



Spatial Economics Research Centre

Friday, 5 August 2011

Open Government

Earlier this week I talked about the problems that governments face when [trying to get feedback on what they do](#), so that they can adapt when things aren't working. Unfortunately, elections are a pretty blunt tool for achieving this feedback. Partly because they are infrequent, but also because of the inherent problems the voting systems have in effectively communicating voter preferences (public choice theorists spend much of their lives studying these issues). One of the many barriers flows from the asymmetry of information about what government is actually doing on our behalf.

I was reminded of these issues this morning, while listening to Eric Pickles talking about the need for [Local Authorities to publish details of their assets](#) (broadly defined). CLG have also been pushing hard on more openness on spending. For example, they have called for 'armchair auditors' to [examine details of local authority expenditure](#) as well as providing [extensive details on departmental procurement](#). And it is not just CLG. The Cabinet Office are consulting [on how government can become more open](#).

Of course, more open information isn't just about feedback but also about accountability. For both these reasons I think more open government should be welcomed. However, the real test of this policy will be how open government is on major items of expenditure and how those decisions are reached

Let me give a specific example. For a couple of years, SERC has been trying to evaluate the impact of the Single Regeneration Budget and the Local Enterprise Growth Initiative. I have talked before about the [strategies that might be used to evaluate such policies](#). One crucial thing is that you need a much information as possible on who applied, what for, who got money and who didn't and on how decisions were made. For both these policy areas civil servants have been unable to provide me with this information - particularly with regards to how decisions were made and who applied but failed to get money. Part of the problem with SRB is that the policy is old and no systematic records were kept. LEGI is a more recent policy, but despite the best efforts of people within CLG to help they still can't provide the kind of information we would need to improve our evaluation of LEGI.

Some would argue that evaluating past policies shouldn't be a priority in the current circumstances. I, of course, would disagree. We can learn important lessons from the past. For example, our SRB evaluation is looking explicitly at whether a certain type of expenditure (on commercial buildings) had any long run impact on the local economy. In addition, we can figure out *how* to effectively evaluate these kinds of spatial policies. Once we have done that we can use the methodologies that we have developed to evaluate current policies, which then better informs voters and policy makers, so that we can adapt policy to achieve more for less.

But effectively evaluating (in the broadest sense of the world) current policies will require detailed information about how policy decisions were reached and how money was spent. I hope this sort of information is already being recorded for policies such as [Enterprise Zones and the Regional Growth Fund](#) if it is, then the next big challenge for open government will be whether or not politicians truly are willing to release it.

Posted by [Prof Henry G. Overman](#) on [Friday, August 05, 2011](#)

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