

Background Paper on “Inter-Sectoral Co-ordination”

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1 Definition

1.1 Defining “Co-ordination”

Inter-sectoral co-ordination can be defined as a process or a status, i.e. the end-state of a process. Defining inter-sectoral co-ordination as *a process* implies the question “how is it done?” Generally speaking, the process is about the organisation and reconciliation of different processes and activities, which take place simultaneously or consecutively. In policy terms, it means reconciling the policies and programmes of different sectors. However, this does not imply that successful co-ordination within sectors can be taken for granted.

Referring to co-ordination as *a status*, sectors are co-ordinated when their respective policies and programmes show minimum *redundancy* (two initiatives doing the same without considering each other), minimum *incoherence* (different goals and requirements), and a minimum of *untackled issues* (“policy gaps”). States of inter-sectoral co-ordination can be assigned to a continuum. Sectors, i.e. their policies and programmes, are more or less co-ordinated.

1.2 Defining “Sectors”

Regarding the “unit of analysis”, two different but interrelated approaches can be distinguished. The definition of “sectors” can be based on the policy dimension (policies and programmes affecting certain subject areas) or on the polity dimension (actors, networks, bureaucratic structures, etc.). Defining sectors from a *policy perspective* means delimiting subject areas that are primarily affected by a certain group of programmes and policies (environmental policy, research policy, social policy, etc.). The assignment of policies may often be unclear, equivocal and more or less arbitrary. Accordingly, delimiting sectors from a policy perspective can be quite unreliable and has consequently low analytical value.

Regarding the *polity dimension*, programmes do not co-ordinate themselves, but it takes actors to co-ordinate their activities and programmes. Accordingly, the alternative approach is to define sectors as more or less autonomous decision-making structures. Such structures, usually referred to as “policy networks”, “domain networks”, “policy subsystems” etc., may comprise governmental as well as private actors, corporative actors (e.g. interest groups) as well as individuals (e.g. journalists, scientists). They have an identity, show a certain degree of stability, and are to a certain degree autonomous within the overall policy-making system. Such a policy subsystem (e.g. a “forest policy subsystem”) may comprise all kinds of actors who interact regularly over a longer period of time in order to affect the formulation and/or implementation of policies and programmes in subject areas of common interest. Sectors are more than one-shot issue-networks.

2 Rationale

Co-ordination becomes relevant *whenever the decisions of two or more units (actors, policy networks etc.) are interdependent*. Interdependence may exist either because individually set goals can only be achieved in a common action, or because individual activities significantly affect the interests of others. From the viewpoint of individual actors, a general judgement about the advantage of co-ordination cannot be given. The overall benefit has to be taken into account. From that perspective, co-ordination is desirable if concerted action can increase the welfare-gains otherwise achievable by the individual decision-making of independent actors.

The benefits expected from inter-sectoral co-ordination are:

- to achieve goals which cannot be achieved alone,
- to increase the chance that those policy alternatives are chosen which are most likely to result in the highest overall welfare gains,
- to help to prevent overall welfare losses because of policies that entail positive welfare effects for individual actors, but disadvantages from an overall point of view,
- to provide *legitimacy* and *acceptance* to public policy.

To sum up, inter-sectoral co-ordination is likely to lead to **more effective public policies** due to enhanced governance knowledge, mutual learning, reduced risk of deadlock in decision-making, avoidance of unintended side-effects and the prevention of implementation resistance. Furthermore, inter-sectoral co-ordination may gain from transparent and participatory procedures in terms of more obvious legitimacy.

3 Measurement

3.1 Status of Inter-Sectoral Co-ordination

According to Peters (1998) the following aspects can be used to describe/measure inter-sectoral co-ordination as an end-state:

- degree of *redundancy* (two or more programmes/organisations aim at the same goals without considering each other)
- degree of *incoherence* (two or more programmes/organisations aim at different goals or are based on different requirements)
- degree of *untackled issues* („policy gaps“; important issues are not on the agenda)

At a *minimum level* of inter-sectoral co-ordination, actors from different sectors or sectoral decision-making structures are aware of each others' programmes and initiatives and strive not to duplicate efforts (no redundancy) or to interfere (no incoherence). At the *other end of the scale* redundancy, incoherence and the number of untackled issues are minimised; theoretically speaking, they are avoided.

3.2 *Process of Inter-Sectoral Co-ordination*

From a process perspective the following aspects characterise inter-sectoral co-ordination:

- the *number of integrated sectors* (one = intra-sectoral, some, ..., all sectors affected)
- the *time-frame* of co-ordination (short-term, medium-term, long-term)
- the *reiterativeness* (one-shot event, ..., open-ended iterative)
- the *stage(s) of the policy cycle* concerned (formulation, implementation, evaluation or the whole cycle)
- the *applied mode regarding the complexity* of overall interaction patterns (hierarchical direction without considering other sectors, negative co-ordination¹, only some interaction in the form of positive co-ordination², but most as negative co-ordination, most interactions as positive co-ordination and some as negative, positive co-ordination among all involved)
- the *mode applied with regard to the exercise of power* to constrain co-ordinated sectors (top-down imposition³, ...negotiation on an equal basis,, bottom-up approach⁴ to influence decisions of co-ordinated sectors)
- the *degree of institutionalisation* (e.g., non-legally/legally; informal/formal, amount of resources devoted to a co-ordinating institution).

3.3 *Inter-Sectoral Co-ordination Capacity Scale (Metcalf 1994 and 1997)*

Metcalf (1994 and 1997) developed a “*policy co-ordination scale*” and subsequently a “*co-ordination capacity scale*”. The first version enumerated options for national co-ordination available to governments involved in intergovernmental negotiations. It was meant to serve as a scale for comparing the status of co-ordination in different countries, but strictly speaking it does not refer to the status, but to procedures of co-ordination. Furthermore, the original applies only to governmental actors.

A similar scale was developed by Metcalf 1997 in a comparative study of European policy co-ordination in national administrations. The logic is that *capacities for co-ordination must be built in a bottom-up process step by step* (see Table 1). Instead of applying a hierarchical approach based on prescription and control, it assumes rather decentralised actor networks. Table 1 represents a combination and adaptation of the two proposals of Metcalf to the NFP context.

Steps 1 to 8 represent levels of increasing capacities for inter-sectoral co-ordination. All parties share responsibility for co-ordination. The role left to the central co-ordinator differs from step to step. Much co-ordination takes place without a co-ordinator (ibid.).

¹ The goal of “*negative co-ordination*” is to ensure that any new initiative of a sector or a ministry in charge will not interfere with policies and interests of others. In terms of welfare theory, negative co-ordination is an attempt to avoid negative externalities and to assure that new policies will be Pareto-superior to the status quo. Procedurally, negative co-ordination typically implies bilateral interactions between the unit in charge and the others who might be affected (Scharpf 1993, 143f).

² “*Positive co-ordination*” is an attempt to explore and utilize all joint strategy options of the actors involved. It strives to maximize aggregate welfare gains. Procedurally, positive co-ordination implies multilateral interactions (ibid.).

³ Absolute *top-down co-ordination* depends on a sector’s possession and exercise of power in relation to other sectors. Typically it involves the imposition of binding frameworks, which constrain the actions of the sectors to be co-ordinated. Binding sectoral action plans define operational targets and timetables for reaching them. In addition, effective reporting and review procedures are implemented to monitor progress.

⁴ On the other end, *bottom-up approaches* are based on exercising influence by raising awareness and guidance rather than by the application of power. Co-ordinated sectors remain free to develop their programmes according to their sectoral preferences. Key features of often incremental bottom-up co-ordination processes are procedures which establish continuous information and interaction among the sectors.

Table 1: *Inter-Sectoral Co-ordination Capacity Scale*

Step 8	Establishing an overall inter-sectoral strategy. This step is added for the sake of completeness, but is unlikely to be attainable in practice.
Step 7	Establishing commonly agreed or binding priorities. Inter-sectoral agreement to common priorities and/or centre of government lays down the main lines of policy and establishes cross-sector priorities.
Step 6	Defining common limits by setting parameters for sectoral activities. A central organisation of an inter-sectoral decision-making body may play a more active role by constraining the admissible range of sectoral activity. The parameters define what sectoral actors must not do, rather than prescribing what they should do.
Step 5	Arbitration of inter-sectoral differences. Where inter-sectoral differences cannot be resolved by the horizontal co-ordination processes defined in steps 2 to 4, a central mechanism of an ex ante commonly agreed procedure for arbitration is applied (e.g. state hierarchy, voting)
Step 4	Avoiding policy divergences among sectors and seeking consensus. Beyond negative co-ordination to find out differences and prevent mutual negative effects, actors/organisations work together, e.g. in joint committees and project teams, because they recognise their interdependence and their mutual interest in resolving policy differences.
Step 3	Consultation with others. A two-way process. Sectors/actors inform others about what they are doing, they consult others in the process of formulating their own policies, or positions.
Step 2	Information exchange among sectors. Sectors/actors keep each other up to date about arising issues and how they propose to act in their own areas. Reliable and accepted channels of regular communication must exist.
Step 1	Sectors/actors manage independently within their domain/jurisdiction. Each sector retains autonomy within its own policy domain.

Source: Based on Metcalfe 1994 and 1997, OECD 1996, modified by the author.

Many problems can be solved at lower levels without the necessity to apply more demanding higher levels of co-ordination. On the other hand, the effectiveness of higher levels of co-ordination depends on the reliability of lower level capacities. Accordingly, this logic suggests that a stable and reliable system of co-ordination depends on building the necessary capacities in the sequence depicted in Table 1, i.e. from step 1 upwards. For example: Failures of co-ordination may be due to ambiguity or disagreement regarding jurisdictions (step 1), they can also be ascribed to information deficits (step 2) or a lack of consultation (step 3). These co-ordination failures can be evaded by adequate information and sufficient consultation, but both steps are indispensable to a successful search for policy consensus in the case of serious conflicts (step 4).

In contrast to this, conventional management often starts from the assumption that the first and most urgent task is to define overall priorities and broad strategies (step 7 and 8). This implicitly takes the reliability of all the other levels of co-ordination capacity for granted. Consequently, „mission statements, political programmes and other expressions of broad priorities are liable to be empty rhetoric without the infrastructure of coordination” (Metcalfe 1997).

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