Delegation in Contemporary Democracies

Workshop Proposal for the ECPR Joint Sessions 2003

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Outline of the workshop

Delegation of legislative and executive competencies is ubiquitous in modern democratic systems. Even in the most accomplished actual (Athens) or ideal (Rousseau) forms of direct democracy, minimum delegation to an executive body is unavoidable to make the system work. Moreover, increasing societal complexity and functional differentiation pushes for analogous trends in state structures. It is thus not surprising that delegation has attracted a renewed scholar effort aiming at a better understanding of both old and new forms of delegation.

Recent examples include a special issue of the European Journal of Political Research edited by T. Bergman, W. C. Müller and K. Strøm (2000), where democratic systems are analysed, through principal-agent theory, as "chains of delegation". This chain goes from voters to parliaments, from parliaments to governments (for the United States, see Epstein and O'Halloran 1999), and from governments to bureaucrats. Inside parliaments, delegation to committees usually occurs (Krehbiel 1991).

Besides this basic backbone, however, there are also other, less straightforward forms of delegation. Central banks and other independent regulatory agencies, generally characterised as "non-majoritarian institutions", are cases in point. What makes this type of delegation peculiar is that the so-called "ally principle" (Bendor, Glazer and Hammond 2001) is transgressed: unlike in the basic "chain of delegation", the principal, who delegates, does not try to make the agent as similar to himself and as controllable as possible, but purposely increases her autonomy.
Majone (1994, 1997a, 2001a) has stressed both the embeddedness of non-majoritarian institutions in structural trends such as the "rise of the regulatory state" and, more specifically, their role in supplying credible-commitment ability to governments. Most recently, these institutions have been addressed in a special issue of *West European Politics* edited by Mark Thatcher and Alec Stone Sweet (2002), where a historical and sociological institutionalist approach is advocated. This emphasises functional pressures, such as the need to achieve credible commitments, and the functions that non-majoritarian institutions perform for elected officials do not alone explain the expansion of these institutions across Europe. Rather, the social construction of preferences for delegation, institutional isomorphism, and historical legacies are stressed.

Other examples of delegation are intermediary agencies such as funding agencies (Braun 1993, 1997, 1998), which are situated at the intersection between different systems and have thus a "structural coupling" function. Further, delegation can be to associations, which, in a "private interest government" perspective (Streeck and Schmitter 1985), carry out public-interest tasks. Similarly, self-regulation carried out by corporate actors (Mayntz and Scharpf 1995) can also be interpreted as an implicit form of delegation.

Delegation is also central within the European Union. The Council of Ministers may choose to delegate competencies to the Commission (Franchino 2000a, 2000b, Majone 2001b), and independent agencies have been created at the EU level (Majone 1997b, Kreher 1997), including, of course, the European Central Bank.

The aim of the workshop is to build on these insights to achieve a broader yet accurate understanding of the nature, origins, consequences and evolution of delegation in democratic systems. Many interesting questions, both theoretical and empirical, remain wide open and call for investigation:

1) *Empirical mapping*. Where and when can different forms of delegation be observed, and is there some systematic pattern of national/sectoral variation and/or over time? For example, it is often claimed that independent regulatory agencies are
"new", but some countries have long traditions of independent bureaucracy. Also, independent regulatory agencies seem to be increasingly widespread, but, while it is clear that considerable variation remains, it is still unclear whether systematic patterns can be highlighted.

2) **Typologies.** What are the relevant differences between various forms of delegation? We currently lack a sound and comprehensive typology of delegation forms. A promising avenue for research seems to be the agent-fiduciary dichotomy recently developed by Majone (2001a). He makes a distinction between agency relationships, where the principal induces the agent to act in the desired way by designing an appropriate incentive structure, and the fiduciary relationship, where the agent (or, more precisely, the fiduciary) acts in the interest of his principal driven by responsibility, his own preferences, and reputational incentives. Schlicht (2001) adds a third type of delegation, namely the master servant-relationship, where the master gives commands and the servant simply obeys. The ability of this typology to include all empirical forms of delegation, as well as its heuristic value, are however still unclear, and certainly deserve further investigation and specification. Other typologies should also be developed and explored.

3) **Origins of delegation.** How can delegation be explained, as well as the existence of different forms? One intuitive explanation is that form follows function. Majone (2001a), for example, argues that extensive independence will be accorded when governments face credibility problems (fiduciary relationship), and closer control will be kept when delegation, through the specialisation, is expected to simply increase decision-making expertise and efficiency. But why do governments sometimes delegate public tasks to purely private corporate actors, or to intermediary agencies that are between the public and the private sector, and sometimes they do not delegate at all? The logic behind these choices needs to be clarified and, ideally, this should be done within a single theoretical framework.
4) **Consequences of delegation.** Delegation matters. This is one of the basic results of principal-agent theory (see Gilardi and Braun 2002 for a review): at the very least, tasks will be carried out differently, and maybe with the danger that the one who delegates will be worse off. Further, it has been shown that delegation to independent agencies has an impact on regulatory outcomes (Thatcher 1994, 1998) as well as on a whole range of other variables, including democratic legitimacy (Majone 1999). For this latter point, the case of the European Central Bank (Elgie 2002) is a very illustrative example. What is of particular interest here is how different forms of delegation matter. What are their consequences? Are they similar or not, and why?

The workshop aims to attract a wide range of papers. We are interested in theoretical and empirical contributions alike, as long as they explicitly address one or several of the issues discussed above, and we encourage applications from researchers drawing on diverse theoretical and methodological perspectives.

**References**


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We expect to be able to raise finance to partially cover expenses for participants. The Fondation du 450ème anniversaire of the University of Lausanne usually supports this kind of research activities.

About the directors

Dietmar Braun is professor of comparative politics at the University of Lausanne. His research interests include federalism and public policy, modern political theory, the role of policy ideas, and research policy in a comparative perspective. His most recent publications include "The Influence of Federalism on Fiscal Policymaking", European Journal of Political Research, 41 (2002) (with Anne-Béatrice Bullinger and Sonja Wälti); "Finanzpolitik und Makroökonomische Steuerung in Bundesstaaten", in: Arthur Benz und Gerhard Lehmbuch (eds.), Politik in föderativen Systemen, PVS-Sonderheft, (Westdeutscher Verlag, forthcoming 2002); "Niklas Luhmann et l'analyse des politiques publiques", Politix, (2001) (with Yannis Papadopoulos); Public Policy and Federalism, (Ashgate, 2000); Public Policy and Political Ideas, (Edward Elgar, 1999) (edited with Andreas Busch).

Fabrizio Gilardi is PhD student and teaching assistant in comparative politics at the University of Lausanne. He is currently writing a dissertation on delegation to independent regulatory agencies in Western Europe. His publications include "Delegation to Independent Regulatory Agencies: Hypotheses from Rational Choice Institutionalism", Swiss Political Science Review, 8(1) (forthcoming 2002), and "Delegation aus der Sicht der Prinzipal-Agent-Theorie: Ein Literaturbericht", Politische Vierteljahresschrift (forthcoming 2002) (with Dietmar Braun).