Power follows resources. When certain governmental entities become relatively wealthy without any active decentralization policies, this affects power of the respective entity. An unexpected increase in sub-national tax bases is an example of a force that increases leverage of sub-national governments. Such developments are especially influential when alterations concern unbound resources such as local tax revenue that can be used freely. Potential examples include a real estate boom or a multinational's decision to build a factory in a certain area. On the contrary, when sub-national

governments are 'starving', this enhances silent centralization as the respective government sphere might well be forced to look to the central level for new sources and to speed up action of change. When the central government is affected by sudden changes in resource availability, similar effects are at play. For example, the current massive EU SF transfers to central Europe in some cases have had a centralizing impact on government in new EU countries, regardless of the EU expecting and intending to encourage decentralization in candidate countries (Bruszt, 2007; Regulski 2003). The argument goes as follows. EU SF transfers concern significant shares of new member countries' GDP. All across the new EU member states, SF priorities are determined centrally, and only implementation within these priorities is left to sub-national entities. Furthermore, SF governance has been largely hierarchical, and enhanced flexibility in its management of the 2007-2013 cycle seems to have empowered especially central state authorities. So, the inflow of SFs has had an enhancing effect on the role of central government. As we saw above, there are also some, partly unexpected, forces that shift initiative to local governments. Net results are difficult to predict and differ from country to country. (Regulski, 2003; Bruszt, 2007)

Conclusion

This paper shows how definitions of important concepts in public administration can be deceptive. Carefully considering the meaning of a definition's wording and developing meta-typologies can stimulate systematic reflections and a more conscious use of those concepts. Our research illustrates this by examining a paramount concept in public administration: decentralization. Several post-WWII waves of interest in decentralization culminated in a spike of research during the last two decades. This

body of research produced a broad range of definitions and typologies of decentralization. Now the storm has calmed a little, it is a good moment to look back and carefully assess these definitions and typologies. Inevitably, over the next decades, new concepts will move to the spotlight in the field of public administration. This exercise should stimulate researchers to develop bundles of light that are well-aimed and bright.

Our analysis of decentralization's definitions highlights the importance to take semantics seriously when defining and typifying core concepts in the field (Barzelay, 2001). Being faithful to this guideline, enhances consistency in research and it helps to avoid mis-understandings. Many studies even left the concept undefined, assuming its meaning to be common knowledge. This is not uncommon in a field for which such concepts actually form the basic bricks. It applies to broader issues such as New Public Management as well (e.g. Hood, 1991). While the general structure of decentralization's definitions appears rather consistent, important differences in its components are highlighted. Definitions tend to approach decentralization as a dynamic reform where both formal and informal powers, and both responsibilities and powers, coincide. Furthermore, when dynamic, definitions often limit attention to vertical decentralization, usually from central to local governments. These trends differ both from the actual content of some studies and, especially, from practice. In general, as concepts develop, it is important to sometimes take a step back and assess their meaning. In particular, ambiguously defined, fashionable concepts can fall pray to practical misuse. In the end this is likely to take their potential benefit into discredit.[8]

[8] Dubois (2002) describes how over-usage of the concept of Total Quality Management transformed the positive utility attached to usage of the term as such to a negative one, discrediting the positive potential of valuable core ideas behind the words. Dubnick (2002) shows a similar fear for accountability: the fate of the concept is closely tied to the *use* of the word" (p. 10) "The more this rhetorical form is used" ... "the less credible the underlying concept seems." (p. 11)

Through, regular and critical assessment of a concept's meaning in academic debates, helps to avoid this from happening.

Next, we presented a meta-analysis of decentralization typologies. It should stimulate researchers and policy-makers to take different dimensions of decentralization into consideration. This contributes to avoiding ill-conceived policies, based on a representation of reality that does not capture important elements. Researchers should always keep an eye out for issues left uncaptured by seemingly comprehensive typologies. Such typological exercises also help to identify areas of research that received relatively little attention. Nevertheless, even a comprehensive meta-typology lacks potentially important dimensions. We show this by raising the issue of 'silent decentralization'. Its origin -as principal distinguishing factor- can lie in network changes, attention shifts, policy emphasis developments, and resource availability alterations. Arguably, the focus on active reforms is inherent to the study of public administration. So, decentralization might well not be the only issue in the field whose occurrence without explicit reform can be overlooked. This is important to realize, as the unanticipated surge of such issues is accompanied by unanticipated consequences.

Appendix

Appendix 1 Focus journals for literature search

Administrative Science Quarterly
American Political Science Review
European Journal of Political Research
Governance
International Journal of Public Administration
International Public Management Journal
Journal of European Social Policy
Journal of Policy Analysis and Management
Journal of Public Administration Research and Theory
Policy Productivity and Management Review
Policy Sciences
Public Administration and Development
Public Administration Quarterly
Public Administration Review
Public Productivity Review
Publius
Social Policy and Administration
The American Economic Review
The American Review of Public Administration
The Milbank Quarterly
The Policy Studies Journal
The Quarterly Journal of Economics
World Bank Research Observer

Appendix 2 Definitions of decentralization

Definition	Reference
Static	
Degree of decision-making authority at the top (reverse)	Pugh et al. (1963)
One organization is more decentralized than another comparable organization to the extent that similar decisions, of approximately equal importance in each organization, are made at a lower administrative level in the first organization than the second	Moran (1971)
Extent to which power over decision making in the organization is dispersed among its members	Mintzberg (1980)
Extent of decision-making authority that is delegated to the general manager of a subsidiary by corporate superiors	Gupta and Govindarajan (1991)
Range of choice that is available to local decision-makers along a series of key functional dimensions	Bossert (1998)
The amount of authority delegated to responsibility managers, measured in terms of their discretion to acquire and use assets	Jones and Thompson (2000)
A system for administering development in which communities of interest are recognised as having legal status [at the local level]. In what is called territorial decentralisation, this community of interests is the local government	Ouedraogo (2000) (cited in Ouedraogo 2003)
State recognition of the existence of autonomous local governments endowed with specific competencies and managed by autonomous bodies	Kiemde (2001)
Dynamic	
Moving something from a center to a periphery.	MacKaye (1951)
Transfer of authority over a given activity from a smaller to a greater number of individuals or groups. The greater number also implies being closer to the actual scene of operations.	Perkins (1964)
Placing responsibility for program operations and decisions at the level closest to the public consistent with effective and responsible performance.	Ink and Dean (1970)
Shifting as much power as is compatible with the national interest to provincial levels of government and from provinces to the municipalities.	Chapman (1973); Roche (1973)
Any transfer of powers or functions of government from national level to any sub-national level.	Conyers (1981)
Any transfer of the "authority to plan, make decisions, and manage public functions" (Rondinelli, 1981, 137) from the national level to any organisation or agency at the sub-national level.	Conyers (1983)
Any act in which a central government formally cedes powers to actors and institutions at lower levels in a political-administrative and territorial hierarchy	Agrawal and Ribot (1999); Mawhood (1983)
Transfer of responsibility for planning, management and resource raising and allocation from the central government and its agencies to: (a) field units of central government ministries or agencies, (b) subordinate units or levels of government, (c) semiautonomous public authorities or corporations, (d) areawide, regional or functional authorities, or (e) nongovernmental private or voluntary organizations.	Rondinelli , Nellis, and Cheema (1983)
Reversing the concentration of administration at a single centre and conferring powers on local government	Smith (1985)
A process of transferring or "devolving" power and authority from large to small units of governance. The smallest unit is the individual citizen, the atom of society.	McGinn and Street (1986)
Empowering employees, pushing decisions down from one level of government to another.	Osborne (1993)
Transfer of authority, or dispersal of power, in public planning, management, and decision-making from higher to lower levels of government	Mills (1994)
A process, a shift in the locus of power from the centre towards the periphery. Beyond this there is little consensus as to the meaning of the word. Some authors use it to refer to almost any move away from central government control, including privatisation. Here we take a narrower view. We focus on restructuring and changes in power relations within government. Decentralisation does not, however, imply that all power resides at the periphery. The centre still sets broad policy guidelines and goals and is responsible for coordination between decentralised units in addition to supplying certain key goods and services.	Carney (1995)
Transfer of powers from central government to independent subnational governments	Prud'homme (1994)
All efforts aimed at transferring decisionmaking power in basic education from the administrative center of a country (such as the central ministry of education) to authorities closer to the users (such as countries, municipalities, or individual schools).	Florestal and Cooper (1997)
Spread of power from higher to lower levels in a hierarchy	Aas (1997)
Devolution of functions of state to autonomous territorial governments that can act,	Illner (1998)

within the scope of decentralized functions, on their own behalf, without recourse to higher-standing authorities	
Devolution of resources and powers of the central state to local or private decision-making bodies	Ribot (1999)
Shifting authority over policies from the national to the local level	Bjørnå and Jenssen (2006); De Vries (2000)
To move or transfer power and planning decisions away from the single administrative center to other places, e.g., off loading some responsibility from over burdened organisation, bringing services closer to the people and thus improving efficiency and responsiveness	Standing Orders of the CDC (2000)
Devolution of power to independent sub-national governments (SNGs), which are given responsibilities for determining the level and the quality of service to be provided, the manner in which those services will be provided, and the source and types of funds to finance the delivery of those service	Steffensen and Trollegaard (2000)
Transfer of authority and responsibility for public functions from a central government to subordinate governments	Von Braun and Grote (2000)
The transfer of formal responsibility and power to make decisions regarding the management, production, distribution and/or financing of health services, usually from a smaller to a larger number of geographically or organizationally separate actors	Vrangbæk (2007)
Delegation of power or authority from the central government to periphery. In the study of politics: The extent to which power and authority are dispersed through the geographical hierarchy of the state, and the institutions and processes through which such dispersal occurs. The subdivision of the state's territory into smaller areas and the creation of political and administrative institutions in those areas.	Asante and Ayee (2008)
Shift in decision-making and spending power from central to regional and local governments	Campbell and Fuhr (2004)
Decentralization is the process of passing administrative authority to an appointed body	Pollitt and Bouckaert (2004); Von Maravic (2007)
The process of delegating power and responsibility concerning the distribution and the use of resources (e.g., finance, human resources, and curriculum) by the central government to local schools	Zajda (2004)
A process of state reform composed by a set of public policies that transfer responsibilities, resources, or authority from higher to lower levels of government in the context of a specific type of state	Falleti (2005)
Devolution by central (i.e. national) government of specific functions, with all of the administrative, political and economic attributes that these entail, to local (i.e. municipal) governments which are independent of the centre within a legally delimited geographic and functional domain.	Faguet and Wietzke (2006)
Transfer of authority on a geographic basis, whether by decentralization, (i.e. delegation) of authority to field units of the same department or level of government or by devolution of authority to local government units or special statutory bodies. (United Nations, 1965)	Joshua (2006)
Process of spreading out of formal authority from a smaller to a larger number of actors	Ongaro (2006)

Appendix 3 Collapsing typologies

1 TO WHOM:

1.1 Horizontal:

Functional separation of powers between parallel authorities or units (i.e. non-hierarchical) (B99)
Vertical/Horizontal is the center higher on some vertical scale than the actors to whom the packets of decentralized authority are distributed? (P05)
Horizontal (extent to which power flows informally outside this chain of line authority) (M80)
Selective (power is dispersed to different places for different decision processes) **vs. Parallel** (power over various decisions is dispersed to the same place) (M80)

1.2 Vertical:

1.2.1 Orgs

Internal/External within the organization, or to other (possibly new) organizations (P05)
Privatization transfer responsibility for functions to voluntary organizations or to private enterprises. (R83)
Economic (industrial) transfer of authority over public enterprises from political officials to a relatively autonomous board (F74)
Delegation transfers managerial responsibility for specifically defined functions to organizations that are outside the regular bureaucratic structure and that are only indirectly controlled by the central government. (R83)
Privatization handover of tasks formerly performed by state agencies to the private sector delegation of some responsibilities for development programs or projects to parastatal agencies (M99)

1.2.2 Lower levels of gov

1.2.2.1 ***Not necessarily elected***

Devolution creation or strengthening -financially or legally- of subnational units of government, the activities of which are substantially outside the direct control of the central government. (R83)
Administrative when a *politically independent unit* delegates some of its powers to subordinate levels *within its organization* (P&O76)
Inter-governmental/Political transfer of powers and responsibilities to elected local governments, which exercise a significant measure of local autonomy (D97)
Deconcentration dispersal of agents of higher levels of government into lower level arenas. (M99)
Administrative deconcentration delegation of central state functions to administrative bodies which are located on the sub-central levels of government but which are *part of the states' own administration* (B02)
Administrative decentralization concession of executive functions from the state to local administrative authorities *without the assignment of local elected bodies to decide autonomously* on the local conditions of action (B02)
Decentralization devolution of functions of state to autonomous territorial governments that can act, within the scope of decentralized functions, on their own behalf, without recourse to higherstanding authorities. (I98)
Deconcentration handing over some amount of administrative authority or responsibility to lower levels within central government ministries and agencies. (R83)
Deconcentration governmental functions are shifted downward within the hierarchical system of state bureaucracy, yet without weakening the vertical hierarchy of the system (I98)
Political (legislative) establishment of legislative units of smaller size or transfer of responsibility to subnational legislative bodies (F74)
S Structural number of tiers of government (T00)
Territorial decentralization allocation of powers to different tiers from the state bureaucracy to the organization (B99)
Vertical (extent to which formal decision making power is "delegated" down to the chain of line authority) (M80)
Political emphasizes the need for general purpose officers living in a specific area to coordinate governmental activities (P&O76)
Uniform (legal status of a constituent unit is the sole criterion used for assigning responsibilities) **vs. asymmetric** (constituent jurisdictions are allowed differentiated responsibilities due to political, fiscal or technical capacity considerations) decentralization. (S&T04)

1.2.2.2 Elected/Stress democracy

1.2.2.2.1 Decision autonomy

Political/Administrative from the central political level to other elected politicians (P05)
Political transfer of decision making power to citizens or their elected representatives (C&P99)
S Electoral method by which subnational officials are selected (T00)
Devolution transfer of resources and power (and often, tasks) to lower level authorities which are largely or wholly independent of higher levels of government and which are democratic in some way and to some degree (M99) **Political decentralization** locally legitimised bodies become competent to decide autonomously on the planning, financing and administration of their newly acquired executive functions. (B02)
Political is the set of constitutional amendments and electoral reforms designed to open new-or activate existing but dormant or ineffective-spaces for the representation of subnational polities. (F05)

1.2.2.2.2 Influence in higher-level decision making

Market creating conditions that allow goods and services to be produced and provided by market mechanisms sensitive to the revealed preferences of individuals (C&P99)
S Institutional concerns the degree to which subnational communities or their representatives have formal rights within the procedures of central decisionmaking (T00)
S Political ability of sub-national governments to understand and act on the needs and preferences of local people better than the central government (S03)
S Political extent to which political institutions map the multiplicity of citizen interests onto policy decisions (Inman and Rubinfeld 1997). (L98)
Political (millennial) hope for a better world to be achieved by more individual participation (F74)
Political (corporate) control by more people within an economically productive enterprise (F74)
Economic (regional economic planning) development of regional economic inputs into national planning efforts (F74)

2 WHAT (POWERS/FUNCTIONS):

S Decision scope of issues on which subnational governments can decide autonomously (T00)

2.1 Resource autonomy

S Fiscal who sets and collects what taxes, who undertakes which expenditures, and how any vertical imbalance is rectified (L98)
Resource how government resources (revenues, manpower) are distributed between central and subnational tiers (T00)
Fiscal refers to the set of policies designed to increase the revenues or fiscal autonomy of subnational governments. (F05)
Fiscal assignment of responsibilities, including sectoral functions, as well as the assignment of own-source revenues to sub-national governments (S03)
Fiscal decentralization fiscal transfers, by which higher levels in a system cede influence over budgets and financial decisions to lower levels. (M99)

2.2 Administration and delivery of services

Administrative (functional) transfer of administrative functions by problem (F74)
Administrative comprises the set of policies that transfer the *administration and delivery of social services* such as education, health, social welfare, or housing to subnational governments (F05)
S Administrative focused on the *hierarchical and functional distribution of powers* between central and non-central governmental units (C&P99)
S Administrative how political institutions, once determined, *turn policy decisions into allocative (and distributive) outcomes through fiscal and regulatory actions* (L98)
Management responsibility for the delivery of particular services being decentralized to the managers of service units (D97)

3 HOW (PROCESS):

Bottom up (initiative comes from citizens asking for more home rule) **vs. top down** (blue print by central government) (S&T04)
Decentralization by default when government institutions become so ineffective that they fail almost entirely to make the influence of central authorities penetrate down to lower level arenas, and people at the grass roots become heartily cynical about government - voluntary associations or nongovernmental organizations at lower levels sometimes step in to generate development projects. (M99)
Institutional (local and intergovernmental) administrative bodies, systems and mechanisms, both local and intergovernmental, which help to manage and support decentralisation (S03)

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Fragmentation and service delivery: how persistent ambiguities in the intra-governmental division of competences mediate through the policy cycle[9]

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Abstract

Fragmented government systems have often been associated with ambiguities in the division of responsibilities among different spheres of government. While theoretically often dismissed as 'Weberian obsessions', unclarities are frequently referred to by empirical studies as major source of co-ordination problems. In-depth studies about the mechanisms through which ambiguities might bring about such negative effects seem scarce. We intent to fill a part of this gap in the literature. In particular, we search to contribute to the understanding of how unclarities work through different stages in the policy cycle in producing rather persistent coordination problems in service delivery.

We start with a simple model to stimulate focused data collection. The proposed mechanisms are tested by process tracing approach. The model is given the chance to work out. The Polish setting is identified as an appropriate one. Data are collected mainly by in-depth interviews with public administrators. In particular, two policy areas are identified as relevant for our analysis: roads and education.

Past studies identify discrepancies between citizen perception of division of responsibilities and factual division, but leave the consequences of such external unclarities untouched. We find that these external unclarities interfere with the policy cycle in the issue identification, agenda-setting and feedback stages. Misdirected feedback prevent issues from being identified and from reaching the appropriate entity during feed-back stages. Unclarity in the division of responsibility also prevent issues from reaching the agenda once identified. Unclearly divided responsibilities thus create, and inhibit the correction of co-ordination problems. In contrast, during the policy formulation, decision-making and implementation phases, external unclarities play a

smaller role. Nevertheless, internal ambiguities create room for gaming and delay negotiation and re-negotiation processes, thus sustaining coordination problems, in particular lacunae. Furthermore, during the evaluation phase, unclarities facilitate blame shifting and credit struggles. While all the mechanisms above refer to unclarities in division themselves, interviewees often rather referred to the rationale behind certain divisions as unclear. Historical and political antecedents of such perceptions can be of complex nature, but the result is easier to observe: feelings of despair and resentment against the layer in power.

Simultaneously, these different types of unclarities contribute, through different paths, to tensions between respective spheres of government. These tensions, in turn, inhibit intra-governmental cooperation. Correction of unclarities requires such cooperation. Consequently, unclarities tend to lock themselves in, at least in the short term.

Our model only describes one mechanism within a hugely complex, political environment. It is important for public managers, forced to work with unclarities to have a better understanding of their consequences. By exposing some mechanisms, we hope to contribute to improved public sector management, open to flexible arrangements, but wary of harmful unclarities in the division of powers and responsibilities.

Key words: unclarities, division, fragmentation, intra-governmental, lacunae, coordination problems

Introduction

In truly decentralized systems, different spheres[10] of government are not dictated what to do. They are usually assigned responsibility for broad policy areas. Such fragmented[11] government systems are associated with ambiguity in the division of responsibilities among different spheres of government (e.g. Bird et al., 1995; Devas, 1997; Diaz Cayeros et al., 2003; Ngakan et al., 2005; Charbit, 2006; ICPS, 2006). In recent decades, tightly designed bureaucracies ran out of fashion (e.g. Hood 2002; Osborne & Gaebler, 1993). Obsession with clearly dividing detailed responsibilities is thus often approached with aversion. Theory suggests that ambiguity may trigger tailor-made divisions for specific regional circumstances (Ostrom, 1989; Kettl, 2006). Even if duplication of services results, this may have positive consequences such as increased system reliability (Landau, 1969). Good fences might well create good neighbours (Frost, 1914; Mieder, 2003), but cooperation and interaction naturally have great potentials for mutual benefit. Muddy boundaries might well contribute to this.

Nevertheless, there are reasons to believe that the theoretical literature has become overly detached from practice in bashing orderly hierarchies, discharging clearly divided powers and responsibilities as out-dated, military-style obsessions (cf. Ostrom, 1989; Hood, 1991; Osborne & Gaebler, 1993). Complex tax systems facilitate tax avoidance. Fussy investment packages lead to financial system collapse. Might clarity and simplicity have been overly marginalized during the last few decades? A vast body of international empirical evidence indeed consistently suggests there to be another side of the coin. In fact, all policy assessment studies we encountered, refer to

[10] Most studies use the term 'levels', but Sbragia (2007) argued it is more appropriate to refer to 'spheres'. Interviewees indeed were averse to the label '(higher/lower) level of government', perceiving it to imply hierarchy.

[11] The term 'fragmentation' is used in different ways in references in the field. It can e.g. refer to the fact of having a relatively high number of local governments (e.g. OECD, 2002), to overly dispersed responsibilities (normatively), or simply to decentralized government. We use the term in the last sense.

the real-life negative consequences of theoretically unfashionable unclarities in division of powers and responsibilities (e.g. Bertelsmann Commission, 2000; Martinez-Vazquez, 2001; Steytley, 2003; Ahmad et al., 2005). These harmful outcomes mainly concern coordination problems, such as lacunae, duplication of services, or incoherence (cf. Peters, 1998). Table 1 gives an impressionistic overview.

With one notable exception (Steytley, 2003), these studies do not examine the issue in-depth. It is largely unclear how ambiguities lead to these adverse effects. This lack of scientific attention is remarkable for such a prevalent and apparently potentially problematic issue. Such issues should not be ignored just because they are unfashionable.

Our intention is to fill part of this gap in the literature. Our principal research question is: how do unclarities in division of responsibilities among different spheres of government contribute to coordination problems? We take fragmentation for granted, thus ignoring its antecedents (see e.g. Hood, 2002)[12]. Furthermore, it is interesting that after decades of experience with decentralization, policy assessment studies keep referring to unclarities (and lack of local resources) as prevalent problems following decentralization. Such persistence suggests structural forces to be at play. Nevertheless, we leave explanatory mechanisms for the presence of unclarities for further research (see e.g. Dubois & Bega, 2007). Naturally, our focus is a detail in the working of public administration in a complex political environment.

[12] Hood (2002) argues that politicians delegate tasks in order to avoid blame. The effectiveness of such deliberate strategy depends on: 1) whether outcomes are malign or benign, and 2) whether blamers are sympathetic or vindictive. This fragmented structure is embedded in a complex, moderating political environment. Nevertheless, we focus on examining how unclarities can actually also contribute themselves to malign outcomes. We depart from a situation with decentralized, fragmented responsibilities, and thus ignore this design to be intentional or not.

Table 1 Empirical cases of indistinctively divided powers and responsibilities in a decentralized setting, by country case and study

Country	Sector	Powers / Responsibilities	Entities subject to unclear division	Reference
Bulgaria	Road maintenance, transportation, environment, water & sanitation services, education, health, social, welfare	Budgetary authority and responsibility.	Central and local governments.	Bird et al. (1995)
Estonia	Fire prevention	-	Local and central government	Mäeltsemees (2000)
France	General (some sectors)	-	General	Charbit (2006)
Indonesia	General	Functions and responsibilities.	Levels of government, and horizontal between different organizations.	Devas (1997)
Indonesia	-	Expenditure law unclear on assignments.	-	Ahmad et al. (2005)
Mexico	Water and sanitation, social services, etc.	Responsibilities and especially accountability, monitor and control mechanisms	Federal and sub-national government.	Diaz Cayeros et al. (2003)
Poland	Road maintenance	-	Central and local government. Ministry of Finance, the Ministry of Justice, the police and the Ministry of Health and Social Welfare—have an expanded network of regional offices.	Kowalczyk (2000)
Poland	General	Competences	Between regional administration and self-government	Ministry of Regional Development (2007)
South Africa	Health and education services	Funding and Delivery	Central and provincial governments	Ahmad et al. (2005)
Sulawesi	Forestry activities	Remit and responsibilities.	District, provincial and central government.	Ngakan et al. (2005)
Ukraine	General	Powers and responsibilities, especially quality of services.	Executive branch and local governments.	ICPS (2006)
Several transition countries	General	-	General	Martinez-Velasquez (2001)

Note: "-" = we did not find this information in the reference listed.

First we propose a simple theoretical model explaining how unclarities interact with the policy cycle and contribute to their own persistence. Next, we will argue why the Polish setting is a suitable study environment for getting a better understanding of the subject. Process tracing with ample room for the model to work out through emergent data interpretation, is identified as an appropriate approach. Methodologically, we draw mostly on in-depth interviews with public administrators, but triangulate the data in different ways. Results are presented. Two areas of service delivery where unclarities were particularly noticeable are further explored: roads and education. Lastly, data are interpreted and our initial model is being refined and expanded, and leading to some conclusions that can be of use for both researchers and policy makers.

Theory

While this research is mostly of an emergent nature, we depart from a, narrow, framework to explain how unclarities interact with the policy cycle and contribute to their own persistence. Starting from a framework allows for relatively focused data collection. Nevertheless, the model should be given the chance of working out (Miles & Huberman, 1994).

As usual with concepts in public administration research[13], coordination has been assigned many different meanings. To avoid the problems associated with this property of concepts in this field, we explicitly limit ourselves to Peters' (1998) perspective on coordination as an end-state rather than a process. This end state is characterized by minimum redundancy (duplication and overlap), lacunae (absence) and

[13] For a more comprehensive discussion of this issue, see the first dissertation paper above. Coordination is sometimes seen as a process (e.g. Dunsire, 1978) and sometimes as an outcome (e.g. Peters, 1998). A popular aspect of coordination involves whether it is market, hierarchical or network based (e.g. Thompson et al., 1991). The nature of coordination is not the focus of our study.

incoherence. The first two co-ordination problems correspond closely to characteristics of legally unclearly divided responsibilities suggested in the literature. One speaks of 'the curse of common competences' (Steytler, 2003) when more than one level of government is responsible[14]. With gaps in the law, no level is responsible. Such unclarities are likely to result in co-ordination problems. Nevertheless, the causal mechanism might not be as straightforward as a direct one-to-one correspondence of legal imperfections with adverse outcomes. Coordination problems frequently arise even when areas of responsibilities are clearly divided (Peters, 1998). In contrast, when responsibilities have neither been clearly left to the market (e.g. contracted out) nor clearly assigned to a government entity, coordination problems might still not occur. Nevertheless, as our aim is to build theory that explains how unclarities contribute to the empirically observed coordination problems, we focus on the instances that are most likely to show us these mechanisms. So, we identify cases where unclarities are present and considered particularly problematic, and subsequently delve into the resulting processes.

In particular, to examine how unclarities can contribute to adverse outcomes, we focus on how these unclarities can interact with the policy cycle. We distinguish the following stages of the policy cycle: issue identification, agenda-setting, policy formulation, decision-making, implementation, and evaluation (Jann & Wegrich, 2007). The policy cycle framework has some drawbacks. It provides us with an overly static, stage-wise model. Furthermore, interaction between actors is rarely taken into account systematically. (Jann & Wegrich, 2007) While we should thus not stick dogmatically to

[14] Steytler (2003) distinguishes six different types of such 'common competences', based on their origin. Explicit concurrent competences is the case where the law assigns powers to more than one level. Participatory common competences implies that a level has complementary, or can co-operate with the other level. Supervisory overlap is a third type of common competence where one level can regulate the other level's executive power. Forth, open-ended or vaguely defined competences can result in practice in overlapping competences. Fifth, neat division of competences is not always feasible as social life is interconnected. Lastly, broad plenary powers for local government also tends to imply common competences.

the cycle, it provides a convincing scheme to represents the policy process and does serve as a valuable tool, stimulating comprehensiveness in assessment.

Now, how do these unclarities work through the policy making process to produce coordination problems? In the case of unclarity in division of powers, no entity might identify a certain issue. Lacunae can thus be created at a very early stage. Alternatively, more than one entity can put the issue on the agenda. Power struggles between the often competing (e.g. Wright, 1983) spheres of government are likely to precede the policy formulation and decision-making phases, when responsibility is shared. Unclarities in division of responsibilities are can also impact the process at later stages, to some extent during the implementation stage, but certainly during the evaluation phase. Unclarities in the division of responsibilities leaves ample room for mutual blaming. Nobody wants to be responsible for failure, and unclarities facilitate blame-shifting. In the case of successes, unclarities facilitate credit struggles. Entities might only put an issue on the agenda when they expect to win such games. But if we assume bounded rationality, and such fights are only partially anticipated, we expect these games at the evaluation stage to still have a major consequence in terms of co-ordination problems.

In sum, unclarities in the division of powers are likely to interact with early stages of the policy cycle. In contrast, unclarity in responsibility facilitates mutual blaming and buck-passing in the later stages of the policy cycle.

We saw that unclarities in the division of powers and responsibilities have often been indicated as problematic. From a functionalist point of view, such harmful unclarities should be quickly noted and corrected (Pierson, 2000). Both trigger intra-governmental tensions. Such tensions have the potential to impede cooperation between different spheres of government (e.g. Wright, 1983). Cooperation is needed to initiate

reforms involving multiple governmental spheres. Correction of unclarities is such a reform. The result is a self-sustaining cycle where unclarities lock themselves in (cf. Arthur, 1989) at least to some extent.[15]

So, now we have a simple model, explaining how unclarities work through different stages in the policy cycle in creating, and sustaining, co-ordination problems. Next, we will test the model by examining whether we can identify the suggested mechanisms in a typical case, allowing the framework to work out.

Testing approach

Context

Polish multi-level government seems a relevant setting for our research. Polish government has been decentralized to a relatively high degree (e.g. OECD, 2002), and division of responsibilities is not always clear. It has been claimed that this leads to coordination problems for example in road maintenance, water works, education, and for responsibilities that fall under some of two different spheres present at the regional level (e.g. Kowalczyk, 2000; Levitas & Herczynski, 2001; Ministry of Regional Development, 2007). This provides us with a typical case, appropriate to test the hypothesized mechanisms (Patton, 2002). It should be noted that Poland has a rather strong legalistic administrative culture which implies that market coordination might be less acceptable (Peters, 1998). Furthermore, the specific Polish post-socialist context, and its fore-runners role in reforms, makes it particularly relevant for other post-

[15] The literature on path dependence and lock-in intents to define these concepts in deterministic, irreversible concepts, narrowing definitions more and more, and challenging their existence at all (e.g. Leibowitz & Margolis, 1995; Mahoney, 2000). As these concepts have proved useful in practice for academic discussion, it would be good for the debate to be more permissive and define path-dependence and lock-in in terms of degree.

socialist countries to learn from (Regulski, 2003).[16] At the same time, the Polish case in itself is highly relevant as it is the largest new EU member state.

In 2008, Polish government structure is as follows. The country is divided into 16 voivodeships. Two spheres of government follow this geographical division. The voivodeship parliament (*sejmik*) is elected by popular vote. This parliament elects its own executive representative (*marszałek*). It deals with issues such as allocating (Integrated) Regional Operational Programmes' -(I)ROPs- funds and voivodeship roads.[17] The second entity, called *wojewoda*, is controlled by the central government which appoints its representative. Its competences lie in fields such as national security and education quality. Voivodeships are in turn divided into, in total, 379 powiats, including 65 cities which hold both powiat and local government status. Their councils are elected by popular vote, and select an executive among them: the *starosta*. Powiats are responsible for late secondary schools, police, secondary health care, unemployment offices, powiat public transport, etc. Local government consists of 2,478 gminas and cities.[18] These local governments are responsible for primary and early secondary education, local government roads, social care, local public transport, etc. In contrary to the other sub-national spheres of government, gmina revenues come from a large part (more than one-third) from own income mainly through real estate and agricultural taxation. (OECD, 2002)

Since the collapse of the communism, we can identify two main reforms that shaped current, decentralized government. In 1990 local governments were created and given a broad range of powers. The next major reform consisted of the 1999

[16] Nevertheless, it cannot be stressed enough that post-communist societies followed very different patterns of reforms and differ fundamentally (e.g. Kozminski, 2008).
[17] These are a major part of EU Structural Funds (SFs). 2004-2006 IROPs were succeeded by 2007-2013 ROPs.
[18] While Poland has no gminas with less than one thousand inhabitants, significant parts of the population lives in such extremely small local governments in other post-socialist countries: e.g. 16.8% in the Czech Republic (1999), 7.5% in Hungary (2000) and 5.6% in Latvia (2000). (OECD, 2002)

conglomeration of voivodeship, bringing the number down from 49 to 16, and establishment of an elected voivodeship government. Furthermore, powiats were re-established after having existed from the end of WWII to 1975, when abolished by the communist government. The agricultural political party (PSL) was against this reform fearing dominance of urban gminas in powiats structures, but this party was excluded from the coalition after the 1998 election. Cities that lost the status of capital city of voivodeship, and 34 pilot powiats cities and 12 additional cities which already assumed powiats functions under the Law of Large Cities, were compensated by obtaining special city-powiat status (Levitas, 1999). This resulted in complex arrangements where in several policy areas responsibilities were shared.

Methods & Sample

We apply process tracing. This approach is especially appropriate when it is particularly hard to correct for the complex environment (George & Bennett, 2005). As method we use in-depth semi-structured interviews and triangulate the data with: method[19], and interviewer variation[20,21]. Probing and other data-enriching techniques are applied. (Patton, 2002)[22]

Our sample is purposeful. As argued above, Poland is a highly relevant case for our research question. Within this case, we apply maximum variation sampling in

[19] Documented evidence, off-the-record conversations, field observations, and formal interviews.
[20] One interview was conducted by a well-prepared Polish student. The transcription in Polish was translated into English. The rationale behind this was that interviewees might be influenced -in any way- by the fact that the interviewers are foreign. Patton (2002) groups the use of different interviewers under the category "triangulation with multiple analysts" (p. 560)
[21] Contacts were obtained mostly through Dutch counterparts of city links, but in addition one interviewee was identified through snowball sampling and one through personal connections of the interviewer. City link contacts might be particularly dynamic and open, but could also hide problems for outsiders (while this might be more likely for the ones who did not reply to our request). Again, we found no reason for concern after comparing the data.
[22] See Patton (2002, pp. 555-566) for a comprehensive analysis of method, source, analyst and theory/perspective triangulation methods.

selecting our interviewees (n = 17, referred to as ID01-ID17, see Appendix 1). The sample includes local government officials such as a mayor, vice mayors, a city councillor, and an education department chief. But we also make sure to include a powiat representative (vice *starosta*) and a NGO representative. Other variables for which maximum variation is sought, include seniority (1-35 years), geography (five different regions) and government entity size (±8,500-600,000 inhabitants). Sampling also has a convenience component as contacts are established mainly through Dutch city links[23], but results were checked against one interviewee identified through personal connections of the interviewer and one through snowball-sampling.

Data were collected during 14 different interviews, lasting at average one hour. Questions were improved during the process. All interviews were conducted in December 2007 and April 2008. They were accompanied by extensive introductions, informal meetings, and sometimes tours visiting schools, hospital and other facilities. Interviews were held in English, German, Polish and Dutch. In some instances a translator was present. As part of the triangulation techniques, one interview was held by a well-trained Polish assistant. All others were made by the authors. All interviews were recorded, transcribed, and coded using ATLAS.ti 5.2 software. Theoretical coding was applied. This is an inductive approach, moving from open coding to selective coding (Flick, 2002).Two areas of service delivery emerged from the data where unclarities were particularly obvious: roads and education. Such selection of typical cases is particularly useful to better understand the mechanisms that take place (Patton, 2002). George and Bennett (2005, p. 217) further argue that process tracing of cases relevant to the theory can identify causal processes not yet identified by the theory. We thus ground expansions and adaptations of our simple theoretical framework in the data.

[23] To get an impression of the nature of such linkages, see e.g. Spruit (2001).

Results

Perceived Unclarities

We started our investigation assuming that problematic unclarities involve the ones where competences are not clearly divided by law. Nevertheless, when confronted with the issue of ambiguities, interviewees referred to a broad range of unclarities. The nature of unclarities is more subjective than the literature suggests (cf. Steyley, 2003). Rather than dismissing such more subjective unclarities mentioned by interviewees, we tried to categorize them. From the data, different sets of unclarities emerged. It is important to distinguish among them as they appeared to trigger somewhat different mechanisms.

The foremost distinction that emerged from the data was the difference between what we will refer to as 'internal' versus 'external' unclarities.

Internal unclarities imply that the division is unclear to government officials themselves. Such unclarities were particularly pronounced in a period following large-scale reforms:

[about the post-1999 reform period] "... that clerks don't know if the case that's theirs is here or there So such a phase, which lasted let's say a year and a half. So it was quiet difficult for us." (ID10)

Another case includes the division of EU SFs within the 2004-2006 IROP programme:

"for us it was not clear who is in fact responsible for the division of [EU] funds, marszałek or wojewoda." (ID04) *"A funny, or rather ridiculous situation took place some time ago, with the community having to send a report about how those funds were spent both to the wojewody and to the marszałka"* (ID01)

In the cases that follow, we discuss some more structural internal unclarities, of more interest to our theory.

External unclarities imply that it is not clear to actors 'further removed from' government whom is responsible for what. These actors can be street-level bureaucrats such as teachers who are not daily involved with public administration, or even city councillors who also spend most of the week on their usual jobs. Naturally, furthest removed are citizens who are only sporadically in touch with public administration and interfere most of its workings through media. Frequently respondents referred to such external unclarities, in particular to citizens:

"For example about competences, the level of administration. Sometimes it happens that citizens expect from me something what I can't do, because it doesn't belong to me." (ID12)

A more specific example:

"So, let's say, if you wanted to have a driving licence. It was a competence of powiat. And people came to our town hall and wanted to have a driving licence. And they said like this: "I want a driving licence". "Not here." "Where?" "In powiat." "But you have a department of communication." "Yes we have." "So, give me a

driving licence." "No, this is the department of communication in another meaning. We deal with roads. We deal with something else. We deal with investments in the roads, not driving licences." And similar cases. Many of them. People came somewhere because they thought it was here. And a very difficult beginning for them, they were angry. And you know, if such an angry man comes to the other place, so starting at the case is very difficult" (ID10)

The distinction between 'external' and 'internal' seems to be a gradual one, moving from citizens to institutional actors such as investors, to street-level bureaucrats such as teachers, to councillors which in Poland usually have a regular daily occupation and only spend a few hours a week on the public cause.

A second dimension that emerged from the data is whether it is unclear how competences are divided versus unclarity in the rationale behind the division. The examples above all concerned unclarities in the content (how) of division. Respondents, though, sometimes identified unclarities as not understanding the rationale behind a certain division. For example, some building permits have to be issued by powiats and others by gminas, depending on the size of the project. While this leads to external content and rationale unclarities, it seems clear to powiats and gminas who is responsible for which permits. Nevertheless, the rationale behind the division is not always clear to them (e.g. ID12; ID15).

Much of the rationality-based unclarities relate to historical context. Interviewees from local governments often referred with a sense of frustration to powiats, which were re-established in 1999. They obviously perceived them as competitors in some instances. Furthermore, some cities were the capital of one of the 49 voivodeships before the 1999 merger took place. After the merger, a larger city

became the capital of the expanded voivodeship. For example, *Częstochowa* was the capital of one of the 49 voivodeships, from 1975 to 1999. In that year, *Częstochowa* voivodeship was collapsed, with several of the surrounding small voivodeships, into one over-arching voivodeship: *Sląsk*, with *Katowice* as capital. The cities who lost their positions as voivodeship capital often refer to the city which took over in a negative way.

Table 2 presents a 2x2 matrix with examples of all four possible combinations of these two dimensions, one dichotomy and one more continuous distinction somewhat arbitrarily grouped into two categories: internal and external.

Table 2 Perceived unclarities matrix

	Unclear how	**Unclear why**
Internal (public administrators)	- Common competences: EU funds 2004-2006, school in one building renovation, sewer - No one: education investment 1990-6, school busses - Complex: post-reform E.g. ID01, ID03, ID04, ID06, ID10, ID12, ID13, ID17	City roads Building permits Environmental protection Salaries teachers E.g. ID09, ID10, ID12, ID15
External (gradual: councilors / teachers / citizens / investors)	City roads (cleaning & renovation) Post-reform E.g. ID03, ID10, ID12, ID13, ID14	City roads Building permits Content education Medical specialists E.g. ID03, ID10, ID12

Two sectors in public administration emerged from the data where unclarities were particularly pronounced and problematic: roads and education. Within these broad areas, different unclarities affected the policy cycle in different ways, with similar consequences for service delivery. Subsequently, we will focus on these purposefully selected policy areas (cf. Patton, 2002). Within these cases, we will further trace processes through which these unclarities impact the policy cycle. It should be noted that most of our interviewees were local government officials, so potential coordination problems in policy areas where local governments play no role were less likely to be

identified. An example includes labour market policies where powiats, voivodeships and central government share responsibilities (Riekhoff, 2007).

Area case studies

Roads

In the current Polish situation, some roads are owned by the central government, some by voivodeships, some by powiats, but most by local governments (Ponterlitschek, 2008). Besides, there are also private roads. The owner is responsible for renovations and cleaning of its road. This is financed for an important part by earmarked subsidies from the central government, the algorithm of which is set by the Ministry of Transport (Levitas, 1999). Ownership and management of communal roads was transferred from the central government to gmina governments with the 1990 reform. Powiats and voivodeships received these powers only in 1999. Interviewees indicated that especially in cities there is a complicated net of voivodeship, powiat and local government roads. While for public administrators it is generally clear which level of government is responsible for which road, for citizens this is often unclear:

"*The main problem is not for us in the city hall, because the mayor and all the directors of different departments they know exactly who is responsible for, for example, for each road. But the problem is for the citizen*..." (ID13)

We found such 'external unclarities' to have an impact on the policy cycle. Co-ordination problems come to the surface when certain roads are in particularly bad condition, or when heavy snowfall is not followed by prompt cleaning:

"*Because the problem is especially in the winter time... when there is lots of snow, you can, for example, you travel around the city and you have one road [where the snow has been removed]" "but then you turn left, and you can have a road like in Siberia, you know." "That is crazy. In the town, I mean, the town should have under its competences all roads in the town.*" (ID14)

Lacunae in service delivery are thus often identified by users of the road. Subsequently, these users approach government to complain. External unclarities imply that citizens do not know which layer of government to blame (e.g. ID12). Others stressed that besides lack of knowledge, citizens sometimes just do not care which level of government is responsible (e.g. ID13), or as Kettl (2006, p. 15) says: "[citizens] pay little attention to which agency manages which program in solving these problems; they just want them solved." They see 'government' as one entity or they see it as responsibility of e.g. local government to fight for their rights with other spheres further away. In practice, it was argued that citizens tend to blame local city government because it is closest (ID10) or because they think it must be responsible for all roads inside the city (ID13). One interviewee suggested a more historically-based reason for citizens to approach the level of government closest to them, rather than the one in charge:

"Citizens are a little bit afraid about central administration." "It needs generations." (ID12)

What effect does this have on the policy cycle stages of issue identification and agenda setting? The issue is identified, but sometimes by the level which is not responsible for it:

HD: "[about roads that need be rebuild] Who do they [citizens] blame?"

ID13: "Of course us. For the citizens it is obvious that this is the mayor who is responsible, because the knowledge of citizens of duties of marszałek or voivodeship is very low. So, if they live in the city and the main city governor is the mayor, so he blames the mayor."

Public administrators feel wrongly blamed by citizens for such failures in service delivery. Such feelings of injustice were frequently expressed. Second, some administrators also referred to the additional workload of re-directing citizens or their demands (e.g. ID15). This is noted elsewhere as well:

"Citizens understandably have little patience for the "not my problem" answer to requests for help, even if the complexity of the system often leads citizens to the wrong door. State legislators, for example, regularly note (out of the earshot of reporters) that citizens often complain to them about problems with their Social Security checks. In January 2006, when the new Medicare Part D prescription drug program was plagued by a long list of problems, many governors worked hard to

provide backup help, even though the problems were the federal government's making." (Kettl, 2006, p. 15)

Both when workload was the complaint and when a feeling of injustice were expressed, frustration targeted the other governmental sphere involved. This triggers resentment against the sphere of government who is perceived to be in charge.

Elsewhere, a voivodeship road on gmina territory had a drainage system underneath from before WWII (ID11). The gmina wanted to renovate the system, but the road would have to be removed and renovated afterwards. The gmina wanted the voivodeship to pay for relaying the upper-coat of the road. Continued disagreement between the two spheres of government caused inaction for several years. A change of people in power certainly contributed to reaching an agreement. Nevertheless, even after this change, it took one and a half year to reach an agreement. Probing revealed an additional causal factor. It concerned the weekly flooding of the road. Because of prolonged inaction, the situation got out of hand and the antiquated drainage system flooded the road at least once a week:

"... at this time almost every week they have some big problem on this road, something is not going well. Every week a problem, especially with water pipes." (ID11)

This fuelled the negotiation process by the ever greater feeling of urgency partly triggered by citizen input:

"Many people asked them: "Hey listen" to help, "Please rebuild this road, because it is damaging our cars, it's an abnormal road." They say: "Hey listen, it is not our problem. It is wojewoda problem. Call to wojewoda." Many people are calling there: "Hey why don't you repair" and now it is going." (ID11)

In all cases interviewees were annoyed by 'their' sphere of government receiving the blame for issues which they did not perceive to fall clearly under their competences.

In one small gmina, the mayor did not see the division of roads as a problem. In this situation, the powiat paid the gmina for road maintenance:

„It is clear." „Our gmina cares for the powiat road and the powiat pays us for this." (ID02)

Another, larger, local government had a co-ordination problem concerning a road inside the city which was owned by the voivodeship (ID10). This road was reported to be in a very bad condition, causing e.g. traffic jams. After some time of discussion and pressure by citizens (mostly through local officials) and by local officials, the voivodeship transferred ownership of the road to the city:

"the mayor applied to the voivodeship authorities: 'Give us that street'. And now we have a change. I think that during this year, the street returns to the town and then we can start renovation and some other things" (ID10)

Several factors contributed to this structural solution. First, the situation concerning the road was indeed identified as an issue that needed to be dealt with. Over the past years urgency increased with the deteriorating situation. Second, the personal and political situation between the mayor and the voivodeship government was relatively good. Third, the city had enough resources to improve the road, if only it owned it, while the voivodeship government's budget was more limited. Fourth, the small city is home to important industry and is of vital economic importance to the voivodeship.

Interviewees did not identify any problems during the implementation phase of road maintenance or renovation.

Education

The 1990 Local Government Act decentralized responsibility (ownership and management) for preschool and primary education from the central government to gminas. This transfer however, was initially voluntary until 1994 and then extended to 1996 because of resistance from the Teachers Union, the Ministry of Education and rural gminas. Thus the process of primary education reform took six years. Gminas finally assumed full responsibility for all primary schools, in 1996. By the 1999/2000 school year, the decentralization process in the field of education was completed, with only 48 out of 17,362 schools remaining under central government management in 1999. In the 1999/2000 school year, primary education was reformed again. Eight years of primary school was split into six years of primary and three years of early secondary education. Both are the responsibility of the gminas. This entailed converting some of their of existing primary schools into new early secondary schools. The then newly

created powiats assumed responsibility for late secondary schools, vocational schools, and special schools. Powiats had to reduce the size of their secondary schools by one year with the school year 2001/2002 to accommodate the first class of ninth graders in early secondary schools. In theory, this shift of responsibility for a grade level between powiats and gminas should have resulted in a redeployment of teachers across the two levels of government. Cities that obtained powiats status hosted a disproportional part of secondary schools. On the one hand surrounding gminas would have to make use of these facilities which were beyond their control, and on the other hand free-rider problems resulted (Levitas, 1999). Powiats and gminas are obliged to provide wages for the teachers in schools managed under their responsibility and cover all other costs of running the schools. Voivodeships have since been in charge of the establishing and operation of public educational institutions and teacher training colleges. Public tertiary education at the university level (including the maintenance and payment of wages) remained the duty of the central government. The central government remained also responsible for developing the curriculum of all public schools and for setting pedagogical standards for primary and secondary education. Education is financed mostly by subsidy transfers from the central government to the sub-national spheres of government. While local government is actually free to use part of these 'earmarked' subsidies for other purposes, this possibility is hardly exploited in practice. The allocation formula is determined by the Ministry of Education. It is based in part on the average per pupil costs of education in of 27 different types of secondary schools, and in part on the total spending during the previous year on all schools located in a particular jurisdiction. In addition local governments use their own resources. (Levitas, 1999; Levitas & Herczynski, 2001; Ponterlitschek, 2008)[24]

[24] We have to be brief here. For an excellent, more comprehensive, historical analysis, see Levitas and Herczynski (2001).

In short, currently, gminas own and manage primary and early secondary schools. Education forms the bulk of their expenditures, accounting for well over one-third of their budget (Central Statistical Office, 2009). Powiats own and manage late secondary schools. *Wojewoda*s are in charge of more strategic issues such as determining curricula and quality control, and the central government for issues such as setting minimum wages for teachers.

An education expert with 35 years of experience working for public administration, described how internal unclarity in responsibility for investment in schools resulted in a co-ordination problem. This is confirmed by the literature (Levitas & Herczynski, 2001). As a result, school improvement practically came to a halt in the 1990s:

"it wasn't clear who is responsible for development of schools. Wojewoda didn't have any plans according to schools. Because they knew exactly that they have schools till 1996 and everything was in suspension. I could get money only for renovation, or some things like that, but not for development. And after connection, after 1996 also it lasted a few years to have clear plans of development from community. It was a problem." "...it was easier to get money when I had a decision from fire brigade or something like that. I tried it this way. Otherwise it was very difficult." (ID12)

A local government representative in a larger city, was among the ones that identified the rationale behind the division in responsibilities among powiats and gminas as unclear. The emotional answer reveals the feeling of unfairness this leads to:

ID09: "And why? ... Why the secondary school in the city and high school in Powiat?"

HD: "Why was it designed like that?"

ID09: "I have really no clue. Hard to explain. We often talk about it, and discuss why it is like this."

Unclarities arise mainly when secondary and high schools are located in the same building, in particular in the case of renovations. The Ministry of Education initially required gminas and powiats to create separate facilities, but this was not always attainable (Levitas & Herczynski, 2001). In situations with shared facilities among our sample, usually both powiat and gmina are willing to contribute to the renovation of the school. Negotiations about the extent to which this happens follow. While sometimes this goes smoothly, they were sometimes rather lengthy [e.g. ID07; ID08; ID09]. When the decision has been made, it does not always end. When during implementation the budget is exceeded, re-negotiations arise. The data identified funding fights as a common consequence:

[about renovation payment when powiat's high school and city's secondary school are in same building] "I think when it concerns money, it is never easy" (ID09)

Interviewees often referred to the resulting chaos and associated feelings of despair, and tensions during negotiation processes. Another example of how internal unclarities lead to tensions, is the case of bus transportation to schools, when the facilities are located in the city, but the pupils come from surrounding gminas. It was

indicated that it is not always clear who is responsible for public transport to schools. Again, internal unclarities interfere with the policy cycle in the implementation stage:

"*We have public bus transportation for children from villages to the city, but the wóid refuses to pay. He desires: 'That is the school of the mayor, so you have to pay'. 'No', says the mayor, 'These are your children in your villages, so you pay'. There are these... There are more tensions like this.*" (ID16)

Unclarities in the rationale behind division of responsibilities was also noted. It concerns an internal unclarity, the salary levels of teachers:

"I don't think so that everything nowadays is clear. For example in education… my education… about salaries for teachers, [the] decision is in Warsaw." "In theory the minister of education has decision about minimum. But for 99% of communities in Poland, minimum that is everything what a teacher gets. Only very rich communities, like Warsaw, Krakow give more to teachers than they get from government. Nowadays, still decision in Warsaw." (ID12)

While this last type of unclarities seems to have little impact on the policy cycle, it did clearly lead to a sense of frustration and a negative attitude toward the sphere of government currently holding the respective power.

A similar argument can be made for the unclarities in the rationale behind the power to set the curriculum, which lies with the voivodeship:

"It happens that during the lesson, they call me or mayor and we have to tell: "No, it's not our problem." Manager of the school is appointed by mayor, but mayor couldn't tell him about how to teach. It is good, or not... I don't know..." (ID12)

"For members of city council it is difficult to understand. Why? School belongs to them. They don't make decisions about quality of teaching. Why they don't discuss about rules of teaching? Why they have to talk about only how to pay teacher, how to make renovation of school... only about these problems." (ID12)

Again, this last type of unclarities does not directly impact the policy cycle, but do cause sentiments of frustration, disagreement and resentment against the sphere of government involved.

Intragovernmental Relations

Now we move back from the cases again. The reason is that the mechanisms induced by the unclarities cause tensions, between spheres of government. While these tensions often are induced by historical circumstances, we saw that unclarities (themselves often induced by historical circumstances) contribute to tensions through different paths in the cases. In the discussion we will further analyse these different paths, but the effects of these tensions seem clear. Namely, as hypothesized, the data suggest that, tensions between different spheres of government had a negative impact on cooperation. (e.g. ID09; ID14; ID15; ID17). For example, they would not call the other sphere for issues beyond the regular necessities:

„there was always some problem, always the answer was negative, or that it is impossible to do, that it is too complicated." (ID09)

As a consequence, innovating initiatives, where more than one sphere were involved, were thus indeed inhibited.

It should be noted that this is only one mediating process, that can be easily overturned by changing political, personal or economical reasons. To illustrate the impact of these factors on cooperation:

Political: *"The mayor belongs to [the political party Platforma Obywatelska], and it is a very good political connection now between our mayor and some people in [the voivodeship]."* (ID11)

Personal: *"it is just a call, you know: 'I heard something. There is a program especially for you, will you try to apply for this'. It is not formal, it is rather just in the level of friendship." (ID17) "you know, small town, people know each other."* (ID14)

Economical: *"Our gmina is quiet important for [our voivodeship]. First of all, we created here a lot of places of employment." "so, it is much easier to discuss with such an important helper than the other not active, having only problems"* (ID10)

We identified some other mechanisms not hypothesized. Endogenous crises, caused by prolonged co-ordination problems provided a stimulus for co-operation. We saw this in the case of the flooding road and the road that was in a particular bad condition. For both a more or less structural solution was negotiated. Nevertheless,

external crises can also trigger structural solutions. For example coordination problems in water works have always been marked in Poland (Kowalczyk, 2000). Both ID01 and ID04 explained how the 1997 flood initiated the co-operation necessary to solve these problems:

"After the flood, I don't remember any, for once because in our community there were some serious steps taken to avoid such situation happening in the future." (ID01)

Discussion

Generally, we found some evidence for the few hypothesized causal paths. In the following, we will integrate the mechanisms that were confirmed with the newly identified paths.

The proposed dichotomy between division of responsibilities and powers did not really come to the fore when interpreting the data. Rather, two typological dimensions seemed to be more relevant: the extent to which actors to whom the division is unclear are removed from public administration, and whether the unclarity involves the rationale behind the division or the division itself.

Coordination problems usually involved lacunae. Duplication of services was hardly noticed. Peters (1998) argues the co-ordination problem of lacunae to represent an interesting question from the perspective of inter-organizational theory. This co-ordination problem is more likely to be associated with adverse effects than e.g. duplication and overlap (Landau, 1969; Peters, 1998). A rare example of duplication of services that emerged from our data is the 2004-2006 EU IROP programme. Here the

cause of the co-ordination problem seems to be unclarity in division leaving room for a power struggle between two different spheres of government at the voivodeship level. Subsequently, the internal co-ordination problem itself caused unclarities for local government as we saw above.

Observations in these two policy fields showed a different impact according to these types of unclarities. In the case of roads it was basically the ambiguity to citizens sustaining the co-ordination problem by impeding effective agenda setting and feedback mechanisms. With education, the internal unclarity resulted in the most resourceful, agenda-initiating entity to bear most of the cost.

So, these two cases illustrate well how unclarities interact with the policy cycle in different stages. The principal distinguishing explanatory variable seems to involve the different type of unclarities that play a role in these sectors in Poland. For the external unclarity in responsibility for road maintenance, the main issue involves the 'front-room stages of the cycle'. The internal unclarity in the case of renovation of early and late secondary schools when located in one building, slowed down the decision-making part by triggering extensive negotiations. At the latest stage of the decision-making phase, or even during the initiation of the implementation phase.

In accordance with our simple framework, the results indicate that rather different types of unclarities in the division of responsibilities among spheres of government, albeit through different paths, have similar consequences: tensions between the different spheres of government. Such tensions indeed inhibited cooperation between spheres of government. We saw that when the relation is good, structural solutions of the unclarities can result.

The discussion focuses on 'how-unclarities'. Internal unclarities in the rationale behind division have a more general effect. They contribute through dis-comprehension

to intra-governmental tensions. External unclarities in the rationale behind division, fuels negative citizen input described in the next section. Kennedy (1972, p. 135) skeptically, but realistically notes that "[t]he level of government most appropriate to deal with a given problem is that level by which one is presently employed". We found this to be somewhat exaggerated as, for example, generally local government showed comprehension of policing and security issues falling under powiat and voivodeship authority. This is a good illustration of an area where flexible arrangements were made within a general arrangement that was perceived to be clear. Some cities paid voluntarily for new police cars (ID09) and a gmina paid for the police building (ID01). So, clarity and flexibility are not mutually exclusive.

Unclarities and the Policy Cycle

We apply some flexibility in adopting the policy cycle framework and categorize the different stages into two groups. The first group concerns stages where citizen-administration interaction plays an important role: issue identification, agenda-setting, feed-back and evaluation. Note that this includes feedback processes at the three middle stages of the policy cycle. The second group concerns mainly internal administrative processes characterized by more or less 'internal' interaction among spheres of government, after filtering out the feed-back: policy formulation, decision-making and implementation. We will argue that different types of unclarities work through different mechanisms in both groups in causing coordination problems.

Issue identification, agenda-setting, feed-back and evaluation

Citizen input plays a role in agenda-setting and feed-back processes (e.g. Askim & Hanssen, 2008). External unclarity -to citizens-[25] in the division of responsibilities between levels of government complicates effectiveness of these mechanisms. We will discuss how unclarities lead to -amplified- negative perceptions, which in turn lead to sustained co-ordination problems.

Hood (2002) suggests two ways in which ambiguity interferes with the blame-game. First, as often in the public sector, outcomes can be ambiguous, especially in the short run. This affects the blame-game by making it difficult to identify *what* to blame administrators *for*. Second, when there is not one, single clearly dominant unitary party in power, citizens might not blame the majority party. It is ambiguous *whom* to blame when things go wrong.

An additional factor that contributes to Hood's second type of ambiguities emerged from the data. Citizens are human beings and thus subject to bounded rationality (Simon, 1946). Consequently, they might just not understand who is responsible for a certain policy, or it is clear to them, but their perception is inaccurate. In a system with separated but shared powers, it is difficult to assess blame and responsibility (Genovese, 1995). Limited attention causes citizen perception of which layer of government to be responsible, not always to correspond to reality. For the case of India, Chhibber et al. (2003) show that there are persistent biases in this perception, depending on citizens' education and place of residence. As a consequence, unclarity in division of responsibilities potentially causes citizens to misdirect both their complaints and expression of needs. In particular, spheres of government that are visible and

[25] Or to certain street-level bureaucrats (Lipsky, 1980) which are a bit further removed from public administration than other public administrators.

somewhere in the line of fire ('lightening rods') attract attention (Ellis, 1994), whether they have the competence to deal with an issue or not.

So, lack of accountability can be seen as a mediating factor between the impact of external unclarities and impeded service delivery. In discussing observation we hope to contribute to revealing a part of the theoretically and empirically unexplored, but taken-for-granted, relationship between accountability and performance (Dubnick, 2005). Others treat accountability as a final outcome (e.g. Steytler, 2003). Accountability problems arise when responsibility is shared (Kettl, 2006). Sometimes this is intentionally (Ellis, 1994). The fashion of creating complicated partnerships and governmental structures might well have contributed to ill effects: "when major administrative crises occur in the United States, from the September 11 terrorist attacks to Hurricane Katrina, it is remarkable how few individuals lose their jobs" (Kettl, 2006, p. 17). Kettl refers to the central lesson of Wilson's (1887) work: "[t]he challenge is setting boundaries that promote efficiency and effectiveness without threatening accountability and responsiveness." (Kettl, 2006, p. 12) From our data it appeared that also when there are good internal 'fences', accountability issues arise when they are invisible or illogical to the outside world.

Studies in this area often concern political science, measuring blaming in terms of votes. We concentrate on the pre-voting period, when rational-choice, vote-seeking politicians, and bureaucrats and politicians who just want to do a good job, shape service delivery. Citizens might not always hold certain politicians responsible, but public administration in general, or one particular layer of government (Goodsell, 2004). And even if they do hold e.g. a mayor's office responsible, the majority of its employees is unelected and often unaffected by elections. We argue that public administrators care about citizen's negative attitude to them, beyond voting. Focus has

been on councillors and mayors (e.g. Askim & Hanssen, 2008), but public administrators also receive feedback and are not indifferent to it.

In sum, mis-direction refrains issues from being identified by the governmental sphere which is entitled to deal with it. Or, if identified, citizen pressure is not always intense enough for issues to reach the agenda as other spheres function -certainly not always intentionally- as lightening rods. The results of our research suggest public officials to be sensitive to mis-directed citizen complaints. They showed frustration, directed at the sphere of government that holds responsibility.

So in the case of external unclarities, it happens that citizens approach levels of government with suggestions for policy initiatives, or complaints concerning an issue, over which the respective level has no unique responsibility. The reaction of the respective level can be any of the following: redirect the citizen, pass-on the issue internally, take-on the issue themselves. Accordingly, co-ordination problems can be solved by pro-active citizens and levels of government. How do public administrators confronted with such misdirection react in practice? We argue perceptions to play an important role here. Obviously, from the citizen perspective, lacunae in service delivery are only recognized as such if the issue is perceived as needed. Perceptions are formed in the context of expectations formed by history and parallel services. Nevertheless, our analysis focused on public administrators. Here perceptions are pivotal too.

Besides playing a role in determining citizen behaviour (e.g. Goodsell, 2004), perceptions also impact public administrators' behaviour. Dearing and Rogers (1996) claim perceptions to count at least as much as reality in the agenda-setting stage. For example, accountability only works to improve policy when administrators perceive to be held accountable for a certain policy outcome. If they do not care about the consequences (e.g. when elections are still far ahead, and the treat of early elections is

perceived to be negligible) or do not notice them, well-designed formal accountability structures are useless.

We argue misdirection of citizen feed-back to have a real negative effect on the possibility that effective communication between levels of government leads to solving co-ordination problems. This process is argued to be largely grounded in perceptions. Goodsell (2004) lists some important effects of cynical perceptions toward public administration. He proceeds describing self-fulfilling effects at the micro level of citizen bureaucrat interaction: "Cynical citizens are more than prepared to interpret each obstacle, delay, or adverse decision by an administrator as clear confirmation of their worst suspicions about incompetence and/or malfeasance in the halls of government. Those suspecting stupidity are then ready to enter the doors of those halls with a belligerent attitude that then triggers responses from bureaucrats that can be interpreted in turn as officious and haughty. The escalating tensions thus set off only snowball further, until these incidents become the raw material for perpetuated stories of bureaucratic intransigence." (p. 159) Behaviour of public administrators depends on their perceptions, so the functioning of the institutions they work for as well. "How those administrators feel about their jobs and maybe even about themselves may depend in part on how they think their work is evaluated by citizens. Yet, surprisingly little is known about what administrators think that citizens think" (Melkers & Thomas, 1998, p. 327).

Administrators' perception of what citizens think, shows structural biases, as e.g. Melkers and Thomas (1998) show for the city of Atlanta. It has often been noted that citizens attach more weight to negative news than to positive news. In discussing such 'negativity bias' (e.g. Hood, 2007), many authors take a one-sided view. The citation of a German civil servant by Hood and Lodge (2006, p. 102) is illustrative here: "*a good*

initiative appears once in the newspaper and if one is extremely successful then our industry has an additional growth rate of 0.2 per cent. Nobody notices it. [But] a politician is remembered for ten years if there is a flop." This quote is straightforwardly interpreted as bureaucracy rationally reacting on societies' heuristics (Hood, 2007). Nevertheless, civil servants are human beings too. Subject to the same heuristics as other citizens (Tversky & Kahnemann, 1981). This quote shows that very well: maybe it describes reality, but for sure it describes the perception of the civil servant. Just as other citizens do, civil servants are likely to attach greater weight to citizens or media reporting negatively about public administration than to positive feedback. It is not difficult to imagine a bureaucrat issuing new passports being more affected (negatively) by one encounter with an angry citizen than by fifty encounters that were closed with a happy smile and 'thank you very much'. This is reinforced by the fact that citizens are more likely to contact public administrators for complaints than for compliments (Melkers and Thomas, 1998; Goodsell, 2004).

In the case of unclarities in responsibility, there are reasons to believe that such negative perception is reinforced even more. Public administrators in a department that has relatively little ability to satisfy complaints, expect citizens to be more negative than they actually are (Melkers and Thomas, 1998). Thus if public administrators receive complaints about bad service delivery in areas where they are not clearly responsible (in the case of internal unclarities) or not responsible at all (only externally unclear), public administrators are likely to expect citizens to be more negative than they actually are.

Now, this implication of unclarity affects the policy cycle. Whether issues will reach the agenda, depends on whether the incentive to solve them is large enough and on the perceived probability that the issue will be solved successfully through market coordination, and if blame will vanish. The frustration created by the above described

mechanism is likely to trigger resentment against the level perceived to be responsible internally (in case of mere external unclarities) and also in case of internal unclarities, this negative sentiment is likely to impede cooperation (as a process).

So far we dealt with external input. Besides these incentives for issue identification and agenda setting initiated by citizen feedback, internal mechanisms should certainly not be ignored. Internal feedback and issue identification naturally only occurs in fields were public administrators feel they are responsible for. Again, regardless of the drive: to win votes, or just to do their job well. They will look less in areas where it is unclear as it is difficult to win votes (if perceived externally also unclear), or they just not feel responsible. And even if they identify issues, it will be less likely for these issues to be selected. It might also happen that two levels identify and select the same issue. Processes in the following steps of the policy cycle will then determine whether this will result in duplication of service provision. In the evaluation phase, unclarities provide possibilities to internally claim responsibility in case of successes, and blaming the other in case of failure.

So even if internally boundaries are clearly defined, external unclarities contribute to persistent coordination problems. The cause of such unclarities can lie in higher level policy makers understanding little of the implications of the decisions they were making, drawing boundaries that confounded responsibility. Lower levels of governments subsequently struggle with the mismatch of their boundaries, their assets, and their problems (Stegner, 1954).

Policy formulation, decision-making and implementation

Above we saw that unclarities complicate effective feedback and agenda-setting mechanisms. Nevertheless, they also complicate the stages following the moment when issues have been identified and put on the agenda. Unclarities play a rather different part here, with external unclarities moving to the background in these, what Sidney (2007) calls, 'back-room functions'. Naturally, internal unclarities also contribute to external unclarities. Nevertheless, internal unclarities interact with the policy cycle directly mainly in the implementation phase.

Effective market co-ordination depends on many factors. Political relations between different levels of government[26], economic weight and personal relations play a role. These all determine the willingness of the participants to exchange resources in order to attain higher levels of collective welfare. As mentioned before, we focus only on a small part of this complex system.

First consider the case when more than one level identifies a certain issue and all levels (usually two) simultaneously embark on the planning process. It depends on whether these levels coordinate (as a process here) during the different levels what kind of problems can emerge. When, for example, two levels do co-ordinate planning, there is an important factor to consider: which level of government first raised the issue. In case of unclarities, this level is at a disadvantaged position, in the planning phase. Why? The relation between levels of government can be seen as one of bargaining (Rhodes 1981).

In bargaining, revealing your preferences, leads to a disadvantaged position. At the planning stage, negotiation can be expected to involve inputs and specificities of design. Naturally, inputs of particular relevance are financial resources. Such

[26] It should be noted that at the local level, in Poland, political parties play a minor role.

negotiation plays a role during the policy formulation, decision-making and implementation phase of the policy cycle. Zartman (1977) describes the negotiation process as follows: negotiators begin by groping for a jointly agreeable formula that will serve as a referent, provide a notion of justice, and define a common perception on which implementing details can be based. Power makes the values fit together in the package and timing is important to making the formula stick. Unclarity in the division of responsibilities shifts the balance toward the negotiator which expresses clearest the urge to timely solve the co-ordination problem. Failure or delay in negotiation up until the policy formulation stage is likely to result in no service delivery. So, ambiguously divided responsibilities can result in lacunae not only by failure in issue identification and agenda setting processes. Service provision can also be blocked by conflict during the policy formulation phase. "These formal lines of authority are commonly supplemented by informal authority relations in the day-to-day work of the organization, while the formal hierarchy is largely reserved for the settlement of disputes." (Simon, 1997, p. 10)

In the case of Poland local governments seem to function like lightning rods, with their high visibility and perceived closeness. Steytler (2003) also notices that service delivery formally within the competences of more than one sphere of government, frequently falls on the shoulders of local government. This does not need to apply in other contexts where local governments have more a background function (e.g. Chhibber et al., 2003) Nevertheless, among different potential consequences of ambiguities, Steytler (2003) mentions that local government can become solely responsible for a certain issue.

Here we should mention an example that illustrates well how unclarities facilitate not only blame games, but also credit struggles:

"It's the matter of roadsides where bus stops are located. Województwo says that they don't have the money to modernize those bus stops, and the communities want this to get done, but they are not responsible for that, they are not their property. So the community thought about the new idea, that those bus stops should be modernized by private companies, that they will be given the right to put some ads on them in exchange for the work done. The advantages are on both sides: the community has a new bus stop and the private company has a place to locate some advertisements, for which no additional fees need be done. But the województwo sees a problem in that claiming, those fees should exist for using the provincial roadside." (ID01)

The implementation phase provides further ground for conflict. When a policy reaches this stage, it can be expected that there will at least be some service delivery. Nevertheless, depending on the stage of implementation reached, a continuum between no and ineffective service delivery results before conflict emerges, service delivery strands somewhere between absence and implementation according to the plan.

In the second case, when no co-ordination occurs, quiet naturally coordination problems such as incoherence or redundancy can be expected to result. If no interaction takes place at all during the policy formulation and decision-making phases, problems emerge only during implementation. Naturally, tensions might arise as during implementation planning, triggering adjustments or even issue identification, moving back, iteratively, in the policy cycle.

Correcting Unclarities

As we saw, different types of unclarities lead through different paths to tensions between respective governmental spheres. These tensions impeded communication beyond the formally necessary. Intra-governmental cooperation necessary for correction of unclarities was thus impeded. Nevertheless, when external factors were especially favourable, we saw that the different spheres could agree upon a structural solution to the unclarities.

In the cases examined, ambiguities could be dealt with by the spheres involved. Nevertheless, a correction can also come from beyond. This is a rare advantage of numeric, vertical fragmentation: the presence of many potential tiers with authority and good relation, allowing for cooperation. This could be interpreted as a less skeptical version of lightning rods (Ellis, 1994), applied internally to public administration. Lastly, we saw that an internal or external crisis can not only improve relations (e.g. Bromage, 1943; Wright, 1983), but effectively trigger clarification of division of responsibilities.

In two other cases, an eminent crisis triggered a solution. In particular, the 1997 flood escalated the consequences of unclarities in division of responsibilities (Kowalczyk, 2000). Soon after, structural clarification took place (e.g. ID01; ID04). On a smaller scale, the weekly flooding of a specific road contributed to solving a dispute between gmina and voivodeship governments (ID11).

Nevertheless, a mismatch government's administrative systems to the problems it is charged with solving, in turn, has produced cascading performance problems — and it has become the central problem for modern public administration. (Kettl, 2006)

Conclusion

We departed from a situation with decentralized, fragmented responsibilities. Antecedents of decentralization, whether intentional (Hood, 2002) or not, are thus ignored. We reviewed empirical assessments of decentralizing reforms. Over the past decades these studies have been rather consistent in associating decentralization with harmful co-ordination problems triggered by 'unclarities in the division of powers/responsibilities among different spheres of government'. Decentralization inherently means for sub-national government entities not to be dictated what to do. Furthermore, some overlap can have positive consequences of providing security and unclarities in general may enhance flexibility. Nevertheless, there seems to be a discrepancy between recent theoretical and empirical literature. This study searches to get a better understanding of the mechanisms through which such unclarities lead to impeded service delivery through affecting the policy cycle at diverse stages.

When confronted with the issue, our interviewees referred to a broad range of 'unclarities'. Unclarities in the division of responsibilities between spheres of government can refer both to the content and to the rationale behind this division. Furthermore, the agent to whom the division is unclear, may differ in proximity to public administration (external vs. internal).

External unclarities impede issue identification, agenda setting, policy formulation, decision and effective feedback mechanisms. Internal unclarities play a relatively important role in back-room stages of the policy cycle. Negotiations in different occasions in the policy cycle are complicated. Generally this result in lacunae to persist for some time. In the evaluation phase, unclarities facilitate blame games.

Furthermore, unclarities can fuel power struggles, which in turn lead to duplication of services, even though the latter was hardly identified in our empirical context.

We showed all such unclarities, through different paths, to contribute to intra-governmental tensions. External unclarities result in government entities feeling wrongly held accountable, and/or they perceived extra workload especially when much-propagated no-wrong-door approaches are applied. This leads to amplified negative attitudes towards the sphere of government actually in charge. Internal unclarities can lead to chaos, harsh funding fights and negotiations, power struggles, and despair. Unclarities in the rationale behind division likewise contribute to tensions through feelings of frustration, unfairness and skepticism. These negative sentiments directed to the other sphere of government complicate cooperation through worsened intra-governmental relations. Impeded cooperation, beyond routine tasks, implies inhibition of multi-sphere reforms. Correction of unclarities is such a reform. Coordination problems are thus locked-in at least to some extent. We discussed how this self-sustaining circle can be interrupted.

By exposing this system, we hopefully contribute to increasing awareness among public administrators to keep an open attitude towards intergovernmental cooperation. Furthermore, the evidence presented here should stimulate public administration reformers to not only create good internal fences, but also make them clearly visible to people who are not in close, daily contact with public administration, whether street level bureaucrats or citizens. Besides visibility, we also showed that it is important to defend the rationale behind the division openly. In any case, public managers, forced to work with unclarities, should at least to have a better understanding of their consequences. We intend to contribute to this understanding by exploring interaction of these unclarities with the policy cycle.

Contemporary research has focused on complex policy areas.[27] It became unfashionable to deal with Weber-type fences. It is true that "interconnected and cascading nature of [certain] issues makes it very hard to put boundaries around them" (Kettl, 2006, p. 13). Nevertheless, one should not forget that the vast majority of local governments activities still focuses on less sexy areas such as renovating schools and keeping streets clean. These are simple matters, that should not be complicated. We showed how unclarity in the division of responsibility for such matters works through the policy cycle to create coordination problems. We looked at intra-governmental division of responsibilities. Nevertheless, similar issues could be examined when complex public-private arrangements are at place. It is interesting to see these observations in the light of recent theoretical and practical counter-move that challenges some of much propagated New Public Management paradigmatic ideas. "[S]ignals of this counter-move are that governments in Britain, the Scandinavian countries and the Netherlands are reconsidering the necessity of recent privatizations, are reducing the autonomy of some public bodies and agencies, are questioning the democratic accountability of excessive managerial autonomy, are protesting against excessive salaries of some new public managers and want the state to get more control once more. Such a call for more political accountability and control seems to fit the traditional legal frame of reference rather than the managerial one." (Kickert, 2005, p. 560) Over the past few years, with increased public sector influence, especially in the banking sector, the intensity of this move has increased.

Naturally, our framework is only a tiny component of a complex system. Furthermore, it leaves many questions unanswered about the role of unclarities in policy-making. We only touched upon filling a small part of this gap in the literature.

[27] Buffett (2009) notes that "business schools reward difficult complex behaviour more than simple behaviour, but simple behaviour is more effective". A similar reasoning might apply to public management theory.

Further research could analyse more in-depth the causes of such unclarities. This is a topic that might be of interest in particular to political scientists. The moderating impact of environmental variables also constitutes an interesting area for further exploration.

Appendix

Appendix 1 Anonymized characteristics interviewees (n=17)

ID	Entity	Size 2005 mid-year population (intervals, thousands)	Voivodeship	Interview date
01	Urban-rural gmina	10-20	1	19 December 2007
02	Urban-rural gmina	0-10	2	02 April 2008
03	Urban-rural gmina	10-15	2	03 April 2008
04	Rural gmina	10-20	2	04 April 2008
05	Rural gmina	10-20	2	04 April 2008
06	Gmina NGO	0-10	2	04 April 2008
07	Urban-rural gmina	20-30	2	07 April 2008
08	Urban-rural gmina	20-30	2	07 April 2008
09	Urban gmina	50-100	3	07 April 2008
10	Urban-rural gmina	30-40	3	08 April 2008
11	Urban-rural gmina	20-30	3	08 April 2008
12	Urban-rural gmina	10-20	4	10 April 2008
13	Urban gmina with powiat status	500-750	4	11 April 2008
14	Urban gmina	50-100	4	12 April 2008
15	Powiat	250-500	4	14 April 2008
16	Urban gmina	30-40	5	21 April 2008
17	Urban gmina	50-100	4	21 April 2008

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Public fund assignment through project evaluation[28]

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Abstract

Public funds are assigned to sub-national entities in different ways. Lately there has been a shift from relatively mechanic mechanisms such as allocation formulas to more dynamic arrangements such as project selection according to varying criteria. While functionalist theories suggest enhanced outcomes, it has been shown that project quality does not necessarily increase when applying such procedures. As project selection mechanisms are relatively expensive both for applying entities and for project assessors, it is important to better assess this method.

Theoretical benefits of project selection hinge on the functionalist premise that potential proposals that contribute most to the desired outcome are indeed selected. Two theoretical accounts are presented taking this assumption into doubt. The first based on network information flows, and the second on behavioralist mechanisms decoupled from a 'legitimacy-enhancing fairness façade' of project selection procedures.

The context of our study is the critical case of decentralized EU fund assignment in Poland. Polish regions have assign an important part of these funds through project selection to local governments (n = 2,478). We test with different binary (probit, logit) and continuous (uncensored, left-censored) models whether assignment depends on variables such as personal and political ties.

Results cast some doubt functionalist assumptions behind project assignment procedures. The proxy for personal ties is correlated positively with the chance of having obtained funds, but not with the amount obtained. Interpretation of the results favours a network theoretical explanation. Political ties show no significant result. Political networks are argued to relatively weak in newer democracies. Furthermore, ontrary to intended assessment criteria, more prosperous local governments receive

more funding. Co-payment mechanisms seem to contribute to this. Lastly, low model fit suggests decentralized project selection procedures to generate information not easily captured by allocation formulas.

In general, our results should stimulate, better informed, cost-benefit analyses of public fund assignment methods and enhance their design.

Key words: project selection, public funds, structural funds

Introduction

During the past decades, project selection has become an increasingly common method to assign public funds (John & Ward, 2005). Project selection arrangements can take different forms, from highly competitive, open contests to more restricted configurations. Assessment criteria vary greatly, but usually include multiple aspects, such as need and innovation. Potential project areas can be predetermined to different degrees. In harmony with the competitive government spirit of the past two decades (Hood, 1991; Osborne & Gaebler, 1993), project selection gained in popularity as compared to more mechanic mechanisms such as allocation formulas.[29] The more project selection arrangements go beyond price-fighting tenders, the more they are expected to enhance outcomes (Osborne & Gaebler, 1993). Greater efficiency and innovation are among expected benefits. In particular, decentralized project selection is considered effective. Entities closer to practice are better informed about the potential of certain projects to be successfully implemented and to satisfy local needs (Goodrick, 1949; Oates, 1972; Alderman, 2002).[30] When project selection is need-based, entities are less able to conceal information about their circumstances from local or regional authorities than from those at the distant national level. Moreover, need in one community may be characterized by different indicators than poverty in another community. A decentralized system can increase efficiency of development projects further, not only leaving selection to sub-national entities, but by allowing them to determine specific selection criteria, most appropriate to the geographical area (Alderman, 2002).

[29] It should not be ignored that establishment of such formulas involves extensive negotiation, sensitive to e.g. political factors as well.

[30] Besides this functional, effectiveness argument, there are also more ideological arguments for decentralization, from the perspective of the principle of subsidiarity.

For project selection procedures to fully yield these suggested benefits, the 'best' potential projects should indeed be selected (e.g. Ward, 2002). Nevertheless, anecdotal evidence and scandals widely covered by the press, suggest that, even in well-designed, decentralized procedures, being the best might not be enough to win.[31] In particular, personal and political connections are suggested to play a role (e.g. John & Ward, 2005). Arguments from two streams of thought are presented. Both suggest the influence of personal and political ties to be considerable. The first stream involves network theory, with its focus on information flows. The second draws on institutional theory, with the formal institution of project selection decoupled from actual behavioral practice. Arguments from both streams challenge the structural, functionalist theories behind benefits of project selection processes.

After discussing both perspectives and presenting the hypotheses, we identify an appropriate testing ground. Our purposeful sample concerns the critical case (Patton, 2002) of carefully designed, decentralized fund-assignment procedures of an important part of European Union (EU) Structural Funds (SFs) in Poland. Local and county governments, and other entities, can all apply for these funds to their respective regions. The 16 elected Polish regional governments have a large stake in selecting grant-'winning' projects. Selection is largely need-based. Network and behavioral arguments suggest the chance of being among the winners, and the amount of funds won, to depend on political and personal ties with the assigning entity. Our sample of potential beneficiaries includes all Polish local governments. We develop binary models to test whether the likelihood of having at least one project approved, is correlated with

[31] For another part of my dissertation, we conducted interviews with Polish public officials, mainly at the local level (in December 2007 and April 2008). Some interviewees suggested that receiving EU SFs Funds depended on whether the political party of the applying entity is the same as that in power at the assigning entity. Secondly, they suggested it to depend on personal bounds with the people in power, mainly based on assigner's place of origin. This is where the inspiration for this paper came from.

having such ties. Next, we tests whether the same holds for the continuous dependent variable of the amount of funding obtained.

Research concerning EU fund allocations tends to focus on macro-level outcomes such as growth, employment, and economic and social cohesion (e.g. De la Fuente, 2002; Dall'erba & Le Gallo, 2003; Rodríguez-Pose & Fratesi, 2004). With this study, we complement this important literature by examining an earlier phase in a SF 'sub-policy cycle', by assessing the mechanisms through which funds are allocated.

The results should reveal whether it is legitimate to doubt functionalist assumptions behind the advantages of decentralized project selection. It has already been shown that public fund assignment through project selection does not necessarily lead to increased project quality, as perceived by funders (John & Ward, 2005). Furthermore, beneficiaries might have to carry through a project which not exactly corresponds to their preferences (Ward & John, 2008). If in addition we successfully challenge the very assumptions behind project selection's presumed benefits (adding to some evidence from Sweden: Dahlberg & Johansson, 2002), these relatively costly methods should be reconsidered against more mechanic fund allocation methods like allocation formulas.[32] Besides theoretical importance, testing functionalist assumptions behind project selection is relevant for practice as well. In particular, it matters for future design of fund assignment mechanisms. This research might even impact behavior of fund assigners, aware of being watched. Furthermore, it provides a more solid base for public attitudes than current anecdotal evidence.

[32] If applicants perceive competitions to be fair, and act accordingly, project submission quality might still be enhanced, but outcomes much less so.

Theory & Hypotheses

There are several theoretical grounds to doubt the functional assumptions underpinning the beneficial effects of public fund allocation mechanisms through project selection. We draw on two streams of thought to make this case: one based on network information flows, and one on more intentional, behavioral motivations. Through different mechanisms, both types of arguments suggest political and personal bounds to matter.

Network Theory

Firstly, network theory provides us with some arguments why the best potential proposal might not be selected, or similarly, why the quality of proposals can be dependent on network ties. Such arguments are usually left aside in the political science literature regarding related topics, with its focus on intentional political strategies. This is important as it provides a reason to be interested in the entire population of potential applicants, and not only in those that submitted a project, which has been the usual approach (e.g. Dahlberg & Johansson, 2002).

At the individual level, the pattern of personal ties influences phenomena as diverse as finding a job or catching a cold (Powell et al., 1999). At the organizational level, networks contribute to better performance (Dyer & Singh, 1998). Relational ties between parties are conduits for the flow of a broad variety of resources, in either the tangible form of money or specific skills, or the intangible -but no less important- form of information (Powell et al., 1999). In particular, access to elite partners has considerable economic benefits, measured by rates of growth, profitability or survival

(Baum & Oliver, 1992; Podolny, 1993). As this is true in a competitive business environment, network ties are likely to matter at least as much in the more tolerant (Pierson, 2000) public area of public fund assignment. First, one has to be well aware of the possibilities to apply for decentralized EU funding. For example, Duclos (1995) shows for potential recipients of public welfare, that entitlement assessment errors on the part of both the welfare agency and the take-up analyst play an often-ignored role in who actually applies and receives welfare. Entities with the best potential projects might be ill informed of such possibilities. Networks help in transferring such information. Second, EU application procedures are often considered complicated. The transfer of know-how concerning such procedures is also likely to follow network paths.

Relatively strong personal and political ties are better in transferring information than weaker ties, purely based on formal, institutional links. Even advocates of weak ties recon that strong ties have greater motivation to be of assistance and are typically easily available (Granovetter, 1983). The speed of flow and credibility of information carried through strong ties are also considered superior (Weimann, 1980). Ties with people in power are particularly valuable information carriers (Lin et al., 1981). Assigning entities are likely to be well-informed about the application procedures and the possibilities to apply for funding. Such procedures can be very complicated, and projects are often rejected because of formal, procedural reasons unrelated to the content of the project. Well-informed entities are less likely to make such mistakes. Potential applicants which are personally, or through political institutions, better connected to these assigning entities are thus argued to be more likely to apply, and more likely for their applications to be successful, to a relatively large share of public funds assigned through project selection. Furthermore, personal ties can bridge political cliques and might thus be of complementary importance. Such network information

spreading mechanisms are expected to be strongest at early stages of newly implemented competition structures. In such stages, information is still scarcely spread (e.g. John & Ward, 2005).

Behavioralist Theory

Second, we consider behavioralist arguments why functionalist assumptions behind competitions might not hold. Such mechanisms are likely to be relatively stronger in the longer run when information is better disseminated. As opposed to a functionalist approach to competitions, a more behavioral perspective suggests political connections to play a role in assigning funds.

While the institution of competitions has likely been established without intending such strategic behavior, institutions can have unexpected effects (Pierson, 2000). Official structures are frequently decoupled from actual activities (Meyer & Rowan, 1977). Competition as an institution then serves as a *legitimacy-enhancing fairness-façade*.[33] Such a perspective suggests funds divided through project selection to be subject to similar behavioral mechanisms as funds divided through more discretionary mechanisms.

If a strategic component indeed plays a role in assigning EU funds through project selection, it can be driven by different rationalities. One strategic rationality is voter-based. Research shows central government funds frequently to be used to reward governmental or private entities for political support (e.g. Chubb, 1982; Tam, 2005; Urquiza, 2005). In particular, political science literature suggests two opposing hypotheses: a swing-voter and a core/loyal-voter hypothesis. The first suggests resources to be directed towards pivotal electoral areas, while the second implies

[33] For this façade to be effective, it should be perceived as a fair process.

resources to be used to reward party strongholds. In our case of project selection, the swing-voter hypothesis is only likely to apply to the extent where applying entities are dominated by the same political faction as the assigning entity. Being selected for funding, provides political credit for the successful applicant. Voters are likely to reward the entity that successfully applied to the funding, and not the assigning entity. Using words of Dasgupta et al. (2004): electoral benefits 'leak' almost entirely to the sub-regional government. So, only when the swing-voter government is dominated by the same political party as the governmental fund assigning entity, it makes sense from this point of view to direct resources to that area. This differs from public fund assignment studied by Ansolabehere and Snyder (2006) and others, where allocations clearly create credit for the allocating entity.

Ansolabehere and Snyder (2006) provide a comprehensive overview of the literature on the relation between political party control and distribution of public expenditures. They note that "[r]esearch on party control of government and the distribution of public expenditures in the U.S. is surprisingly thin." (p. 549) This applies equally or even more to other countries. Notable exceptions include Dasgupta et al. (2004) who find that Indian provinces where the nationally dominant party is stronger, receive relatively more funds. This is in support of the core/loyal voter hypothesis. In contrast, Dahlberg and Johansson (2002) find support for the swing voter hypothesis. Their study concerned the 1998 distribution of 2,285 million SEK[34], intended to support local investment programs aimed at an ecological sustainable development and at increasing municipal employment. These funds were assigned to 42 of 115 applying local governments. The 42 winning municipalities were in regions with relatively many swing voters, but they were not ruled more often by the political party in power at the central level.

[34] In 1998, the value of 1 SEK fluctuated between 0.10 and 0.12 EUR (Forex, 2008).

One of the key variables in all these (and our) studies is the political affiliation of the assigning entity. In practically all studies discussed, this refers to the political party in power of national government. So, in the existing US (e.g. Browning, 1973; Levitt & Snyder, 1995) and other (e.g. Dahlberg & Johansson, 2002) case studies there is little variation in this key variable. Furthermore, the fact that this variation concerns merely time-series data largely limits comparability. To our knowledge, Ansolabehere and Snyder (2006) are indeed the first to compare allocations by a sub-national level of government. In particular, they investigate transfers from US states to counties. They thus create within-country, cross-sectional variation in a key independent variable. Our study takes a similar approach and thus searches to expand this area of research beyond the US.

Furthermore, we take a different approach to political connections. All studies listed above, focus on political-party level strategies. In their measurement they use broad electoral results. We take a slightly different, more individual, approach by focusing on political party affiliation of the most powerful actors. Our data concerns key members of commissions that actually have a large stake in deciding which projects receive funding.

The second behavioral argument focuses on the individual level of analysis, beyond party networks. Personal linkages can affect the division of funds (e.g. Stokes, 2007). Behavioral mechanisms at the dyad level, such as reciprocity (Gouldner, 1960; Kozminski & Tropea, 1982) provide theoretical support for exchanging favours. True to a public choice assumption that public officials act in their own interest, they are likely to use office to favour applicants that are most likely to reciprocate these favours. Patronage can be used to refer to any number of scarce resources controlled by the patron and desired by the client. Such patron – client ties clearly are different from

other ties which might bind parties unequal in status and proximate in time and space, but which do not rest on the reciprocal exchange of mutually valued goods and services — such as relationships based on coercion, authority, manipulation, and so forth (Bearfield, 2009).

The likelihood of such reciprocity-based behaviour increases with proximity, because winning is more likely to be seen as a favour than as a neutral outcome from a far-removed body. So, potential applicants for funding, which are personally connected with the people in power to divide these funds, are more likely to be selected. Besides, they can be expected to win larger quantities of funds.

We draw extensively upon the methodology developed by Ansolabehere and Snyder (2006) and make grateful use of their findings. Nevertheless, besides emphasizing more individual factors, our analysis differs in another major aspect. Instead of focusing on general public fund transfers, we examine a specific administrative method to allocate such funds: project selection. We search to add to the evidence drawn from the few studies we were able to identify on such public fund allocation methods, on regeneration and housing renewal project funding in the UK (John & Ward, 2005), and on ecological grants in Sweden (Dahlberg & Johansson, 2002). Contrary to state allocations, the institution of project selection –whether need-based, innovation-based, and/or development-based– explicitly suggests political neutrality. But, if behavioral theory applies, having the same political affiliation as the assigning entity might well increase the potential applicant's success in obtaining such funds. To maintain the legitimizing fairness façade, entities dominated by political opponents might win once in a while, but obtain significantly less funds, overall.

Hypotheses

In sum, functionalist assumptions behind public fund assignment through project selection can be challenged from different theoretical perspectives. If the arguments outlined above play a role, personal and political connections should positively affect the chance of obtaining funds and the quantity of funds obtained. This all comes down to the following four hypotheses:

- H1a: *political links* between a potential applicant and the assigning entity positively impact the *likelihood of winning any funds* through project selection
- H1b: *political links* between a potential applicant and the assigning entity positively impact the *share of funds* obtained through project selection

- H2a: *personal bounds* between the potential applicant and the assigning entity positively impact the *likelihood of winning any funds* through project selection
- H2b: *personal bounds* between the potential applicant and the assigning entity positively impact the *share of funds* obtained through project selection

In addition, we verify whether variables that are expected to impact fund assignment in a certain way, in our particular context, really do so. This is important as it gives us some further indication of projects are really selected according to stated criteria, and thus of functionalist assumptions to apply. If signs are contrary to expectations, or non-significant, we examine what mechanisms are at play and if lessons can be drawn for structural design of public fund assignment methods.

Context

We test our hypotheses in the context of decentralized EU SF assignment in Poland. This involves recent, well developed, fund assignment methods. Before we discuss some details of the programme, a brief description of Polish government structure is presented.

Polish Government Structure

Poland is divided into 16 voivodeships. At voivodeship level, there are two government bodies. The *sejmik* is elected by popular vote, and in turn elects its executive representative (*marszałek*). This sphere of government is responsible for issues such as regional development, higher education, and voivodeship roads. At the same level, there is also an entity appointed by the central government, called *wojewoda*. Its competences lie in fields such as national security and education quality. Voivodeships are divided into, in total, 379 powiats (including 65 city local governments with powiat status). Powiat councils are elected by popular vote. These councils in turn elect a *starosta*, who is in charge of the executive powiat government office (*starostwo*). Powiats are responsible for late secondary schools, police, secondary care, unemployment offices, powiat public transport, etc. Polish local government consists of 2,478 gminas. The head of local executive government is chosen in direct elections, by popular vote. When no candidate reaches a majority in the first round, a second ballot is held between the candidates who finished first and second in the first ballot. We refer to this person in charge of local executive government as mayor. Nevertheless, the Polish term differs: *wójt* for largely rural gminas, *burmistrz* for small

city gminas, and *prezydent* for large city gminas. Local governments are responsible for primary and early secondary education, local government roads, social care, local public transport, etc. Local governments are further subdivided into purely administrative localities. These entities basically have no formal powers, but play an important role in consultation issues. A small number (65) of relatively populous local governments simultaneously hold powiat status. This number has remained relatively constant. Nevertheless, in 2003 the number decreased from 66 to 65, as one city gave up its powiat status: *Wałbrzych*. With a 2006 end-of-year population of 124,988 (Central Statistical Office, 2008), *Wałbrzych* is the largest city in Poland without powiat status.

Since the collapse of the communism, we can identify two main reforms that shaped current, decentralized government. In 1990 local governments were created and given a broad range of powers. The next major reform consisted of the 1999 re-establishment of powiats, which were abolished in 1975. Furthermore, voivodeships were reduced in quantity (from 49 to 16) and the elected voivodeship entity was established and given broad powers. (Regulski, 2003; Swianiewicz, 2003)

Decentralized Structural Fund Assignment

SFs are funds allocated by the EU to support poorer regions of Europe and to integrate infrastructure. Furthermore, they compensate for potential adverse effects of EU open markets for deprived areas. Together with Cohesion Funds, they for the major EU funding programmes. After the Common Agricultural Policy, these programmes involve the bulk of EU spending. In designing recent programmes to divide SFs, the EU draws on decades of experience. Of all 2004-2006 SFs assigned to Poland, about 40% were allocated through Integrated Regional Operational Programmes (IROPs). IROPs

are (co-)financed by 2,968.50 EUR million from two SFs: the European Regional Development Fund (ERDF) and the European Social Fund (ESF). In addition, beneficiaries are required to substantially co-finance their projects.

IROPs were managed largely by the elected voivodeship governments. While the national level ensures coordination and uniform application of agreed rules, most tasks for implementation are vested with the 16 *marszałek* offices, and voivodeship boards. Voivodeship boards are elected by the *sejmik* and consist of five persons, including the *marszałek* and two, or sometimes one, vice *marszałek*s. They identify projects. *Wojewoda* offices audit, monitor, and certify and verify payment. Funds under IROPs were allocated generally through calls for proposals, open for project submission by potential applicants. Projects should contribute to the desired outcome, to "create the conditions for the increase of competitiveness of the regions and prevention of the marginalization of some areas, in such a way as to enhance the long term economic development of the country, its economic, social and territorial cohesion, as well as integration with the European Union". Within this general purpose-statement, projects are expected to contribute to one of four priority areas. Priority I (infrastructure) and Priority III (local development) amount to the major share of transfers, respectively 59.4% and 24.5%. (Ministry of Regional Development, 2008b) Voivodeship boards receive applications and appraise projects "in respect of formal criteria" (p. 137). Regions themselves can set these more detailed criteria. Before voivodeship boards announce the final selection, several checks and balances are applied. For example, a panel of experts is responsible for "preparation of the ranking of the eligible projects" (p. 134), and a Regional Steering Committee "may move projects in ranking taking into account their coherence with and significance for the regional development strategy" (p. 137). (Ministry of Economy, Labour and Social Policy, 2004) The procedures differ

somewhat among priorities. Voivodeship boards have the largest stake in assigning Priority I funds, and somewhat less in Priority II funds. The last concern 14.8% of IROP funds.

To illustrate, by the end of June 2006, the *Opolskie* voivodeship received 998 applications of which 297 were already approved for implementation with co-financing in the amount 307.0 million PLN[35]. This is about 85% of total IROP funds assigned to this voivodeship. 260 contracts (87.5%), worth 250.4 million PLN (81.7%) were actually signed by that date. (Executive Board of the Opolskie Voivodeship, 2007)

For the 2007-2013 successor of IROP, the Regional Operational Programme (ROP), responsibility for preparing and implementing regional development programmes is fully delegated to *marszałek* offices. The rationale behind this further decentralization is "...increased effectiveness of development activities run by the public administration, as well as the effective use of the Structural Funds by regions in the 2004-2006 period under the IROP." (Ministry of Regional Development, 2008b) We analyse the 2004-2006 programmes rather than the ROP, because data from the 2007-2013 program are still scarcely available.

Methods & Variables

Data involves all 2,478 Polish local governments, including 65 cities with powiat status. The entire population of 2004-2006 IROP beneficiaries also includes entities such as schools and voivodeship departments. Examples include beneficiaries such as private consultancy companies (e.g. in *Lubuskie*) and language schools (e.g. in *Świętokrzyskie*). Nevertheless, political and personal connections are more difficult to

[35] In the period January 2004 to December 2006, the value of 1 PLN fluctuated between 0.20 and 0.27 EUR (Forex, 2008).

check for some of these entities. Even more problematic for statistical analysis, is the fact that it is close to impossible to map the population of all potential private applicants. In further analysis, funds assigned to powiat offices could be included.[36] Funds obtained by late secondary schools and secondary hospitals could be added to the respective powiat data. Funds received directly by gmina primary and early elementary schools could be considered to be added to the gmina data correspondingly. Nevertheless, our sub-population of all potential local governmental applicants involves a clearly demarcated subset of potential applicants, and together they obtained a major share of all funds: approximately 4.5 billion PLN, or roughly one-third of total SFs assigned through IROP.[37]

Our focus on the formal beneficiary can be challenged. For example, the gmina government of *Nasielsk* in *Mazowieckie* is listed as beneficiary of a 370,366.11 PLN grant. This project aims to improve a road between the villages *Mazewo Dworskie* and *Kątne*. While these villages lie within the gmina *Nasielsk*, this road naturally also benefits surrounding gminas. In several cases, roads even pass gmina borders. Nevertheless, the beneficiary has power over resources. Second, the beneficiary is likely to get political credit. So, our focus on the entity to which funds are actually assigned seems to be a reasonable measure. It should be noted that in very few cases, more than one gmina was listed as beneficiary. In these cases, an equal share was included for each.

Compared to Ansolabehere and Snyder's (2006) US context, our sample size is small and we only look at one type of transfers in one period of time, under one specific programme. Furthermore, political domination is somewhat more difficult to measure in

[36] We excluded powiat data because *starosta* party affiliation data appeared to be hard to obtain.
[37] The final share should be higher as not all voivodeships provided updated documents and part of the funds was still undivided. *Małopolskie* and *Pomorskie* provided the oldest project lists, from 21 March and 17 July 2006 respectively).

a multi-party system as compared to the US bi-partial context. But the Polish context also has some advantages. The Polish system has been largely designed top-down. As a result, the institutional context varies much less among Polish sub-national governments than among US sub-national governments. We thus need to correct for less institutional differences. For example, power of mayors and governors is more homogeneous than in the US. Some US mayors are elected directly by the population and the head of the executive branch of government. Other cities have city councils with both legislative and executive functions. Some of these appoint a city manager (Baqir, 2002).

The analysis is cross-sectional. Unfortunately, time-series analysis is problematic in our case. The context and programs vary too much to provide reliable comparisons beyond the 2004-2006 IROP. Within this period, factors such as programme regulation and persons in power prove relatively stable. Elections were held only in 2002 and 2006. Two of the 16 *marszałek*s changed in 2005, during the programme's period, of which only one involved a change in party affiliation.[38] Here we counted both parties as potential fund-obtaining facilitators.

Generally, variables are for 2005, the year when IROP fund assignment was half-way.[39] Nevertheless, variables that might be affected by the amount of funding received even before the money is actually spent, are from 2003. Endogeneity problems are thus minimized.[40] Schools, health care facilities and roads take time to be constructed. we assume them to be left unaffected by IROP funds at least until 2005. Unemployment and government resources are assumed to be potentially more promptly affected.

[38] In 2005, the SLD *marszałek* of *Wielkopolskie* was replaced by one belonging to PO.
[39] Fund assignment was spread out incrementally over the three-year period, from about 23% in 2004, to 33% in 2005 to 43% in 2006 (Ministry of Economy, Labour and Social Policy, 2004). Nevertheless, most IROP funds (about 90%) were only spent in 2006 and 2007.
[40] We do not consider pre-accession funds. These were relatively small amounts, and were accessible to local governments only to a minor degree (Levitas, 1999; Ministry of Economy, Labour and Social Policy, 2004), but might still have some distorting impact.

As many as 1,293 of the 2,478 local governments (52.2%) were not granted IROP funds at all by the voivodeships. We will test whether political (H1a) or personal (H2a) factors are positively related to the likelihood of receiving funds. Our four binary regressions have normal and logistic cumulative distribution functions, with robust and non-robust standard errors.

Next, we test whether the same holds for the amount of funds received (H1b and H2b). We do this with OLS analysis, first including and later excluding the zero-observations. In order to assess whether multicollinearity might distort results, we make use of the Stata application 'Variance Inflation Factor' (VIF). While suggested thresholds vary somewhat among different studies, a value of 5.0 seems on the safe side (e.g. Carlsson & Lundström, 2002). Subsequently, we try a left-censored model (tobit). We assume censorship makes sense, considering the large number of zero-observations, and the impossibility to obtain negative (or small quantities of) funds. The tobit model first treats assigned funds as binary data (0 or 1, depending on whether a gmina obtained any funds or none) and then fits the positive values linearly (Brooks, 2003). A tobit model is a common approach to analyse project selection with losers and winners of different amounts of public funds (Dahlberg & Johansson, 2002; John & Ward, 2005)[41]. While the tobit analysis with left-censoring at zero is the going approach, mis-specification because of the data being actual left-censored at a point higher than zero, can have serious consequences. The same holds true for ignoring censoring at the top. In the project selection studies we refer to, censoring is assumed to have occurred at zero. If this assumption is incorrect, the likelihood function will differ from what is assumed in the standard tobit model and estimation via the standard tobit model will in

[41] As Dahlberg and Johansson's (2002) sample (115 municipalities, of which 42 received grants) is relatively small for tobit analysis, they concentrate on the probit analysis. John and Ward (2005) do run a tobit analysis for three different rounds of competitive bids, with N_1=314, N_2=279 and N_3=154 (pseudo R-squares are not presented).

general be inappropriate. (Sigelman & Zeng, 1999) As both issues apply to fund assignment, we perform robustness checks with different censoring models.

For all our models, we apply a significance level of $\alpha = 0.05$, but examine the consequences of relaxing this threshold somewhat ($\alpha = 0.10$).

Two problems with direct analysis of transfers are that beneficiary government entities vary in populations and voivodeships vary in total intergovernmental revenues. To make the measure more readily comparable across gminas and across voivodeships, we examine per-capita IROP funds obtained by each local government, and we measure these quantities relative to the voivodeship averages. Let i ε [1 , ... , 2,478] stand for the potential beneficiary local government, and j ε [1, ... , 16] for the fund-assigning voivodeship. For the matrix of all non-binary dependent and independent variables, X_{ij}, we define a new variable as $\widetilde{X}_{ij} = X_{ij} / \overline{X}_{ij}$, where $\overline{X}_j = (1/n)\sum_{i=1}^{n} X_{ij}$. We apply this transformation to all of the continuous variables in the analysis. It removes much of the state-level variation in the data that is also captured with fixed effects. (Ansolabehere & Snyder, 2006)

Below, we provide a list of all variables, specifying the measures. As project assessment is partly need-based, we include several exogenous 'need' variables. Most notably, we include proxies for availability of facilities in the main areas of gmina competences: primary and early secondary education, primary health care, and communal roads. Other independent variables involve proxies for higher expected impact per amount spent: e.g. population density, population and area. Especially this second group of variables might cause multicollinearity problems. Nevertheless, we argue them to have enough explanatory value on their own. We will test this by assessing the VIF values for these variables.

While we give brief theoretical accounts for the expected sign of explanatory variables with the continuous variable, the same lines of argument apply to the likelihood models. Obviously, the dependent variable differs between these two models. Furthermore, the above transformation, (correcting for state-level variation,) could not be applied to the binary dependent variable. We compensate for this by including regional dummies in the equations. All other explanatory variables are equal.

- Sample:
  - All 2,478 Polish local governments
- Dependent variable:
  - Fund benefits
    - To test H1a and H2a, we use a dummy variable (DGR0406). Either a local government was assigned some IROP funds (DGR0406=1) or none (DGR0406=0).
    - To test H1b and H2b, we use a continuous scale: per capita IROP funds (in PLN) allocated directly by the voivodeship to a certain local government (PCGR0406). When information was available, both ERDF and ESF were included. All funds assigned were included, so also the small share of funds that actually remained unused and were not transferred. Co-payments are excluded. Aggregate funds assigned are divided by the mid-2005 population in the respective gmina.[42,43]

[42] Unused funds are relatively small in Poland. The Ministry of Regional Development recently issued a tender to investigate why certain recipients did not make use of all funds. Co-payments were less relevant for our analysis, but could cause certain small, poor entities to receive less funds. We correct for this.
[43] For exploratory purposes, we created an additional dependent variable: regionally standardized absolute values of funds assigned (GR0406).

- Main independent variables of interest: [44]
    - Political links (POL). Whether party affiliation of a local government's mayor coincides with at least one 2004-2006 *marszałek* or *vice marszałek*'s affiliation (POL=1), or not (POL=0). While gmina councils can impact the *use* of funds, applying for EU funds is the mayor office's responsibility. As mentioned, voivodeship boards consists of five persons, elected by the *sejmik*. In any case, *marszałek* and vice *marszałek*(s) are included. The *marszałek* and vice *marszałek*(s) are considered to be the most powerful actors in this board. Their political party affiliation reflects the political party in power in the elected voivodeship government. Furthermore, voivodeship boards in particular had a large stake in assigning IROP funds. We do not argue it always uses this power. Usually procedures are followed by lower levels, without higher-level involvement.[45] This might especially be the case for larger funds, but not necessarily. Checks and balances might well be less enforced for smaller assignments. It should be noted that public officials might have changed party affiliation in the period 2002-2006. At the voivodeship level we verified such changes, but we did not do this at the local level. Especially some of the large number of mayors that was not affiliated to a national party, but to a local one, might have changed during this period.[46] Nevertheless, in 2006 the rate of mayors with local party affiliation remained similar. Furthermore, mayors from such small local parties might in fact have received support from the political party

[44] Critical comments by Jerzy Cieślik (Kozminski University) helped me to improve this section.
[45] Olken (2006) shows that e.g. corruption appears to be concentrated. He applies a probit (and tobit) model in investigation among others the determinants of missing rice in Indonesian distribution programmes. Just 10% of villages account for 60% of missing rice.
[46] Parties with no representation at the national level received 68.5% and 1.4% of the 2002 popular vote in local and regional elections respectively.

that is in power at the voivodeship level. In sum, our measure forms a good, albeit not perfect, proxy of political bounds between the assigning commission and the potential applicants.[47]

- Personal links (PER). Whether at least one 2004-2006 *marszałek* or vice *marszałek* was born in the respective gmina, or studied or worked there (PER=1), or not (PER=0).

- Explanatory 'impact' variables:
  - Population (PO05). Population as of 30 June 2005, by actual place of residence. More populous local governments can develop plans that benefit more people. Such projects are likely to be assessed as more beneficial and involve more money. (It should be noted though that Ansolabehere and Snyder's (2006) incremental budgeting and economies of scale arguments suggest relative population size to have a negative effect on relative funds obtained. Nevertheless, especially the incremental budgeting argument is less likely to apply in the context of project selection than with ordinary state transfers.)
  - Population density (DEN05). Mid-2005 population divided by total area. Public investments in densely populated areas are expected to have greater value (Dasgupta et al., 2004). (Nevertheless, from a need-perspective, sparsely populated areas are expected to need more health facilities and schools to reach the same level of quality in terms of proximity.)

[47] For 4 voivodeships, the *marszałek* was affiliated to a political party (PiS or PO) that was not yet prevalent at the local level. So, few matches between mayor affiliation and *marszałek* affiliation were found. Nevertheless, vice *marszałek*s did belong to the mayor's political party. Furthermore, for a small number of gminas (less than 10), mayor data was missing. We have data of the party affiliation of the loser(s) of mayor elections, which might provide us with a possibility to improve the analysis.

- Powiat status (PS05). Dummy for a local government possessing both gmina and powiat status (PS05=1) or exclusively gmina status (PS05=0). We expect this dummy to have a positive impact on funds obtained as holding powiat status implies more powers and a larger scope for project applications.
- Geographical size (AR05), in square kilometres.[48] Regardless of population density, and population size relative to other local governments in the voivodeship, mere size relative to other municipalities in the voivodeship still is expected to have some impact. For example, larger areas are relatively important for infrastructure as they cannot be avoided easily by directing traffic around them. We thus expect a positive sign.
- Rurality (RU05). Rural 2005 population as a share of total 2005 population. Mid-year (30 June) population data were used, according to actual place of residence. Rurality is one of the main dimensions among which structural differences between Polish areas are characterized, so it is important to include this variable. Investments in industrial areas are expected to have a higher pay-off, because marginal productivity in agriculture is relatively low. It is thus more appealing to assign -more- funds to more industrialized gminas.

■ Explanatory 'need' variables:

- Dependency ratio (DEP05), measured as non-working age population per 100 persons of working age. Gminas with high dependency ratios are

[48] In total, there were 71 changes in gmina borders during the period of interest: 28, 22 and 21 on 1 January of the years 2004, 2005 and 2006 respectively. In the same period, there were 20 powiat and 5 city with powiat status border changes. Nevertheless, changes usually involved very small areas and populations. (Central Statistical Office, 2008)

expected to need more educational, and health and social care investments.

- Education and health care facilities. It is hard to measure the quality of schools and health care facilities, but we proxy for the need for more investments by dividing the number of facilities by total population. We expect gminas with relatively less facilities to be in more need of additional investments, either to provide smaller scale services or to provide services closer to home.
  - Primary school facilities per capita (EP05)
  - Early secondary school facilities per capita (ES05)
  - Public and private health care facilities per capita (HEF05)
- School enrollment (ESE05). Net enrollment rate of the number of people studying (as of the beginning of the school year) on early secondary education level compared to the population (as of 31 December) in the age group corresponding to early secondary education age group.[49] Educational investment need is not only based on availability of facilities, but also on problems concerning enrollment. We selected one variable to correct for this: early secondary education enrollment. This level of education is the highest among gmina competences and arguably most representative for gmina educational development.
- Local infrastructure density (RO04). Kilometres of road in the gmina divided by its area, in 2004.[50] 2005 data were unavailable. As much as 59.4% of total IROP funds are earmarked for infrastructural projects

[49] Five values were missing. We decided to replace these missing values by the regional average, in order not to lose the respective observations. The standardized value thus becomes 1.
[50] For five gminas (different from the ones missing for ESE05) values were missing. We replaced these missing values by the regional average. Both RO05 and ROU05 equal 1.

('Priority I') (Ministry of Regional Development, 2008b). For example, the *Opolskie* voivodeship allocated approximately 31% of IROP co-financing to projects in road infrastructure. (Executive Board of the Opolskie Voivodeship, 2007) As fund assignment is substantially need-based, we expect gminas with a less densely developed network of communal roads to positively impact both dependent variables.

- Local infrastructure quality (ROU05). Kilometers of unsurfaced local roads divided by the total length of local roads. Road density does not need to reflect quality of the roads. This variable is intended to correct for this. If there are relatively many unsurfaced roads, the need for investments is likely to be higher.
- Unemployment rates (UR03). The number of unemployed persons in 2003 divided by total population in the same year. Just like in other public fund assignment programmes (e.g. Dasgupta et al., 2004), solidarity with deprived areas might well be an important factor to positively affect the receipt of funds.
- Wealth (WA05). Unfortunately there are no Polish GDP data at the gmina level. Nevertheless, we do have average wage data for all 379 powiats, including those 65 gminas with powiat status. Within-powiat variation is thus ignored. This measure should proxy wealth. Gminas where people earn more are expected to have less need for funds to stimulate development.
- Government resources (RE03). Total per capita revenue (in PLN) for 2003. We include government resources assuming it is an inverse proxy for the need of resources, with poorer governments obviously getting

more funds, more frequently. (On the other hand, there are reasons to doubt our assertion to be confirmed. The EU application process requires know-how. This can be held internally, in the form of a department, or externally by hiring external experts. Both are costly matters. Furthermore, co-funding is required. Richer government entities have more possibilities for such investments. Chakraborty (2003) further argues state income to be a good proxy for lobbying power. All arguments suggest richer government entities to obtain more funds.) Per capita data are used to avoid multicollinearity with population size, and because we assume government entities only having resources left for such investments when some basic per capita expenses have been made.

Data sources are diverse. Party affiliation data are obtained from the National Electoral Commission (2008) website.[51] Fund assignment data come from the Ministry of Regional Development (2008a). Biographical data about the 2004-2006 *marszałek* and vice *marszałek*[52] of each voivodeship were gathered from Wikipedia (2008) and from voivodeship, political party and politician's personal websites.[53] Usually, data was triangulated by communication with voivodeship and political party offices. The source of all further data is the Central Statistical Office (2008). We use the statistical software package Stata 9.1 to analyse the data.

[51] Research assistance by Joanna Bąk is gratefully acknowledged.
[52] Vice *marszałek* data is almost complete. Some POLs and PERs might still change from 0 to 1.
[53] Research assistance by Marta Kisiel is gratefully acknowledged.

Results

Descriptive statistics for all variables are presented in Figure 1. Dummy variable means represent the rate of positive values: 47.8% of local governments received at least one grant (DGR0406), 2.6% held powiat status (PS05), 20.0% had a mayor of the same party as vice *marszałek* or *marszałek* (POL), and 2.7% were identified as birth or work locations of a vice *marszałek* or *marszałek* (PER). The average for all regionally standardized data should equal unity, as the average for all regions is set unity. Rounding errors cause slight deviations.

Figure 1 Summary of the data

Variable	Obs	Mean	Std. Dev.	Min	Max
GR0406	2478	1	3.893524	0	116.6273
PCGR0406	2478	.9999998	2.11503	0	26.404
DGR0406	2478	.4782082	.4996257	0	1
PER	2478	.0270379	.1622267	0	1
POL	2478	.200565	.4005039	0	1
PS05	2478	.0262308	.1598533	0	1
PO05	2478	1.000001	3.179631	.0744	103.3303
DEN05	2478	1.000001	2.145115	.0241	20.9774
RU05	2478	1.000003	.4782192	0	1.6301
AR05	2478	1	.5413171	.0144	4.5653
DEP05	2478	.9999991	.1083524	.6048	1.5762
UR03	2478	1	.3049176	.1579	3.4586
WA05	2478	1.000001	.1209861	.7233	2.0594
RE03	2478	1	.5048711	.6086	22.4535
RO04	2478	1.000001	.9540939	0	8.753
ROU04	2478	1.000001	.5604978	0	3.4828
HEF05	2478	.9999992	.5968351	0	5.1455
EP05	2478	1	.4533063	.094	3.9138
ES05	2478	1	.4812978	0	3.9858
ESE05	2478	1	.141866	.0239	2.3411

We apply four different binary models to the data, with normal and logistic cumulative distribution functions, both with robust and non-robust standard errors. All

models indicate the same variables to have significant explanatory power, and coefficients and p-values only differ marginally.[54] Figure 2 presents the results for the probit model. Our personal tie proxy (PER) gives highly significant results (p-value: 0.003), and is positively correlated with the likelihood of having obtained funds. The same holds true for population size (PO05), geographical size (AR05), road density (RO04), and early secondary school enrollment rates (ESE05). The other main variable of interest, political ties (POL), shows no significant result in any of the binary models. Higher unemployment rates (UR03), higher per capita early secondary education facilities (ES05), population density (DEN05), and holding powiat status (PS05) were associated with a lower chance of being among the beneficiaries. At a 10% significance level, the same holds for higher dependency ratios (DEP05). Inclusion of voivodeship dummies in the binary model, to correct for regional differences, proved necessary. Some of the voivodeships had a significantly lower (*Małopolskie*) or higher (*Świętokrzyskie*) rate of local governments benefiting from IROP funds.

[54] So, estimates are still reliable when the regression errors are autocorrelated and/or heteroskedastic, and when distributive assumptions are relaxed.

Figure 2 Likelihood of obtaining funds (probit)

Probit regression — Number of obs = 2478; LR chi2(32) = 307.27; Prob > chi2 = 0.0000; Log likelihood = -1561.627; Pseudo R2 = 0.0896

DGR0406	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
PER	.6623708	.2198511	3.01	0.003	.2314705	1.093271
POL	-.0649296	.0693451	-0.94	0.349	-.2008435	.0709842
PS05	-.6229475	.2962545	-2.10	0.035	-1.203596	-.0422993
PO05	.2959285	.0613394	4.82	0.000	.1757055	.4161515
DEN05	-.0685829	.0265775	-2.58	0.010	-.1206739	-.0164919
RU05	-.033726	.0896104	-0.38	0.707	-.2093593	.1419072
AR05	.1843775	.0631009	2.92	0.003	.0607021	.3080529
DEP05	-.5834656	.3248885	-1.80	0.073	-1.220235	.0533041
UR03	-.2207309	.0901966	-2.45	0.014	-.397513	-.0439487
WA05	-.0676003	.2291113	-0.30	0.768	-.5166502	.3814496
RE03	.0903274	.076788	1.18	0.239	-.0601744	.2408291
RO04	.0865693	.0407698	2.12	0.034	.0066619	.1664767
ROU04	-.0423286	.0510945	-0.83	0.407	-.1424719	.0578148
HEF05	.0013962	.0460553	0.03	0.976	-.0888706	.091663
EP05	-.0269568	.0781792	-0.34	0.730	-.1801852	.1262716
ES05	-.1547512	.0610185	-2.54	0.011	-.2743452	-.0351572
ESE05	.4973728	.2062377	2.41	0.016	.0931543	.9015912
kuja	.1659364	.1900707	0.87	0.383	-.2065954	.5384683
lube	-.2078348	.1768341	-1.18	0.240	-.5544232	.1387536
lubu	.0241634	.2108879	0.11	0.909	-.3891694	.4374961
lodz	-.2638834	.1829557	-1.44	0.149	-.6224699	.0947031
malo	-.8394982	.1889263	-4.44	0.000	-1.209787	-.4692095
mazo	-.3021955	.1720224	-1.76	0.079	-.6393531	.0349621
podk	-.2288963	.1857751	-1.23	0.218	-.5930088	.1352161
podl	.0600395	.1947121	0.31	0.758	-.3215892	.4416681
pomo	-.3620915	.197418	-1.83	0.067	-.7490237	.0248407
swie	.7610395	.210668	3.61	0.000	.3481378	1.173941
warm	.1087094	.194751	0.56	0.577	-.2729955	.4904143
wiel	-.2847647	.1767254	-1.61	0.107	-.6311401	.0616107
doln	-.0291112	.1841889	-0.16	0.874	-.3901147	.3318923
zach	-.0714971	.1974113	-0.36	0.717	-.4584162	.315422
slas	.135842	.1862734	0.73	0.466	-.2292471	.500931
_cons	.1954874	.5139601	0.38	0.704	-.8118559	1.202831

Note: 0 failures and 10 successes completely determined.

Next, we move to the continuous models. If we regard the observations to be uncensored and the zero-values to really represent zero-values, we get the results presented in Figure 3a. R-squared and adjusted R-squared are very low, but the model is significant. R-square is increased to about 0.75 by capturing the impact of population size fully by the explanatory variable, using absolute receipts (GR0406) as dependent variable, instead of per capita receipts (PCGR0406). Including voivodeship dummies instead of standardizing the dependent variable for regional effects might further increase non-adjusted R-square. Nevertheless, we chose to isolate the impact of our main variables of interest as much as possible.

With the OLS model, neither political ties (POL) nor personal ties (PER) show significant correlation with the amount of per capita IROP funds received, relative to other recipients in the same region. Both variables are insignificant even at the 10% level. Dependency ratio (DEP05) and unemployment rate (UR03) are clearly negatively correlated with the amount of funds received, with p-values well below 0.05. Per capita health care facilities (HEF05) shows a significantly positive correlation. If we increase the significance threshold to 10%, per capita early secondary education facilities (ES05) and population density (DEN05) now show a significantly negative correlation. Furthermore, total, per capita, local government revenue (RE03) is positively related with the relative amount of funds obtained.

When we apply OLS only to the 1,185 local governments that received at least one grant (see Figure 3b), both political (POL) and personal (PER) ties still produce coefficients that do not differ significantly from zero. Geographical area (AR05) and population density (DEN05) show significantly negative correlations, and per capita health care facilities (HEF05) a positive one. Rurality (RU05) becomes significantly positive only when we raise our alpha to 0.10.

Nevertheless, both the unconditional and conditional OLS models have remarkably low explanatory power.

VIF analysis suggests there to be little need for multicollinearity concerns. For the model including all 2,478 local governments, the highest two VIF values observed are 3.55 for DEN05 and 2.56 for RU05. For the sub-sample of all 1,185 local governments that obtained a positive amount of funding, our OLS model produces somewhat higher VIFs: 4.14 for DEN05 and 3.03 for RU05. All these values are well below the usual thresholds. So, the independent variables indeed seem to have enough explanatory value on their own to be included in our model.

Figure 3 Relative share per capita funds: OLS

Exhibit 3a *entire sample*

Source	SS	df	MS		
Model	155.87178	17	9.16892826		
Residual	10924.6166	2460	4.44090107		
Total	11080.4884	2477	4.47335019		

Number of obs	=	2478			
F(17, 2460)	=	2.06			
Prob > F	=	0.0063			
R-squared	=	0.0141			
Adj R-squared	=	0.0073			
Root MSE	=	2.1073			

PCGR0406	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
PER	.4269732	.2949246	1.45	0.148	-.151353	1.005299
POL	-.0392433	.1064846	-0.37	0.713	-.2480521	.1695654
PS05	.2340899	.3492102	0.67	0.503	-.4506864	.9188661
PO05	-.0071286	.0189373	-0.38	0.707	-.0442632	.0300061
DEN05	-.0734203	.0371916	-1.97	0.048	-.1463503	-.0004902
RU05	.1590586	.1417046	1.12	0.262	-.118814	.4369313
AR05	-.0107502	.0971127	-0.11	0.912	-.2011813	.1796809
DEP05	-1.273479	.5148258	-2.47	0.013	-2.283015	-.2639421
UR03	-.3733227	.1439867	-2.59	0.010	-.6556703	-.090975
WA05	-.0362059	.3748757	-0.10	0.923	-.7713106	.6988987
RE03	.1643173	.0863495	1.90	0.057	-.0050079	.3336424
RO04	.065442	.0645007	1.01	0.310	-.0610393	.1919233
ROU04	-.1140775	.0820381	-1.39	0.164	-.2749484	.0467933
HEF05	.1647197	.0745554	2.21	0.027	.018522	.3109175
EP05	.0979306	.1269024	0.77	0.440	-.150916	.3467772
ES05	-.1921762	.0986528	-1.95	0.052	-.3856274	.0012749
ESE05	.4017531	.3351866	1.20	0.231	-.255524	1.05903
_cons	2.017523	.7670193	2.63	0.009	.513453	3.521593

Exhibit 3b *sub-sample of positive values*

Source	SS	df	MS		
Model	293.574318	17	17.2690776		
Residual	8083.07216	1167	6.9263686		
Total	8376.64648	1184	7.07487034		

Number of obs	=	1185			
F(17, 1167)	=	2.49			
Prob > F	=	0.0007			
R-squared	=	0.0350			
Adj R-squared	=	0.0210			
Root MSE	=	2.6318			

PCGR0406	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
PER	.0392812	.4154554	0.09	0.925	-.7758417	.8544042
POL	-.1634951	.1906098	-0.86	0.391	-.5374713	.2104811
PS05	.1942053	.5067069	0.38	0.702	-.799953	1.188364
PO05	.0124415	.0258142	0.48	0.630	-.0382058	.0630889
DEN05	-.1221283	.0619904	-1.97	0.049	-.2437534	-.0005031
RU05	.4381218	.2601487	1.68	0.092	-.0722897	.9485332
AR05	-.4781381	.1756865	-2.72	0.007	-.8228349	-.1334413
DEP05	-1.098921	.9048633	-1.21	0.225	-2.874262	.67642
UR03	-.3485619	.279893	-1.25	0.213	-.8977117	.2005879
WA05	-.1312589	.650484	-0.20	0.840	-1.407508	1.14499
RE03	.1282256	.1197635	1.07	0.285	-.1067502	.3632014
RO04	-.0226355	.1092964	-0.21	0.836	-.2370749	.1918039
ROU04	-.146573	.1536233	-0.95	0.340	-.4479816	.1548357
HEF05	.3669408	.1373027	2.67	0.008	.097553	.6363286
EP05	.3356951	.2467777	1.36	0.174	-.1484824	.8198726
ES05	-.0739425	.1909332	-0.39	0.699	-.4485532	.3006682
ESE05	.1548289	.6032518	0.26	0.797	-1.02875	1.338408
_cons	3.157266	1.362673	2.32	0.021	.4837027	5.83083

If we apply a left-censored tobit model to our dataset, the results are again somewhat different. Personal ties (PER), early secondary school enrollment (ESE05), road density (RO04), and geographical size (AR05) are significantly positively correlated with the amount of funds received. The dependency ratio (DEP05), unemployment rate (UR03), and per capita early secondary educational facilities (ES05) show coefficients which lie significantly below zero. The Stata output of this left-censored model is presented in Figure 4. It should be noted that tobit effects can be decomposed in two elements explaining the rate of total change in funds resulting from a change in the independent variables by: 1) marginal changes in the value of (positive) funds obtained, 2) changes in the probability of receiving anything at all (McDonald & Moffitt, 1980). Sign and significance did not change by applying models with both right-censorship at the top and left-censorship at different values e.g. at the minimum non-zero value.

Figure 4 Relative share per capita funds: a left-censored model (tobit)

Tobit regression — Number of obs = 2478; LR chi2(17) = 64.70; Prob > chi2 = 0.0000; Log likelihood = -3964.1365; Pseudo R2 = 0.0081

PCGR0406	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
PER	1.097237	.5130975	2.14	0.033	.0910894	2.103384
POL	.007781	.2013228	0.04	0.969	-.3869986	.4025606
PS05	.5247272	.6141924	0.85	0.393	-.6796601	1.729115
PO05	-.0125699	.0325452	-0.39	0.699	-.0763887	.0512489
DEN05	-.1068415	.0686208	-1.56	0.120	-.2414021	.027719
RU05	.0274622	.2684416	0.10	0.919	-.4989327	.553857
AR05	.3854573	.1831533	2.10	0.035	.0263068	.7446077
DEP05	-2.968413	.9706744	-3.06	0.002	-4.871836	-1.06499
UR03	-.8817983	.2797235	-3.15	0.002	-1.430316	-.3332807
WA05	-.1149911	.7010053	-0.16	0.870	-1.489612	1.25963
RE03	.2426564	.1500132	1.62	0.106	-.0515087	.5368215
RO04	.1916551	.1193109	1.61	0.108	-.042305	.4256152
ROU04	-.2184641	.1568205	-1.39	0.164	-.5259778	.0890497
HEF05	.1901811	.1418019	1.34	0.180	-.0878823	.4682446
EP05	.0587253	.2458175	0.24	0.811	-.4233053	.5407559
ES05	-.5081037	.191138	-2.66	0.008	-.8829117	-.1332958
ESE05	1.201552	.6358353	1.89	0.059	-.0452753	2.44838
_cons	1.838417	1.444803	1.27	0.203	-.9947389	4.671573
/sigma	3.534598	.0789157			3.379849	3.689346

Obs. summary: 1293 left-censored observations at PCGR0406<=0; 1185 uncensored observations; 0 right-censored observations

Table 1 intends to facilitate comparison of the results of the different models, presented above. Significant variables are listed for each model, and the sign of the estimated coefficients are compared to the hypothesized ones.

Table 1 Overview of significant variables in all models

Sign	Hypothesized?	Binary	Continuous		
		Probit & logit (robust & non-robust)	***OLS, all observations***	***OLS, conditional on having been granted funds (n=1,185)***	***Left-censored tobit***
+	**Yes**	<u>PER</u>, PO05, AR05			<u>PER</u>, AR05
	No	*ESE05, RO04*	*HEF05, RE03**	*HEF05, RU05**	*ESE05, RO04*
-	**Yes**	ES05	ES05*		ES05
	No	*UR03, PS05, DEN05, DEP05**	*DEP05, UR03, DEN05**	*AR05, DEN05*	*DEP05, UR03*

Note: The main variables of interest are underlined. Unless indicated, n=2,478. Significance level: α=0.05, and for *, α=0.10.

Discussion

During the interviews we held with Polish local public officials for one of our other research efforts, we noticed there to be a highly skeptical attitude towards EU fund-assignment by government entities. The popular perception correspondingly seems to imply that EU fund distribution depends more on political and personal bounds than on anything else. A meta-analysis by Transparency International (2008) shows that public resources are often perceived to be used for personal and political gain.[55] While there is international variation, this perception is widespread among a broad range of stakeholders in both developed and developing nations. Where this to be true because of information streams or more intentional mechanisms as described above, the sophisticated institution of fund assignment through project selection processes would be nothing more than a legitimacy enhancing fairness façade. This is potentially worrying as sophisticated application methods are a costly matter, both from the applicant's (e.g. John & Ward, 2005) and the assigning entity's point of view. If

[55] Poland ranks 58th among of 180 countries, with a score confidence range between 4.0 and 5.2, compared to a top ranking range of 9.1-9.4 (Denmark) and a bottom ranking range of 0.5-1.4 (Somalia).

benefits of project selection (as compared to allocation formulas) do not outweigh the additional cost, these methods should be reconsidered. Otherwise public money is wasted. Nevertheless, perception-based research should be treated cautiously as perceptions are likely to be highly coloured both by culture and by a few, widely publicized, scandals (see e.g. Figueras et al., 2004; Goodsell, 2004). Researchers have shown how self-reported corruption *experiences* and *perceptions* show weak correlation (Treisman, 2007).[56] In turn, *self-reported experiences*, in samples, might be a poor proxy for *real occurrences* in the population.

To our own surprise we did not find any obvious political impact on the distribution of funds. In none of the models, the political tie variable showed significant results. Even after several robustness checks (e.g. leaving out border observations) and variations of our model (e.g. using totals instead of per capita data), political ties showed no correlation with funds received. Naturally, we do not claim these findings to hold elsewhere. A possible explanation concerns the fact that in post socialist parties, practically all political parties are relatively new institutional structures. In fact, this applies to a major share of countries across the world. Political network ties might still not be that strong as to take the risk to circumvent official procedures, or serve as valuable information carriers. Political factors might be captured by other variables. Income in particular. Low income groups have a higher marginal utility of income and thus can be more easily persuaded to vote for the municipal party in power if they managed to obtain a lot of funds. Second, from the core-voter hypothesis point of view, income is related to political preferences. However, unlikely multicollinearity problems

[56] E.g. while perceived corruption was much higher in Poland than in France (2000 World Bank data, and other perceived corruption indices included in Transparency International's meta-analysis), reported experienced corruption did not show much difference between the two countries (1999-2000 World Business Environment Survey data).

and robustness tests, leaving out some of the variables, suggests this not to blur our results for political factors.

In contrast, personal ties -a variable usually ignored in similar research (e.g. Dahlberg & Johansson, 2002)- do show significantly positive correlations. Nevertheless, explanatory power of our proxy for personal ties is remarkably low. While our model is far from perfect, the massive fraud suggested by anecdotal evidence would have been likely identified by our study. Still, we should not ignore that personal ties do have some influence, even after isolating its effect as much as possible. Searching for a causal linkage, our data do not allow us to discriminate between the network and institutional theoretical accounts presented. Lack of applicant data impedes us from deriving whether personal ties increased the chance of applying and/or the chance of being selected, once applied. Still, it is possible to make some assertions. The fact that personal ties seem to matter more in increasing the chance of winning than in increasing the quantity won, implies that winning local governments with personal ties do not get that much more funds than winning local governments without such ties. So, local governments with better personal ties are more likely to apply and/or more likely to win, once applied. The first is more likely to be explained by network-theoretical models. The second might be explained by both, as better-informed gminas write better proposals and better-personally-connected gminas make a higher chance to be selected by friendly selectors. Were the last to be true, we might also expect friendly winners to receive more funds. This is hardly the case. Another indication in support of the network theoretical explanation of information streams is that once a project were submitted, its success rate seems to be relatively high, as data for the *Opolskie* voivodeship suggest (about 30%[57]). Further research is required to support this claim in favour of network theoretical arguments.

[57] Re-submission share is left unspecified. The relevant rate for our argument is likely to be higher.

The coefficients of our need-based variables frequently differ significantly from zero. Moreover, sometimes we find a correlation with a sign opposite to our expectations. The chance of having obtained funds is higher for local governments with lower unemployment rates than other municipalities in the same region. High dependency ratios are not only negatively correlated with the likelihood of having obtained funds, but also with lower receipts. This calls into question whether at the regional level project selection methods really help to maximize fund impact on development of deprived areas. There is even some evidence for local governments with large budgets to receive more funds. As these budgets are not significantly correlated with a higher chance of obtaining funds, it is more likely for this to be explained by ability to co-fund projects than to acquire application expertise. The results for early secondary education enrollment rates also suggest a positive impact on funds obtained. While the need-hypothesis for this variable is thus rejected, the observed correlation might suggest that local governments with more educated populations are better able to apply and get access to funds. Further analysis should show this to be true or not. Having more per capita health care facilities is associated with obtaining more funds, rather than less. A higher density of communal roads is correlated with a higher likelihood of obtaining funds. Road density might actually be a proxy for the need for more roads, and high per capita health care facilities requires more money for modernization. They are more likely than early secondary schools to also have an 'impact-variable' effect. Both roads and modern health care facilities might well benefit the surrounding local governments as well, while early secondary schools have more limited external effects. Another need-based per capita facility variable did behave according to our expectations: early secondary schools. Generally, our impact variables also behaved as expected (population size, area) or showed insignificant correlations.

Nevertheless, contrary to our 'impact-hypothesis', population density (correcting for absolute population and size) had a significantly negative sign. This indicates it is more likely for the need-hypothesis to apply: to reach the same quality of services, more and higher investments are necessary in areas where population is relatively dispersed. The positive correlation of rurality similarly suggests it to proxy a need-variable rather than an impact-variable.[58]

Conclusion

A previous study suggests project quality only marginally to increase by project selection assignment methods, in the context of England's Single Regeneration Budget program (John & Ward, 2005). Our results add to the view that functionalist theory behind relatively competitive public fund assignment should not be taken for granted. We challenge the very assumptions. Personal ties might well play a role in particular in facilitating network information flows. This proved true even in the critical case of well designed, 2004-2006 EU IROP fund allocations in Poland. Potential overestimation of benefits of project selection mechanisms should thus be carefully weighted against the cost of complicated project selection procedures.

Nevertheless, our study reveals that political ties between applying and assigning entities are insignificantly correlated with the chance of having received IROP funds and with the amount assigned. As political ties have been shown to be an important factor determining public fund assignment through less competitive mechanisms elsewhere, this is an important finding. It could indicate that political ties in the major part of the world where political parties are relatively young might not be strong enough

[58] This corresponds to the fact that the IROP guidelines list rurality as indicator of having least development capacities and being in the most difficult economic and social conditions. Intervention to prevention of marginalization should thus be a priority in such areas.

to risk circumventing the procedures for personal benefit or to be of any use for facilitating information transfer. Moreover, while our proxy for personal ties shows a significant correlation, its explanatory power is remarkably small. These results suggest that public skepticism about project selection might well be overstated. It is important to add these results to a debate that is mostly based on anecdotal evidence. We have little reason to suspect behavioral mechanisms to play a structural role in the Polish case of decentralized SF assignment. Furthermore, low model fit suggests public fund assignment through project selection to provide valuable information that is not easily captured in macro-level indicators (Alderman, 2002).

Naturally, as usual in this stream of research, we do not claim these results to apply to all types of competitive public fund assignment anywhere in the world. Nevertheless, we stress that we focused on a critical case. If personal ties even play some role in such well-thought mechanisms as EU SF project selection procedures in Poland, they might well play a larger role in settings such as SF assignment procedures in Bulgaria and Romania. These countries have higher perceived corruption indexes than Poland and might thus exhibit additional behavioral theoretical effects. Second, personal and political ties might also play a larger role in less well-thought project selection methods beyond the EU context. Third, Polish regions received much more autonomy in auditing and managing the 2007-2013 ROP fund transfer. On the one hand information had more time to become disseminated and projects became less likely to be refused on the ground of mere formalities. Nevertheless, further analysis could reveal whether decentralization, and removal of third-party stake in assignment procedures, enhances the impact of personal and political ties. These are all issues still open for investigation. Furthermore, while this study provides us with a macro-perspective, case studies would help us better understand the actual mechanisms at play. Lastly,

awareness among public administrators and politicians of some academic oversight to which this study contributes, might actually have a somewhat cautioning effect on their behavior.

There are many limitations to this study. It is inherent to the nature of proxies to not perfectly capture the underlying constructs. Most notably, prior work, study and birth locations do certainly not capture all personal connections, with both false positive and false negative observations. In the Polish case, for example, this measure does not always capture the complex historical network structures (e.g. Kieżun, 1996), and assumed influential former communist structures, or *układ*, is unlikely to always be captured by any of our two proxies.

Subsequent studies could fine-tune these measures. Nevertheless, we hope to have contributed to an area of studies where evidence so far mainly originated from smaller scale studies in Europe, without variation of the political party in power at the assigning level, and from case one US study. Furthermore, we identified a potentially important variable usually ignored, personal ties, and a reasonable, but still imperfect, measure for it.

We can also draw some important conclusions for the specific context of EU SF assignment. Several of the proxies for municipal need for funds showed a different sign from the one we expected. The more developed a municipality, the higher the chance to have received funds, and the more funds received. It should be noted that such equity concerns have been dealt with by the EU and the national government, albeit mostly at the regional level. IROP funds were divided between voivodeships in accordance with an algorithm that took into account the number of inhabitants (80%), but also GDP per capita and unemployment rate. In particular, 10% of IROP funds were assigned according to population size among the five regions with GDP less than 80% of the

national 1997-1999 average. The remaining 10% was divided among 72 counties where unemployment rates were more than 150% of the national 1999-2001 average. Further investigation might show whether our within-region equity concerns are supported. If the EU considers within-region equity as an important desired outcome, further measures might be required for the current 2007-2013 ROP. This lesson might well apply to SF assignment beyond Poland. Beyond the Polish IROP context, the results suggest that co-payment systems and public fund assignment through project selection can increase inequality even in a well-designed context. If equity is among the desired outcomes, through regulation is required to secure it.

Lastly, it is important to stress that is intended to be descriptive rather than normative, beyond propagating a well-considered cost-benefit analysis of public fund assignment methods. Polish government structure provides us with a highly democratic setting. When citizens disagree with the head of state, national government, regional government, county government or local government in the way they deal with public funds, they can express this by casting their votes. It would be interesting to repeat similar studies concerning public fund assignment in less democratic settings, where for example the executives of several layers of government have not been elected by popular vote (e.g. The Netherlands).

Appendix

Appendix 1 *Marszałek* and vice *marszałek* characteristics, period 2004-2006

Voivodeship		Political party	Place of birth	Major previous work locations
Dolnośląskie	M:	PiS	Zielona Góra (*Lubuskie*)*,**	Wrocław**
	VM:	SLD-UP, PO	Wrocław	Wrocław
Kujawsko-pomorskie	M:	SLD-UP	Toruń**	Inowrocław (*Inowroclawski*)
	VM:	SLD-UP		Wloclalek, Bydgoszcz
Łódzkie	M:	PSL	Radomsko (*Radomszczanski*)	Lódz**
	VM:	SRP, LPR, SLD-UP	Lodz	Tomaszów Mazowiecki
Lubelskie	M:	PSL***	Dubica Dolna (*Wisznice, Bialski*) / Wólka Modrzejowa (*Lipski*)*	Sosnówka (*Bialski*), Wisznice (*Bialski*), Biała Podlaska** / Lublin**
	VM:	SRP, LPR, SLD-UP	Gniewoszów, Krasówka (Włodawa), Tomaszów Lubelski	Biała Podlaska, Kolonia Płouszowice (Jastków), Lublin
Lubuskie	M:	SLD-UP	Zielona Góra**	Zielona Góra**
	VM:	SLD-UP, PO-PiS		Gorzów Wlkp., Trzciel
Małopolskie	M:	PO	Gorlice (*Gorlicki*)	Kraków**
	VM:	PiS	Kraków	Maków Podhalański
Mazowieckie	M:	PSL	Kutno (*Kutnowski*)*	Płock**
	VM:	LPR, PiS	Rozogi*	Warszawa, Biała Podlaska*, Teresin, Ostrołęka
Opolskie	M:	SLD-UP	Bierutów* (*Olesnicki*)	Namysłów (*Namysłowski*)
	VM:	Mniejszość Niemiecka	Strzelce Opolskie	Opole, Kolonowskie / Wroclaw, Komprachcice
Podkarpackie	M:	PSL	Żagań (*Żaganski*)*	Wadowice Górne (*Mielecki*), Wadowice Dolne (*Wadowice Górne, Mielecki*), Mielec (*Mielecki*)
	VM:	PSL , SLD-UP	Jarosław	Lublin, Nowa Grobla (*Oleszyce*), Nisko, Przemyśl
Podlaskie	M:	SLD	Bakałarzewo (*Suwalski*)	Suwałki (*Suwalski*)
	VM:	PSL	Starowola (Jaświły)	Bakaniuk (Raczki), Olsztyn
Pomorskie	M:	PO	Wałcz (W*alecki*)*	Sopot**
	VM:	PO-PiS	Jastarnia / Gdansk, Sopot	Jastarnia / Gdynia / Rumia
Śląskie	M:	SLD-UP	Sosnowiec**	Sosnowiec**
	VM:	SLD-UP, SRP	Katowice	Katowice, Bytom, Żarnowiec
Świętokrzyskie	M:	SLD-UP	Witrogoszcz (*Pilski*)*	Żarnowiec (*Zawierciański*)*, Połaniec (S*taszowski*)
	VM:	PSL	Godów	Lublin, Modliszewice (*Końskie*), Końskie
Warmińsko-mazurskie	M:	SLD-UP	Reszel (*Ketrzynski*)	Olsztyn**
	VM:	SRP	Iława	Tomaszkowo, Iława
Wielkopolskie	M:	SLD-UP, PO	Krzyżanki (*Gołańcz, Wągrowiecki*) / Kalisz**	Poznań**, Lechlin *(Skoki, Wągrowiecki*) / Suchy Las (*Poznański*), Poznań**
	VM:	SLD-UP, PSL, LPR	Ostrow Wielkopolskie / Mdzewko (Strzegowo)	Kalisz, Kalisz / Czerwonak, Poznań
Zachodniopomorskie	M:	SLD-UP	Swornegacie (*Chojnice, Chojnicki, Pomorskie*)*	Szczecin**
	VM:	SRP		Koszalin

Notes: Powiat names are in italics. M=*Marszałek*(s). VM=Vice *marszałek*. * Located outside respective voivodeship. ** City with powiat status. *** In 2005 another PSL member became *marszałek*.

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