



# A dirty deed done dirt cheap: Reporting the blame of a national reform on local politicians☆

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## ARTICLE INFO

### Article history:

Received 19 November 2015

Received in revised form 5 March 2016

Accepted 1 April 2016

Available online 23 April 2016

### JEL classifications:

D72

D78

H77

I28

### Keywords:

Reforms

Elections

Municipalities

School

## ABSTRACT

This paper tests the hypothesis that upper-level governments can transfer the accountability of the costs of a reform to a lower one. The reform of the school week in France provides the ground for a verification of the attribution of accountability hypothesis, as it was nationally decided and locally implemented, right before a municipal election. The results confirm that local incumbents have taken the blame of the reform, especially in larger cities. In this case, thus, the cost of the reform is borne twice by the lower level of government, financially and politically. So doing, the central government does a dirty deed to the local ones, for a very cheap cost. That mayors who have announced a boycott of the reform have received electoral gains confirms that some local politicians expected to be the fall guys, bearing the brunt of the costs of the reform.

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## 1. Introduction

In the aftermath of a series of deceiving results in PISA tests (OECD, 2014), the French government decided a reform of the school week, starting from the elementary school level. Such a reform was considered necessary to obtain better results in the medium term. As such, this reform lies in conformity with the “crisis-induces-reform” hypothesis (see, e.g., Drazen and Grilli (1993), Agnello et al. (2015), Wiese (2014), or Waelti (2015)). In this case, it is the repetition of bad results of French pupils that creates the impetus for the reform, a scenario that would be in line with the argument on the dynamics of learning made by Tommasi and Velasco (1996), although in a very different context.<sup>1</sup>

Moreover, the timing of the French reform of the school week, implemented right after a Presidential election, could also be expected, as the political resistance to the reform is lower the further looms the next election (see, e.g., Alesina and Drazen

☆ Without implication, the authors would like to thank the editor in charge of this paper, Thomas Stratmann, the referees, Marcelin Joanis and Matthieu Leprince, as well as Michel Bussi, Matthieu Bunel, Nicolas Gavaille, Jean-Michel Josselin, Benoît Le Maux, Marie-Estelle Binet, Sonia Paty and Stéphane Vigeant, as well as participants in seminars in the University of Lille, in the EPCS, AFSE, LAGV and TEPP conferences, for useful comments on a previous version of this work. Part of this work has been accomplished while the second author was visiting Kochi University of Technology (Japan), whose hospitality is gratefully acknowledged.

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<sup>1</sup> As the authors look at the situation of developing countries. Remark that Rodrik (1996) considers the link between crises and reforms as tautological, but his argument does not apply here, as the reform we consider takes place after a series of disappointing results, and not after a brutal and exogenous shock.

(1991) or Lora and Olivera (2004)). Also, as reforms lead to redistribution impacts, electoral losses can be expected, reinforcing the incentive to push reforms early during the mandate (Dewatripont and Roland, 1992, 1995; Padovano and Petrarca, 2013). The French government has apparently followed this conventional path, enforcing a reform of the French education system at the beginning of its mandate.

However, what makes this reform particularly interesting is that, in this case, the newly elected government could also have an incentive to implement the reform early in the mandate, as it has transferred the costs (financial, but also political) of the reform to a lower level of government. In other words, upper-level politicians have anticipated that the costs of the reform would be borne by the local politicians, and that the political consequences would be gone by the next upper-level (that is, Presidential) election. Such a framework has, to our knowledge, not been explored in the literature, although it provides a neat test of the attribution of accountability hypothesis.

This hypothesis is considered by Geys and Vermeir (2014), who show that voters in contexts shaped by several levels of government have trouble in discerning the level of responsibility of each level politician, and have to rely on proxies (for instance, the partisan affiliation of US politicians) to alleviate the level of responsibility problem. Garry (2014) also addresses the issue of the attribution of responsibility, in the Northern Ireland context, studying how voters can differentiate the responsibility in a multi-level, multi-partisan situation, and shows that voters are better at differentiating the accountability of parties in less ideology-charged contexts. Results obtained by Léon (2012) on Spain show that the clarity of responsibility can even worsen in cases intertwined federalisms, as voters may need time to learn how to differentiate the responsibilities of the levels of government involved. However, the literature, so far, has mainly looked at how economic voting can be strengthened (or weakened) in a multi-level context.

The case of the attribution of responsibility for a clearly identified reform has been much less often considered. Among the few existing studies, Tandon (2012) explores the regional impact of a reform of Indian tariffs, looking however at national elections. Joanis (2013) also examines the impact of different degrees of centralization on electoral accountability, in Californian school districts. By contrast, we here focus on the “boomerang” effect of a national reform on local elections.

Hence, in this paper, we profit from the combination of two elements: first, the fact that French local elections happen between national ones and, second, that the national government has decided a clearly identified reform, to analyze if voters punish the party of a newly elected national government that enforces a reform whose implementation, effects and costs are local. We look at the impact of the implementation of a national reform locally implemented on local incumbent's chances of reelection.

Our results go beyond the French case, as the mechanism is at stake, for example, in the impact of the “Obamacare” reform on the American States' budgets, in the consequences of the “Child care” reform decided by David Cameron's government on the local councils' finance, and in the concerns expressed by German cities of the costs of welcoming migrants and refugees. In every situation, the mechanism is that reforms can be brought forward, if their costs trickle down to a lower level of government.<sup>2</sup> The reform of the French school week thus provides a first-rate opportunity to study the response of voters to a reform, if only because the largest opposition party strongly opposed the reform (both at the local and national level), even though it shared the government's verdict on the need for reforming the education system.

Here, we show that, in the case of the French reform of the school week, implemented in 2013–2014, the hypothesis of attribution (and, in this case, of a transfer) of accountability from the upper-level of government to the lower one is confirmed, as incumbents who implemented the reform suffer from a reduction of their electoral margin, with an estimated impact superior to a traditional midterm effect. Interestingly, the voters have rewarded the mayors that have decided to boycott the reform, and left-wing boycotters have even been more rewarded than other boycotters. This confirms that (at least some of) the local incumbents clearly perceived that the attribution of responsibility would be blurred, and thus tried to deflect the blame, refusing to suffer from a bad deed done cheaply by the central policy-maker.

Beyond these results on voters' behavior, our results can be put in perspective, as they tend to show that, if different political parties face different costs in implementing the same reform (Cukierman and Tommasi, 1998; Tandon, 2012), delegating the costs to a lower level of government provides a way to bypass the status-quo bias (Alesina and Drazen, 1991), in effect doing a dirty deed to local politicians. They also reveal that an option for a politician that wants to reveal her ability to voters can be to report the blame of a reform on others, which could reduce the incentive to engage in socially detrimental reforms (Fu and Li, 2014), and further the prospects of welfare-enhancing ones.

The remainder of the paper is structured as follows. The next section presents the theory supporting our analysis, while Section 3 details the institutional context of the reform. Section 4 presents the data and the results. Finally, Section 5 concludes.

## 2. Theoretical framework

We rely on the framework developed by Revelli (2002), who analyzes horizontal competition between jurisdictions, which we extend to the case of the provision of a public good to either a national (the case de facto considered by Revelli) or a local standard of quality (the case which is made possible when the implementation of a reform is delegated to the lower level of government).

<sup>2</sup> Although the last example is not driven by the electoral calendar, the other two decisions have been announced early on by a newly elected government.

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