

Balancing accountability and simplification – the “missing link”

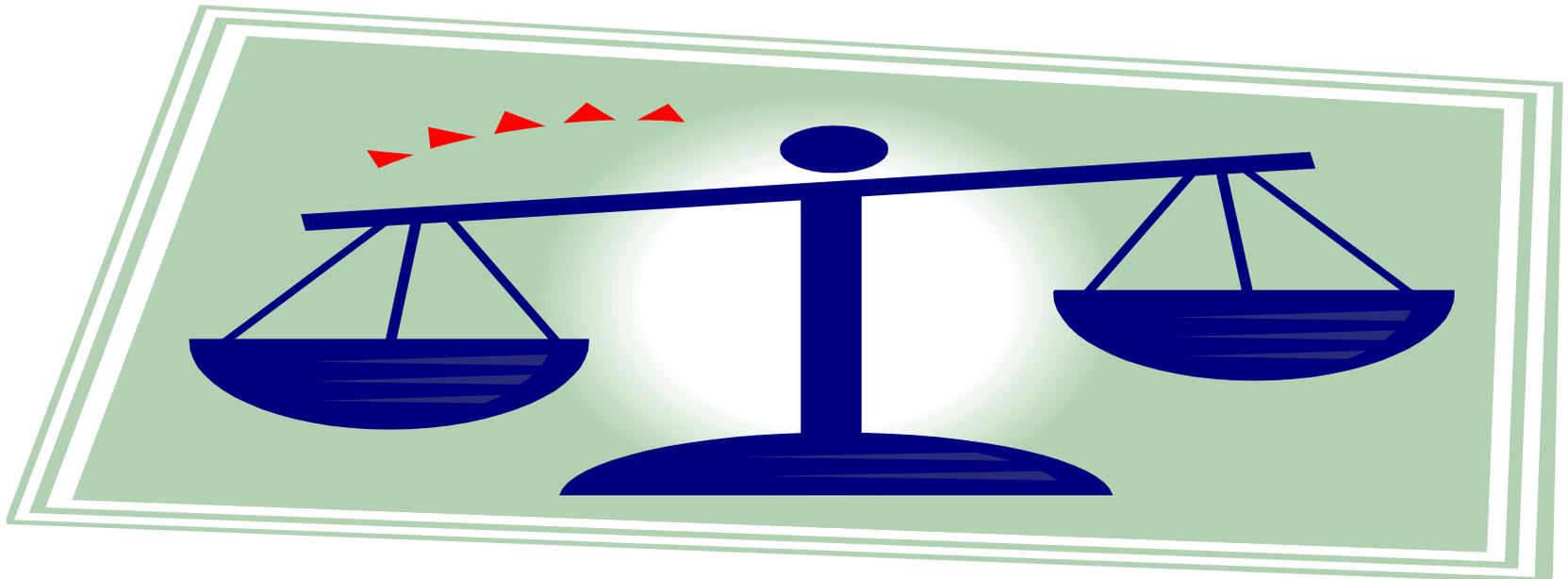


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Balancing accountability and simplification

- **The missing link**
 - ▶ Accountability
 - ▶ Simplification
- **?**
 - ▶ A way to make some money...
 - ▶ A contagious disease
 - ▶ How to deal with ?
- **A possible way forward**

“the missing link”



If we talk about accountability vs. simplification something is missing...

“the missing link”

- **Would you believe that there is a strong link between the consumption of ice cream and the number of people drowning?**
- **If yes, would you believe that reducing the consumption of ice cream would reduce the number of drownings?**
- **Why not ?**

the missing link

- **Accountability:**

- ▶ Internal rules and norms are mechanisms to hold civil servant within the administration of government accountable
- ▶ secondly, civil servants are subordinates in a hierarchy and accountable to superiors
- ▶ there are independent “watchdog” units to scrutinize and hold departments accountable

the missing link

- **Simplification is contrary to complexity**

- **Complexity**

- Simplification**

- ▶ Close to reality

“scheme” of reality

- ▶ More elements & interactions

fewer elements & variance

- ▶ Non obvious behaviour

foreseeable

- ▶ Difficult to understand & verify

easy to verify

- ▶ More errors

less errors

- **So, what is the “missing link” between accountability and simplification ?**

the missing link

- **Accountability is a way to give assurance that**
 - ▶ Objectives have been reached
 - ▶ Resources have been properly used
- **This assurance can never be absolute.**
- **It always will be a reasonable assurance**
- **Reasonable assurance = acceptable/tolerable risk**

RISK !

- **(Exposure to) the possibility of loss, injury, or other adverse or unwelcome circumstance; a chance or situation involving such a possibility**
(Oxford English dictionary)
- **Risk vs uncertainty – risk is quantifiable**
- **Risk combines likelihood of occurrence and severity of the consequence**
- **Risk = probability x impact**

Let's make some money

1. You pick a 3-coin sequence (e.g. H T H)
2. I pick a 3 coin sequence (e.g. T T H)
3. We toss a coin repeatedly
4. Whoever's sequence appears first wins.
T H H H H T H you win
5. Here are you possibilities:

HHH	TTT
HHT	TTH
HTH	THT
HTT	THH
6. Let's play !

Who's making the money ?

- What were my chances of winning ?
- Is this a fair game ?
- NO
- **THIS IS A SCAM**
 - ▶ Imagine you choose H H H .
 - ▶ Eventually we get the first appearance of H H H :
 - ▶ ? H H H

Are we all still healthy ?

- **Diagnosing Deadly Diseases**
- **There is a very serious disease.**
 - ▶ 1 in 100 people have the disease, but
 - ▶ there is a very good test for the disease.
 - ▶ It is 99% accurate if you do have the disease
 - ▶ It is 80% accurate if you do not have the disease
- **You have a test – the result is positive. i.e., the test says you have the disease**
- **What is the probability that you have the disease?**

A contagious disease

- **What do we think : more or less than 50 % chance?**
- **Remember**
 - ▶ 1 in 100 people have the disease.
 - ▶ 99% accurate if you have the disease.
 - ▶ 80% accurate if you don't have it.
 - ▶ The test says you have the disease.
 - ▶ What's the probability that you have it?

A contagious disease

- Imagine you are among a group of 100 people.

	YES result	NO result
Ill	1	0
Healthy	19	80
Conclusion	1 out of 20 (5%)	

How to deal with risk ?

- 1) Intuition can mislead us !**
- 2) Therefore one should try to use scientific methods**
- 3) Also for calculating risks**

A possible way forward

- **If we are to reduce complexity and maintain maximum accountability,...**
- **we have to start with those simplifications that involve least risk:**
- **i.e. the complexity diminishes, but the accountability remains**

A possible way forward

- Risk free: (e.g. JRC)
- Risk removing (e.g. flat rates)
- Risk reducing/shifting (e.g. longer reporting periods)

Another possible way forward: Harmonisation

- **Harmonised (interpretation and application of) rules**
- **Harmonised (integrated) IT systems**
- **Harmonised workflow**
- **➔ beneficiaries are confronted with a « clear » line of behaviour by the funding organisation**

CONCLUSION

- **SIMPLIFICATION HAS A PRICE !**
- **There must be political will to « pay » that price**
- **If we are to choose between options we should consider paying the lowest price...**
- ...
- **But our intuition can mislead us.**
- **MATHEMATICS AND SCIENCE CAN HELP ...**
- **Also for simplification**



Thank you

