Public Sector Economics
Call for Papers
Challenges of effective governance for sustainable development at subnational government levels

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The UN’s Agenda 2030 and Sustainable Development Goals (SDGs), as well as the principles of effectiveness, accountability and inclusiveness they are built upon, have been rather challenging for national and even more so for subnational governments. The situation has usually been exacerbated by the complexity of multi-level governance arrangements, which tend to limit action at lower levels. Unsurprisingly, there has been limited progress.

However, subnational governments are on the front line of sustainability efforts, undertaking a wide range of initiatives, including efforts to address such matters as climate change (storm surge barriers, heat mitigation, water conservation, expanding tree canopies, public transit, bike and electric vehicle policies, energy saving efforts and building codes). They are experimenting with a variety of financing tools to pay for these efforts, including issuing green bonds, public-private partnerships, state matching funds, as well as specific incentives, own-source taxes, fees, borrowing and regulations. In many cases these efforts require new levels of collaboration, voter approval and political leadership.

Institutional design for multi-level governance coordination to address sustainability challenges, whether in climate, public health, urbanisation, migration or other fields, requires subnational governments to work in close horizontal coordination with each other and vertically with national/federal governments. Designing institutions for horizontal and vertical coordination that play an appropriate mediating role might be crucial for governance and fiscal challenges.

Subnational governments are increasingly engaged in addressing the challenges raised by SDGs, driven by the urgency and scale of the consequences of inaction or by pressures from citizens. This may or may not yet have led to changes in governance, such as institutionalized greater horizontal cooperation or public-private partnerships.

The intention of this special issue of Public Sector Economics is to find out more about the above issues. How have subnational governments in countries around the world changed and adapted? What policy and implementation challenges have they faced? Which measures have they implemented? How? What are the policy implications and lessons learned? We welcome theoretical, empirical and policy-oriented contributions analysing the challenges and policy options. The suggested topics may include, but are not limited to:

- specific initiatives and financing mechanisms, with discussion of the political collaboration required for their implementation;
- presentations and analyses of innovative/experimental approaches to the implementation of SDG-related independent subnational initiatives despite the halting progress in institutionalized governance changes;
- bottom-up perspectives that might facilitate identification of specific reform needs in multilevel government arrangements;
- innovative approaches or instruments, particularly related to transparency and opportunities for public participation;
• the triangle of SDGs, subnational governments and the Covid-19 pandemic, which has seemed to pose a particular challenge to inclusiveness;
• subnational responses to the pandemic, that should provide timely insights and inspiration in view of the prolonged presence of this global crisis.

Other topics relevant for subnational governance, even if marginally related to sustainable development are also welcome:
• trends in decentralization of public finances;
• experiences with decentralization of the overall, or particular kinds of, public expenditure and revenue;
• effective multilevel fiscal rules and regulations;
• efficient institutional settings and budgetary arrangements;
• fiscal and budget transparency;
• principles of effectiveness, accountability and inclusiveness;
• possibilities for public participation in fiscal and budget processes, etc.

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