DRAFT

The Political Perils of Collaborative Governance in France and Italy

Pepper D. Culpepper
John F. Kennedy School of Government
Harvard University
79 JFK St.
Cambridge, MA 02138
pepper_culpepper@harvard.edu

August, 2002

Paper prepared for presentation at the Annual Meeting of the American Political Science Association, August 28-September 1, 2002, Boston, Massachusetts. The author thanks Elena Fagotto for research assistance and the Weil Program at the Kennedy School for financial support.
Comments welcome. Please do not cite without permission from the author.

When social scientists talk about the adoption of new governance arrangements in a given policy area, their questions are most often functional: What will those new arrangements do better than the previous way of making policy? Yet politicians do not always, or even usually, pick policy solutions because they offer the best functional answer to a policy problem. Instead, they adopt solutions at a given time that advance their electoral or partisan interests as well as responding to a perceived policy problem (cf. Kingdon 1984). Thus, they not only want to do things (provide child care, increase economic development), but to do things that are politically useful (fortify their local political machine, distribute benefits to political supporters).

It in this light that I evaluate in this paper two of the most significant innovations in collaborative governance arrangements in Europe in the 1990s.[1] The first is the 1993 French reform that created regional-level multi-partite institutions to develop proposals for regional education and training initiatives that aimed to spur private investment in human capital. The second is the institution of territorial pacts as the cornerstone of Italian development policy in the 1990s. The development pacts were to sponsor the participation of local secondary associations and politicians in proposing territorial development plans, with the goal of promoting ongoing cooperation among these actors at the territorial level.

These reforms are especially significant because they took place in two unitary states with weak regional governments and weak traditions of corporatist policy-making.

[1] By collaborative governance I mean institutions that promote routine interaction in a given policy among governmental and non-governmental actors, and in which there is no monopoly by state actors of either problem definition or methods of implementation. As such, it is a category whose boundaries remain conceptually fluid, but one aimed at trying to capture new modalities of the sharing of policy-making authority among the private and public sectors.

They were innovative, at least in form, because they attempted to build institutions of public/private collaboration to provide collective goods at a local level. As such, they simultaneously marked an attempt to break radically with the nature of past policy and with the institutions through which those policies had been designed. These were not equivalent to sectoral neocorporatist policies practiced especially widely in northern Europe (Lehmbruch 1984) both by virtue of the scope of private actors involved and of the delegation of policy autonomy to these actors. In terms of scope, they attempted to involve a wide range of local stakeholders, rather than monopolistic employers and unions. And in terms of policy autonomy, these new instances were empowered not merely to implement policies decided at the center, but to develop their own analyses of local problems and proposed responses to them. They were not merely bodies of decentralized implementation, but of decentralized policy design, with the institutions for designing policy moved away from national politicians and to local actors (among which politicians were just one, if still the primus inter pares).

The actual institutions have, so far, shown themselves to be quite heterogeneous. In this paper, I first summarize their experiences—both their political origins and their successes and failures in fulfilling the institutional mandate delegated to them. After reviewing the major developments in each institutional experiment, I draw parallels between the two ongoing experiments, focusing in particular on the organizational prerequisites for their success and the dilemmas they pose for public actors who would attempt to expand collaborative governance arrangements.

Regional Governance Institutions in France

The French government in 1993 attempted to reinvigorate its stalled project of regionalization by reinforcing the regional architecture for consultation with private interest groups over issues of youth training. This law had both an institutional objective—reinforcing public-private collaborative governance at the regional level—and a policy objective: to overcome the cooperative dilemmas that had impeded companies from investing in youth training contracts.[2] The decentralization laws of 1982-83 had first ceded power to regional governments over the area of youth training, but 1984 laws that created new contracts governed at the national level had limited the effect of the reform, as had the weak capacities of the regional governments. The 1993 Five-Year Law on Work, Employment, and Professional Training attempted to solve this problem by bringing together the various affected actors under the auspices of regional governments to work out the details of how to improve France's poor record of company investment in youth training contracts.

The catalyst for the passage of the law, though, was the election of the Balladur RPR/UDF coalition government in 1993. This brought to power many UDF partisans of reinforced decentralization, but none more important than Charles Millon, president of the parliamentary group of the UDF and also the president of the regional council in Rhône-Alpes.[3] As regional president, Millon had since 1988 made Rhône-Alpes the region that had most vigorously attempted to assume the governance power over youth training conferred by the 1982-83 decentralization laws. Millon had commissioned a non-

[2] The data in this section come from the author's research on the reform of human capital policy in France. See Culpepper (2002).
[3] Politicians in France can hold numerous offices at once, thus allowing Millon simultaneously to be a member of the national assembly and the president of a regional council.

partisan study to evaluate the progress of the regional reforms, and the reports had concluded that the reforms in Rhône-Alpes had failed in reaching their training goals because of the poor articulation between the region and private actors, underlining "the fatal gap between the UFA program's central protagonists [regional government and employers' associations] and the micro-economic agents whose decisions underpin the effectiveness of the policy: especially the youth and the companies tied by a labor contract, but also the decentralized actors of the educational system" (Brochier et al. 1995: 115). Thus, one of the major political architects of the Five-Year Law came to power with the goal of empowering the regions by developing governance institutions that enabled collaboration among government, employers, unions, and educational authorities.

Although France has a long tradition of statist regulation of the economy, the Five-Year Law represented a serious break with past ways of developing policy for vocational training. Every major innovation in French training policy since 1971 had been negotiated among employers and unions, and later ratified by the government (Dubar 1996). Yet the Five-Year Law, which attempted to develop the most extensive collaborative institutions between government and private actors, was a joint project of parliamentarians and the administration, a process from which both unions and employers' associations had been very largely excluded. As a political initiative, the bill challenged the tenets of the governance of professional training that had been negotiated between the social partners. Unions complained that "the reform of professional training, as it was presented to us [the unions, by the government]…calls into question all the contractual accords negotiated with the CNPF" (*Le Figaro* 3 September 1993). And, as the head of the principal employers' association's department on training explains, "we reacted extremely badly to the rupture with the tradition of developing the laws on professional training in collaboration with the social partners, because we [the CNPF] are always the key actor in this [type of] negotiation" (Interview with the author).

The unions and employers' associations objected not only to their exclusion from the design of the policy, but also to its attempts to regionalize training policy. For neither unions nor employers in France is the region a constituent level of organization. Most of the associations have territorial organizations with a strong central organization in Paris. Indeed, both French employers' associations and unions have weak organizational capacity at the grassroots (Howell 1992; Bunel 1995). Their major orientation therefore is sectoral and national, not regional and inter-sectoral.

Yet the new collaborative governance institutions developed by the Five-Year Law *were* regional and inter-sectoral: the COREFs.[4] The law foresaw the COREF as a regional center for consideration of projects by the representatives of employers' associations, labor unions, chambers, teachers' unions, and parents. The regional governments, in consultation with the private actors brought together in the COREFs, were then to develop regional plans for how best to respond to the needs of employers and of youth within the area of the region. This would allow policy to be elaborated by regional councilors in close consultation with all the relevant social actors with little oversight from Paris, and as such represented a radical departure from past patterns of policy-making in France.

Too radical, as it turns out. The attempt by Paris politicians to establish functioning institutions of regional collaborative governance was subverted by private

[4] Comité régional de la formation professionnelle, de la promotion sociale, et de l'emploi.

interest associations and by the weak capacities of both regional governments and private actors themselves. Employers and unions, not typically close allies in France, worked together in most regions to marginalize the COREFs and to empower an alternative body (the COPIREs[5]) where only they were represented—thus cutting out the other representatives of civil society included in the COREFs. Regional councils encouraged this move, as exemplified by the attitude of the administrative head of training in Rhône-Alpes (the region that has most attempted to build collaborative governance institutions): "for consultations with the social partners… I have made an effort to consult the COPIRE, which seems more legitimate [than the COREF]; there are only unions and employers there, they are implicated in [various training contracts]. The COREF is less legitimate than the COPIRE, even if it is [the] more legal[ly correct interlocutor]" (Interview with the author).[6] Yet even in consultations with the COPIRE, regional administrators have discovered that unions and employers at the regional level simply do not have the organizational capacity to be useful interlocutors over policy-making: "The COPIRE wants to involve itself strongly, and we [the region] submit to the COPIRE for the orientation contract. [But] it seems to me that they need to demonstrate their capacities; if they want to be involved, for example, in the qualification contract, they must play a much more important role [than they have up to now]" (Interview of Alsatian regional director with the author).

Across France, the inability of regional associations to deliver useful information about the private economy to regional governments subverted this experiment in collaborative governance. The prime ministerial report that evaluated the reforms in 1996

[5] Commission paritaire interprofessionelle régionale de l'emploi.
[6] As the government's 1996 evaluation of the Five-Year Law observed, "the COPIRE is rising in importance while the COREF is in retreat" (Comité de coordination 1996: 44).

noted that “the dispersal of representative professional organizations, the internal conflicts which cut across them, and their unequal expertise at the regional level are perceived as a great difficulty” (1996: 117). The whole experiment of the Five-Year Law was premised on the idea that actors within society had local information that could inform policy, if that policy was sufficiently decentralized and allowed a strong enough role for private actors. Yet the attempt to construct such institutions on the very weak organizational capacity of the French social partners was unsuccessful, and the law foresaw no particular way to build capacity. Taking the German federalist system of private-interest governance as an implicit model, policy-makers merely assumed that capacity was there among the actors in civil society, which it was not.

What was the impact of this institutional failure on the policy objective of increasing company investment in youth training contracts? In short, French regional policies have failed in convincing companies to invest in youth training contracts. One good metric of firm training investment is the retention of employees in regular work contracts after their training period. Those companies that have invested heavily in training should be loath to lose that investment by not hiring the apprentice (Soskice 1994). There were two major youth training contracts in France in the 1990s: the apprenticeship and qualification contracts. In the mid-1990s, only 10 percent of apprentices and 29 percent of youths in qualification contracts were hired into regular work contracts after their training by the firm that trained them, which suggests that very few companies were heavily investing in the training of their young workers (Charpail and Zilberman 1998: 50; Vialla 1997: 189). In aggregate, then, French firms are clearly using the subsidies associated with the training reforms to lower their labor costs, rather than to invest in developing the skills of their future workers.[7]

How have regional governments responded to this failure of collaborative governance? There seem to be two alternative courses pursued, typified by the sorts of policies developed by Rhône-Alpes and Picardy. Rhône-Alpes is the region that has done most to promote concertation with the social partners, especially the employers' associations. Yet, as in other regions, employers have proved unable to provide detailed information about the demands of the private economy. The region has therefore invested in developing its own information about the local economy (through a regional observatory), while continuing to maintain attempts at concertation. In Picardy, by contrast, the government (also a government of the right) abandoned concertation with the social partners. Instead, it turned away from collaborative governance and toward the use of the market, using the tools of government regulation to make the market of training provision more transparent to individuals and to companies.[8] This sort of intervention can permit better functioning of the market among training centers, of course, but it does not attempt to increase investment in general skills.

Neither of these responses, in fact, allows regional governments to achieve the core objective of the Five-Year Law; namely, creating cooperation among private companies in their patterns of investment in youth training. Nor do such responses seem likely to improve the prospects for collaborative governance in the area of youth training

---

[7] The author's own study of the training practices of French companies shows a similar result: none of the companies in that study was ever persuaded by the existence of regional policies to invest heavily in youth training contracts (Culpepper 2002).

[8] This is a lucrative market for private training centers, which are in charge of the school-based portion of firm-based training contracts in France. There is a large pot of money collected through two training levies that are channeled toward these centers, and abuses of this money were widespread in France before the 1993 reform.

policy in the coming years. What they map, instead, are the two alternatives open to a state agent that wants to build informational links connecting it to the private economy but cannot: either reinforce its own information-gathering capacity at the local level (Rhône-Alpes) or set standards to allow market competition to reduce private abuses (Picardy). Given authority to govern a policy area but lacking the social capacity that would allow them to govern it collaboratively with private actors, these are the possible alternative routes for policy-makers.

The broad lessons of the failed French experiment in collaborative governance are clear: states are very likely to fail when the devise a collaborative governance scheme that does not take into account the organizational structure of society. In the case of French training, this would have been the territorial employer's association (although even at this level, that of its strongest constituent unit, French employers are on the whole still poorly organized—cf. Bunel 1995, Culpepper 2002). Yet the political force behind decentralizing governance was a political party (UDF) that wanted to strengthen the regions, despite the fact that regions were not the level most likely to succeed in facilitating through collaborative governance the resolution of collective training problems. Thus, the political impetus that imposed a sweeping model of collaborative governance on the French regions was not strongly supportive of the policy or institutional goals; those goals were secondary to the political objective of increasing the power of the regions vis-à-vis the French state. When that project failed, there was no obvious political champion of devising an improved model.

Territorial Pacts in Italy

The institutional innovation of the Italian territorial pacts were delivered into policy life through a gaping window of opportunity created by the convergence of several dramatic developments in Italian politics in the early 1990s. First, 1992 marked the end of the "extraordinary interventions" of cash expenditure for the under-developed south of Italy (the Mezzogiorno). The extraordinary interventions had been extraordinarily ineffective in promoting the catch-up of the south with the more developed north, but they had been costly, pouring billions of lira from the center to governments in the south with little apparent effectiveness in promoting economic growth. The signature of the Maastricht treaty and its substantial budgetary demands in the run-up to the introduction of the Euro put fiscal pressure on a process seen as ineffective and unaccountable. A program based on high investments with low returns was an easy target for post-Maastricht budgetary rigor.

Yet let us remember the warning with which this paper opened: that politicians not only want to do things with policies (like promote growth in the south); they also want those things to support their political position. The extraordinary aid had also been a helpful benefit for central politicians to strengthen their machines and their supporters in the south. The Tangetopoli (Bribesville) scandal of the early 1990s, which decimated the old political class, involved many corruption scandals linked to southern development money. One of the electoral beneficiaries of this crisis was Umberto Bossi's Lega Nord, which decried the redistribution of money from the prosperous north to the underdeveloped south (Cersosimo 2000: 210). Thus, as in France, the ambition to build new institutions of public-private collaborative governance was born partly of a federalizing push to empower the regional governments.[9]

However, regions have not historically been the most important level of sub-national government in Italy. That distinction belongs to communal governments (Dente 1997: 182-3). The forces of decentralization thus had consequences for both communal government and regional government. The large change for communal governments came first, with law 81 of 1993, which provided for the direct election of local mayors. This change led to a wholesale turnover of the local political class, as a new political leaders from outside the old system were able to win office in local elections (Dente 1997: 184). The laws of decentralization (the so-called Bassanini Laws) were not passed until 1997, and they reinforced the power of regional administrations. Yet decentralization in Italy, despite a political push from Bossi, was never a uniquely regional phenomenon.

Moreover, the territorial pacts were not invented as a *regional* measure. They were not regional pacts, but territorial ones, aimed at incorporating actors from a given local area rather than from the political-administrative unit of the region. Moreover, national employers and unions endorsed the territorial pact in their protocol of 1994, indicating their support for territorial negotiation among multiple social actors. Although pushed along by the regionalization trend, the design of the territorial pacts was never subordinated to it. The choice of the territory as the unit of the pact responded to the recognition by Italian policy-makers that the most successful organizational units of the Italian political economy were local: the industrial districts of the center-north (Trigilia

[9] This political impulse also drew support from the European Union's earlier reform of the European Structural funds in 1988, which had pushed EU development funding in a more regional direction (Cersosimo and Wolleb 2001: 373).

2001). Whereas the model for collaborative governance in France was the regionally organized sectoral corporatism of Germany, in Italy the "model" was Italian.

The confluence of these three factors—failure of the extraordinary methods, collapse of traditional national political parties, and growing political recognition of the local base of the Italian economy—were the context within which the territorial pacts began to emerge in the mid-1990s as a tool for development. Once the government recognized the pacts in 1995, the possibility of state funding increased the number of applications, challenging the previously "bottom-up" character of the pacts (Pedersini 1997: 2). In order to formalize the legal stature of the pacts and to distinguish them from other forms of emerging collaborative governance in Italy ("programmazione negotiata"), the government CIPE (inter-minsterial economic planning committee) clarified the juridical conditions of official pact recognition in March, 1997.[10]

Pacts are agreements signed by local actors that define development objectives, apportion expenditures toward meeting those objectives among state and private actors, and suggest regulatory changes in the legal development or industrial relations provisions that could stimulate local development. In practice, 4 types of actors are central to these agreements across Italy: the provincial administration, the communal leaders, industrial employers' associations, and the unions (Cersosimo 2000: 232). Other societal and

[10] In this paper I discuss only the territorial pacts, leaving aside other elements of "programmazione negotiata" in Italy: the area contracts (contratti di area), the institutionalized program agreement (intesa istituzionale di programma), the program contracts (contratti di programma), and the neighborhood contracts (contratti di quartiere). The increase in these programs has been substantial, and they suppose different models of private-public interaction. Among observers of the different development interests, the territorial pact has been identified as the "instrument of programmazione negotiata that applies most clearly the principle of social partnership" (CNEL 1999: 53); as such, it has also been the subject of the most attention by researchers. For details of the various instruments, see CNEL (1999): 39-83.

governmental actors—such as chambers of commerce, banks, and regional governments—are involved in some pacts but not in others.[11]

Although signed by these local actors, the Territorial Pacts are, equally importantly, a form of agreement between territories and the central government; when approved, they open the way for money to flow from central coffers to the periphery (Trigilia 2001). Thus, rather than a central state devising the disbursement of development money, territories compete with each other to put forward their own "endogenously grown" development plans. They compete with other territories for funding, which putatively incentivizes them to put forward the best possible plan.

Besides devising a more efficient way to distribute money from the center to disadvantaged regions, the territorial pacts also aim to promote two changes in the character of interaction among territorial actors. First, to promote a sense of common identity and purpose among local collective actors; and second, to reverse destructive patterns of weak inter-actor cooperation, particularly in the Mezzogiorno (Cersosimo 2001: 383-385). Through a new instrument, then, the government hoped to allocate development resources more efficiently while promoting the development of cooperation whose absence was seen in the past to have retarded common collective action, and perhaps economic development (cf. Putnam 1993).[12]

What has been the experience, so far, of the territorial pact experiment? Of the so-called first- and second-generation pacts (signed in March 1997, November 1998, and

[11] The absence of regional governments from most pacts is notable in light of recent discussions of Italian regionalism. In a sub-sample of 18 pacts, a department of the treasury study found that only 4 (22 percent) had regional signatories (Cersosimo 2000: 232).

[12] Development pacts, and the aid that accompanied them, were only made available to disadvantaged regions in Italy, whether under-developed or de-industrializing. Thus, they have not been limited to the Mezzogiorno and are found across the country.

April 1999), there were 51 Territorial Pacts, plus a further ten financed under different rules by the European Union. It is obviously too early to draw a comprehensive balance sheet of the pacts—the more modest goal in this paper is to try to understand what regularities we observe across pacts, early in the experiment. Looking over the 51 nationally-subsidized pacts, one study suggests the typical pact comprises roughly 40 separate new initiatives, with financing split between public and private sources, mobilizing roughly 700 million Euros in new investments and creating about 530 additional jobs (Cersosimo 2000: 215-217). If these estimates are close to correct, then the direct job-creation effect of the pacts is modest at best.[13]

What about the postulated effect of promoting public-private interaction?[14] Existing research on the pacts points to two broad outcomes: integrative and collusive pacts (Cersosimo and Wolleb 2001; Barbera 2001). The collusive pact is often characterized by wide a base of signatories, whose sole common goal is to acquire development money from the government, whereas the integrative pact appears to have created a recognition of common values and inter-actor trust that were not previously existing.[15] "At one extreme are the openly collusive pacts, characterized by processes of empty concertation, absence of binding commitments, and no results in terms of public goods. At the other extreme [are] pacts where concertation has visibly produced a strengthening of horizontal institutional relations, protocols containing concrete

---

[13] "At the level of mere financial outlays, the pact do not provide specific advantages [compared to past development policies]: its true comparative advantage is to act simultaneously on the double lever of direct incentives and amelioration of the firm's external context, on the financing of investment and the reduction of ambient diseconomies" (Cersosimo and Wolleb 2001: 387).

[14] And as noted by researchers who have studied the pacts, "the originality of the law on pacts, that which makes it different from a normal law based on incentives, is the presence of both these [social-institutional and economic] objectives (Cersosimo and Wolleb 2001: 379).

[15] Cersosimo and Wolleb (2001: 388) note that those pacts having more local signatories were often characterized by less involvement on the part of these actors, as each signed only in the hopes of luring more money to the territory.

commitments by signatories, and collective action has produced public goods internal to, or also beyond, the activity of the pact strictly speaking" (Cersosimo and Wolleb 2001: 386-7).

The provisional distinction between integrative and collusive pacts largely hangs on whether researchers have been able to identify a cognitive shift in the cooperative propensities of local signatories to the pact. As Cersosimo and Wolleb (2001) note, this cognitive shift is important and a successful feature of changing local interactions. But, even where they do document changes in behavior, they have found scant evidence of concrete public good provision.[16] This is not to downplay the results of this early experience, but to underline that the effect is mainly observable now in cognitive orientations: particularly, increasing the propensity to "trust" or cooperate with other local institutional actors.

Across the different studies of the Italian territorial pacts, two regularities emerge as the most likely causes of success. First, institutional leadership, whether provided by local political or associational leaders, was crucial to "sustain a significant part of the costs connected to the promotion of collective action" (Cersosimo and Wolleb 2001: 395; Trigilia 2001). Second (and less decisive) is the pre-existing repository of organizational histories of cooperative interaction (Trigilia 2001, Barbera 2001). In other words, as in the social capital model of Putnam (1993), cooperation breeds more cooperation. Contrariwise, two legal factors seem to impede the development of successful pacts: the uncertainty among local actors about the conditions under which development money

[16] This is supported by the only other systematic study of the pacts, by Sviluppo Italia—ITER, in which the major differences documented are between those pacts that have changed the patterns of interaction of actors and those that have not (ITER 2000, cited in Barbera 2001). Case study evidence comes to the same conclusion (Freschi 2001).

will be used to support new patterns of concertation, and the inability of the national government to develop criteria that identify and reward successful pacts (Cersosimo and Wolleb 2001 408-410; Cersosimo 2000).

Comparative Observations

It is dangerous and methodologically suspect to draw hard conclusions from experiments that are both recent and continuing. Tentatively, then, this section uses the French-Italian comparison to draw preliminary inferences about institutions of collaborative governance both as an end of policy and as a means for policy-makers to promote cooperation among previously conflicting private actors.

As regards collaborative governance as an end of policy, I have emphasized that politicians delegate public power to institutions of collaborative governance at least in part to procure political benefits for themselves. For these institutions to be effective and stable over the longer run, they need political protection. In neither case studied here was the grant of power to these institutions a constitutional grant of power—it was given by the central government, and it could be taken away by the central government. In France, we saw that the effectiveness of the institutions was undermined by social actors (employers and unions) who opposed the COREF reforms and systematically and successfully set out to subvert them. At the same time, those social actors that were involved in collaborative policy-making did not have strong capacity at the grassroots level—as observed by participants in Rhône-Alpes, the French region that has done the most to promote collaborative governance. Since part of the political opposition to the reform was generated by interest groups that wanted to retain discretion over these policies at the national level—where their organizational structures were strongest—there was no actor with an incentive to lobby politicians in favor of strengthening the observed weaknesses of collaborative institutions.

The national politicians of the UDF who pushed the reform wanted to empower regions, and the interest groups that opposed them wanted to keep this power at the national level. Policy-makers at the regional level had few political allies to combat the weaknesses they encountered in dealing with the social partners, so they instead opted out of trying to create societal cooperation. Instead, they focused their attention on trying to develop their own governmental capacities, rather than the capacities of those social partners that they needed in order for the reform to succeed. While there is common agreement in France on the reasons regions have not been successful in taking control of this policy area, there is no strong actor with an incentive to promote the building of social capacity that will be necessary if the reforms of the Five Year Law are ever to work as originally planned.

The change in Italian development policy was, like the French initiative, stimulated by a changing national political landscape. But, unlike the French initiative, the Italian territorial pacts had two attributes likely to increase both their resilience and their effectiveness. First, the development pacts built essentially on a territorial logic, responding to the existing organization of the social partners. This reflected the bottom-up (rather than top-down) nature of their development. Rome did not invent the territorial pacts and bring them to the less developed territories—actors in those territories fashioned them themselves and then pushed for the politicians in Rome to use them as the central instrument of development policies. Second, the territorial pacts were invigorated by the 1993 law that had allowed for the direct election of mayors. As reported in the previous section, local leadership was the critical variable distinguishing collusive pacts from integrative pacts. The development of new institutional leaders at the local level not only provided this leadership, but simultaneously provided a set of actors that was active in promoting (and protecting) the tool of the territorial pact to national politicians. Although both born of regionalist tendencies, the Italian reform was more likely to succeed than its French counterpart because it constructed actors that could politically defend it.[17]

Had the territorial pacts in Italy been built exclusively around regions, depending only on the organization of regional interest groups, this reform too would probably have failed. We can make this counterfactual speculation based on two facts: first, the regional organization of employers and of unions is generally weak in Italy, as it is in France (Regalia 1997). Second, regional political leaders have rarely been serious actors in the pacts that have emerged (Cersosimo 2000). The regional leaders have not been political entrepreneurs in this area, even thought the legislative framework allows them to be part of it.

What can we say about the conditions under which institutions of collaborative governance succeed as a means of creating greater cooperation among private actors in the population? The most important of these appears to be the existence of organizational capacity among social groups. In the Italian social pacts, the study by the treasury directed by Cersosimo (2000; Cersosimo and Wolleb 2001) repeatedly found that success

[17] This is consistent with the finding of Agrawal and Ostrom that decentralization initiatives are often launched without strong local demands for them, but that the long-term effectiveness of these initiatives depends on the development of local pressures and lobbying to support them (2001:505).

was associated with an organizational leader that could pay some of the start-up costs of creating collective action. While a pre-existing repository of trust helps, it does not appear on this evidence to be as crucial as having some group that exposes itself to free-riding by others while they observe the results of collective action. Rather than trying to build up organizations de novo, therefore, it appears that governments that want to support collaborative governance need to build their institutional architecture around existing organizational capacity in the political economy.

If institutions of collaborative governance are to provide governance that is both more effective and more legitimate than existing forms of government or market regulation, they will have to work through existing organizational infrastructure. This puts the states that want to develop such institutions at a strong informational disadvantage vis-à-vis the (potentially rent-seeking) social groups whose cooperation they will try to gain. As noted in the cases of the Italian pacts, the strongest weakness of the laws (and the lawmakers who write them) is the absence of criteria for selecting a priori between the conditions of good pacts and of bad pacts (Cersosimo and Wolleb 2001: 410). The pacts are based on competition among different territories, with the idea being that the inter-territorial competition will limit the tendencies of private organizations to use their increased role in governance institutions to derive special rents. The problem with this approach is that it only works in hindsight, once governments have seen how different proposed institutional designs work in practice.

Here then is the crux of the dilemma facing states that promote collaborative governance: they want to subsidize only the forms of governance that minimize rent-seeking. Yet, lacking local information, they have no way to know beforehand what those most efficient arrangements are for minimizing rent-seeking. Thus, the best way for them to acquire information about the performance of different institutions is to subsidize a wide array of experiments, in order to observe in practice which ones work best to promote public ends while minimizing the skimming of private rents. This (probably necessary) subsidy program has two potentially negative consequences: first, to the extent that organizations are able to use public moneys for their own ends, this will undermine the confidence of other private groups in the merits of the system. Second, we have seen that local success depends on local institutions lobbying political actors to continue to provide support. Those organizations that procure the highest rents from the system will have the most incentive to promote criteria that continue their subsidization through the state. Those organizations that support a more socially efficient system will have relatively fewer resources to devote to lobbying policymakers to promote their preferred policy criteria.

Collaborative governance, based on these experiments, suggests some potentially innovative ways of solving policy problems that statist regulation has not solved well. Yet states make policy inefficiently because they lack detailed information about society, and that same lack of information puts them at a disadvantage when trying to set the appropriate criteria for government support of public/private governance institutions. This is the dilemma that limits the extent to which collaborative governance can replace traditional state regulation, and like most dilemmas, it will not be easily soluble.

References

Agrawal, A. and E. Ostrom (2001). "Collective Action, Property Rights, and Decentralization in Resource Use in India and Nepal." Politics & Society **29**(4): 485-514.
Barbera, F. (2001). "Le politiche della fiducia. Incentivi e risorse sociali nei patti territoriali." Stato e mercato(63): 413-449.
Brochier, D., L. Causse, A. Richard and E. Verdier, Eds. (1995). Les Unités de formation par alternance (UFA): Une coopération Éducation nationale-professions dans la région Rhône-Alpes (1988-1993). Marseille, CEREQ Documents 102.
Bunel, J. (1995). La Transformation de la représentation patronale en France: CNPF et CGPME. Paris, Commissariat Général du Plan.
Cersosimo, D. (2000). "I patti territoriali." Mezzo Giorno: Realtà, rappresentazioni e tendenze del cambiamento meridionale. D. Cersosimo and C. Donzelli. Rome, Italy, Donzelli Editore**:** 288.
Cersosimo, D. and G. Wolleb (2001). "Politiche pubbliche e contesti istituzionali. Una ricerca sui patti territoiali." Stato e mercato(63): 369-411.
Charpail, C. and S. Zilberman (1998). "Diplôme et insertion professionnelle après un contrat de qualification." Bilan de la Politique de L'Emploi 1997. DARES. Paris, Direction de l'animation de la Recherche, des Etudes et des Statistiques (DARES)**:** 187-193.
CNEL. (1999). Laboratori Territoriali: Rapporto sulla concertazione locale. Rome, Italy, CNEL (Consiglio Nazionale dell'Economia e del Lavoro).
Comité de coordination. (1996). "Évaluation des politiques régionales de formation professionnelle." Paris
Culpepper, P. D. (2002). Creating Cooperation: How States Develop Human Capital in Europe. Ithaca, NY, Cornell University Press.
Dente, B. (1997). "Sub-National Governments in the Long Italian Transition." West European Politics **20**(1): 176-193.
Dubar, C. (1995). La Formation Professionnelle Continue. Paris, La Découverte.
Freschi, A. C. (2001). "Capitale sociale, politica e sviluppo locale, L'esperienza dei patti in Toscana." Stato e mercato(63): 451-485.
Howell, C. (1992). Regulating Labor: The State and Industrial Relations in Post-War France. Princeton, NJ, Princeton University Press.
Kingdon, J. W. (1984). Agendas, Alternative, and Public Policies. New York, NY, Harper Collins Publishers.
Lehmbruch, G. (1984). "Concertation and the Structure of Corporatist Networks." Order and Conflict in Contemporary Capitalism: Studies in the Political Economy of Western European Nations, edited by J. Goldthorpe. New York, NY, Oxford University Press**:** 60-80.
Pedersini, R. (1997). "Territorial pacts - a new form of decentralised social dialogue, Eironline. **2002**.
Putnam, R. D. (1993). Making Democracy Work. Princeton, NJ, Princeton University Press.
Soskice, D. (1994). "Reconciling Markets and Institutions: The German Apprenticeship System." Training and the Private Sector: International Comparisons, edited by L. Lynch. Chicago, University of Chicago Press**:** 25-60.
Trigilia, C. (2001). "Patti per lo sviluppo locale: un esperimenta da valutare con cura." Stato e mercato(63): 359-367.
Vialla, A. (1997). "Apprentissage: ruptures, enchaînements de contrats et accès à l'emploi." Note d'Information, Ministère de l'Education Nationale **97**(22): 1-4.