

Four Regulatory Problems

'Who guards the Guardians?' You want someone ('B') to watch over someone you don't trust ('A'). **BUT: why should you trust those whom you use to do this?**

The Founding Fathers fallacy Common assumption: 'People are self-interested and will attempt to turn the political system and public office to their own advantage. Only by clever institutional design can interests be balanced in a way that ensures that each interest will meet a countervailing interest.' **BUT: if those that are regulated by this system as self-interested, why would those designing institutions be different?**

Collective action problems. There are situations where **if everyone acts in a certain way ('cooperates') everyone is better off, yet each person individually has an interest in benefitting from other people's cooperation without themselves complying.** E.g. post-conflict states, where food and resources are very scarce, people will rationally use groups contacts rather than fragile institutions to deliver resources – so fragile institutions remain fragile. Under a powerful state, goods and services would be more optimally secured for all, but how to get there?

'Who will bell the cat?' The mice worked out that their lives would be better if they could hear the cat coming, which they could if there was a bell tied around its tail. 'But who will bell the cat?' **In some situations there is an obvious outcome that lots of people want to secure, but achieving it relies on one or a few people taking extraordinary risks.** E.g. anti-mafia investigating magistrates.

Ethics/Integrity: a few basic questions

What do we mean by integrity/ethics in public administration, politics,/the public sphere?

- 1) Being morally clean?
- 2) Conducting oneself according to the rules?
- 3) Conducting oneself according to specific norms governing the nature of the office?

What do we mean by integrity/ethics regulation?

- Ethical rules, codes/standards of conduct, conflict of interest rules, etc
- Legal or non-binding?

What is the objective of these rules?

- To establish exactly what is and is not permitted, so that violations may be detected and violators punished?
- Provide a set of standards and rules of conduct to guide officials, underpin their ethos as a public official?