

The Evaluation of Institutional Reforms at Sub-national Government Levels: A Still Neglected Research Agenda

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ABSTRACT *This article is meant to take a noteworthy step towards conceptually promoting the evaluation of institutional reform policies in the sub-national space. It aims to apply pertinent approaches of evaluation to the field of institutional reform policies in the intergovernmental setting and thus to contribute to a research field that arguably has so far been a 'missing link' in policy evaluation. The authors conceptualise institutional policies (territorial and functional reforms) as a particular type of public policy and contrast them analytically, conceptually and methodologically with 'normal' substantial policies. They reveal particular problems of measurement and of finding relevant indicators to evaluate the results of institutional reforms, one of which is the assessment of the transaction costs of reforms. Finally, an analytical framework for the evaluation of functional and territorial reform policies is suggested that makes a distinction between 'institution evaluation' and 'performance evaluation', and that can be applied in comparative evaluation studies.*

KEY WORDS: Evaluation, institutional policy, territorial/functional reform, public administration, intergovernmental system

I. The issue

European countries have, within the past 25 years or so, seen far-reaching changes in their intergovernmental institutional setting at sub-national levels both (in the vertical dimension) through decentralisation of political and administrative functions to sub-national (regional and local) levels and (in the horizontal dimension) through territorial–organisational reforms of

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their local government levels. While decentralisation as well as local level territorial consolidation have been a frequent theme of political science research (for recent examples of comparative country studies on local level consolidation see Swianiewicz, 2010, the recent special issue of *LGSt* 2010, vol. 36, no. 2 and Baldersheim & Rose, 2010), the focus has so far been predominantly on the political decision making on and the implementation of these reforms. However, the evaluation of such reforms, that is, analyses and research meant to identify their impact and effects has remained largely ignored. This stands in stark contrast with public sector reforms carried out at the central government level, which have been broadly analysed and evaluated by academic researchers (see the already ‘classic’ internationally comparative work by Pollitt and Bouckaert, 2004) and by international organisations (see the various overviews by the OCED).

Against this background, the present contribution is meant to set a noteworthy step towards conceptually promoting the evaluation of institutional reform policies in the sub-national space and, thus, to contribute to a research field that arguably has so far been a ‘missing link’ of policy evaluation. Doing so, we wish to outline the conceptual framework that analytically connects and integrates the country-specific and cross-country-comparative analyses presented in this volume.

II. Evaluating institutional reform policies – definitions and concepts

In order to capture the conceptual characteristics of the evaluation of institutional reform policies the distinction between institutional (reform) policies and other, as it were, ‘ordinary’ policies should be made and highlighted. ‘Ordinary’ policies may be identified as ‘substantive’ policies, which, such as social policy, employment policy or housing policy, essentially aim at bringing about socio-economic changes in the political and societal world. By contrast, institutional (reform) policies are directed at impacting the political and administrative institutional structures. Drawing on the distinction that has been introduced in policy science between *policy* (as the contents of policy making), *politics* (as the process of policy making) and *polity* (as the institutional setting in which policy making takes place) the label ‘polity policy’ has been coined to denote ‘institution policy’.

In the ‘policy model’ that underlies institutional reform policies three steps or ‘loops’ can be distinguished that can be understood as a sequence of distinct, yet intermeshed means-end relations. In a first step and ‘loop’ institutional reform policies aim at effecting changes in the pertinent institutional setting by appropriate political and so on measures. In a second step and ‘loop’ the effected institutional changes are intended to usher in changes in the operations (‘performance’) of the institutional setting concerned. Finally, in a third dimension, the institutional reform measures may be expected to generate further effects (‘outcomes’) in the wider

political, socio-economic and so on environment, including more remote and 'systemic' effects (see Pollitt & Bouckaert, 2003) or impacts on the 'broader political-democratic context' (Christensen & Laegreid, 2001: 32).

Accordingly, for the evaluation of institutional (reform) policies, three (inter-related) sequential steps and 'loops' may be discerned (cf. also Wollmann, 2003: 5, Bogumil & Kuhlmann, 2006).

- First, evaluation may be addressing the institutional change proper, as intended by institutional reform measures. Its guiding question is whether and why the intended institutional change has been (or has not been) achieved. In this 'first loop' evaluation the intended institutional change is conceived as, methodologically speaking, a 'dependent variable' while the factors that 'explain' the goal attainment (or failure) are treated as 'independent' ('explanatory') variables. This evaluation variant falls in line with 'classical' institutional and organisational research and its question 'what shapes institutions/organisations'. Insofar as it is prone to identify the processes, conflicts and so on that have promoted or prevented the institutional change it shows conceptual overlaps with implementation research of which Pressman and Wildavsky (1973) have been pace-setters.
- Second, evaluation is led by the question whether and why the effected institutional reform has (or has not) brought about the intended change in the operation ('performance') in the institutional setting under consideration (*performance evaluation*). In this 'second loop' variant of evaluation the operation ('performance') is perceived as a, methodologically speaking, 'dependent' variable, while the institutional reform is now treated as an 'independent' ('explanatory') variable – in contrast with the 'first loop' evaluative analysis in which it was looked at as a 'dependent' variable to be explained.
- Finally, 'outcome evaluation', which, in a 'third loop', aims at identifying and 'explaining' the achievement (or failure) of intended 'outcomes' of institutional reforms, such 'outcomes' are treated as 'dependent variables', while the effected institutional change as well as change performance are considered as 'independent' ('explanatory') variables.

For the three step/three 'loop' model of evaluating institutional policies see Figure 1.

III. Transaction costs of institutional reforms: the neglected dimension of evaluation

As in the discussion about the effects of institutional reform policies the 'transaction costs' of such reform measures and the 'balancing' and weighing of the pertinent costs and benefits have so far been, to a large

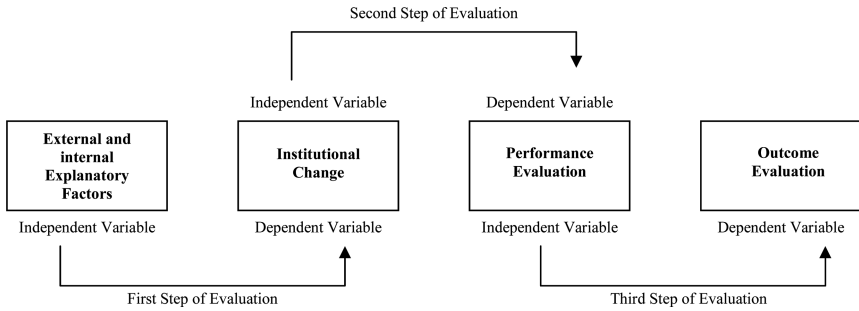


Figure 1. Three-step model of evaluation.

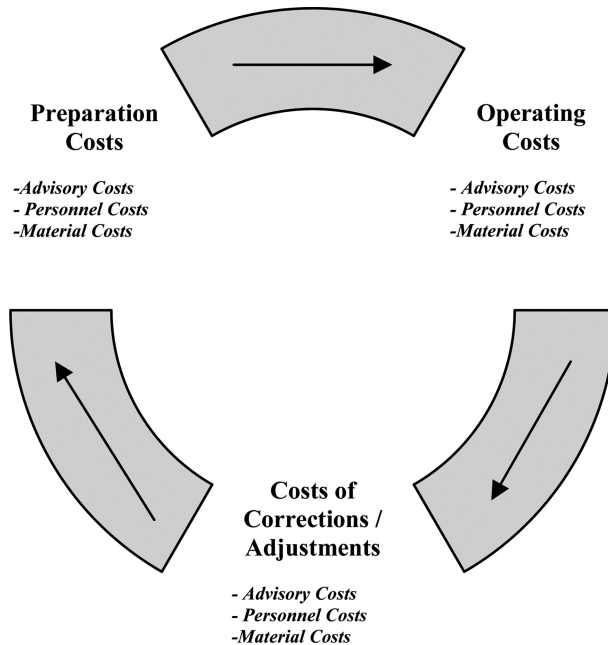


Figure 2. Three-phase model to the analysis of the transaction costs of institutional reform.

extent, neglected (Kuhlmann & Wollmann, 2006), and it should be highlighted in this article as an important and innovative avenue and contribution to the conduct of truly comprehensive evaluation.

Transaction costs have recently been taken up in the political science and administrative science debate in order to capture not only the immediate material and personnel costs of organisational activities, but also the costs of initiating, coordinating and controlling administrative action. Understood in this way, ‘transaction cost analyses’ should serve to guide the decisions made about the economically most efficient type of business plan

for the rendering of duties and responsibilities, particularly if a duty that is still publicly rendered should have been contracted out or privatised. With regard to the intergovernmental reforms discussed in this article, such 'transaction costs' can occur in different forms (see Figure 2):

- On the one hand the costs include those that are accrued due to the initiation, preparation, conceptualization, and first filing of the reform measures. These are first and foremost actual personnel and material expenditures. The 'opportunity costs', which come into existence through having the personnel, organisational and financial resources allocated for the preparation of the reform measures extracted and thus no longer at the disposal of ulterior routine duties, would also be invoiced on closer inspection. The reductions in service delivery originating from this in turn cause additional costs, which are identified as 'opportunity costs'.
- On the other hand the routine costs include those that are accrued due to the 'operation' of the new institutional arrangements ('operating costs') and contain the coordination, control and feedback costs. The 'transaction costs' (in a narrow sense), which are accumulated through monitoring and audit processes, reporting and other feedback and control loops between levels (for example state-municipal) and organisations (for example different political units/local authorities on a certain level) would also be determined.
- Finally, the unintended consequences must be identified. Moreover, the possible effects that can arise, referred to as 'fatal remedies' (Kuhlmann & Wollmann, 2006: 374 with further references), reckon that a 'reform remedy' turns out to be detrimental and leaves behind additional costs (literally meaning: 'sunk costs'). To this, institutional overload, functional overlapping and doubling can by the same token count just like the frustration of employees and their loss of motivation resulting from incorrectly conceptualised (false theory) or badly implemented attempts at reforms.

A transaction-cost analysis such as this should be included as the first step in an all-encompassing balancing of costs and benefits of institutional reforms. Not until such a balancing is available can conclusions be drawn regarding the question of whether the reform (understood as the transformation from the old into the new institutional system) was successful and worth its effort or not. The following simplified model summarises these points:

IV. Conceptual and methodological problems in policy evaluation

When dealing with the institutional reform policies and measures evaluation research conceptual and methodological problems are confronted that are

even thornier than in policy evaluation at large and in general (for a penetrating discussion of the methodological issues in evaluation research at large, see Pawson & Tilley, 1997; with regard to public sector modernisation see also Pollitt & Bouckaert, 2003).

The conceptual and methodological problems with which the evaluation of institutional reforms has to cope with are basically twofold. For one, the goals and objectives of the reform measures need to be identified to serve as 'measure rods' for the assessment of the 'success or failure' of these reforms ('conceptualising problem'). Second, methods should be available and drawn on to identify the 'causal' linkages under discussion ('causality problem').

Regarding the 'conceptualisation issue' difficult hurdles have to be coped with (see Wollmann, 2003: 6):

- Goals and objectives that serve as a measuring rod are often difficult to identify, particularly because institutional reform measures come mostly in bundles with multiple (possibly conflicting and contradictory) criteria.
- However important it is to account for side effects and unintended consequences, they are often difficult to identify.
- Goals and objectives are hard to translate into operationalisable and measurable indicators. This holds true particularly for more 'remote' effects (such as 'outcomes', 'systemic' effects).
- Sufficiently 'robust' empirical data to 'fill in' the indicators are hard to get.

Regarding the 'causality issue' the evaluation of institutional reform policies and measures – as policy research in general and even more so – is confronted with a research situation, which can roughly be characterised by the ('thumb rule') formula 'many variables, few cases'. From this it follows that research approaches that hinge on 'many cases and few variables' and on the availability of quantifiable data (that is 'large n', but also quasi-experimental designs) are only limitedly applicable to the evaluation of institutional reforms. Thus, evaluations of institutional reforms are generally bound to resort to case studies (Wollmann, 2004).

In order to overcome the well-known methodological restrictions of single case studies (particularly their limited generalisability), conceptually reflected comparative case studies may offer a methodologically viable and analytically fruitful research strategy that may come close to a 'quasi-experimental' design if guided by a 'purposeful selection' of cases. This may lead to validate (or refute) causal evidence, particularly if supported by hypotheses that are theoretically derived and empirically informed through secondary analysis. Hereby, broader inquiries, e.g. in the way of a written poll of all or of parts of the units of analysis, can either serve to better instruct an (also statistically) verified selection of units of analysis or,

however, it can serve (as a follow-up survey) to confirm, modify or refute the obtained conclusions of the case studies (for examples of such research designs see Jaedicke *et al.*, 1999; Bogumil *et al.*, 2007).

The conduct of evaluation of institution reform draws on secondary analyses, that is, resorts to pertinent information and data available from other sources in order to narrow the information gap. This relates to available academic work as well as to reports of governmental, parliamentary and other commissions that may have been set up to prepare and monitor reform measures. While, as was pointed out earlier, such available work on institutional reforms concentrates on when, how and why such reforms have been embarked upon and carried with the evaluation question playing an at best marginal role, they often, possibly 'in passing', contain relevant information on hypothetically assumed or empirically observed benefits and costs, pros and cons of the reforms under consideration. This applies to academic research (see the country reports in the recent *LGS* special issue on territorial consolidation in Central Eastern Europe as well as in Baldersheim & Rose, 2010). It also holds true for governmental, parliamentary and other 'official' reports, which are often based on empirical evidence generated by commissioned research, including evaluative aspects (for recent example see Comité Balladur, 2009 on the reform of France's *intercommunalité* with empirical information on the pros and cons of the present intergovernmental fabrics). At any rate, however, the use of such 'secondary analyses' needs to be considerate and cautious in view of their inherent analytical limitation, selectivity and bias.

Finally a separate note on methodological problems specifically posed by the evaluative analysis of transaction costs (see Wollmann, 2002; Kuhlmann & Wollmann, 2006) appears to be in order. For one, information on costs of reform measures is rarely administratively (internally) and systematically collected and documented. Furthermore the evaluator has to enter the inner workings – not to say the 'personal sphere' – of public administration in order to gather the relevant information, as far as available. On the one hand, this is due to the fact that the reform-protagonists apparently have little interest in making outwardly visible and understandable how much expenditure is allocated for reform projects without being able to consider the benefits as safeguarded. On the other hand, the costs of reform for those involved will not be noticeable or calculable until then, if the general goals of reform were to be converted into concrete plans and measures (Benz, 2004: 26). This means that in evaluating the transaction costs the official reports, documentations and handouts, which record the costs and are occasionally 'proclaimed' at the beginning of such reforms, are only rarely consistent with the actual costs that are incurred.

Moreover, there is the problem that differing temporal contexts must be the basis for the cost–benefit analysis, which also impedes the data collection. While a 'historical perspective' of the evaluation of expenditures must be taken and, strictly speaking, the total lifespan – from the planning

of the concepts to the realisation and implementation – included (‘ongoing evaluation’), the outcome evaluation mainly focuses on only one point in time, $t + 1$, and is, therefore, carried out as an ‘ex post-evaluation’. Linking both perspectives together in an empirical examination places considerable analytical demands on the evaluator as well as the evaluated.

V. Evaluating the institutional reforms under discussion

5.1. Vertical and horizontal tracks of institutional reforms

At the outset of the subsequent section it should be called to mind that, from a wider scope and coverage of institutional/public sector reforms in the sub-national space, the contributions to this special issue of *LGS* essentially single out and deal with two types and dimensions of institutional reforms:

1. *Vertical institutional reforms* that pertain to the devolution of public functions and responsibilities from central government to the regional or meso-level (by way of federalisation, quasi-federalisation or ‘simple’ regionalisation) as well as from upper government levels to the local level. In this context, a crucial distinction needs to be made between ‘political’ decentralisation through which the lower level exercises political autonomy, on the one hand, and (‘administrative’) de-concentration as transfer of administrative functions from one administrative level to another administrative level, on the other. The articles in this volume largely deal with ‘political’ decentralisation.
2. *Horizontal territorial-organisational reforms* have been pursued in European countries essentially in two variants. For one, in a group of countries that has been identified as representing a ‘North European’ pattern (see Norton, 1994: 40) territorial–organisational consolidation has been effected by the amalgamation and merger of the existing (historically grown small-size) – lower level – municipalities and also – higher level – counties. The reform strategy has been directed at extending the ‘territoriality’ of municipalities (and counties) in order to expand and strengthen their spatial and demographic base for carrying out their role as a democratically elected multi-functional local government (see below). The first wave of territorial reforms by way of merger and consolidation took place during the 1960 and 1970s with the general aim to improve the administrative and operational capacity of the local authorities to play an increased role in the build-up and expansion of the national welfare state – with the UK/England and Sweden being exemplary of this strategy (the former arriving at an average size of the lower tier local authorities of 140,000 inhabitants and the latter of 34,000 inhabitants). The recent resurgence of large-scale amalgamation is exemplified by Denmark where, in 2007, the average

size of the municipalities, as a result of amalgamation, reached 55,000 inhabitants.

In the other country group, which has been labelled ‘South European’ (see Norton, 1994: 40), the historically grown small-size and highly fragmented territorial structure of the municipal level has been largely retained, while, at the same time, a new layer and set of inter-municipal bodies has been created, which are destined to operationally support the municipalities on a single-functional or plural-functional formula. France is exemplary of this territorial–organisational development with 36,000 municipalities (averaging 1,600 inhabitants) and a totality of over 13,000 inter-municipal formations (*établissements publics de coopération intercommunale*), made up of some 12,000 single- and multi-purpose ‘syndicates’ and some 2,600 *communautés* (endowed with their own tax power, *à fiscalité propre*; see Kuhlmann, 2010). Italy’s local level exhibits a similar territorial–organisational landscape with 8,100 municipalities (averaging 8,000 inhabitants) and a multitude of inter-municipal bodies. As the inter-municipal bodies, in operating formally outside elected local government proper, are meant to primarily fulfil certain, in part single, functions they can be interpreted as institutionally embodying the ‘functionality principle’ (see below).

In Germany, where the power to determine the territorial–organisational format of the local government levels lies with each of the regional states (*Länder*), the latter have embarked upon different strategies. While most of them have tended to the ‘North European’ pattern in pushing for territorial amalgamation (most pronounced Land of Nordrhein-Westfalen with an average size of the municipalities at 45,000 inhabitants), at the same time the strategy has been pursued of creating inter-municipal bodies meant to operationally and functionally assist the still existing small-size municipalities.

5.2. Analytical framework for the evaluation of institutional reforms

In accordance with what was said above about the need (and conceptual challenge) of picking and defining criteria and indicators as ‘measuring rods’ for evaluating institutional reforms – in their respective analytical step and ‘loop’, be it ‘institution evaluation’, ‘performance evaluation’ or also ‘outcomes evaluation’,¹ conceptual inspiration and guidance may be drawn from available studies on NPM-evaluation (Pollitt & Bouckaert, 2004; Bogumil *et al.*, 2007; Kuhlmann *et al.*, 2008), but also from regulation and governance research (Scharpf, 1970, 1999; Benz, 2006) as well as more generally from comparative local government research (Wollmann, 2004; Vetter & Kersting, 2003; Kuhlmann, 2009; Marcou & Wollmann, 2010). At the same time it should be called to mind that institutional reform policies – particularly in their orientation on ‘performance’ reform and on ‘outcomes’ – are typically led by a plurality of goals that may in part be conflicting. Thus, evaluation is challenged to identify the ‘goal

compromises' and 'trade-offs' that underlie such reforms. Furthermore, evaluation studies are faced with the task to put forward a 'balance sheet' of the, as a rule, complex reform measures. Finally, in such a 'balance sheet' the costs and benefits of reform measures should be juxtaposed and weighed against each other. At this point, it would be crucial to take into consideration, and to count in, the 'transaction costs' of institutional reforms (see above).

5.2.1. Assessing effects in 'institution evaluation'. In order to insert criteria for assessing the effects of institutional reforms – be in the case of (vertical) transfer of responsibilities or of (horizontal) territorial–organisational reforms – we draw on a typology of governmental organisation well known in administrative sciences, which makes a distinction between multi-purpose territorial organisation and single purpose functional organisation (Benz, 2002; Wollmann, 2004). Within the ideal-type 'multi-purpose model', all functions of the local level fall to local governments acting as politically responsible all-purpose institutions. Local governments institutionally bundle all locally incurring tasks and have a territorially comprehensive mandate of decision-making and service provision. Borrowing from Hooghe and Marks (2001, 2003) the local government form can be referred to as 'Type I'. Its essential features are seen in the following (see Table 1):

- It is territoriality based as it operates on a local arena that, territorially fixed, constitutes the lower level in the intergovernmental (multi-level) structure of the (federal or unitary) state.²
- Based on a democratic election (of its council) local government is democratically legitimated and politically accountable rendering it an essentially political context.
- Local government has a general purpose/multi-function profile.

Table 1. Features of 'Type I' and 'Type II' local level actor arrangements

<i>Features</i>	<i>Type I</i>	<i>Type II</i>
Definition of operational space	Defined by territory within the multi-level/intergovernmental (federal or unitary) state	Defined by function/functionality space ('de-territorialised')
Legitimacy	Direct election (of local council)	No (direct) democratic legitimacy
Functional profile	General purpose/multi-functional	Specific (possibly single) functions
Action orientation	Pursuit of 'common good'	Pursuit of specific functions, particular interests
Coordination	By council (majority) vote, 'hierarchical'	By negotiation, compromise and so on among equal-positioned actors, 'interaction'
'Rationality'	'Political rationality'	'Functional rationality'
Theoretical frame of reference	Political theory (on democracy and so on)	Functionalist, economic and so on theory (such as public choice theory)

- In the face of a plurality of functions and single purpose and specific interest actors and stakeholders, local government has the mandate and legitimacy to define, advocate and make prevail the ‘common good’ and the ‘best interest of the local community’.
- The coordination of these multiple functions and interests (see Wollmann, 2003 for further references) takes place in local level decision-making in the local council lastly by majority vote, that is, in the last resort ‘hierarchical’ (leaning on the conceptual triad of hierarchy, interaction market as ideal-type coordination modes as submitted by Kaufmann, Majone & Ostrom, 1987).
- Territorial reforms aim at ‘internalising’ further functions and actors by extending the local arena and the decision-making reach of one local council.
- The rationale of local government is essentially premised in ‘political rationality’.
- Its theoretical grounding is political theory at large (on local democracy and so on).

By contrast, in the ‘single-purpose model’ political control and operative execution are functionally and institutionally separated. Thus, local functions are horizontally ‘unbundled’ and transferred to mono-functional public, private or non-profit actors whereby the latter pursues a single purpose rather than multi-functional rationality in fulfilling these tasks. This institutional arrangement can be identified with the following features:

- Its operational space is defined by specific functions and may be overlapping.
- It is not premised on (direct) democratic legitimacy, but is contingent on the (voluntary) agreement of the actors.
- The participant actors pursue their individual particular (‘self-interested’).
- Being typically equal-positioned the actors involved are liable to seek and achieve ‘coordination’ of their different interests by way of persuasion, negotiation and compromise, that is ‘interaction’ (in the Kaufmann, Majone and Ostrom triad).
- By and large it is premised on ‘functional rationality’.
- Theoretical reasoning is to be found, *inter alia*, in rational choice theory (see, for instance, Ostrom and Ostrom, 1999).

Again borrowing from Hooghe and Marks (2001, 2003), these local level actor constellations can be labelled ‘Type II’. As they operate outside local government proper they can furthermore be identified as ‘(local) governance’ networks and structures (in line with the ‘governance’ debate (see Rhodes, 1997; Pierre, 2000) – in an analytical-descriptive understanding.³

The criteria juxtaposed in Table 1 may serve as ‘measuring rods’ in assessing/evaluating the impact of reforms on the institutional setting.

5.2.2. *Assessing effects in ‘performance evaluation’.* For ‘performance evaluation’ three areas of assessment can be distinguished (see Table 2):

- Changes in ‘output-legitimacy’: effectiveness, efficiency, including transaction costs of the reform, productivity.
- Changes in coordination and steering: vertical and horizontal coordination.
- Changes in ‘input-legitimacy’: democratic control, political accountability, citizen participation, transparency.

Overall, with these three ranges of effect, the increase and decrease of performance differences and disparities in inter-organisational and inter-regional comparison can additionally be incorporated as impact dimensions in order to ascertain as to what extent the reforms (for example the decentralisation of duties) lead to increased disparities between different institutional units or to harmonisation.

The analytical framework for measuring performance impacts can be represented in a somewhat simplified manner in the following way (Kuhlmann, 2010; Reiter *et al.*, 2010):

Drawing on the typology of the multi-purpose model (Type I) and the single-purpose model (Type II), the following hypotheses may be put

Table 2. Analytical dimensions and indicators for the impact analysis of the administration reforms

Performance criteria	Possible dimensions/indicators
<i>Output legitimacy</i>	
Resources, costs, output	Expenditures, resources (personnel, time, finances) Achieved savings ‘Produced’ output
Professional/and legal quality/achievement of objectives	Relation between input-output Professional quality, adherence of policy-standards Legal correctness, litigation Proximity to citizens/customer orientation/service quality Effectiveness/efficiency, target group coverage
<i>Coordination and steering</i>	
Vertical and horizontal coordination	Cross-departmental coordination; Inter-municipal cooperation Cross-level coordination, friction losses Controls/ intervention ‘from above’ Compliance/subversion/opposition ‘from below’
<i>Input legitimacy</i>	
Democratic controls	Involvement of the local council Citizen participation, user democracy Outward transparency

forward. Democratic control and horizontal coordination (cross-policy and territory-based) are likely to increase in proportion to the degree to which functions and decision-making powers are vested in politically accountable local self-government (multi-purpose model/Type I). Owing to lower specialisation levels, however, policy effectiveness and the single-sector quality of service delivery are likely to be reduced by using the 'territoriality' principle, leading to more variance and disparities between local communities. Vice versa, it can be assumed that the single-purpose model, under which political responsibility lies outside the local authority, reduces the democratic accountability and transparency of public action as well as the proximity to citizens. Although greater vertical coordination within a given policy area can help increase single-policy effectiveness and diminish inter-local heterogeneity in service delivery, it can bring deficiencies in horizontal cross-policy coordination, which is to the detriment of comprehensive community development and territory-based governance in the localities. In local government systems organised according to the multi-purpose organisation the service production efficiency and thus cost savings can be expected to increase thanks to the fact that financial responsibility and service provision are institutionally integrated. Public spending is as such under the immediate democratic control of the local electorate. The organisations following the single-purpose model (Type II), by contrast, separate financing and service provision functions and withdraw public spending from direct democratic control. Thus, this leads to the maximisation of policy interests, which results in the institutional inflation of single-purpose authorities to a degree far beyond what can be considered as functionally necessary and appropriate. This tendency does not only make for higher outlays but also increases sectoral fragmentation and reduces horizontal coordination to the detriment of the overall institutional efficiency. The purpose of the following analysis is to explore the impact of local organisation and institutional reforms on relevant performance parameters from a three-country comparative perspective.

VI. Perspectives for future evaluation of institutional reforms and local government research

This contribution aimed to outline the analytical framework necessary for evaluating institutional politics in an intergovernmental setting. However, it can only be regarded as a first step in shaping this field of research, which merits further conceptual elaboration and methodological consolidation. If one compares theory capacity and method development in the field of substantial policy evaluation with the field of institutional policies, there can be no doubt that the former is still clearly more advanced than the latter. The increasing professionalisation and conceptual foundation in evaluation research, which was to be observed in the area of 'normal' policies during the last decades, should likewise be claimed for institutional policies, since

these are still understudied and underdeveloped in terms of evaluation methodology and theory.

In order to further shape the research agenda for an institutional policies evaluation, the following points should above all be addressed. On the one hand, more comparative evaluations are called for on both (the horizontal and vertical) reform tracks that were dealt with here. Furthermore, the regional coverage of countries that are to be compared should be extended and country studies should be conducted with international cooperation, which should also be guided and 'disciplined' by a common conceptual framework in order to make optimal use of the analytical potential of internationally comparative research.

Considering theories and concepts that appear to be appropriate to guide institutional evaluations, neo-institutionalist approaches appear especially fruitful because they share the idea that institutions influence, shape and restrain actor behaviour and output performance, but do not determine it (Hall & Taylor, 1996; Peters, 1999). This leads to the crucial evaluative question, which variables explain the actual relation between institutional policies on the one hand and performance/outcome on the other. Particularly, country-specific (political-institutional, historical-cultural and so on), policy-related as well as actor-oriented factors are likely to influence the effectiveness of institutional reforms. They can quite differently affect the causal correlation between institutional policies and performance/outcome and therefore must be empirically tested for their explanatory value. This step can conceptually be guided and inspired by the various avenues of neo-institutionalist theory, each of which focuses on different (historical, cultural, actor-specific, policy-related) factors of institutional reform and performance.

Finally, a further perspective of institutionally concerned evaluative research is to identify and typify different varieties and configurations of sub-national administration in Europe and to compare them with regard to their performances. Such an evaluation of administrative configurations in multi-level systems appears especially fruitful for comparative research. It can help answer the questions: which administrative solutions are appropriate for which public tasks and which are better and less suitable with regard to certain type of goals. For the elaboration of such evaluation designs particular attention must be dedicated to the balancing of different performance criteria and targets of institutional reforms because these are often contradictory and characterised by trade-offs.

Notes

1. In the following, we concentrate on the first two 'loops' of evaluation (institution evaluation and performance evaluation), since these will be in the centre of the articles presented in this volume. Outcome evaluation also faces a large number of intervening factors and huge problems of causality when precisely attributing outcome data (such as decreasing unemployment rates and so on) to specific reform measures (see Kuhlmann *et al.*, 2008). This 'loop' of evaluating polity policies will therefore be left aside in this contribution.

2. For a discussion of 'territoriality' and 'functionality' as basic principles of intergovernmental organisation see Wollmann, 2004; Wollmann and Bouckaert 2006.
3. For the distinction between an analytical–descriptive–analytical notion and a prescriptive–normative notion of 'governance', the latter addressing the 'steering' and 'guidance' function and capacity of 'governance', see also Marcou, 2006: 9 ff.; Wollmann, 2006: 118.

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