

*Behavioural and Policy Sciences Seminar Series
(with support from Mr Chan Hon Pun)*

Assessing the Effects of User Accountability in Contracting Out

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Date: Monday, May 10, 2021
Time: 4:00pm - 5:00pm
Zoom: Please register by scanning
the QR code or using the link
below. Zoom details will be
provided by email before the
seminar.



<https://bit.ly/3nvhUex>

Language: English



Abstract

Several studies have assessed and debated the effects of contracting out on service performance. In this paper, we provide empirical evidence to show that the key question is not whether services are contracted out, but how. In particular, we argue that the effect of contracting out municipal service provision to citizens is conditional on whether citizens pay user fees for services to contractors. Where they do, contractor revenue depends on user satisfaction and contractors face incentives to provide quality services to citizens to retain revenue. Where, by contrast, governments fund services, information asymmetry about the quality of services citizens receive allows contractors to shirk on service quality. We provide evidence for this argument through an analysis of the quantity and quality of waste and water supply services in over 2,000 Spanish municipalities. Contracting out only outperforms public provision in quality-adjusted service provision where users pay service fees and thus have incentives to hold contractors accountable. Where they do not, public provision is on par with (water) and outperforms (waste) contracted-out services.

Biography

Dr. Marc Esteve (marc.esteve@ucl.ac.uk) is an Associate Professor in International Public Management in the School of Public Policy at University College London, and a Visiting Professor at ESADE-Ramon Llull University. He also serves as Director of ESADEGov - Center for Public Governance. His primary research interests focus on understanding how individual characteristics influence decision making, specifically in collaborations. He has published widely in journals such as Journal of Public Administration Research and Theory, Public Administration Review, International Public Management Journal, and Public Administration.

All are welcome!

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