

# Introduction

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Quality of government (QoG) should be a priority for all governments in Europe. Improving QoG and maintaining high QoG does not happen automatically, it requires constant effort and attention. If it is not a clear political priority, it will not improve and may (further) deteriorate. A high-quality, efficient and impartial public administration is desirable in and of itself. It is supported across political lines. Furthermore, high QoG has beneficial impacts on economic development, well-being and environmental quality, underlining the strategic role of QoG.

Several European countries have some of the highest QoG in the world. But still too many European countries score poorly and some have seen their scores fall over time. To put more pressure on countries where progress is halting or quality is falling, a strong public debate on QoG is needed. This book contributes to that public debate by highlighting the differences within the European Union (EU) and within its member states.

The sub-national dimension is an important and under-investigated aspect of QoG. Regional and local authorities have seen an increase both in their authority and in the budgets they have managed over the past decades within the EU. In 2008, regional and local authorities in the EU were responsible for almost half of public expenditure and two-thirds of public investments.

Furthermore, in the absence of decentralization or high shares of sub-national public expenditure, sub-national variations in the way policies are implemented can create large differences in QoG within a country. For example, if the police or justice system in a region does not work as well, for example due to understaffing or to threats from organized crime, QoG would be considerably lower despite the same legal framework that the police and justice system should uphold.

To analyze this sub-national dimension, the largest, multi-country, regional survey on QoG was conducted in 2009. This unique source provides a fascinating insight into the sub-national variation.

The book is structured as follows. In Part I, the concept of QoG and why it is important in particular for European countries and regions is addressed. In Chapter 1, Lewis Dijkstra discusses the importance of studying QoG, not only in the developing world but also in the EU and why this

is such a critical matter for future development and cohesion for European countries and regions. In Chapter 2, Bo Rothstein elucidates more clearly what is meant by 'quality of government', and how this term can be defined and operationalized by scholars. In this chapter, along with the concept of corruption and quality of public services, Rothstein emphasizes the critical importance of impartiality with respect to the administration and allocation of public services and resources.

After having defined the key concepts relevant to the study of this book and why they are salient in the European context, we move to the quantitative portion of the study in Part II. In Chapter 3, Nicholas Charron begins with a national-level analysis of the QoG in the EU27 countries. Taking advantage of four QoG measures from the World Bank Governance Indicators (WGI) the 27 countries are analyzed and subsequently ranked by QoG and placed in a 'cluster group' of similarly performing countries. Charron points out that the EU is essentially made up of four groups of countries: a high-performing group made up of Northern European countries from Scandinavian, English- and German-speaking countries; a moderately high group of mainly Southern EU15 countries along with Estonia and Slovenia; a moderate QoG group comprising primarily new member states in the former socialist bloc; and a group of the two newest member states, Bulgaria and Romania. In addition, the sensitivity of the QoG rankings according to WGI data is discussed, showing that the data are highly robust to a number of alterations in the WGI measures. Finally, several statistical analyses show that QoG in Europe is highly correlated with other critical measures of development, such as GDP per capita, infant mortality, income inequality, and social capital.

In Chapter 4, Nicholas Charron goes beyond the national-level analysis and discusses variation in QoG at the regional level in the EU. This study presents the largest survey of QoG targeted at the sub-national level in a multi-country context (approx. 34,000 respondents in 18 countries). After presenting the findings of the individual-level responses, Charron discusses the steps he takes to build a regional-level index from the results of the survey, along with sensitivity checks of the robustness of the data. A final map of QoG is presented, combining the national- and regional-level estimates into one measure: the EU QoG index (EQI). Then, Charron looks at the variation of QoG within countries. Surprisingly, the level of political decentralization a country has is not associated with regional variation of QoG – federal countries such as Austria and Germany have surprisingly little regional variation, while Spain, Belgium, and Italy have significant regional variation of QoG. Finally, the correlates of QoG at the regional level are analyzed; much as in Chapter 3, we find that the EQI is

strongly correlated with income inequality, GDP per capita, and several health outcomes, such as heart disease occurrence and infant mortality.

In Part III, we present several pairwise regional comparisons within countries in which significant QoG variation was found based on the results of the EQI. For this part of the analysis, the authors employ several research methods to explain variation in QoG in their respective countries – including statistical analysis along with face-to-face interviews conducted in strong- and weak-performing regions in the country. In Chapter 5, Nicholas Charron discusses variations in QoG among provinces in Italy, with a specific focus on the two most extreme cases: Bolzano and Campania. The data corroborate much of the vast literature on variation in development among Italy's regions, including Robert Putnam's famous book *Making Democracy Work* (1993), and points to specific institutions and public sector practices that Bolzano has adopted in order to maintain a higher level of QoG.

In Chapter 6, Jonas Håkansson examines some of the key differences that distinguish Belgium's regions: Flanders and Wallonia. The EQI demonstrates that Flanders significantly outperforms Wallonia with respect to QoG, and Håkansson points to several contributory factors including the complexity of the administration composed of the Walloon region and the French community, with Wallonia's bureaucracy containing more 'red tape' than that of Flanders. The party system and the politicization of the public sector are also highlighted here, along with the fact the Flanders has pushed for more reforms in the public sector, incorporating rules such as 'whistleblowing' to expose corruption.

While the first two chapters in Part III look at regional variation in countries that have 'politically relevant' regions, the final case examines sub-national variation in QoG within a highly politically centralized country. In Chapter 7, Oana Borcan looks at differences in QoG in Romania, in particular between its lowest- and highest-scoring regions according to the EQI – Bucharest and Nord Vest, respectively. Borcan's chapter thus sheds light on the idea that regions within the same country can implement or deliver very different public services despite having little or no political or administrative authority over the planning or policy making of such services. Here the story rests on two primary factors – the first is the benefits of ethnic and linguistic diversity found in the Nord Vest region, a neighbor to Hungary. Borcan points out that the unique diversity that the region has in Romania has enhanced social capital and trust among its citizens such that corruption is less prevalent and impartiality is enhanced. In the Bucharest region on the other hand, despite enjoying capital region status and the most relative economic development in the country, the country's rapid transition from communism created a

political vacuum which was filled by a new network of clientelism that plagues the region today, which has led to higher corruption and less overall public trust.

In addition to these three case studies in Part III, the EU Commission report on which this book is based included seven more regional-level qualitative studies in which face-to-face interviews were conducted. In a concluding chapter, Victor Lapuente summarizes the findings from 'high-' and 'low-' performing regions and concludes this book with several lessons for policy makers on common factors found in high-QoG regions from our large EU study in 2010.

This book is based on a study financed by the European Commission's Directorate-General for Regional Policy.

