

Collaborative Governance and the Performance of Transit Megaprojects: Strange Bedfellows or Inseparable Partners?

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Overview

- Collaborative governance
- Theoretical framework
- Research design
- Empirical puzzle
- Analysis of cases
- Implications of analysis

Collaborative Governance

- Design and delivery of public policies through inter-organizational arrangements.
- Often multi-sectoral.
- Differs from traditional notions of hierarchical government.
- Participation and power sharing:
 - among multiple stake holders in policy design
 - among multiple implementing partners.

Opportunities and Challenges of Collaborative Governance

Better Collective Problem Solving

- More info & ideas informing policy
- More sources of funding & expertise
- **Address problems that individual organizations can't solve on their own**

No Dominant Coalition or Principal

- Transaction costs of cutting a mutually acceptable deal
- Diverse expectations; disagreement on results
- Coordination costs, veto points, & monitoring problems of extended funding & implementation chains
- **Obstacles to performance**

Research Question

- Can we distill a parsimonious yet robust theoretical framework to analyze collaborative policy design *and* delivery?
- Some possible sources of concepts:
 - Politics of structural choice
 - Principal-agent theory
 - Strategic public management
 - Network theory

Proposition: Key Influences on Collaborative Policy Design & Delivery

- Institutional designs (e.g., Ostrom; March & Olsen; Moe)
- Incentives (e.g., Olson; Miller)
- Information (e.g., Downs; Pratt & Zeckhauser)
- Capacities (e.g., Stone et al.; Moore; Bardach)
 - civic
 - managerial
 - collaborative

Incentives

- For policy entrepreneurs, allies, & opponents
 - distributive benefits (e.g., pork)
 - influence on implementation
 - career and reputation
 - public value legacy
- For implementers
 - performance standards, rewards and sanctions
 - career and reputation
 - public value legacy

Information

- Interests and reputations of allies and opponents
- Predictive forecasts
 - planning projections and policy analyses comparing alternatives' costs, feasibility, benefits, etc.
 - past experience with similar policies
- Timely data on implementation performance
- Retrospective program evaluations

Capacities

- **Political skills** to build & sustain coalitions
(empathy, judgment, communication, persuasion, dialogue & deliberation, compromise, etc.)
- **Management skills** to improve implementation performance
(design programs, select & motivate agents, set standards, monitor performance, etc.)
- **Power** to achieve strategic & tactical goals
(influence over scarce resources, political reputation, horse trades, etc.)

Institutional Designs

- Federal, state, and local policies
- Regional governance structure(s)
 - decision rules
 - delegated authority
 - system of representation
 - balance of power
- Informal norms and expectations

Research Design

- Rail transit projects
 - Example of intricate collaborative governance
 - Similar to other infrastructure projects (major roads, water, dams, etc.)
- Small-N case studies to explore applications and insights of theoretical constructs to improve understanding of collaborative governance
- Primary cases – Seattle (ST; SMP)
- Shadow cases – 3 other U.S. cities

Methods

1. Literature review
2. Primary case research
 - Retrospective interviews with key actors
 - Media archives
 - Document reviews
3. Compared data with secondary cases (media archives, document reviews)
4. Vetted and revised findings with experienced practitioners (interviews, focus groups)
5. Triangulated revised findings with literature

Transportation Infrastructure: The Epitome of Collaborative Governance

- Multiple actors from different sectors and backgrounds involved in vision, design, and construction
- Diverse funding sources and supporters, each with different expectations
- Complex, costly array of features and production processes
- Long time lines
- Dispersed, long-run benefits; concentrated, short-run disruptions

Transportation Policy Studies

- Policy analyses document performance of local projects (e.g., Pickrell; Kain)
- Studies of politics & implementation focus on federal policy (e.g., Altshuler & Luberoff)
- Need more analyses of **local politics and management** to explain how and why local projects survive or fail (e.g., Callahan)

Transit Infrastructure Projects: Consistent Forecast Problems

Project promoters consistently make over-optimistic estimates of ridership, economic benefits, & construction costs – due to:

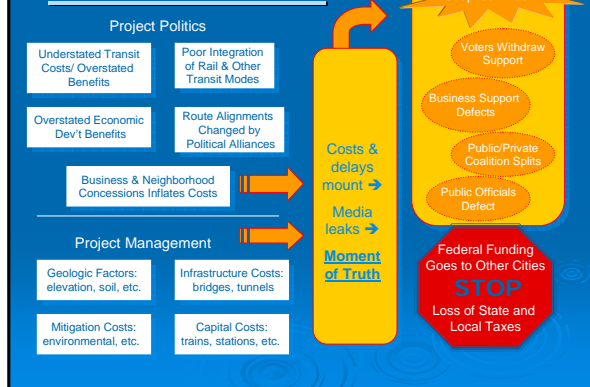
- Promoters' ambitions and biases, competition for funds, and occasional efforts to mislead
- Environmental, neighborhood, & business concerns
- Changing project specs (alignments, stations, etc.)

(Flyvbjerg et al.; Kain; Pickrell; Wachs)

Rail Transit Infrastructure: Implementation Concerns

- Frequent cost over-runs and delays
- Ridership and economic benefits fulfill original estimates only in the *very long run* – if then
- Most projects face a political and financial reckoning at some point in their life cycles (“Moment of Truth”)

Moments of Truth



Examples of Rail Transit Projects that Faced Moments of Truth

- Austin
- Dallas
- Houston
- Los Angeles
- Louisville
- Milwaukee
- Orlando
- San Francisco
- Seattle (SMP)
- Seattle (ST)

Three Streams in Transit Infrastructure Projects



Skill Sets and Challenges Differ Across Streams

- Politics:** Manage public expectations and inevitable concerns regarding construction costs and timing; reduce project's scale/scope to address higher costs/lower revenues
- Finances:** Secure more \$\$ to cover cost over-runs
- Management:** Rigorous incentives & procedures to:
 - review and revise planning forecasts
 - monitor and control costs
 - minimize delays

...All easier to say than do. Here's why:

Transportation Infrastructure Projects: Actors and Phases

Phases:	Vision	Design	Construction
Civic Leaders			
Planners			
Consultants			
Project Staff			
Other Stake Holders			

Actors' Prominence in Different Phases

Phases:	Vision	Design	Construction
Civic Leaders	High	Medium	Low
Planners	High	Medium	Low
Consultants	Medium +	High	High
Project Staff	Low	High	High
Other Stake Holders	Medium	Medium	High

Vision Phase

Actors:	Incentives	Information	Capacities
Civic Leaders	<ul style="list-style-type: none"> Secure campaign \$\$ from businesses & consultants → Public legacy → Win federal project \$\$ → Gain project support → <p>Understate costs; overstate benefits</p>	<ul style="list-style-type: none"> Casual knowledge of local travel & growth issues Local focus on key political interests and support for project Limited knowledge of tech specs (e.g., project planning, costs, risks, time lines, & management) 	<ul style="list-style-type: none"> Build and maintain political coalitions (mobilize & sustain support) Constituent service Raise funds
Planners	<ul style="list-style-type: none"> Political pressure → <p>Underestimate costs; overestimate benefits</p>	<ul style="list-style-type: none"> Data on travel & growth patterns, project costs, risks, time lines, etc. – local & other cities 	<ul style="list-style-type: none"> Estimate & manipulate data
Consultants	<ul style="list-style-type: none"> Secure future work → Gain project support → <p>Understate costs; overstate benefits</p>	<ul style="list-style-type: none"> Data on travel patterns & project costs, risks, time lines, etc. – local & other cities Tacit knowledge from experience re: tech specs 	<ul style="list-style-type: none"> Technical design and construction Extensive project design & construction experience
Project Staff	<ul style="list-style-type: none"> Secure future work → <p>Promote project</p>	<ul style="list-style-type: none"> Data from planners – but any understanding of what it means depends on prior experience 	<ul style="list-style-type: none"> Few staff; experience varies
Stake Holders	<ul style="list-style-type: none"> Varies; general support for project often predominates 	<ul style="list-style-type: none"> Limited to issues that directly affect them 	<ul style="list-style-type: none"> Advocate, protest

Design Phase

Actors:	Incentives	Information	Capacities
Civic Leaders	<ul style="list-style-type: none"> Secure campaign \$\$ → Public legacy → Gain project support → <p>Understate costs; overstate benefits; add features</p>	<ul style="list-style-type: none"> Casual knowledge of local travel & growth issues Focus on political stakes of all project designs Limited info on costs, risks, time lines, & management 	<ul style="list-style-type: none"> Build & maintain political coalitions Constituent service Raise money
Planners	<ul style="list-style-type: none"> Political pressure → <p>Underestimate costs; overestimate benefits</p>	<ul style="list-style-type: none"> Data – local & other cities 	<ul style="list-style-type: none"> Estimate & manipulate data
Consultants	<ul style="list-style-type: none"> Gain project support → Increase scope of work → <p>Understate costs; overstate benefits; add features</p>	<ul style="list-style-type: none"> Data on project costs, time lines, etc. from other cities Limited knowledge of local risks Cost & timing implications of alternative designs 	<ul style="list-style-type: none"> Technical design & construction
Project Staff	<ul style="list-style-type: none"> Gain project support → Increase scope of work → <p>Understate costs; overstate benefits; add features</p>	<ul style="list-style-type: none"> Depend on planners, consultants, & any prior project experience 	<ul style="list-style-type: none"> Steep learning curve on local & technical project management Limited attn to politics
Stake Holders	<ul style="list-style-type: none"> Displaced or disrupted seek new features or mitigation 	<ul style="list-style-type: none"> Limited to direct effects of alternative designs on them 	<ul style="list-style-type: none"> Advocate, protest, publicize, litigate, grant political support

Construction Phase

Actors:	Incentives	Information	Capacities
Civic Leaders	Secure legacy – if still in office	- 3rd-hand discussions w/ project staff - Public concerns aired by media or stake holders	- Build & maintain political coalitions - Constituent service
Planners	- Future contracts → - Enhance reputation → Seek distance from project as costs rise	- Data – local & other cities	Estimate & manipulate data
Consultants	- Future contracts → - Enhance reputation → Deliver scope of work	- Daily work on site → tacit knowledge of risks, costs, timing - Formal MIS & other reports	Technical construction
Project Staff	- Preserve job → - Enhance reputation → Ensure consultants deliver on time & under budget	- Contents of MIS & other monitoring systems - Second-hand discussions w/ consultants & stake holders	- Project management - Limited attn to politics
Stake Holders	Displaced or disrupted seek mitigation	- First-hand experience of site construction - Public concerns aired by media - Discussion w/ other stake holders	Advocate, protest, media relations, litigate, ally & link issues, grant pol. support

Analytic Summary (I)

	Vision	Design	Construction
<u>Incentives</u>	Imbalance → understated costs & overstated benefits	Imbalance → new project features & mitigation provisions	Divergence → conflicts, blame
<u>Information</u>	Asymmetry: Civic leaders focus on politics; planners & consultants on tech specs; few stake holders pay attention	Asymmetry: Civic leaders focus on politics; Planners & consultants on tech specs & data; Stake holders on specific project impacts	Asymmetries deepen with on-site work (1 st vs. 2 nd vs. 3 rd hand info)
<u>Capacities</u>	Mismatch: Consultants draw on experience; Few staff	Mismatch: Consultants draw on experience; Staff face steep learning curve	Match? Stake holder concerns deepen, reverberate, link w/ each other & media; staff master learning curve

Analytic Summary (II)

Institutional designs:

- exacerbate imbalanced incentives (e.g., competition for limited federal funds)
- increase info asymmetries and capacity mismatches (e.g., EIS requirements; project-specific authority)
- privilege opponents (e.g., regional representation; multiple veto points)
- expectations & norms → project debates re: technical specifics rather than public value and performance goals

Why Moments of Truth Occur Time and Again

- Grand promises and optimistic forecasts inflate expectations.
- New features and changing conditions increase costs and cause delays.
- Opponents can be vociferous and persistent.
- Key challenges diverge across project streams → Difficult for any actor to navigate them all simultaneously.
- Key challenges change across project phases → Steep learning curves for novice partners.
- Asymmetric information & capacities: Consultants have more than civic leaders, staff, & stake holders.
- Incentives abound (increase profits; shift risk or blame; postpone reckoning) to hoard or alter info and exploit less able partners → **Imbalances, asymmetries, & mismatches persist.**

To Improve Project Performance and Avoid Moments of Truth:

1. Balance incentives (e.g., risk capital, contract design)
2. Enhance capacities & information of project staff and civic leaders
3. More attention to project politics – public opinion; elite political allies & enemies
4. More deliberation about public value & performance specs (vs. project details & tech specs)
5. Stable institutional structure with binding authority (e.g., regional body, comprehensive policy decisions)

Hypotheses Regarding Collaborative Governance

- Incentives, information, & capacities influence actors' willingness & ability to work together.
- Policy design & delivery may improve w/ more balanced incentives, symmetric information, & matched capacities among different actors.
- Integrating political & management skills may help overcome asymmetries & mismatches, and enable actors to address simultaneous program/project demands better.
- The topic (value vs. technique) & structure (authority, representation, decision rules) of collaboration matter as much as the process.

Conclusion

- Are we any closer to a parsimonious, robust framework for analyzing the **design and delivery** of public policies by multiple stake holders?
 - Are **institutional designs, information, incentives**, and **capacities** worth exploring as a short list of concepts for understanding collaborative governance?
 - Do we need an additional concept or 2 (e.g., **network ties**)?